Solid Q1/22 with PBT of € 42 mn

Results Q1/2022

Analyst Conference

11 May 2022

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Agenda

Highlights Q1/22

Solid start into 2022 with PBT of € 42 mn in Q1/22 – well on track to reach full-year PBT guidance of € 200-220 mn

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Financials	▪ Solid **PBT** of € 42 mn in Q1/22 (Q1/21: € 52 mn) reflects continued good operating performance ▪ **Operating income** up to € 149 mn (Q1/21: € 146 mn) with – **NII+NCI** stable y-o-y (Q1/22: € 124 mn, Q1/21: € 125 mn) – slightly lower gross portfolio margin and lower floor income compensated by continued low refinancing costs (incl. pos. effect from TLTRO III) and increase in average REF financing volume – **Prepayment fees** on moderate level (realisation income Q1/22: € 5 mn; Q1/21: € 21 mn) after exceptionally high 2021 ▪ **GAE** slightly up y-o-y (Q1/22: € 53 mn; Q1/21: € 51 mn) mainly due to higher project costs ▪ **Risk provisioning** of € -18 mn in Q1/22 (Q1/21: € -10 mn) mainly impacted from model related adjustments due to deteriorated macroeconomic outlook; management overlay reduced by € 10 mn to € 44 mn
New business[1]	▪ **REF new business volume** at solid level of € 2.1 bn (Q1/21: € 2.1 bn) with low avg. LTV of 56%[2] ▪ Avg. **gross interest margin** down to ~150 bp (Q1/21: ~170 bp), negatively impacted by a few, partly large-volume loans with low LTVs – catch-up expected in Q2
Portfolio	▪ **REF financing volume** up y-o-y (03/22: € 28.0 bn, 12/21: € 27.6 bn; 03/21: € 27.5 bn) ▪ **NPLs** remain on low level (03/22: € 578 mn, 12/21: € 580 mn; 03/21: € 503 mn)
Funding	▪ Total **new funding volume** of € 1.8 bn in Q1/22 (Q1/21: € 1.4 bn) – continued focus on green bonds ▪ **Liquidity buffer** remains comfortable
Capital	▪ **CET 1 ratio** slightly down to 16.9%[3] (12/21: 17.1%[4]; 03/21: 15.4%[5]) mainly reflecting absence of year-end adjustments regarding EL shortfall and profit retention
Guidance	▪ pbb well on track - **full-year PBT guidance of € 200-220 mn** unchanged ▪ **Uncertainties** remain – prolonged and worsening geopolitical situation and economic impacts likely to increase risks
ESG	▪ pbb‘s **ESG programme** is **making progress in all dimensions** – strong focus on strategy 2.0, „green“ lending/funding, ESG risk management, ESG data management and ESG disclosure requirements ▪ **Green loan** volume (03/22: € 0.8 bn; 12/21: € 0.2 bn) and **green bond** volume (03/22: € 1.75 bn; 12/21: € 1.0 bn) further increased

1 Commitments, incl. extensions >1 year 2 New commitments; av. LTV (extensions): 3M/22: 54%; 3M/21: 57% 3 Excl. Interim result, post proposed dividend 2021 4 Incl. full-year result, post proposed dividend 2021
5 After approved year-end accounts, 2020 result not included

Operating and financial overview

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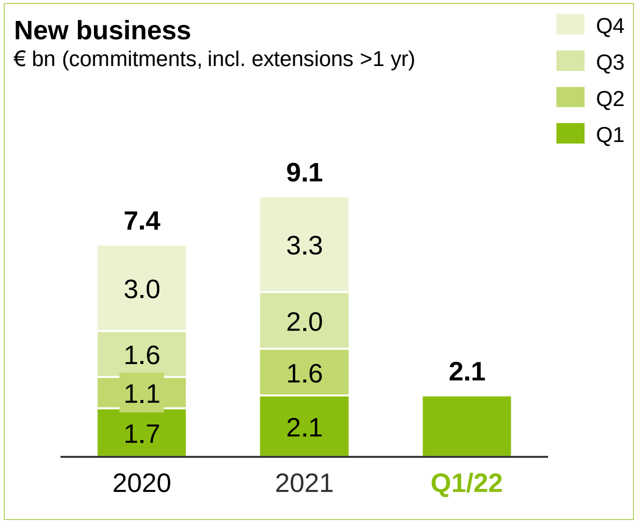
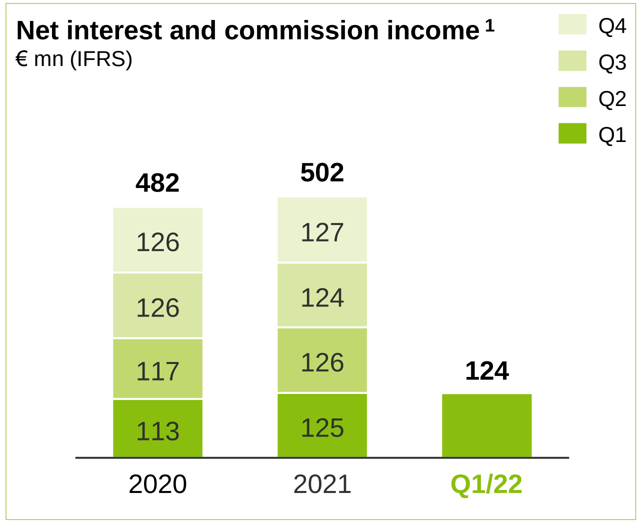
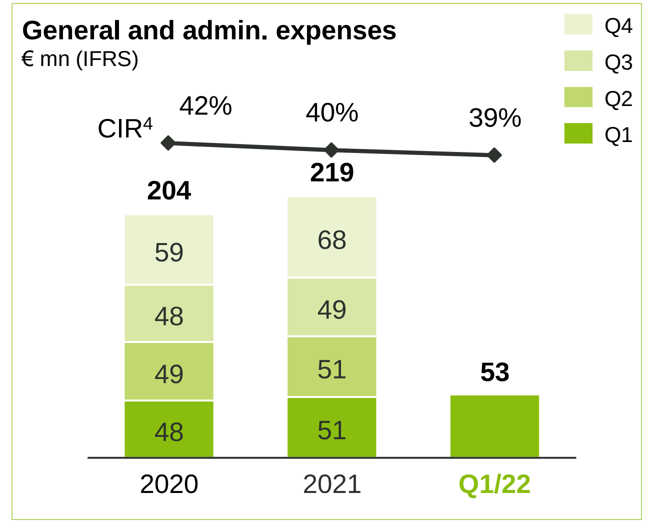
New business
€ bn (commitments, incl. extensions >1 yr)



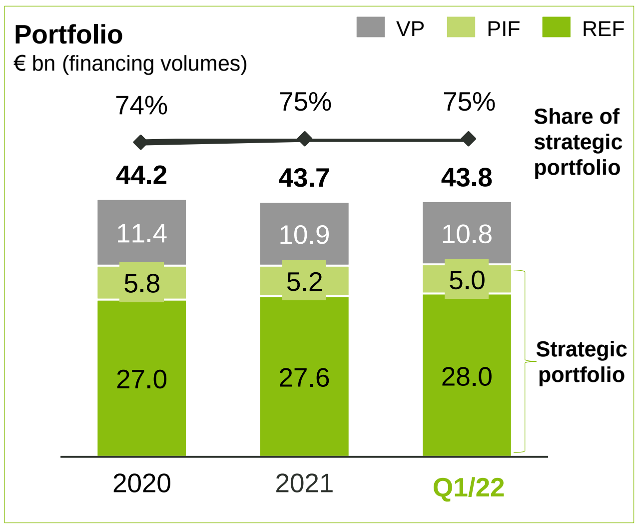
Net interest and commission income[1]
€ mn (IFRS)



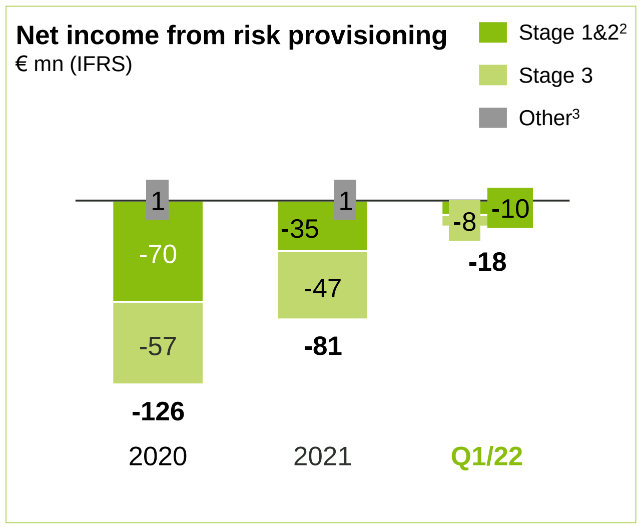
General and admin. expenses
€ mn (IFRS)



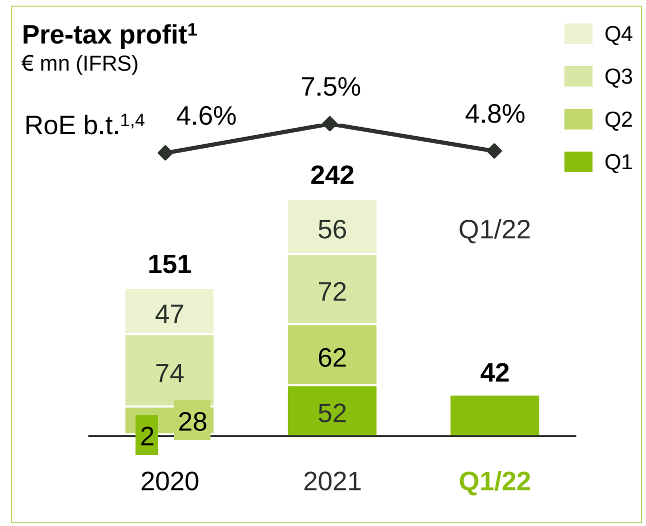
Portfolio
€ bn (financing volumes)



Net income from risk provisioning
€ mn (IFRS)



Pre-tax profit[1]
€ mn (IFRS)



Note: Figures may not add up due to rounding 1 2020 figures retrospectively adjusted according to IAS 8.42 2 Incl. provisions in off balance sheet lending business 3 Recoveries from written-off financial assets 4 After AT1 coupon (2020: € -17 mn; 2021: € -17 mn; Q1/22: € -4 mn) 4 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income

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CRE Markets

Investment volumes in Q1/22 are on pre-Covid-19 level again in Europe – at all-time high in the US

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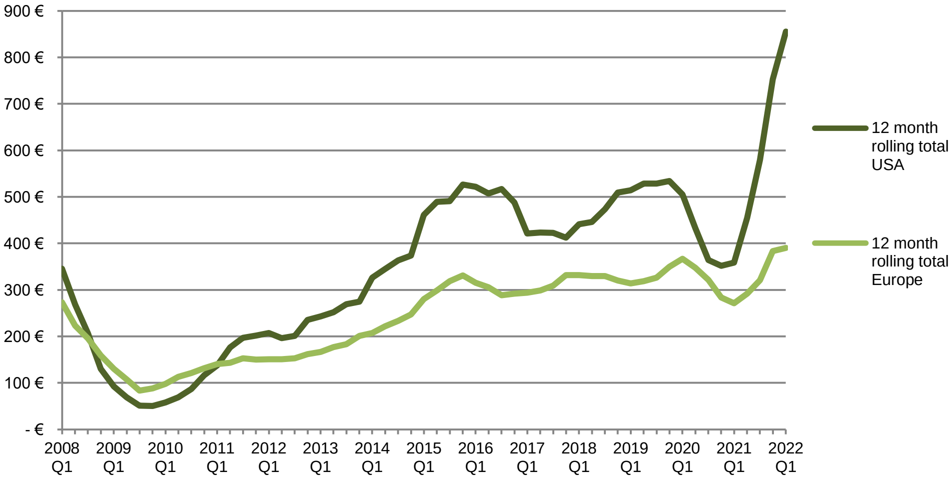
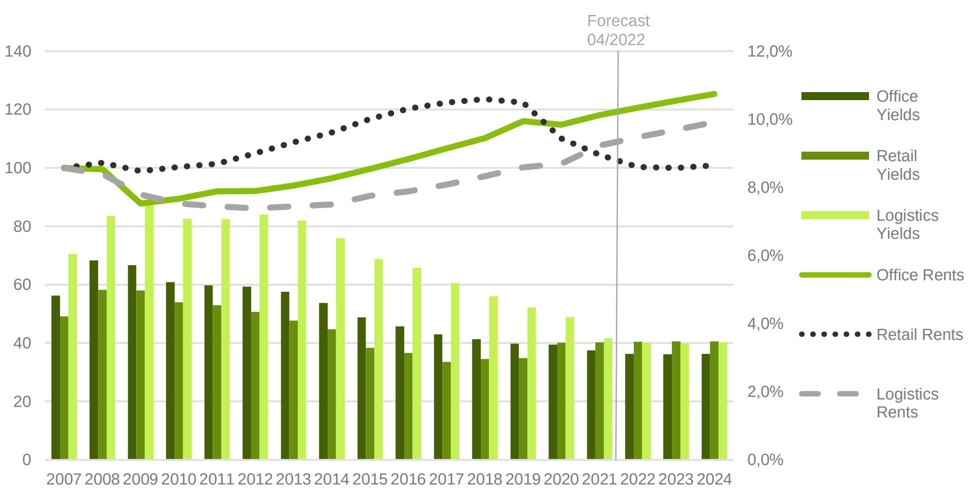
European and US Investment volume[1]
(€ bn)



European Prime Rents (2007=100; LHS) and Prime Yields (RHS)[2]



- European and US CRE **investment volumes** with strong performance in 2021
- Preliminary investment figures for Q1 suggest a solid start in 2022 in Europe and a strong result in the US – still unaffected by Ukrainian war and global economic implications, even though some reluctance esp. in CEE noticeable
- Europe:
  - Decreasing market values were focused on **retail and hotel** sectors; hotel values are already recovering while retail is stabilising
  - Prime **Office** yields continue to compress over the short term before levelling out
  - **UK office** yields are expected to decline slightly and **retail** yield correction seems to be mostly over
  - **Logistic** and **residential** stable so far or see even increasing prices
- Germany:
  - **Office** prime yields are expected to see only a very modest inward yield shift despite an increase in vacancy
  - Deal activity and investor sentiment focus on **logistics**, **residential** and food-based or big box **retail** assets
  - For overall retail, yield downward trend seems to be slowed, while **shopping centres** may see some increases
- USA:
  - Overall still commercial property price growth
  - Weaker trends for the CBD **office** sector, counteracted by strength in the **industrial** and **apartment** sectors
  - Yields for **office** properties are expected to stabilise again in the short term
- Even though some reluctance can be observed by investors, transaction **pipeline for Q2** still intact
  - Demand for **prime/core assets** should stay high or even increase (**'flight to quality'**) – in the short run potentially even with further price increases before yields may widen
  - **Inflation** to raise building costs, but in general CRE seen as classical protection against inflation (e.g. rent increases)

1All property types. Based on independent reports of properties and portfolios over € 5 million (over $ 2.5 mn for US), USD to EUR = end years FX rates Source: Real Capital Analytics (RCA) 2 Source: pbb Property Market Analysis (PMA) as of April 2022

Update: Ukraine/Russia – impact on global economy, CRE and pbb

No direct exposure in/to Ukraine and Russia – but uncertainties on overall economic impacts

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Status quo

Markets

- Continued supply chain disruption and resource scarcity
- Inflation on record levels in Europe and the US, esp. driven by energy prices
- Interest rate increases in the UK and the US in Q1/22; ECB likely to follow
- Weakened economic situation (partially accelerated by further expanded sanctions) – economic forecasts downwardly revised

Commercial Real Estate

- Investment volumes have been on record levels in Q1 – however, overall reluctance can be observed
- Property prices still resilient – prime/core yields trending sidewards or even still compress
- Developments affected by supply chain disruptions and scarcity of building materials, driving up construction costs

