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pbb remains on track in difficult market environment with PBT of € 159 mn in 9M/22 – full-year PBT guidance confirmed

Results Q3/9M 2022

Analyst Conference

14 November 2022

Please think about the environment before printing!

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Agenda

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The system works as designed

pbb well positioned to navigate current landscape

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	Challenges	Our response
Earnings pressure	➢ **Low interest rate sensitivity** while interest rates are rising ➢ **Expiring floor income** ➢ **Loss of TLTRO benefits** ➢ **Widened unsecured funding spreads**	➢ Interest rate positioning **by design not part of pbb's business model**, setting stabilising floor in times of declining interest rates – focus on core expertise credit risk ➢ Low prepayment volumes and higher share of extensions to support **REF portfolio growth** (9M/22: nearly € +2 bn), mitigating loss in floor income and TLTRO benefits – **further support from expected margin pick-up and strategic initiatives** ➢ Pressure on unsecured funding costs to be mitigated by **further growth of retail deposits** (10M/22: nearly € +1 bn)
Rising risks	➢ **Inflation, economic downturn** and **geopolitical uncertainty** ➢ **Pressure on CRE markets** – slowdown of transaction volumes and rising risks	➢ **Real Estate** typically being decent **inflation hedge** and to remain **"safe haven" asset class** (esp. prime/core), **still providing adequate business opportunities** in future ➢ Continued **conservative risk approach** preserves high asset quality and mitigates increasing risks ➢ **Solid stock of risk provisions** (09/22: nearly € 400 mn / >130 bp on REF portfolio, incl. management overlay) provides comfortable buffer to mitigate overall rising risks and keep risk provisioning on moderate level going forward

Highlights Q3/9M 2022

pbb remains on track with PBT of € 159 mn in 9M/22 – solid REF new business and strong REF portfolio growth

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Financials	▪ Solid **PBT** of € 159 mn in 9M/22 (9M/21: € 186 mn) despite difficult market environment ▪ **NII** only slightly down (9M/22: € 358 mn, 9M/21: € 369 mn) – lower floor income, loss in TLTRO premium since end of June 22 and slight increase in average refinancing spreads largely compensated by higher average REF financing volume ▪ **Prepayment fees** stay low in reflection of market environment – realisation income down by € 45 mn y-o-y (9M/22: € 10 mn; 9M/21: € 55 mn) after exceptionally high level in 2021 ▪ **Operating income** slightly down to € 400 mn (9M/21: € 429 mn) ▪ **GAE** largely stable y-o-y (9M/22: € 157 mn; 9M/21: € 151 mn) despite increase in inflation ▪ **Risk provisioning** of € -19 mn in Q3/22 (Q3/21: € -17 mn) resulting in € -38 mn for 9M/22 (9M/21: € -50 mn); scenarios adjusted to downwardly revised macroeconomic forecasts while maintaining high weighting of 40% for adverse scenario; management overlay kept stable at € 41 mn (06/22: € 42 mn; 03/22: € 44 mn; 12/21: € 54 mn)
New business[1]	▪ **REF new business volume** up y-o-y to € 6.6 bn (9M/21: € 5.7 bn) with continued low avg. LTV of 55%[2] ▪ Avg. **gross interest margin** slightly down to ~160 bp in 9M/22 (2021: ~170 bp), reflecting lower LTV business in Q3/22 (avg. LTV 49%); significant positive margin trend for Q4/22
Portfolio	▪ Strong growth in **REF financing volume** ytd (09/22: € 29.5 bn; 12/21: € 27.6 bn; 09/21: € 27.0 bn), supported by continued low prepayment level ▪ **NPL ratio** remains low at 1.1% (09/22: € 601 mn; 12/21: € 580 mn; 09/21: € 591 mn)
Funding	▪ Total **new funding volume** of € 4.8 bn in 9M/22 (9M/21: € 3.4 bn) – strong increase in **retail deposits** to mitigate increased unsecured capital market spreads ▪ **ALM profile** and **liquidity position** remain comfortable (NSFR >100%; LCR >150%)
Capital	▪ **CET 1 ratio** down to 16.3%[3] (12/21: 17.1%[4]) due to increased RWA as a result of strong REF portfolio growth
Guidance	▪ **Full-year guidance confirmed** despite strong headwinds ▪ Change in **TLTRO** conditions with no notable impact on 2022 results, only moderate impact on 2023
ESG	▪ **ESG programme** in plan – continued focus on strategy 2.0, „green“ lending/funding, ESG risk management, ESG data management and ESG disclosure requirements ▪ **Green loan** volume further increased to more than € 1.3 bn (06/22: € 1.0 bn; 03/22: € 0.8 bn; 12/21: € 0.2 bn) and **green bond** volume up to € 2.45 bn (06/22: € 1.95 bn; 03/22: € 1.75 bn; 12/21: € 1.0 bn)

1 Commitments, incl. extensions >1 year 2 New commitments; avg. LTV (extensions): 9M/22: 52%; 9M/21: 55% 3 Excl. Interim result 4 Incl. full-year result, post proposed dividend 2021

Operating and financial overview

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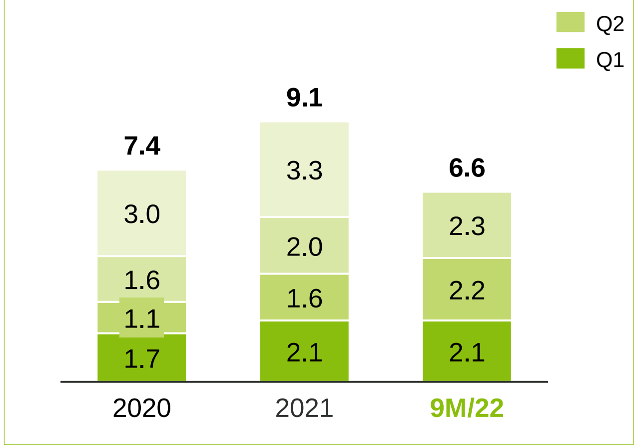
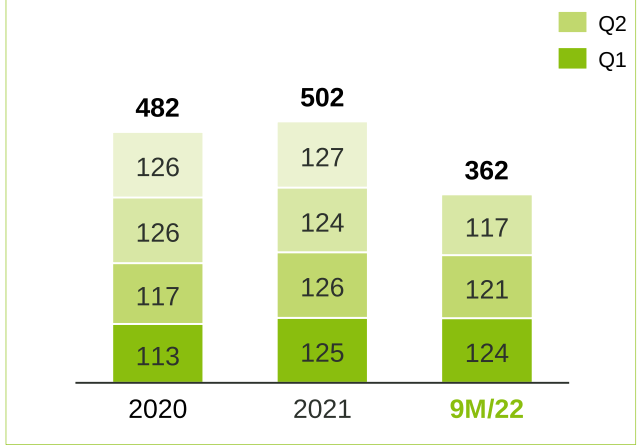
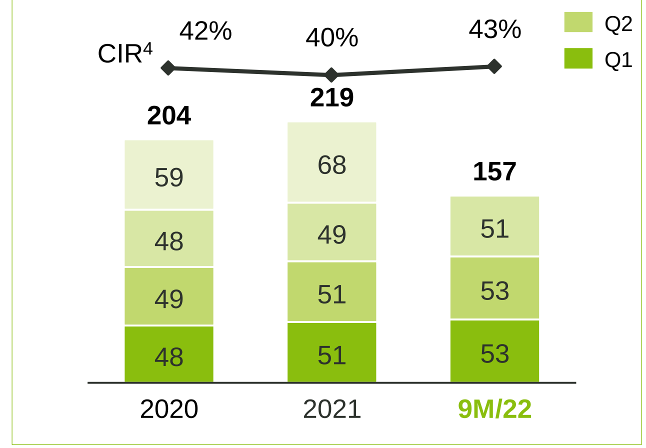
New business
€ bn (commitments, incl. extensions >1 yr)