Implications on pbb in Q1

Portfolio

- No direct exposure in/to Ukraine or Russia
- Downwardly revised economic forecasts result in model-related provisions
- € 2 mn precautionary write-down on ECA-guaranteed PIF loan because of ties to Russia
- Indirect risks (incl. tenant risks) remain marginal
- No major impacts on developments so far, however further development will be closely monitored – land phase or advanced construction stadium with limited immediate impact

Bank operations

- No material impacts from sanctions – only marginal indirect ties
- Strict monitoring of compliance matters – focus group implemented

Lending business

- Solid new business despite continued selective and conservative approach
- Tightened underwriting standards for development loans.
- Transaction pipeline presently unaffected; higher margins expected in Q2

Funding

- Solid pre-funding in Jan/Feb 2022 – ytd, new long-term funding of € 3.0 bn ahead of plan; comfortable liquidity buffer
- So far, only moderate spread widening in overall market – pbb back on pre-crisis level

Future challenges

Markets

- Length and severity of conflict highly uncertain
- Second round effects complex and hard to predict – further sanctions possible
- Inflation likely to stay high and interest rates likely to increase
- Slow down of economic growth – pbb's scenario assumptions more conservative than current forecasts of economic institutes, but not yet covering severe scenario of potential oil/gas embargo

Commercial Real Estate

- Investment activity likely to slow down in 2nd half 2022 due to persisting uncertainties and rising interest rates, esp. in CEE markets; 'save haven' assets/markets most likely less affected
- Real Estate generally being decent hedge on inflation (core/prime), but
  - Increasing interest rates may lower yield premium vs. gov. bonds
  - Lower demand may put property prices under pressure – higher resilience of core/prime (flight to quality)
- Overall tenant risk possibly affected
- Construction activities may slow down due to continued supply chain disruptions and resource scarcity

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Financials

Solid operating performance continued

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Income statement

€ mn	Q1/21	Q4/21	Q1/22
Operating Income	**146**	**162**	**149**
Net interest income	123	125	122
Net fee and commission income	2	2	2
Net income from fair value measurement	2	7	9
Net income from realisations	21	26	5
Net income from hedge accounting	-1	2	1
Net other operating income	-1	-	10
Net income from risk provisioning	-10	-31	-18
General and administrative expenses	-51	-68	-53
Expenses from bank levies and similar dues	-28	-1	-31
Net income from write-downs and write-ups on non-financial assets	-5	-6	-5
Pre-tax profit	**52**	**56**	**42**
Income taxes	-10	14	-6
Net income	**42**	**70**	**36**

	Q1/21	Q4/21	Q1/22
RoE before tax[1] (%)	6.4	6.7	4.8
RoE after tax[1] (%)	5.1	8.5	4.1
CIR[2] (%)	38.4	45.7	38.9
EpS[1] (€)	0.28	0.49	0.24

Key drivers Q1/22

- **NII** stable y-o-y – continued low refinancing costs (incl. pos. effect from TLTRO III) and increase in average REF financing volume compensating for slightly lower gross portfolio margin and lower floor income
- **Fair value measurement** up y-o-y – impacted by increased interest rate levels
- **Net income from realisations** down y-o-y – previous year strongly benefitted from higher individually driven prepayment fees
- **Net other operating income** up y-o-y – release of provisions mainly for tax and legal topics
- **Risk provisioning** up y-o-y – mainly affected by model related adjustments due to deteriorated macroeconomic outlook
- **GAE** up y-o-y – mainly higher project costs
- **Bank levy** up y-o-y – increased target volume of the European Deposit Protection Fund resulted in higher fee (Q1/22: € 31 mn, Q1/21: € 28 mn, 2021: € 29 mn)
- **RoE** and **EpS** taking into account AT1 coupon[1]

1 After AT1 coupon (3M/22: € -4 mn; 3M/21: € -4 mn) 2 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income

Financials

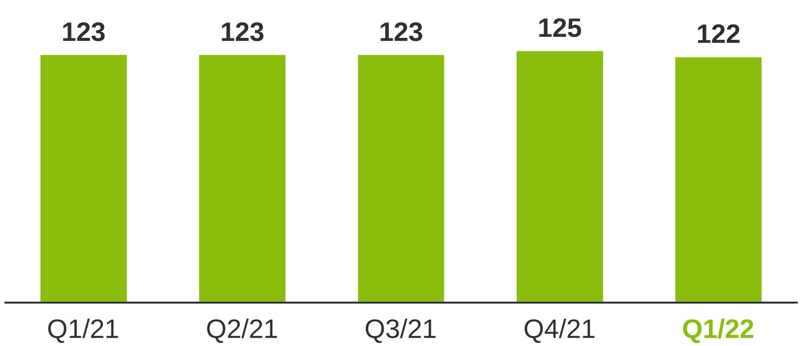
NII+NCI stable, net income from realisations down y-o-y with positive impact on portfolio growth

Income from lending business
€ mn

	Q1/21	Q4/21	Q1/22
Net interest income	123	125	122
Net fee and commission income	2	2	2

	Q1/21	Q4/21	Q1/22
Net income from realisations	21	26	5

Net interest income
€ mn



Key drivers Q1/22

- **NII + NCI** stable y-o-y
  - **Continued low refinancing costs** (incl. positive effect from TLTRO III) and
  - **increase in average REF financing volume** (Q1/22: € 27.8 bn, Q1/21: € 27.3 bn)

  compensating for
  - **slight decrease in gross portfolio margin** accompanied by decreasing public sector portfolio (VP+PIF) and
  - **lower floor income** from increasing interest rate environment
- **Net income from realisations** down y-o-y, mainly driven by **lower income from prepayments**
  - Q1/22 figure (€ 5 mn) significantly lower than exceptionally high and by one-off gains supported previous year level (Q1/21: € 21 mn; 2021: € 81 mn)
  - Since inception of the Ukrainian/Russian war, increasing reluctance by investors to churn transactions quickly due to increasing uncertainties and rising loan costs driven by increasing interest rates
  - Prepayments subject to individual considerations of investors and not steerable

Financials

Risk provisioning up y-o-y – mainly impacted by model related adjustments due to deterioration of macroeconomic outlook

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Net income from risk provisioning

€ mn

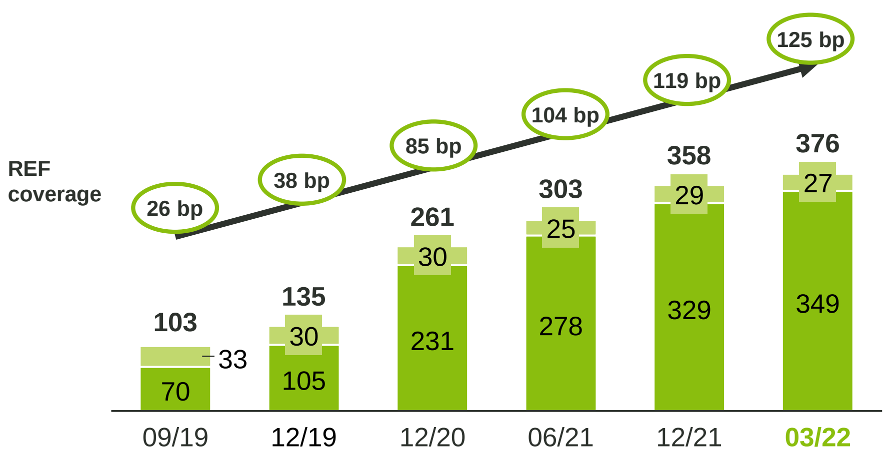
	Q1/21	Q4/21	Q1/22
Net income from risk provisioning	-10	-31	-18
thereof			
stage 1	-7	*29*	*3*
stage 2	-	*-45*	*-6*
stage 3	-5	*-16*	*-8*
Off-balance sheet lending business	*2*	*-*	*-7*
Recoveries	-	*1*	-

Balance sheet – loss allowances

€ mn

Non-REF

REF



Key drivers Q1/22

- **Net income from risk provisioning** of € -18 mn (Q1/21: € -10 mn) – mainly affected by model adjustments due to deterioration of macroeconomic outlook
- **Stage 1&2: Net additions**[1] of € -10 mn (Q1/21: € -5 mn) mainly driven by
  - **adjustment of model parameters** due to downwardly revised economic forecasts resulting from the Ukrainian/Russian war (stage 1&2, Off-B/S)

    Scenario assumptions more conservative than current forecasts of economic institutes, but not yet covering severe scenario of potential oil/gas embargo
  - **stage 1** model-related additions overcompensated by individual rating improvements (migration from stage 2 to 1)
  - **stage 2** benefitted from release of **management overlay** (€ 10 mn) mainly due to maturity effects and less than expected effects from the pandemic

    Management overlay remains at € -44 mn; build in 2021 to cover risks resulting from uncertainties in connection with COVID-19
- **Stage 3:** Net additions of € -8 mn (Q1/21: € -5 mn) for
  - reduction of present values of collaterals due to increased interest rate environment (€ -6 mn)
  - transfer of 1 loan to stage 3 (€ -2 mn) – ECA-guaranteed PIF loan related to Russia with a non-guaranteed part
- Solid **loss allowances on balance sheet** – **REF coverage** of 125 bp
- **Coverage ratio:** Stage 3 coverage ratio[2] at 31% (03/21: 26%; 12/21: 30%); gap covered by collateral

1 Incl. provisions in off balance sheet lending business 2 Coverage ratio = credit loss allowances on financial assets in stage 3 / gross book values in stage 3 (loans and securities)

Financials
Operating costs under control

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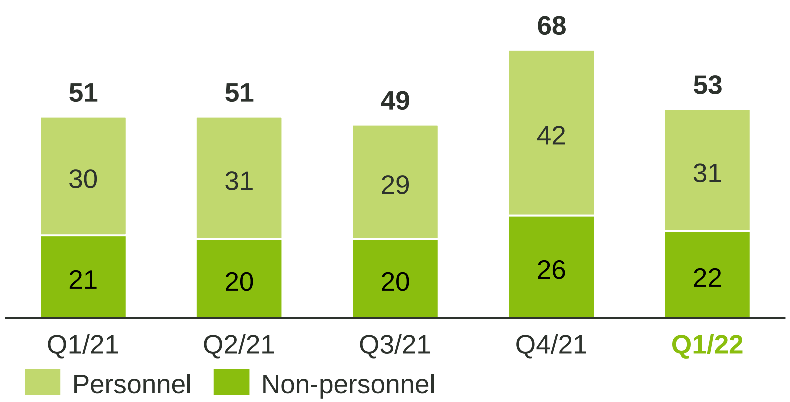
€ mn	Q1/21	Q4/21	Q1/22
General admin. expenses	-51	-68	-53
Personnel	*-30*	*-42*	*-31*
Non-personnel	*-21*	*-26*	*-22*
Net income from write-downs and write-ups on non-financial assets	-5	-6	-5
CIR (%)[1]	*38.4*	*45.7*	*38.9*

General admin. expenses
€ mn



Key drivers Q1/22

- **GAE** slightly up y-o-y
  - **Personnel expenses** up € 1 mn y-o-y due to vacation accruals – Q4/21 impacted from **€ 11 mn provision** in connection with our efficiency initiatives
  - **Non-personnel expenses** up € 1 mn y-o-y – higher project costs (regulatory, strategic, ESG, digitalisation)
- **Cost-Income-Ratio** at stable low level (03/22: 38.9%), reflecting continued strict cost management
- **Net income from write-downs and write-ups** on non-financial assets driven by scheduled depreciations

1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income

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1. Highlights
2. Markets
3. Financials
4. **New Business**
5. Portfolio Profile
6. Funding
7. Capital
8. Summary & Outlook

Appendix
Contact details

New business

REF new business volume of € 2.1 bn on solid level in further challenging environment

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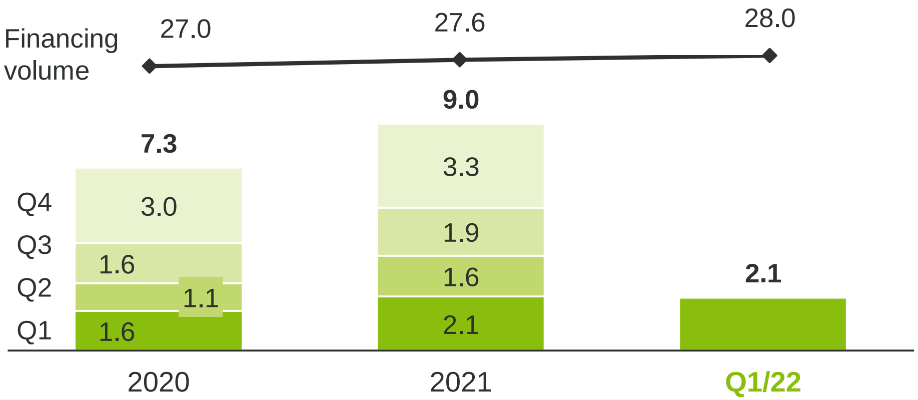
REF New business

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



Key drivers Q1/22

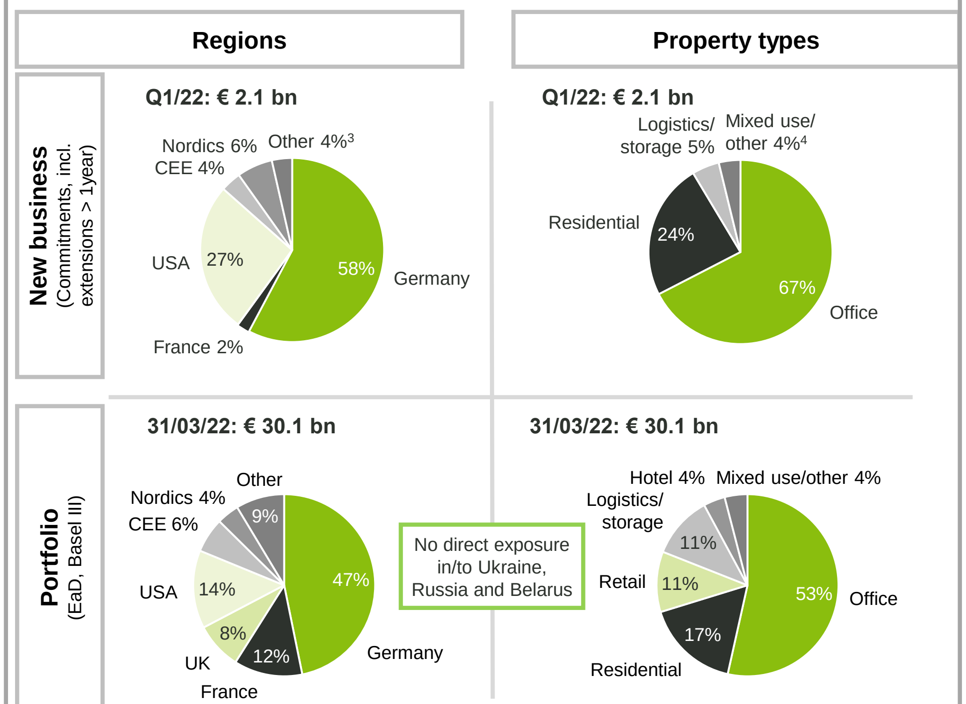
- **REF new business** of € 2.1 bn on solid level, despite continued selective approach and increased competition
  - **Avg. gross interest margin** down to ~150 bp (Q1/21: ~170 bp; 2021: ~170 bp), negatively impacted by a few, partly large-volume loans with low LTVs
  - High share in **Germany, US and Office**
  - Low share in **France and Logistics**, no share in **UK and Retail**
  - Unchanged conservative risk positioning with **avg. LTV** of 56%[2]
  - **No new commitments** in property types Hotel and Retail Shopping Centres since March 2020 – only extensions at conservative conditions
  - Good **deal pipeline** supports solid new business volume at higher margin level in Q2/22

ESG – Green Loans

- Following the market launch in 10/21, **Green Loan volume** (subject to explicit Green Loan documentation) further increased – 03/22: € 0.8 bn (12/21: € 0.2 bn)