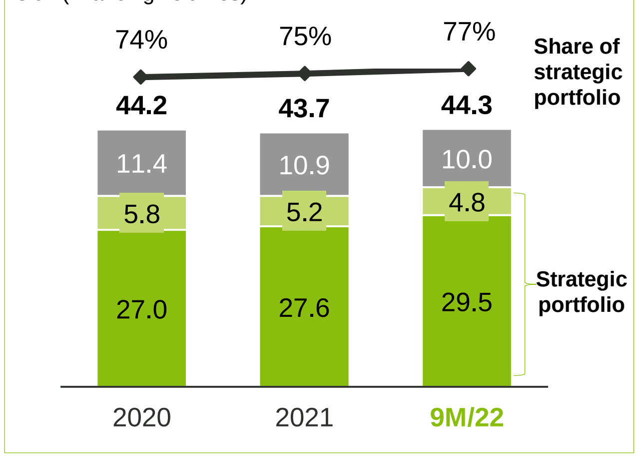
Net interest and commission income [1]
€ mn (IFRS)



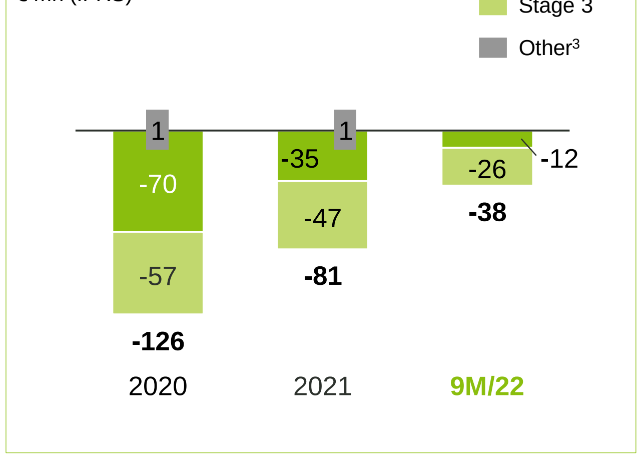
General and admin. expenses
€ mn (IFRS)



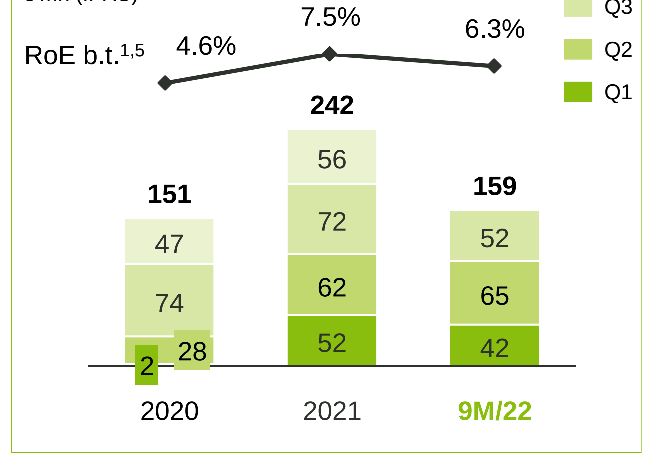
Portfolio
€ bn (financing volumes)



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 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income 5 After AT1 coupon (2020: € -17 mn; 2021: € -17 mn; 9M/22: pro-rata € -13 mn)