REF new business

	Q1/21	FY21	Q1/22
Total volume (€ bn)	2.1	9.0	2.1
thereof: *Extensions >1 year*	*0.5*	*2.6*	*0.4*
No. of deals	41	166	31
Avg. maturity (years)[1]	~5.7	~4.8	~5.8
Avg. LTV (%)[2]	54	56	56
Avg. gross interest margin (bp)	~170	~170	~150



Note: Figures may not add up due to rounding 1 Legal maturities 2 New commitments; av. LTV (extensions): 3M/22: 54%; 3M/21: 57% 3 Belgium 4 Land

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Portfolio

Business approach reflected in stable risk parameters and low average LTV of 51%, which provides solid risk buffer

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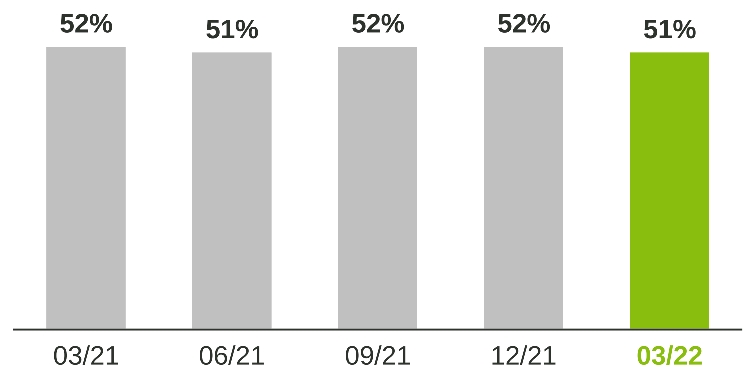
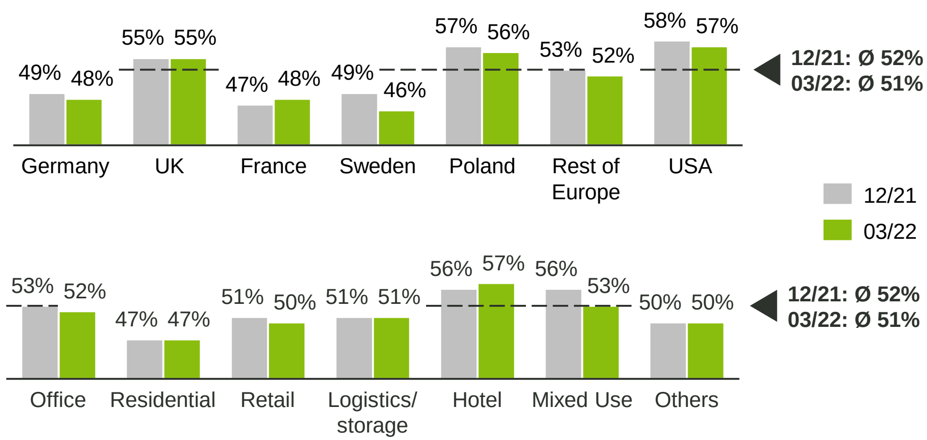
REF Portfolio: Avg. weighted LTVs

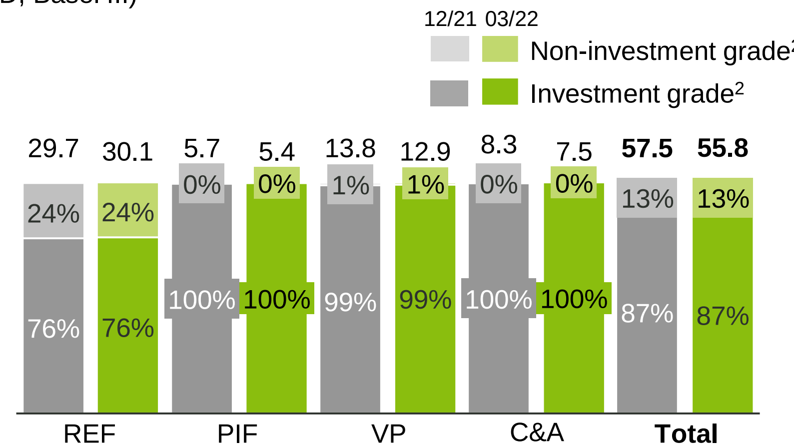
% (commitments)[1]





Total portfolio: Internal ratings (EL classes)

€ bn (EaD, Basel III)



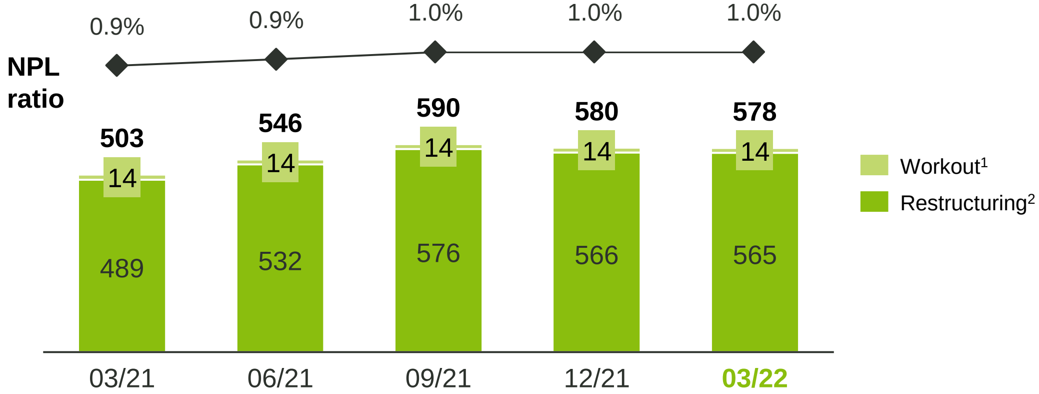
Key messages

- **Avg. LTV** of 51% slightly improved y-o-y and q-o-q, reflecting pbb's business approach – LTV changes in regions and loan types reflect structural portfolio changes due to repayments and new business
- Stable development of **internal ratings** q-o-q
- **Ukraine/Russia:**
  - **No direct exposure** in/to Ukraine and Russia
  - **Secondary risks minor**

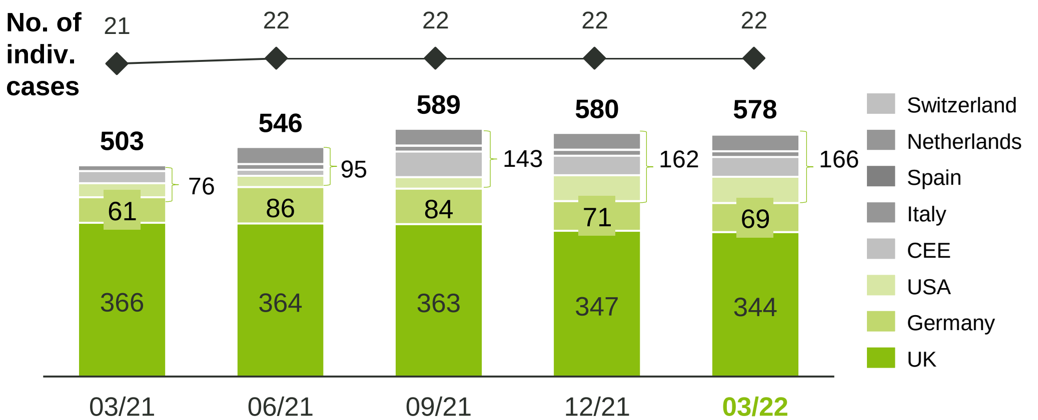
Note: Figures may not add up due to rounding 1 Based on performing investment loans only 2 EL classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

Portfolio
NPLs remain on low level

Non-performing loans
€ mn (EaD, Basel III)



Non-performing loans – regions



Key drivers Q1/22

- **Non-performing loans** (NPLs) remain on low level
  - **Restructuring loans** stable at € 565 mn (12/21: € 566 mn)
    - newly added € 34 mn ECA-guaranteed PIF loan with ties to Russia (non-guaranteed part of € 3 mn)

    compensated by
    - € 32 mn repayment of fully ECA-guaranteed PIF loan
    - € 3 mn net decrease in Q1/22 mainly from FX effects
  - **Workout loans** stable at only € 14 mn (12/21: € 14 mn)
- **NPL ratio**[3] of 1.0% remains on low level (12/21: 1.0%)

Note: Figures may not add up due to rounding
1 Internal PD class 30: No signs that the deal will recover soon, compulsory measures necessary 2 Internal PD class 28+29: Payments more than 90 days overdue or criteria acc. to respective policy apply 3 NPL ratio = NPL volume / total assets

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Funding

Strong start into 2022 – continued focus on Green Bonds

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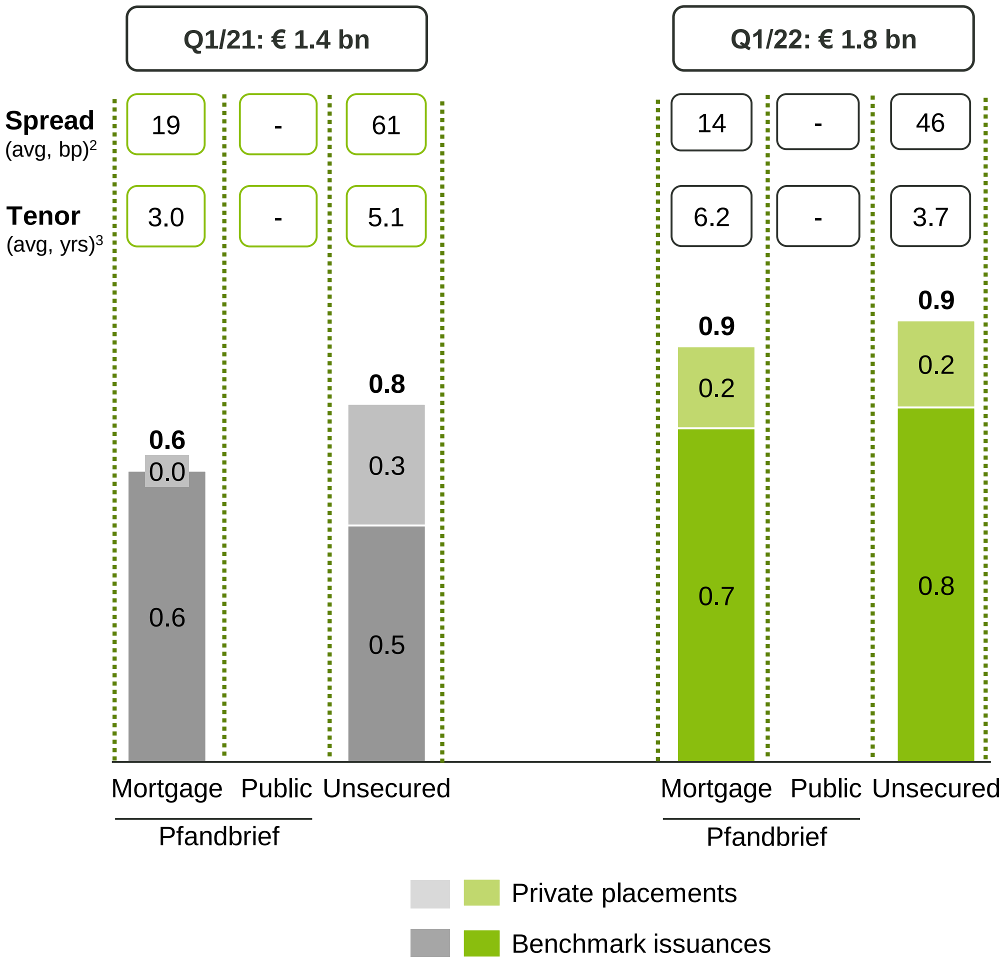
New long-term funding[1]
€ bn



Funding Q1/22

- **Strong Pfandbrief funding year-to-date:**
  - US$ 750 mn Pfandbrief
  - € 750 mn Pfandbrief
  - € 200 mn Pfandbrief taps

  Additionally, pbb has again successfully placed SEK Pfandbriefe with Nordic investors
- **€ 750 mn Green Senior Preferred Benchmark** issued in January 2022 and € 200 mn tap of a Green Senior Preferred Benchmark in April 2022
- Increasing take-up of **EUR Pfandbrief funding** planned in preparation of future repayment of TLTRO III
- **Comfortable liquidity buffer** sufficient to cover internal stress tests
- **Retail deposit** funding established and scalable – in Q1/22 pbb direkt deposits amounted to € 3.2 bn (Q1/21: € 3.2bn)
- **ALM profile** and **liquidity position** remain comfortable (NSFR >100%; LCR >150%)

ESG – Green Bonds

- Green Bond **volume further increased** – as of 03/22, outstanding volume at € 1.75 bn (12/21: € 1.0 bn); further € 200 mn tap in April 2022 brings volume to now € 1.95 bn
- With three Green Benchmarks and one tap, pbb is **one of the most active issuers** in Green Senior funding

Note: Figures may not add up due to rounding 1 Excl. retail deposit business 2 vs. 3M Euribor 3 Initial weighted average maturity

Funding

Secondary spread performance generally in line with broader market – current crisis with only moderate effect so far

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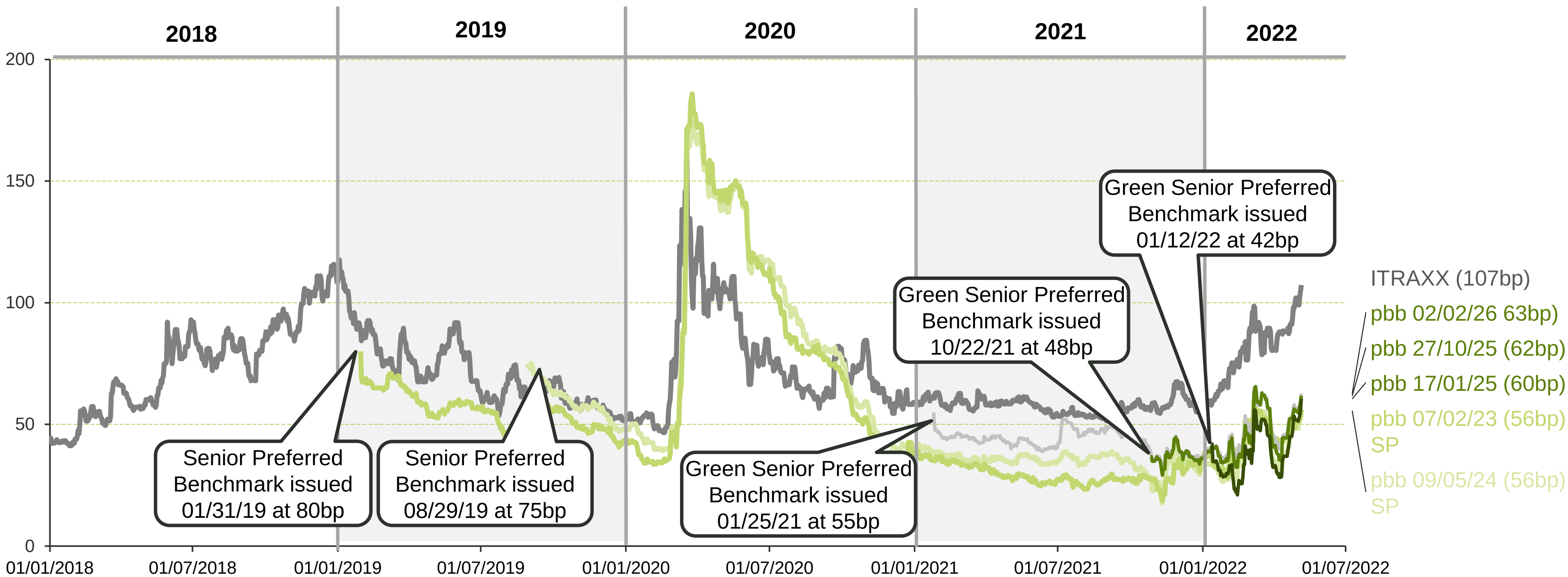
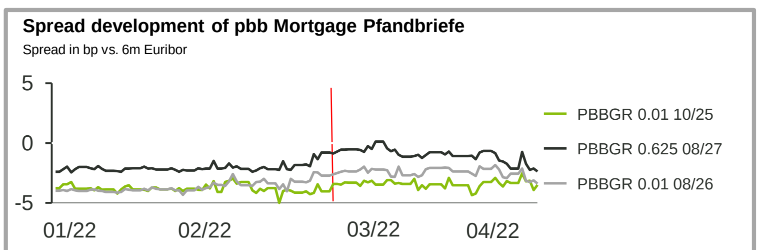
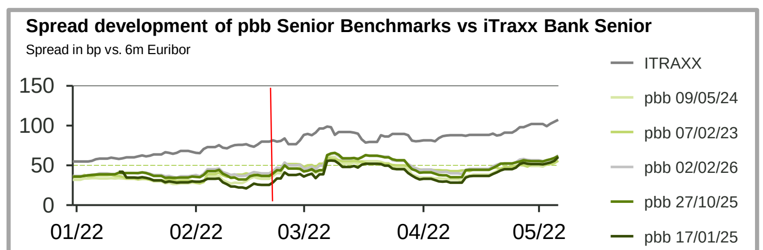
Spread development of pbb Senior Benchmarks vs iTraxx Bank Senior