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4. New Business
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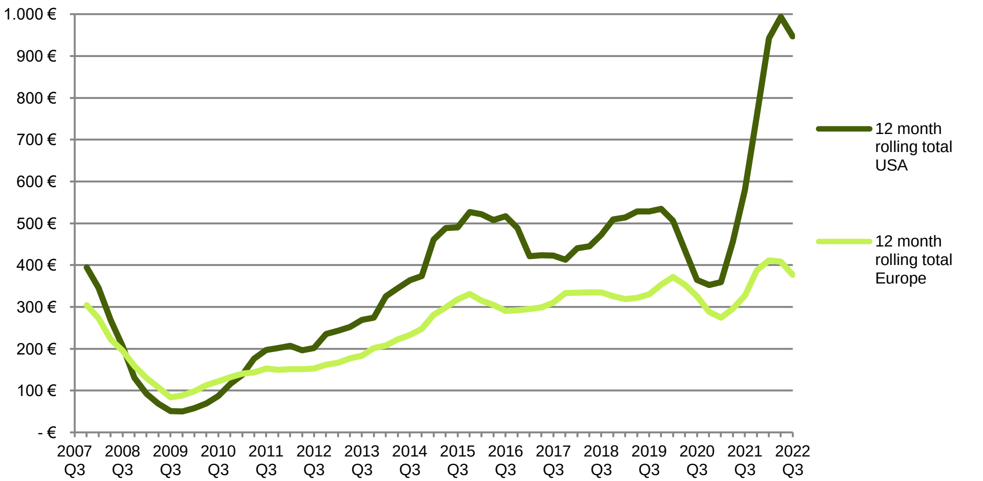
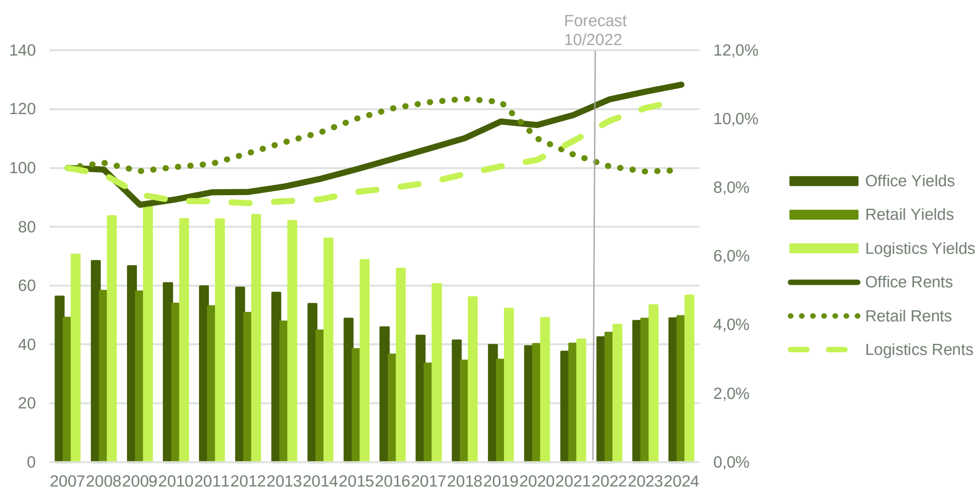
CRE Markets

Investment volumes still on solid level despite further decline in Q3/22, with expectations more subdued

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



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



- Despite further slowing volume growth US CRE **investment volumes** still with relatively solid performance in Q3/22 but, weak sentiment toward real estate is not yet reflected in the latest numbers
- European property investment volume declined in Q3/22 as the market is currently reassessing valuations and price discovery process takes longer

- Europe:
  - With the exception of **hotel and retail,** market values were in general relatively stable
  - Prime **office** yields are increasing in all markets
  - **UK office** and **retail** values are declining as well despite current relatively favorable pricing
  - **Logistic** expected to see relatively strong price decreases while **residential** values are expected to decline less

- Germany:
  - **Office** markets are very expensive by historical standards and yields will move out in the short and medium term
  - Investor sentiment deteriorates also for **logistic**, while **residential** and food-based or big box **retail** assets are expected to fare better
  - Yields for prime **high street shops** and **shopping centers** are projected to increase

- USA:
  - Overall still low commercial property price growth
  - Weaker trends for the **office** sector, counteracted by stronger **industrial** and **apartment** sectors
  - Yields for **office** properties are very likely to increase slightly in the short term before stabilising again in the medium term