(Spread in bp vs. 6m Euribor)







Source: Bloomberg

Agenda

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Capital
Capitalisation remains strong

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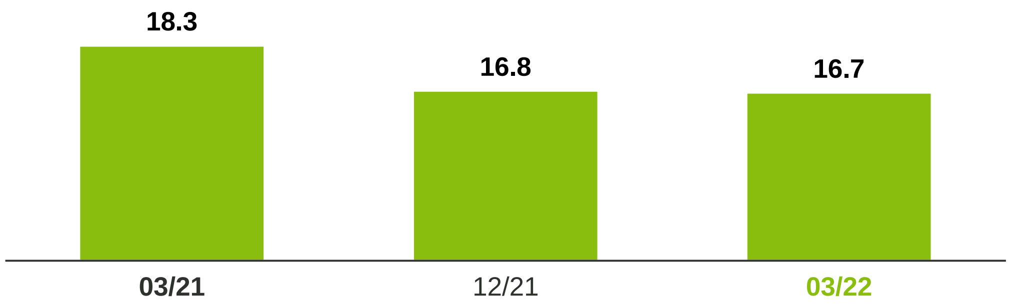
Basel III: RWA
€ bn (IFRS)



Basel III: Equity and capital ratios
(IFRS)

Capital in € bn	03/21[1]	12/21[2]	03/22[3]
CET 1	2.8	2.9	2.8
AT 1	0.3	0.3	0.3
Tier 2	0.7	0.6	0.6
Total Equity	**3.8**	**3.8**	**3.7**

Capital ratios in %	03/21[1]	12/21[2]	03/22[3]
CET 1	15.4	17.1	16.9
Tier 1	17.0	18.9	18.7
Own funds	20.6	22.4	22.1
Leverage ratio	6.0	6.0	6.0

RWA development Q1/22

- RWA down q-o-q mainly due to
  - Maturity and syndication effects
  - Smaller opposite effect from increase in REF portfolio
  - No material RWA effect from individual rating deteriorations in the light of COVID-19
  - Q4/21 benefitted from reduction of add-ons acc. to Art. 501 CRR II[4]
- RWA already calibrated towards Basel IV (fully-loaded) – thus, no major further effects expected from implementation

Capital ratios

- CET 1 ratio slightly down to 16.9%[3] (12/21: 17.1%[2]) – decrease in regulatory CET 1 capital vs. 12/21 mainly resulting from EL shortfall; interim profit not included

Capital requirements

- Unchanged P2R of 2.5% results in the following SREP requirements (incl. anticipated countercyclical buffer):
  - CET 1 ratio: 8.86%
  - Tier 1 ratio: 10.83%
  - Own funds ratio: 13.45%
- pbb currently anticipates countercyclical buffer of 45 bp, providing for solid cushion on current requirements – upcoming changes of country-specific countercyclical buffers and German sectoral systemic risk buffer expected to have only moderate effect with increase by +20-25 bp over time

Note: Figures may not add up due to rounding 1 After approved year-end accounts, 2020 result not included 2 Incl. full-year result, post proposed dividend 2021 3 Excl. interim result, post proposed dividend 2021 4 CRR=Capital Requirements Regulation

Agenda

Summary & Outlook
Initiatives – good progress achieved

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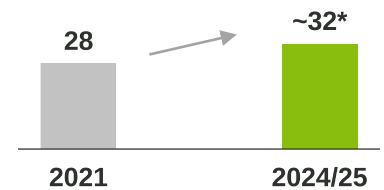
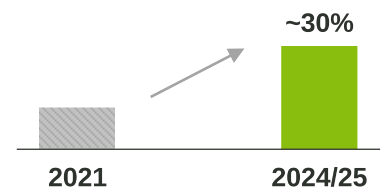
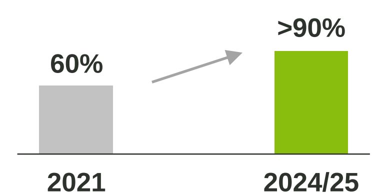
Initiatives	Key measures	Status quo Q1/22
1 Organic growth	**Product expansion** (Loan-on-loan, non-senior lending)	**All prerequisites** for respective product lines **in place; origination started**
	Build-out US business	**Strong origination focus** on the US – new business **share of 27%** vs. 14% portfolio in Q1/22
	Low-leverage lending	New low-leverage lending business with **rd. 35-40% share** in Q1/22
2 "Green" finance	**Green loans**	pbb embarking as **transition lender** for real estate industry
	Green development loans	"Green" finance products **actively marketed**
	Green capex facilities	**Green Loan** volume further increased – 03/22: € 0.8 bn (12/21: € 0.2 bn)
3 Digitalization	**Value-add through digital client interface**	**Usage** of Client Portal continuously increasing – rate now at 69% (12/21: 60%)
	State of the art infrastructure and capabilities	**Efficiency measures** constantly pushed forward to cover entire primary process
	Scalable platform to allow further growth	Significant rise in **business activity** on Capveriant platform – quadrupling of transactions placed on platform compared to Q1/21



REF portfolio (in € bn)
(*incl. green finance)



Green REF portfolio share



Client portal usage
(*business supported by client portal)

Summary & Outlook

Solid operative result in Q1/22 supports full-year PBT guidance of € 200-220 mn – uncertainties from Ukranian war

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Solid Q1 result with PBT of € 42 mn

- Continued solid income from lending business – **NII** remains on high level
- **Risk provisions increased but on moderate level**, mainly affected by model adjustments due to deterioration of macroeconomic outlook
- **New business** at solid volume and margins, while continuing our selective approach; strategic **REF portfolio increased**
- **Liquidity and capitalisation** stay comfortable

Full-year PBT guidance of € 200-220 mn unchanged

- **NII** stable to slightly higher, supported by continued low funding costs (incl. TLTRO)
- Operating **costs** largely stable
- **Risk provisioning** lower

pbb well positioned to cope with future challenges

Conservative approach

- Focus on core Europe/US, prime locations, prime clients and prime assets
- Selective new business origination

Strong risk management

- Strict risk management approach with strong covenant structures
- State of the art IT systems
- Conservative risk calibration

High asset quality, low LTVs and high diversification

- Proven resilience through Corona crisis and ECB stress test
- Stable low NPL ratio (03/22: 1.0%)
- Stable low avg. LTV (03/22: 51%)
- High diversification by markets, property types and tenants

Strong capital base

- Strong CET 1 ratio (03/22: 16.9%; fully-loaded Basel IV calibrated)
- Providing solid risk buffer
- Supporting portfolio growth even in difficult times

Uncertainties remain – prolonged and worsening geopolitical situation and economic impacts likely to increase risks

Appendix

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Appendix

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1. Guidance 2022 and mid-term ambition
2. ESG
3. P&L / Balance Sheet
4. Portfolio Profile
5. Funding & Ratings

Contact details

Guidance 2022 and mid-term ambition

Sustainable PBT level in 2022 despite income headwinds and investments to achieve growth ambition 2024/25 – uncertainties from geopolitical situation

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Financials (€ mn)	2020	2021	Guidance 2022
PBT	151	242	**PBT of € 200-220 mn** in line with past sustainable level
NII and NCI	482	502	**Slightly lower** due to fading out of supportive income elements, i.e., TLTRO benefit (expiry in 06/22) and lower floor income due to rising interest rates; prepayment fees expected to stay above long-term average
General and administrative expenses (excl. restructuring expenses)	-204	-208[1]	**Stable,** despite investments in strategic initiatives
Risk provisioning	-126	-81	**Significantly lower level**, depending on market recovery in the light of COVID-19
REF new business volume (€ bn)	7.3	9.0	**Increase** to **€ 9.5-10.5 bn** at moderately lower **avg. gross interest margins**
REF financing volume (€ bn)	27.0	27.6	**Moderate growth** based on new business increase with add-on initiatives to gradually impact 2nd half of 2022
CET1 ratio (in %)[2]	16.1	17.1	**Slight decrease** due to growth but still **significantly above SREP** requirements

Uncertainties remain regarding the geopolitical situation and the possible impact on macro-economic development

Ambition 2024/2025

1 Organic growth

~ € 32 bn
REF portfolio

Growing REF portfolio supported by growth initiatives and stable client relationships that continue to lead to **strong new business**

2 "Green" finance

~ 30%
Green REF portfolio share

Growing our impact as **sustainable finance bank** and **transformation partner**

3 Digitalization

Portal and digital credit workplace fully established

Moving to **full blown digitalization approach** with materialization of **significant efficiency improvements**

Strategic initiatives enhance and strengthen our business model while maintaining our conservative risk approach

1 Reported €219M, including €11M restructuring expenses 2 Basel IV calibrated, fully-loaded

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Green Loan

pbb Green Loan Framework aligned with current regulatory and market developments – specific metrics defined for each criteria

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pbb Scoring Model

MAX SCORE: 100 Points

Criteria	I. Energy Efficiency	II. Building Certification	III. Additional Sustainability Factors
	• Energy demand/-consumption [kWh/(m²·a)] **OR** • Energy Reduction in Planning [kWh/(m²·a)]	• "Green" building certification	• Surface sealing (green field vs. brown field) • Type of/distance to public transportation • Local supply • Materials recycling* • Type of heating • Consumption of green energy • Biodiversity* • Existing energy/ environmental management*
	MAX SCORE: 50 Points	**MAX SCORE: 20 Points**	**MAX SCORE: 30 Points**
	MAX SCORE: 70 Points		

pbb Green Bond

Minimum score for pbb Green Loan: ≥ 60 Points

* Aligned with the EU Taxonomy
* **D**o **N**ot **S**ignificant **H**arm Principles according to EU Taxonomy

OR

Compliance with EU Taxonomy

pbb Green Loan

Appendix

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Key figures
pbb Group

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Income statement (€ mn)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
Net interest income	458	476[8]	123	123	123	125	494	122
Net fee and commission income	6	6	2	3	1	2	8	2
Net income from fair value measurement	-7	-8	2	-	1	7	10	9
Net income from realisations	48	26	21	17	17	26	81	5
Net income from hedge accounting	-2	4	-1	-2	1	2	-	1
Net other operating income	3	22	-1	-	-1	-	-2	10
Operating Income	**506**	**526**	**146**	**141**	**142**	**162**	**591**	**149**
Net income from risk provisioning	-49	-126	-10	-23	-17	-31	-81	-18
General and administrative expenses	-202	-204	-51	-51	-49	-68	-219	-53
Expenses from bank levies and similar dues	-24	-26	-28	-1	1	-1	-29	-31
Net income from write-downs and write-ups on non-financial assets	-18	-19	-5	-4	-5	-6	-20	-5
Net income from restructuring	3	-	-	-	-	-	-	-
Pre-tax profit	**216**	**151**	**52**	**62**	**72**	**56**	**242**	**42**
Income taxes	-37	-30[8]	-10	-7	-11	14	-14	-6
Net income	**179**	**121**	**42**	**55**	**61**	**70**	**228**	**36**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
CIR[1]	43.5	42.4[8]	38.4	39.0	38.0	45.7	40.4	38.9
RoE before tax	6.9	4.6[8]	6.4	7.8	8.9	6.7	7.5	4.8
RoE after tax	5.7	3.6[8]	5.1	6.9	7.5	8.5	7.0	4.1

Balance sheet (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22
Total assets	56.8	58.9	58.1	59.0	58.8	58.4	56.3
Equity	3.2	3.3	3.3	3.3	3.4	3.4	3.4
Financing volume	45.5	44.2	44.6	43.4	43.4	43.7	43.8

Regulatory capital ratios[2]	12/19	12/20	03/21	06/21	09/21	12/21	03/22
RWA (€ bn)	17.7	17.7	18.3	18.0	18.1	16.8	16.7
CET 1 ratio – phase in (%)	15.9[3]	16.1[4]	15.4[5]	15.4[6]	14.9[6]	17.1[7]	16.9[9]

Personnel	12/19	12/20	03/21	06/21	09/21	12/21	03/22
Employees (FTE)	752	782	779	779	782	784	780

Note: annual results audited, interim results Q1 2021/22 and Q3 2021 unaudited, interim results Q2 2021 unaudited, but reviewed 1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Basel III transition rules 3 Adjusted, incl. full-year result 2019, based on resolution of AGM to allocate the distributable profit 2019 to other revenue reserves on 28 May 2020 4 After approved year-end accounts 5 Excl. Interim result, post proposed dividend 2020 6 Excl. Interim result 7 Incl. full-year result, post proposed dividend 2021 8 2020 figures retrospectively adjusted according to IAS 8.42 9 Excl. Interim result, post proposed dividend 2021

Segment reporting

Segment performance reflects strong performance of strategic REF portfolio in Q1/22

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	REF			PIF			Value Portfolio		
Income statement (IFRS, € mn)	**Q1/21**	**Q4/21**	**Q1/22**	**Q1/21**	**Q4/21**	**Q1/22**	**Q1/21**	**Q4/21**	**Q1/22**
Operating income	126	139	126	9	12	10	10	11	12
thereof: Net interest income [1]	*104*	*106*	*104*	*9*	*9*	*8*	9	*10*	*9*
Net income from realisations	*21*	*26*	*5*	-	*1*	-	-	*-1*	-
Net income from risk provisioning	-11	-30	-19	-	-	-2	1	-1	3
General administrative expenses	-44	-58	-46	-4	-6	-4	-3	-4	-3
Net other revenues/expenses	-21	-6	-24	-5	-1	-5	-8	-	-7
Pre-tax profit	**50**	**45**	**37**	**-**	**5**	**-1**	**1**	**6**	**5**
Key indicators	**Q1/21**	**Q4/21**	**Q1/22**	**Q1/21**	**Q4/21**	**Q1/22**	**Q1/21**	**Q4/21**	**Q1/22**
CIR (%)[2]	38.1	45.3	39.7	55.6	58.3	>100.0	30.0	36.4	25.0
RoE before tax (%)	10.0	8.2	6.3	-0.6	11.5	-3.0	0.3	4.9	4.2
Financing volume (€ bn)	27.5	27.6	28.0	5.7	5.2	5.0	11.4	10.9	10.8

Key drivers Q1/22

REF

- Financial **segment performance** impacted from reduced net income from realisations and higher risk provisioning y-o-y
- **NII** stable y-o-y, slightly lower gross portfolio margin and lower floor income compensated by continued low refinancing costs (incl. pos. effect from TLTRO III) and increase in average REF financing volume
- **Risk provisioning** up y-o-y – model adjustments due to deterioration of macroeconomic outlook (stage 1&2); stage 3 increased interest rates
- **GAE** up y-o-y, due to higher project costs
- **Financing volume** up y-o-y

PIF

- Financial **segment performance** supported by allocation effects
- **PBT** down y-o-y, mainly affected by an increase in risk provisioning – transfer of 1 loan to stage 3 (€ 2 mn) – ECA-guaranteed PIF loan related to Russia with a non-guaranteed part of € 3 mn
- **Financing volume** down due to maturities

Value Portfolio

- Financial **segment performance** supported by allocation effects
- **PBT** up y-o-y, mainly due to release of risk provision (stage 1&2) due to maturity effects
- **Financing volume** further down in line with strategy due to maturities