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 October 2022

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Financials

Solid operating performance despite difficult market environment

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Income statement

€ mn	Q3/21	Q3/22	9M/21	9M/22
Operating Income	**142**	**128**	**429**	**400**
Net interest income	123	116	369	358
Net fee and commission income	1	1	6	4
Net income from fair value measurement	1	7	3	21
Net income from realisations	17	-	55	10
Net income from hedge accounting	1	8	-2	7
Net other operating income	-1	-4	-2	-
Net income from risk provisioning	-17	-19	-50	-38
General and administrative expenses	-49	-51	-151	-157
Expenses from bank levies and similar dues	1	-1	-28	-32
Net income from write-downs and write-ups on non-financial assets	-5	-5	-14	-14
Pre-tax profit	**72**	**52**	**186**	**159**
Income taxes	-11	-8	-28	-24
Net income	**61**	**44**	**158**	**135**
RoE before tax[1] (%)	8.9	6.1	7.7	6.3
RoE after tax[1] (%)	7.5	5.1	6.5	5.3
CIR[2] (%)	38.0	43.8	38.5	42.8
EpS[1] (€)	0.43	0.29	1.09	0.91

Key drivers Q3/9M 2022

- **NII** slightly down y-o-y – mainly affected by lower floor income, loss in TLTRO premium and slightly higher average refinancing spreads, largely compensated by increased average REF financing volume
- **Fair value measurement** up y-o-y in reflection of market environment – mainly impacted by credit risk and funding cost induced valuation components
- **Net income from realisations** significantly down y-o-y in reflection of market environment (esp. rising interest rates) – previous year strongly benefitted from higher individually driven prepayment fees
- Positive **net income from hedge accounting** resulting from strong increase of 3M Euribor in Q3/22
- **Net other operating income** up y-o-y – release of provisions mainly for tax and legal topics in Q1/22, compensated by negative FX changes
- **Risk provisioning** down y-o-y – scenarios adequately cover current macroeconomic forecasts (high weighting of 40% for downside scenario maintained); management overlay kept stable at € 41 mn
- **GAE** largely stable y-o-y despite increase in inflation
- **Bank levy** up y-o-y – increased target volume of the European Deposit Protection Fund resulted in higher fee (9M/22: € -32 mn; 9M/21: € -28 mn; 2021: € -29 mn)
- **RoE** and **EpS** taking into account AT1 coupon[1]

1 After AT1 coupon (Q3/9M 2021: pro-rata € 4 mn / € 13 mn; Q3/9M 2022: pro-rata € 4 mn / € 13 mn) 2 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income

Financials

Underlying income from lending business on solid level despite lower supporting effects from floors and TLTRO

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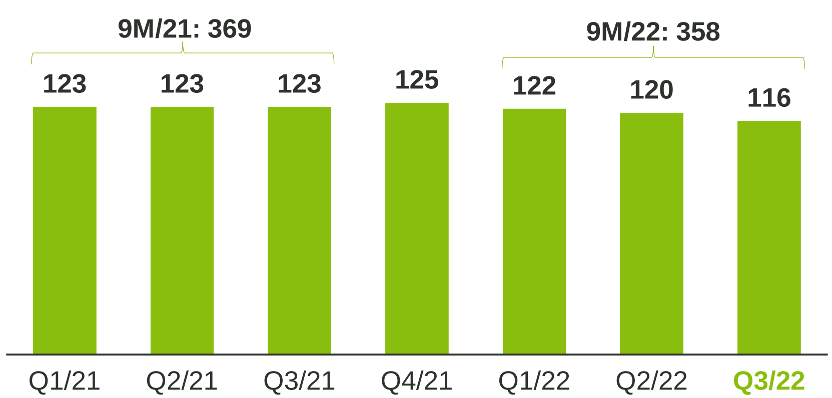
Income from lending business
€ mn

	Q3/21	Q3/22	9M/21	9M/22
Net interest income	123	116	369	358
Net fee and commission income	1	1	6	4