Note: Figures may not add up due to rounding 1 2020 REF figures retrospectively adjusted according to IAS 8.42 2 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income

Key figures
pbb Group Q1/21 vs. Q1/22

Income statement (€ mn)	REF		PIF		VP		C&A		pbb Group	
	Q1/21	Q1/22	**Q1/21**	Q1/22	**Q1/21**	Q1/22	**Q1/21**	**Q1/22**	Q1/21	**Q1/22**
Net interest income	104	104	9	8	9	9	1	1	123	122
Net fee and commission income	2	2	-	-	-	-	-	-	2	2
Net income from fair value measurement	1	6	-	1	1	2	-	-	2	9
Net income from realisations	21	5	-	-	-	-	-	-	21	5
Net income from hedge accounting	-1	1	-	-	-	-	-	-	-1	1
Net other operating income	-1	8	-	1	-	1	-	-	-1	10
Operating Income	**126**	**126**	**9**	**10**	**10**	**12**	**1**	**1**	**146**	**149**
Net income from risk provisioning	-11	-19	-	-2	1	3	-	-	-10	-18
General and administrative expenses	-44	-46	-4	-4	-3	-3	-	-	-51	-53
Expenses from bank levies and similar dues	-17	-20	-4	-4	-7	-7	-	-	-28	-31
Net income from write-downs and write-ups on non-financial assets	-4	-4	-1	-1	-	-	-	-	-5	-5
Pre-tax profit	**50**	**37**	**-**	**-1**	**1**	**5**	**1**	**1**	**52**	**42**

Key figures
Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2019[3]	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
Net interest income	388	396[4]	104	104	103	106	417	104
Net fee and commission income	7	6	2	3	1	2	8	2
Net income from fair value measurement	-8	-6	1	-	1	4	6	6
Net income from realisations	48	24	21	17	17	26	81	5
Net income from hedge accounting	-1	3	-1	-1	1	1	-	1
Net other operating income	2	19	-1	1	-1	-	-1	8
Operating Income	**436**	**442**	**126**	**124**	**122**	**139**	**511**	**126**
Net income from risk provisioning	-57	-129	-11	-23	-15	-30	-79	-19
General and administrative expenses	-164	-175	-44	-44	-43	-58	-189	-46
Expenses from bank levies and similar dues	-14	-16	-17	-1	1	-1	-18	-20
Net income from write-downs and write-ups on non-financial assets	-15	-16	-4	-4	-4	-5	-17	-4
Net income from restructuring	3	-	-	-	-	-	-	-
Pre-tax profit	**189**	**106**	**50**	**52**	**61**	**45**	**208**	**37**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
CIR[1]	41.1	43.2[4]	38.1	38.7	38.5	45.3	40.3	39.7
RoE before tax	11.3	5.5	10.0	10.2	11.4	8.2	9.9	6.3

Key figures (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22
Equity[2]	1.7	1.9	1.9	2.0	2.1	2.1	2.0
RWA	15.8	16.0	16.6	16.2	16.4	15.1	15.1
Financing volume	27.1	27.0	27.5	26.8	27.0	27.6	28.0

Note: annual results audited, interim results Q1 2021/22 and Q3 2021 unaudited, interim results Q2 2021 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income
2 Equity allocated according to going concern view instead of liquidation approach
3 Segment allocation of net interest income and equity retrospectively adjusted
4 2020 figures retrospectively adjusted according to IAS 8.42

Key figures

Public Investment Finance (PIF)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2019[3]	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
Net interest income	37	38	9	9	10	9	37	8
Net fee and commission income	-	-	-	-	-	-	-	-
Net income from fair value measurement	-2	-1	-	-	-	1	1	1
Net income from realisations	1	1	-	-	1	1	2	-
Net income from hedge accounting	-	-	-	-	-	-	-	-
Net other operating income	-	3	-	-	-1	1	-	1
Operating Income	**36**	**41**	**9**	**9**	**10**	**12**	**40**	**10**
Net income from risk provisioning	-	-1	-	-	-	-	-	-2
General and administrative expenses	-25	-19	-4	-5	-4	-6	-19	-4
Expenses from bank levies and similar dues	-3	-3	-4	-	-	-	-4	-4
Net income from write-downs and write-ups on non-financial assets	-2	-2	-1	-	-	-1	-2	-1
Net income from restructuring	-	-	-	-	-	-	-	-
Pre-tax profit	**6**	**16**	**-**	**4**	**6**	**5**	**15**	**-1**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
CIR[1]	75.0	51.2	55.6	55.6	40.0	58.3	52.5	>100.0
RoE before tax	2.7	8.0	-0.6	11.7	14.0	11.5	9.1	-3.0

Key figures (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22
Equity[2]	0.2	0.2	0.2	0.2	0.2	0.2	0.2
RWA	0.8	0.8	0.7	0.7	0.7	0.7	0.7
Financing volume	6.3	5.8	5.7	5.5	5.4	5.2	5.0

Note: annual results audited, interim results Q1 2021/22 and Q3 2021 unaudited, interim results Q2 2021 unaudited, but reviewed

1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Equity allocated according to going concern view instead of liquidation approach 3 Segment allocation of net interest income and equity retrospectively adjusted

Key figures
Value Portfolio (VP)

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Income statement (€ mn)	2019[3]	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
Net interest income	29	38	9	10	9	10	38	9
Net fee and commission income	-1	-	-	-	-	-	-	-
Net income from fair value measurement	3	-1	1	-	-	2	3	2
Net income from realisations	-1	1	-	-	-1	-1	-2	-
Net income from hedge accounting	-1	1	-	-1	-	1	-	-
Net other operating income	1	-	-	-1	1	1	-1	1
Operating Income	**30**	**39**	**10**	**8**	**9**	**11**	**38**	**12**
Net income from risk provisioning	8	4	1	-	-2	-1	-2	3
General and administrative expenses	-13	-10	-3	-2	-2	-4	-11	-3
Expenses from bank levies and similar dues	-7	-7	-7	-	-	-	-7	-7
Net income from write-downs and write-ups on non-financial assets	-1	-1	-	-	-1	-	-1	-
Net income from restructuring	-	-	-	-	-	-	-	-
Pre-tax profit	**17**	**25**	**1**	**6**	**4**	**6**	**17**	**5**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22
CIR[1]	46.7	28.2	30.0	25.0	33.3	36.4	31.6	25.0
RoE before tax	1.7	3.9	0.3	5.0	3.1	4.9	3.3	4.2

Key figures (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22
Equity[2]	0.6	0.5	0.4	0.4	0.4	0.4	0.5
RWA	0.5	0.4	0.4	0.4	0.3	0.3	0.3
Financing volume	12.1	11.4	11.4	11.1	11.0	10.9	10.8

Note: annual results audited, interim results Q1 2021/22 and Q3 2021 unaudited, interim results Q2 2021 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income
2 Equity allocated according to going concern view instead of liquidation approach
3 Segment allocation of net interest income and equity retrospectively adjusted

Balance sheet

Specialist lender with attractive German Pfandbrief as major funding instrument

DEUTSCHE PFANDBRIEFBANK

Balance sheet

IFRS, € bn

Assets	31/03/22	31/12/21	Liabilities & equity	31/03/22	31/12/21
Financial assets at fair value through P&L	**1.0**	**1.2**	**Financial liabilities at fair value through P&L**	**0.6**	**0.6**
thereof			thereof		
Positive fair values of stand-alone derivatives	0.5	0.5	Negative fair values of stand-alone derivatives	0.6	0.6
Debt securities	0.1	0.1	**Financial liabilities measured at amortised cost**	**50.8**	**52.7**
Loans and advances to customers	0.3	0.5	thereof		
Financial assets at fair value through OCI	**1.2**	**1.3**	Liabilities to other banks (incl. central banks)	10.7	10.6
thereof			thereof		
Debt securities	0.9	0.9	*Registered Mortgage Pfandbriefe*	*0.4*	*0.3*
Loans and advances to customers	0.3	0.3	*Registered Public Pfandbriefe*	*0.6*	*0.5*
Financial assets at amortised cost (after credit loss allowances)	**47.4**	**48.1**	Liabilities to other customers	18.9	20.1
thereof			thereof		
Debt securities	6.6	6.9	*Registered Mortgage Pfandbriefe*	*3.4*	*3.7*
Loans and advances to other banks	2.7	2.6	*Registered Public Pfandbriefe*	*7.3*	*7.9*
Loans and advances to customers	38.0	38.4	Bearer Bonds	20.6	21.3
Positive fair values of hedge accounting derivatives	**0.6**	**1.0**	thereof		
Other assets	**6.1**	**6.8**	*Mortgage Pfandbriefe*	*11.3*	*12.3*
			Public Pfandbriefe	*2.1*	*2.2*
			Subordinated liabilities	0.6	0.7
			Negative fair values of hedge accounting derivatives	**1.2**	**1.4**
			Other liabilities	**0.3**	**0.3**
			Equity (attributable to shareholders)	**3.1**	**3.1**
			AT1-capital	**0.3**	**0.3**
Total Assets	**56.3**	**58.4**	**Total liabilities & equity**	**56.3**	**58.4**

Share of Pfandbriefe of refinancing liabilities

49% / 51%

Note: Figures may not add up due to rounding

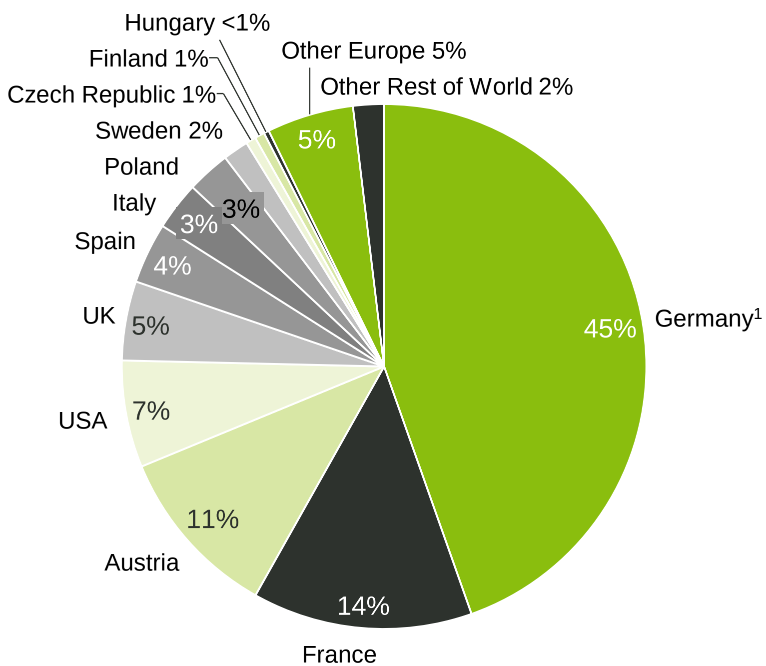
Appendix

Portfolio
Total portfolio

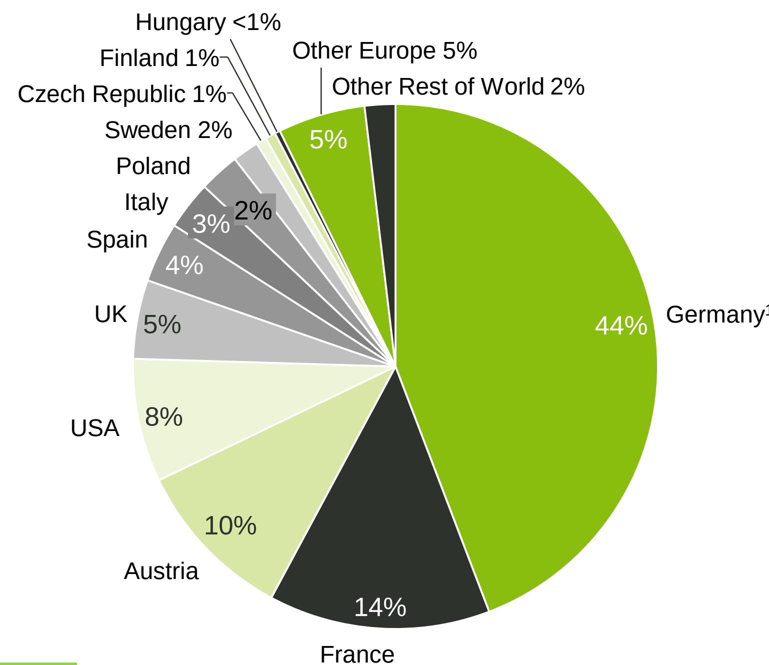
€ bn (EaD, Basel III)

Regions

31/12/2021 / Total: € 57.5 bn



31/03/2022 / Total: € 55.8 bn



No direct exposure in/to Ukraine and Russia

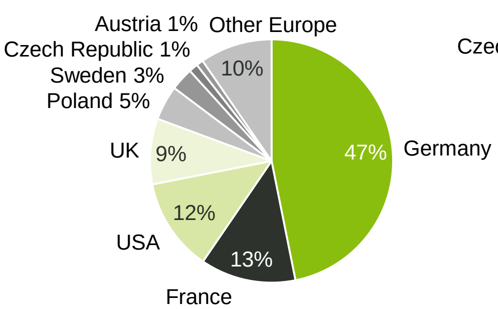
Note: Figures may not add up due to rounding 1 Incl. Bundesbank accounts (12/21: € 6.6 bn; 03/22: € 5.8 bn)

Portfolio
Real Estate Finance (REF)

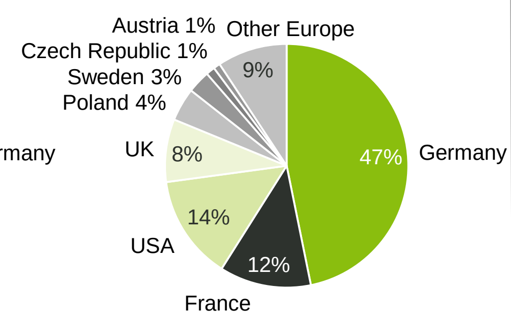
€ bn (EaD, Basel III)

Regions

31/12/2021: € 29.7 bn

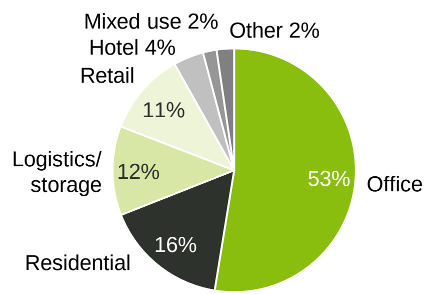


31/03/2022: € 30.1 bn

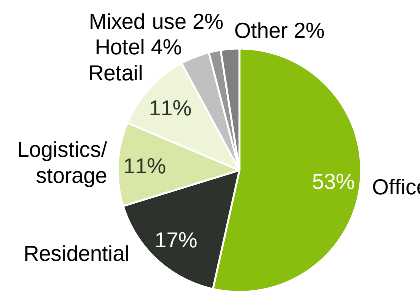


Property types

31/12/2021: € 29.7 bn

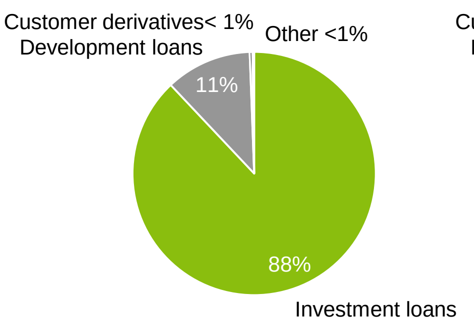


31/03/2022: € 30.1 bn

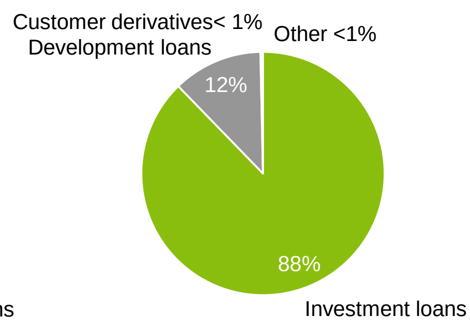


Loan types

31/12/2021: € 29.7 bn

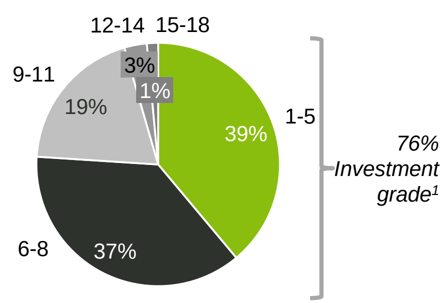


31/03/2022: € 30.1 bn

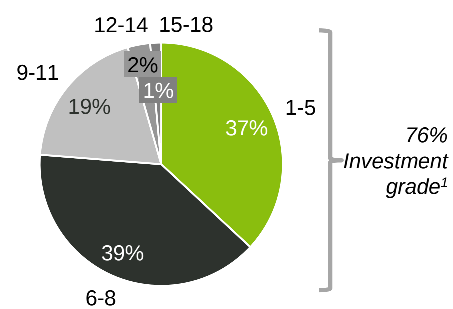


Internal ratings (EL classes)

31/12/2021: € 29.7 bn



31/03/2022: € 30.1 bn

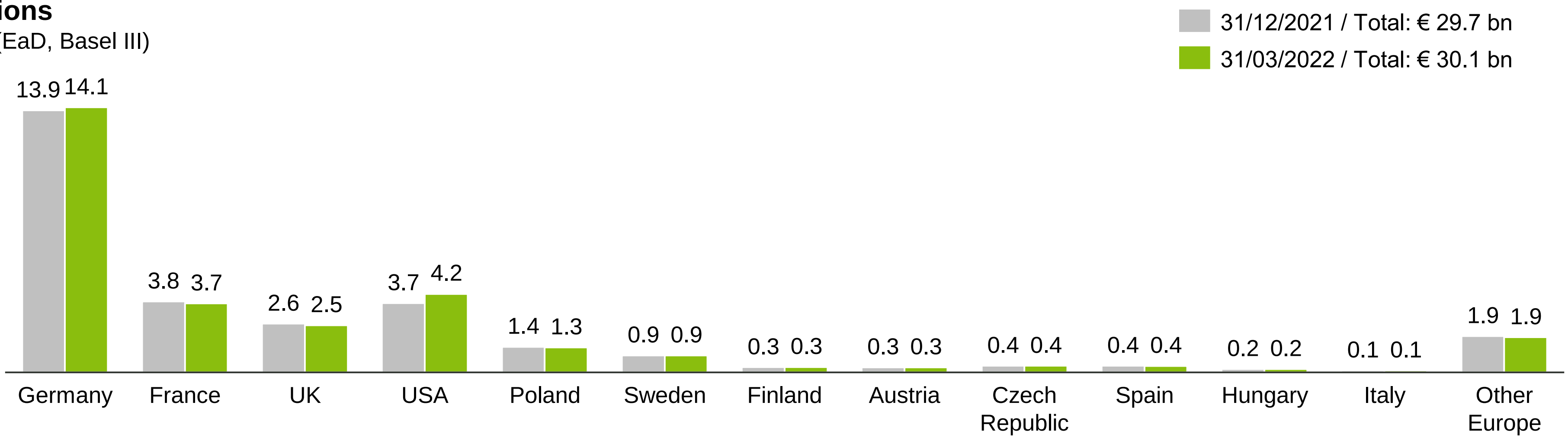


Note: Figures may not add up due to rounding   1 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

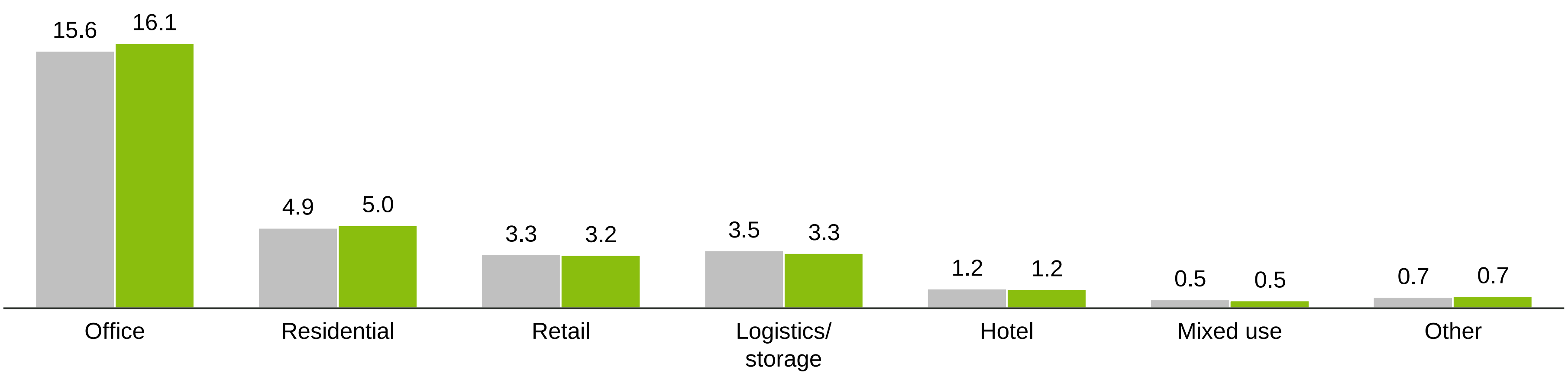
Portfolio
Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

Regions
€ bn (EaD, Basel III)

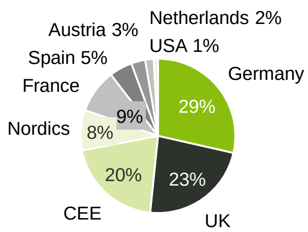
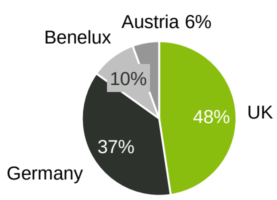


Property types
€ bn (EaD, Basel III)



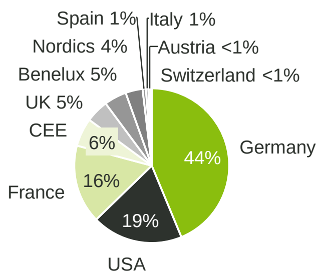
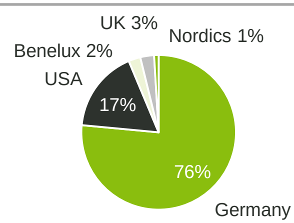
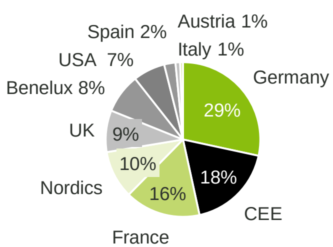
Note: Figures may not add up due to rounding

Markets
Sub-segments

Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Retail € 3.2 bn (11%)		▪ In general retail property market trading conditions remain challenging and retailers continue to retrench their physical store estates ▪ Rising commodity costs, exacerbated by the war in Ukraine, will dampen again consumer confidence and purchasing power ▪ Coupled with further retail business insolvencies and consolidation, this is having an adverse impact on occupancy and rents ▪ Retail parks rents proving most resilient and high street shops and shopping centers faring worse ▪ Nevertheless, investors sentiment to retail is recovering and there are signs that the yield correction is mostly over	▪ Short Term: threads to income stability as well as decreasing consumer spendings/consumer confidence (war in Ukraine leading inter alia to strong increase of energy costs) might hamper post COVID-19 pandemic recovery of retail markets. ▪ Mid Term: structural changes (online sale, change of high street retailer structure from smaller regional chains/owner occupied shops towards national/international chains and brands) leading to continued pressure on rents and to substantial oversupply of space in particular outside A-locations	▪ Selective approach with foresighted reduction of retail portfolio by ~55% or € 3.8 bn since 2016 (03/22: € 3.2 bn; 12/16: € 7.1 bn). ▪ Only investment loans, almost no development loans ▪ Conservative risk positioning: avg. LTV of 51%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio ▪ Current strategy is no new commitments for shopping centres
Hotel (Business Hotels only) € 1.2 bn (4%)		▪ Hotel is meanwhile benefiting from strong pent-up demand after the easing of pandemic restrictions on travel ▪ However, the economic uncertainty triggered by the military conflict and lower disposable income because of inflation will slow their recovery ▪ Strong increases in accommodation prices also due to lack of staff ▪ Recognizable trends in the market are the strengthening of the lower to middle segment ▪ Market values and lease/rentals decreased substantially during 2020 and stabilized largely in 2021. Value growth is positive again	▪ Recovery of performance to pre-Corona-levels not before 2024/25 ▪ Airport/Fair hotels being late in recovery cycle due to continuing travel restrictions. ▪ Recovery of business hotels expected to focus first on central locations, fringe locations expected to be late in recovery, too. ▪ Shortage of qualified personnel in parts of the industry	▪ Selective approach and strict adherence to conservative underwriting standards in particular during the hot phase of hotel investment market in 2018/19 resulting in a relatively small portfolio volume of € 1.2 bn ▪ Focus on prime location secures base value of properties ▪ Conservative risk positioning: avg. LTV of 56%[1] provides good buffer and supports commitment of investors/sponsors ▪ Focus on strong sponsors with ability to inject more equity ▪ Currently, strategy is no new commitments

1 Based on performing investment loans only

Markets
Sub-segments

Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Office € 16.1 bn (53%)		▪ Despite the increase during the pandemic, the vacancies are still on comparatively low levels in many markets. ▪ In turn the development of rents is expected to be modest but positive over the coming years ▪ Investor sentiment towards office is partly wait-and-see (fewer investments expected before summer break), but overall still relatively solid Particular modern, flexible and ESG-conform properties in good location are sought after while demand for secondary is limited	▪ Financial difficulties of tenants / insolvencies expected to increase due to impact of Ukraine war on overall economy ▪ Increased reletting/extension risks with pressure on rental level ▪ Good locations expected to remain stable ▪ Structural changes – Work from home – Hygiene/social distancing standards – Focus on green buildings expected to negatively affect older buildings in weaker locations mid/long term	▪ Focus on good locations ▪ Conservative risk positioning: avg. LTV of 53%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio with focus in Germany ▪ In new business transactions detailed analysis of "green profile" of properties including associated risk
Residential € 5.0 bn (17%)		▪ At present the market seems to be stable ▪ Higher interest rates and inflation will have a strong impact on the owner-occupier market. Currently high sales figures with once again sharply increased prices seem to herald a significant cooling in this market ▪ Market for multifamily properties will continue to benefit from the expected stable rental growth in the future	▪ Call for/imposed increased rent regulation could impact value and cash flow ▪ Hike in vacancy rates in UK and USA during Lock Down have lead to decreased rental levels, situation however recovering at present.	▪ Conservative risk positioning ▪ Portfolio volume of € 5 bn with conservative avg. LTV of 47%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio with strong focus on Germany
Logistics € 3.3 bn (11%)		▪ The logistics sector benefits from an even stronger focus on e-commerce but also by the need of more resilient supply chains in the industry sector ▪ These structural changes are driving both, investor and occupier demand ▪ With rents still rising, there should be relative value stability in the future	▪ Currently taking advantage of the pandemic crisis and other developments due to strategic trends like: – Online-shopping – Need for more resilient supply chains in the industry sector ▪ Monoline logistics centres ▪ Limited availability of new space in some countries ▪ In some markets trend to overheated prices	▪ Strategic approach; expert team since 2014; share increase since 2013 from 8% to 11% ▪ Focus on locations: good infra-structure, connection to a variety of different transportation routes ▪ Conservative risk positioning: avg. LTV of 51% provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio ▪ High quality of sponsors

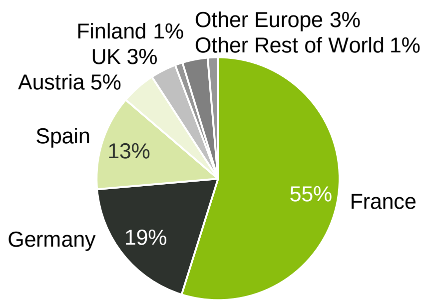
1 Based on performing investment loans only

Portfolio
Public Investment Finance (PIF)

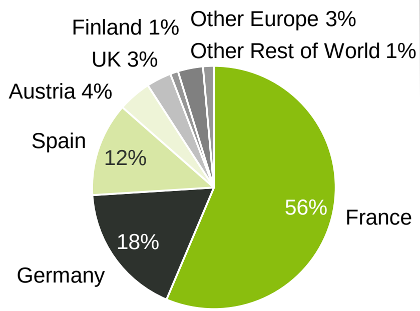
€ bn (EaD, Basel III)

Regions

31/12/2021: € 5.7 bn

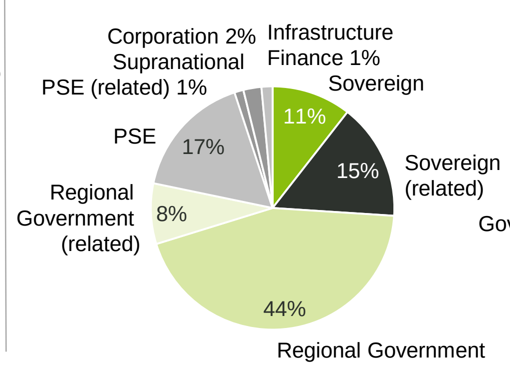


31/03/2022: € 5.4 bn

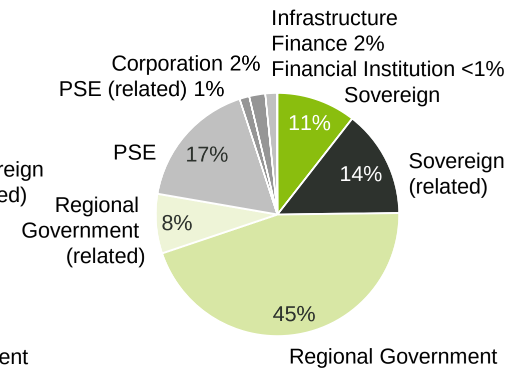


Borrower classification[1]

31/12/2021: € 5.7 bn

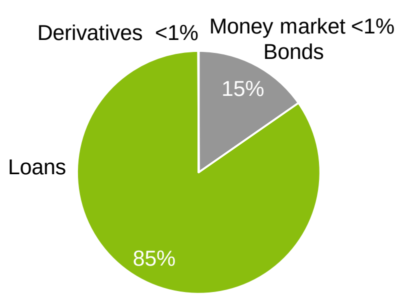


31/03/2022: € 5.4 bn

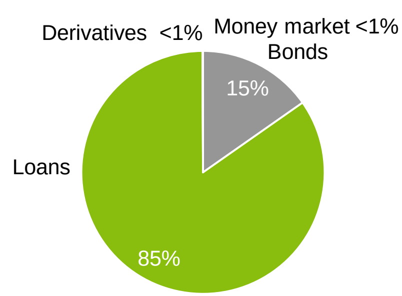


Product class

31/12/2021: € 5.7 bn

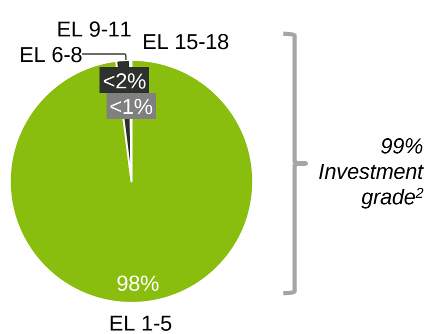


31/03/2022: € 5.4 bn

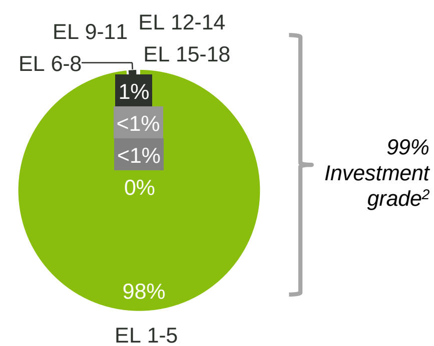


Internal ratings (EL classes)

31/12/2021: € 5.7 bn



31/03/2022: € 5.4 bn

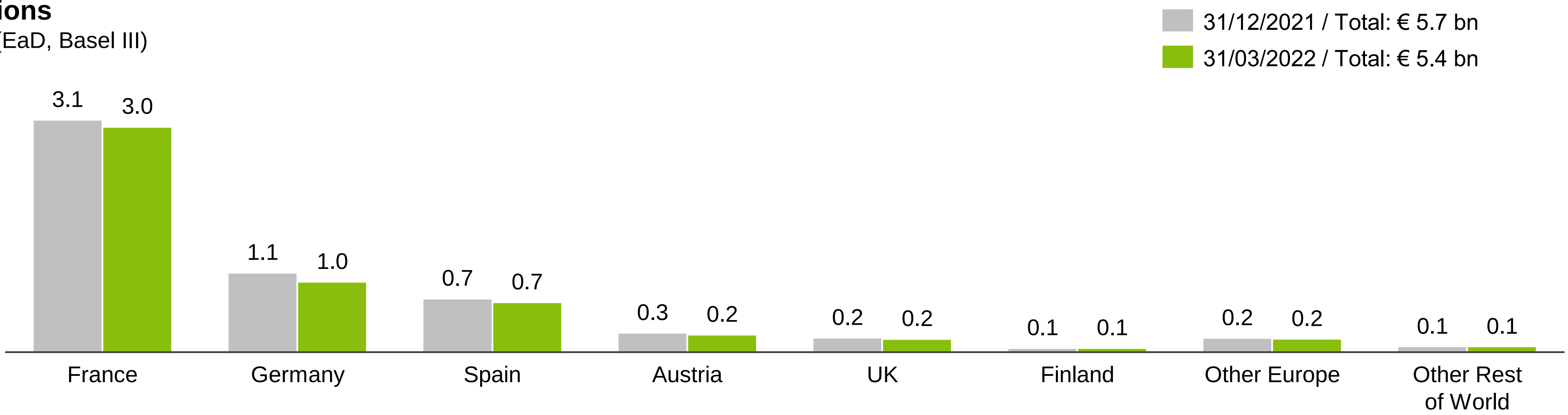


Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification 2 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

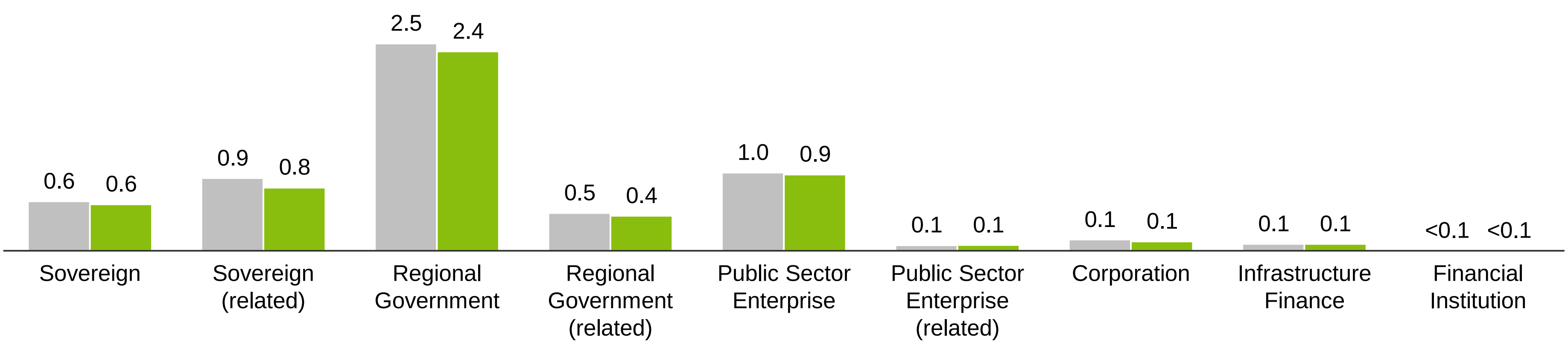
Portfolio
Public Investment Finance (PIF)

pbb DEUTSCHE PFANDBRIEFBANK

Regions
€ bn (EaD, Basel III)



Borrower classification[1]
€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification

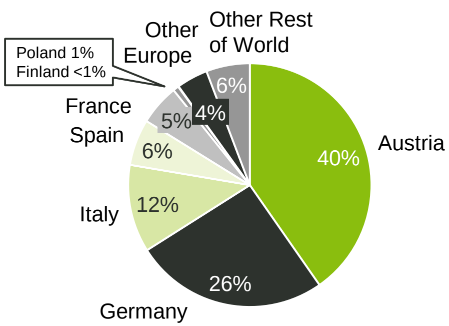
Portfolio
Value Portfolio (VP)

DEUTSCHE PFANDBRIEFBANK

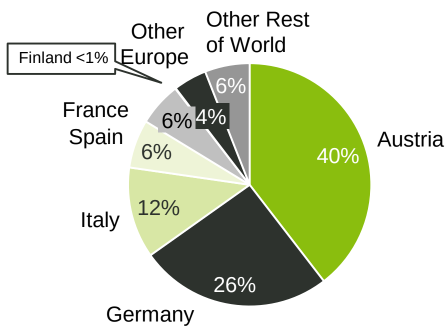
€ bn (EaD, Basel III)

Regions

31/12/2021: € 13.8 bn

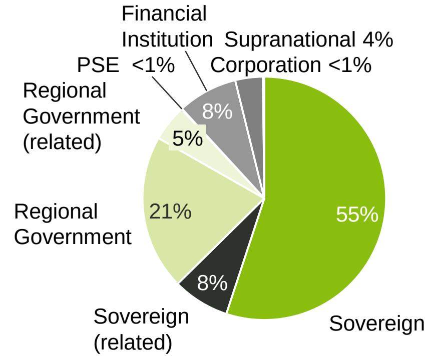


31/03/2022: € 12.9 bn

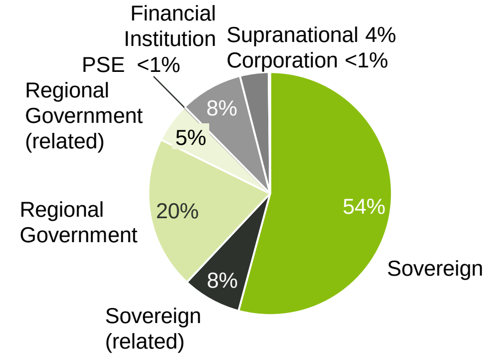


Borrower classification[1]

31/12/2021: € 13.8 bn

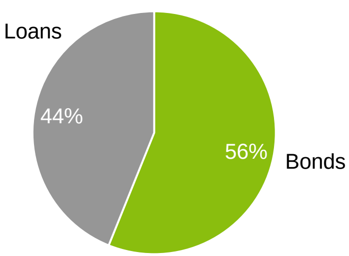


31/03/2022: € 12.9 bn

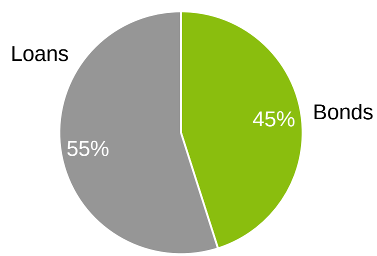


Product class

31/12/2021: € 13.8 bn

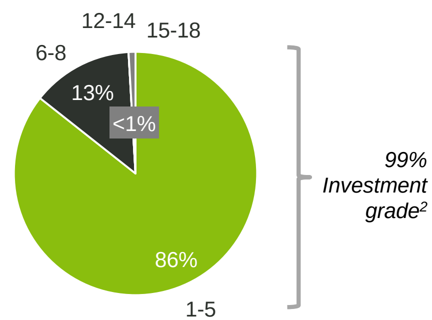


31/03/2022: € 12.9 bn

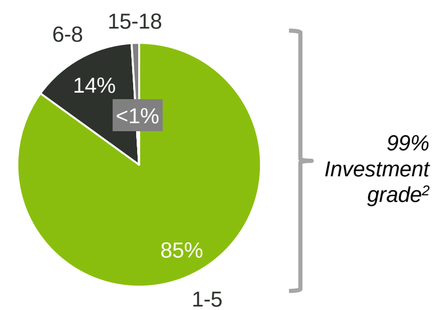


Internal ratings (EL classes)

31/12/2021: € 13.8 bn



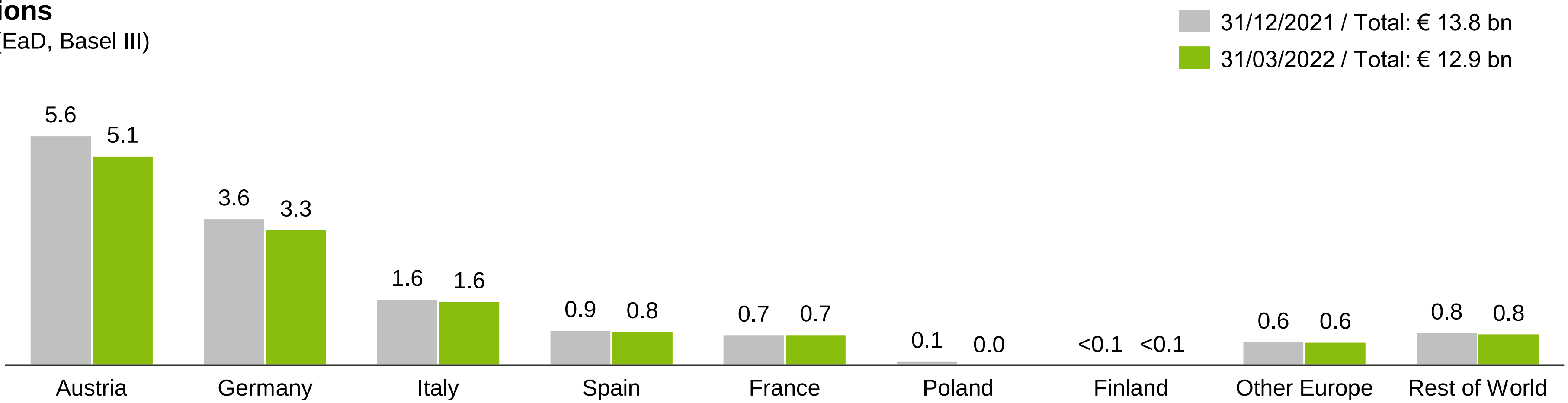
31/03/2022: € 12.9 bn



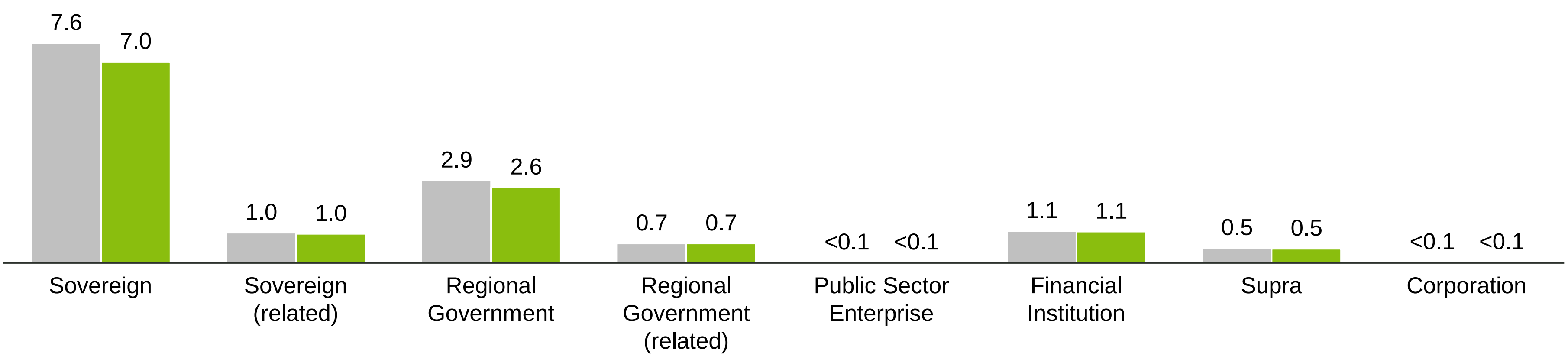
Note: Figures may not add up due to rounding   1 See appendix for definition of borrower classification   2 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

Portfolio
Value Portfolio (VP)

Regions
€ bn (EaD, Basel III)



Borrower classification[1]
€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification

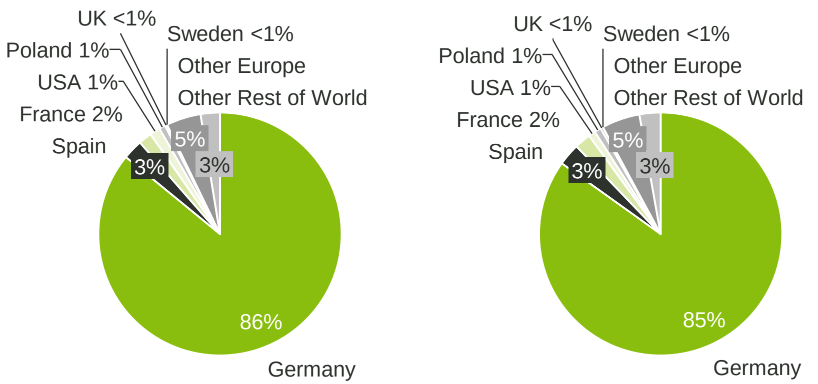
Portfolio

Consolidation & Adjustments (C&A)

€ bn (EaD, Basel III)

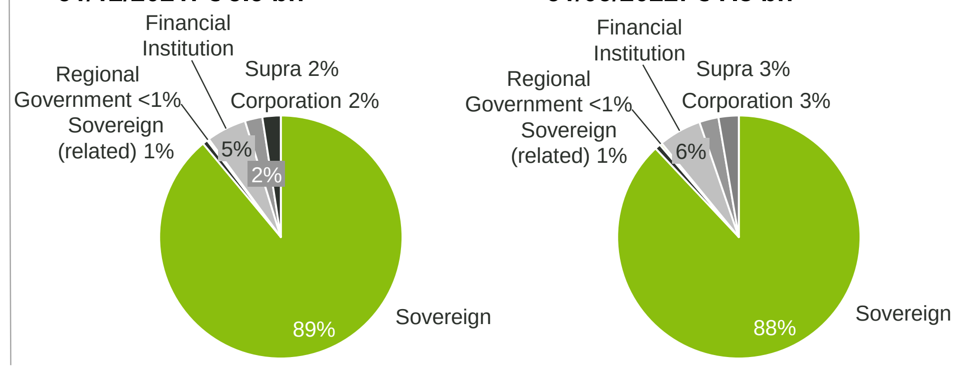
Regions

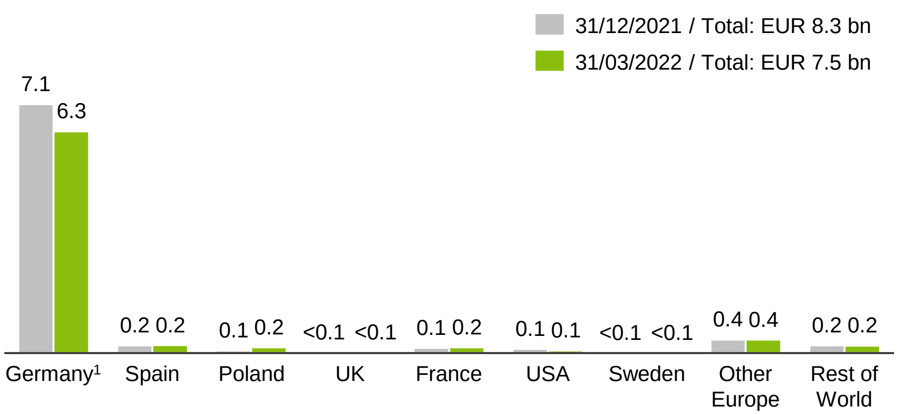
31/12/2021: € 8.3 bn **31/03/2022: € 7.5 bn**



Borrower classification[2]

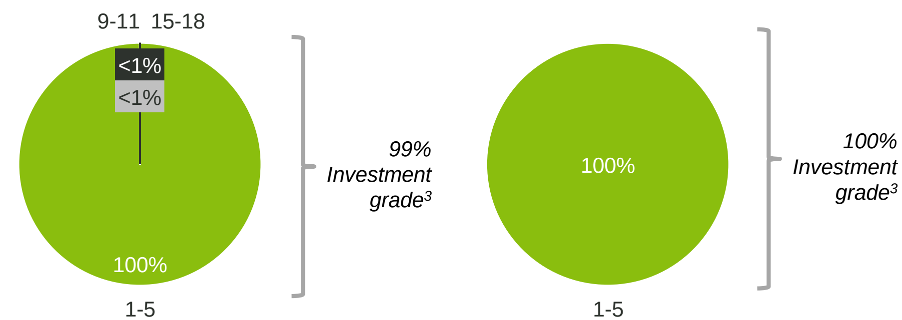
31/12/2021: € 8.3 bn **31/03/2022: € 7.5 bn**





Internal ratings (EL classes)

31/12/2021: € 8.3 bn **31/03/2022: € 7.5 bn**



Note: Figures may not add up due to rounding

1 Incl. Bundesbank accounts (12/21: € 6.6 bn; 03/22: € 5.8 bn) 2 See appendix for definition of borrower classification 3 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

Appendix

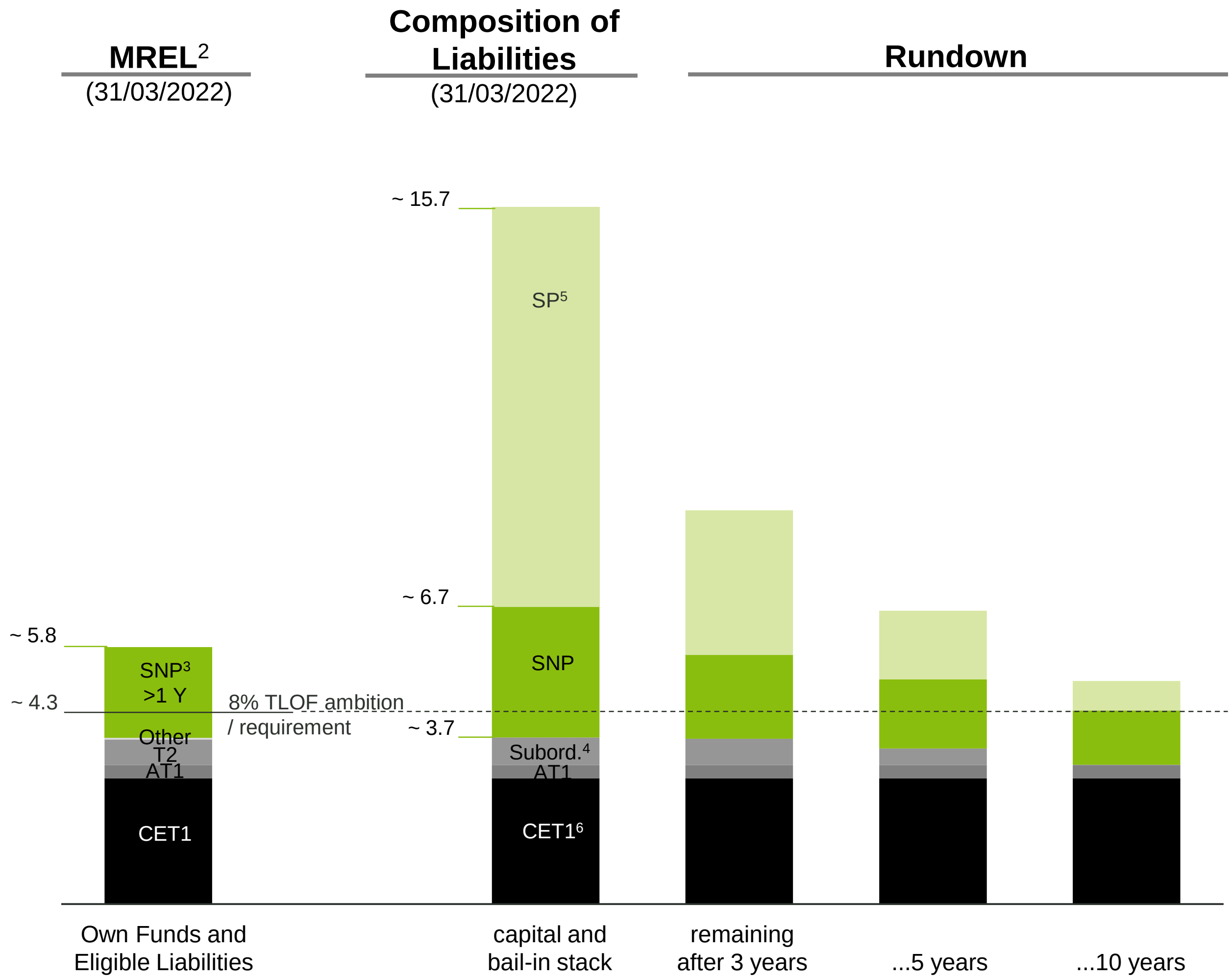
DEUTSCHE PFANDBRIEFBANK

Funding

Own Funds and Eligible Liabilities significantly exceed 8 % TLOF

(in € bn as of 31/03/2022)[1)]

DEUTSCHE PFANDBRIEFBANK



- Buffer for Senior Preferred (SP) investors due to high volume of capital instruments and Senior Non-Preferred (SNP) liabilities
- Existing Senior Non-Preferred liabilities have long remaining terms
- SP is the predominant senior product, but SNP will remain a key element of pbb's funding strategy
- pbb has an MREL-ambition level of 8 % TLOF in line with the binding regulatory target.
- Regulatory requirements (SREP, MREL etc.) are comfortably met

1 after confirmation of the 2021 financial statements, less the proposed dividend 2 pbb has set its ambition level at 8% TLOF with 100% subordination (i.e. Own Funds and Senior Non-Preferred), which is the currently binding regulatory target. As of 31 March 2022, MREL eligible items amounted to ~11% TLOF (based on the transfer to retained earnings from the 2021 annual result n TLOF as of 31.03.2022) / ~35% RWA / ~11% Leverage Exposure 3 MREL-eligible Senior Non-Preferred Debt >1Y according to legal maturities 4 Nominal amount of Tier 2 instruments; the capital stack includes € 300 mn AT1 issuance callable in 2023 and € 300 mn T2 issuance callable in 2022 5 Senior Preferred, structured unsecured and corporate deposits (excl. protected deposits) 6 CET1 assumed to be constant

Funding

Public benchmark issuances since 2018

Types	WKN	Launch Date	Maturity Date	Size	Spread[1]	Coupon	Issue/Reoffer Price
Senior Unsecured	A2GSLC6	16.01.2018	23.02.2022	EUR 500 mn	+40 bp	0.625%	99.956%
Mortgage Pfandbrief (1st Tap)	A2E4ZE	24.01.2018	05.09.2022	EUR 250 mn	-18 bp	0.05%	99.579%
Mortgage Pfandbrief	A2GSLF	08.03.2018	15.03.2023	EUR 750 mn	-13 bp	0.25%	99.520%
Additional Tier 1	XS1808862657	12.04.2018	Perpetual	EUR 300 mn	+538 bp	5.75%	100.00%
Mortgage Pfandbrief (1st Tap)	A2E4ZK	24.04.2018	04.12.2020	GBP 50 mn	+26 bp[2]	1.00%	98.958%
Mortgage Pfandbrief	A2GSLL	15.05.2018	22.05.2024	EUR 500 mn	-9 bp	0.500%	99.912%
Mortgage Pfandbrief	A2GSLV	22.08.2018	30.08.2027	EUR 500 mn	-2 bp	0.625%	98.933%
Mortgage Pfandbrief	A2LQNH	19.09.2018	16.12.2021	GBP 300 mn	+32 bp[2]	1.50%	99.802%
Mortgage Pfandbrief	A2LQNK	13.11.2018	22.11.2021	USD 600 mn	+35 bp[3]	3.375%	99.603%
Mortgage Pfandbrief	A2LQNP	21.01.2019	29.01.2024	EUR 500 mn	+8 bp	0.25%	99.812%
Senior Preferred	A2LQNQ	31.01.2019	07.02.2023	EUR 500 mn	+80 bp	0.75%	99.679%
Mortgage Pfandbrief (1st Tap)	A13SWE	31.01.2019	01.03.2022	EUR 100 mn	+2 bp	0.20%	100.74%
Public Sector Pfandbrief (1st Tap)	A13SWG	05.02.2019	20.04.2035	EUR 100 mn	+17 bp	1.25%	99.476%
Mortgage Pfandbrief (1st Tap)	A2GSLL	07.02.2019	22.05.2024	EUR 100 mn	-9 bp	0.50%	101.638%
Mortgage Pfandbrief (2nd Tap)	A13SWE	04.03.2019	01.03.2022	EUR 100 mn	-3 bp	0.20%	100.81%
Public Sector Pfandbrief (2nd Tap)	A13SWG	04.03.2019	20.04.2035	EUR 150 mn	+14 bp	1.25%	100.057%
Senior Preferred (1st Tap)	A2LQNQ	06.03.2019	07.02.2023	EUR 250 mn	+72 bp	0.75%	100.004%
Senior Preferred	CH0419041246	15.05.2019	05.06.2023	CHF 125 mn	+65 bp[4]	0.125%	100.12%
Mortgage Pfandbrief	A2NBJ7	22.05.2019	31.05.2022	USD 600 mn	+32 bp[3]	2.50%	99.851%
Mortgage Pfandbrief (1st Tap)	A2GSLV	12.06.2019	30.08.2027	EUR 100 mn	0 bp	0.625%	104.138%
Senior Preferred	A2NBKK	29.08.2019	05.09.2024	EUR 500 mn	+75 bp	0.125%	99.498%
Mortgage Pfandbrief (3rd Tap)	A13SWE	10.09.2019	01.03.2022	EUR 50 mn	-0.5 bp	0.20%	101.795%
Mortgage Pfandbrief (1st Tap)	A2YNVK	25.09.2019	31.05.2022	USD 50 mn	32 bp[3]	2.50%	101.619%
Mortgage Pfandbrief	A2YNVM	09.10.2019	16.10.2025	EUR 500 mn	+5 bp	0.01%	101.984%
Senior Preferred	A2YNVU	13.11.2019	21.11.2022	GBP 250 mn	+114 bp[2]	1.75%	99.849%
Mortgage Pfandbrief (1st Tap)	A1X3LT	19.11.2019	21.01.2022	EUR 100 mn	0 bp	1.875%	104.77%
Mortgage Pfandbrief	A2YNVY	14.01.2020	21.01.2028	EUR 750 mn	+5 bp	0.10%	99.992%
Mortgage Pfandbrief (2nd Tap)	A1X3LT	15.01.2020	21.01.2022	EUR 150 mn	0 bp	1.875%	104.36%
Mortgage Pfandbrief (1st Tap)	A2LQNP	22.01.2020	29.01.2024	EUR 250 mn	+1 bp	0.25%	101.919%
Senior Preferred	A2YNV3	23.01.2020	28.07.2023	EUR 300 mn	+55 bp	3m-Euribor+90 bp	101.237%
Public Sector Pfandbrief (3rd Tap)	A13SWG	18.02.2020	20.04.2035	EUR 50 mn	+0 bp	1.25%	116.16%
Mortgage Pfandbrief	A289PQ	24.09.2020	29.09.2023	GBP 500 mn	+38 bp[6]	SONIA +100 bp	101.844%
Mortage Pfandbrief	A3H2ZW	13.01.2021	20.01.2023	USD 750 mn	+23bp[3]	0.50%	99.93%
Senior Preferred (Green)	A3H2ZX	25.01.2021	02.02.2026	EUR 500 mn	+55 bp	0.10%	100.00%
Mortgage Pfandbrief	A3H2Z8	20.04.2021	27.04.2024	GBP 500 mn	+27 bp[6]	SONIA +100 bp	102.178%
Mortgage Pfandbrief	A3E5K7	25.08.2021	20.08.2026	EUR 500 mm	+0 bp	0.01%	101.747%
Mortgage Pfandbrief (2nd Tap)	A2GSLV	26.08.2021	30.08.2027	EUR 50 mn	-1 bp	0.625%	105.890%
Mortgage Pfandbrief (1nd Tap)	A2YNVM	26.08.2021	16.10.2025	EUR 50 mn	-1,9 bp	0.01%	101.880%
Mortgage Pfandbrief (2nd Tap)	A2YNVM	16.09.2021	16.10.2025	EUR 50 mn	-2 bp	0.01%	101.540%
Mortgage Pfandbrief (3nd Tap)	A2YNVM	21.09.2021	16.10.2025	EUR 100 mn	-2 bp	0.01%	101.490%
Mortgage Pfandbrief	A3E5KY5	14.10.2021	11.10.2024	USD 750 mn	+20bp[3]	0.875%	99.778%
Senior Preferred (Green)	A3T0X22	20.10.2021	27.10.2025	EUR 500 mn	+48 bp	0.25%	99.754%
Senior Preferred (Green)	A3T0X97	12.01.2022	17.01.2025	EUR 750 mn	+42 bp	0.25%	99.798%
Mortage Pfandbrief	A3TOYD	09.02.2022	14.02.2025	USD 750 mn	+43 bp[7]	1.875%	99.767%
Mortgage Pfandbrief (1st Tap)	A3E5K7	17.02.2022	20.08.2026	EUR 50 mm	-3 bp	0.01%	98.70%
Mortage Pfandbrief	A3TOYH	06.04.2022	13.04.2026	EUR 750 mn	+1 bp	1.00%	99.727%
Mortgage Pfandbrief (2nd Tap)	A3E5K7	07.04.2022	20.08.2026	EUR 50 mm	-2 bp	0.01%	98.35%
Senior Preferred (Green) (1st Tap)	A3T0X22	11.04.2022	27.10.2025	EUR 200 mn	+55 bp	0.25%	95.045%

1 vs. mid-swap 2 vs. 3m GBP-Libor 3 vs. 3m USD-Libor 4 vs. 6m CHF-Libor 5 vs 3m Euribor 6 vs SONIA 7 vs SOFR

Mandated Ratings

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Bank ratings	S&P	
Long-term	**BBB+**	
Outlook/Trend	Stable	
Short-term	A-2	
Stand-alone rating[1]	bbb	
Long Term Debt Ratings		
"Preferred" senior unsecured Debt[2]	BBB+	
"Non-preferred" senior unsecured Debt[3]	BBB-	
Subordinated Debt	BB+	

Pfandbrief ratings		Moody's
Public Sector Pfandbrief		Aa1
Mortgage Pfandbrief		Aa1

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1 S&P: Stand-alone credit profile 2 S&P: "Senior Unsecured Debt" 3 S&P: "Senior Subordinated Debt"

Definition of borrower classifications

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Borrower classification	Definition
Sovereign	Direct and indirect obligations of Central Governments, Central Banks and National Debt Agencies
Sovereign (related)	Indirect obligations of Non Sovereigns with an explicit first call guarantee by a Sovereign
Regional Government	Direct and indirect obligations of Regional, Provincial and Municipal Governments
Regional Government (related)	Indirect obligations of Non Regional Government with an explicit first call guarantee by a Regional Government
Public Sector Enterprise	Direct obligations of administrative bodies and non commercial/non-profit undertakings
Public Sector Enterprise (related)	Indirect obligations of Non Public Sector Enterprise with an explicit first call guarantee by a Public Sector Enterprise
Financial Institution	Direct and indirect obligations of Universal Banks, Investment Banks, Mortgage Institutions, Brokerages and other banks or Basel regulated institution
Corporation	Direct and indirect obligations of enterprises, established under corporate law and operating in a for profit or competitive environment
Structured Finance	Obligations of an SPV which references the risk of an underlying pool of securitised assets, either synthetically via CDS or directly, the tranches issued by the SPV have different seniority to each other
Supranational	Direct obligations to international Organisations and International Investment and Development Banks
Other	Direct obligations to Individuals

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