	Q3/21	Q3/22	9M/21	9M/22
Net income from realisations	17	-	55	10

Net interest income
€ mn



Key drivers Q3/9M 2022

- **NII** slightly down y-o-y, mainly due to
  - **lower floor income** from increasing interest rate environment
  - **loss of TLTRO premium** since end of June 2022
  - slight **increase** in **average refinancing spreads**

  partly compensated by
  - **increase in average REF financing volume** (9M/22: € 28.4 bn; 9M/21: € 27.1 bn)

- **Net income from realisations** down y-o-y, mainly driven by **lower income from prepayments** in reflection of market environment
  - 9M/22 figure (€ 10 mn) significantly lower than exceptionally high and by one-off gains supported previous year level (9M/21: € 55 mn; 2021: € 81 mn)
  - Since inception of the Russian/Ukrainian war, increasing reluctance by investors
    - Lower churn of transactions due to increasing uncertainties
    - Increasing interest rates drive higher loan costs – disappearance of financing and yield advantage
  - Prepayments subject to individual considerations of investors and not steerable

Financials

Risk provisioning down y-o-y – scenarios adequately cover current macroeconomic forecasts, management overlay maintained

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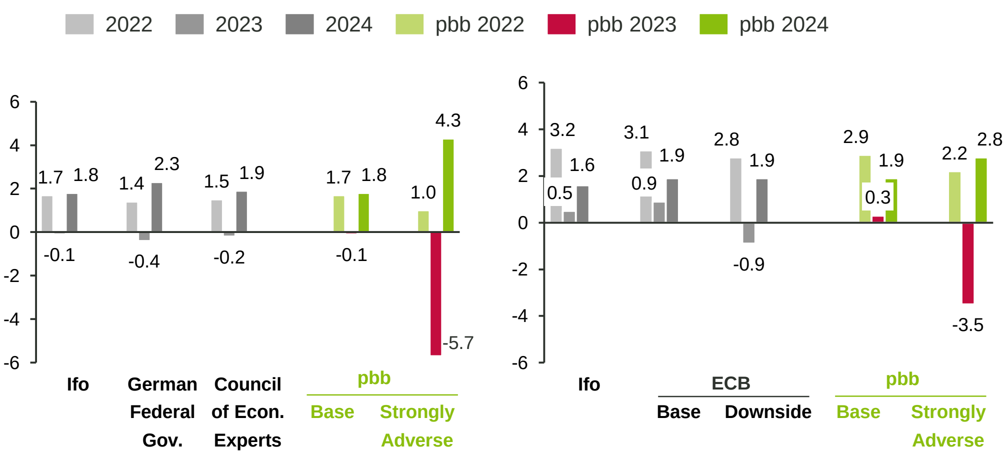
Net income from risk provisioning

€ mn

	Q3/21	Q3/22	9M/21	9M/22
Net income from risk provisioning	-17	-19	-50	-38
stage 1 & 2	1	-17	-19	-12
thereof Off-balance sheet lending business	*2*	*-11*	*1*	*-22*
stage 3	-18	-2	-31	-26
Recoveries	-	-	-	-

GDP Germany (%) **GDP Eurozone** (%)



Key drivers Q3/9M 2022

- **Net income from risk provisioning** of € -19 mn in Q3/22 (9M/22: € -38 mn; 9M/21: € -50 mn)
- **Stage 1&2[1]: Net addition** of € -17 mn in Q3/22 (9M/22: € -12 mn; 9M/21: € -19 mn)
  - Most recent model-/risk-parameters revised downward in line with current economic forecasts till 2024
  - Strongly Adverse Scenario takes into account recession and oil/gas embargo, high weighting of 40% for downside scenario maintained
  - Additions partially compensated by rating upgrades in VP
  - **Management overlay** kept stable at € 41 mn (06/22: € 42 mn; 12/21: € 54 mn)
- **Stage 3:** Net additions of € -2 mn in Q3/22 (9M/22: € -26 mn; 9M/21: € -31 mn) mainly due to decrease of collateral values resulting from increasing interest rates
- **Coverage ratio:** Stage 3 coverage ratio[2] at 32% (09/21: 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

NPLs remain on low level – solid loss allowances on balance sheet

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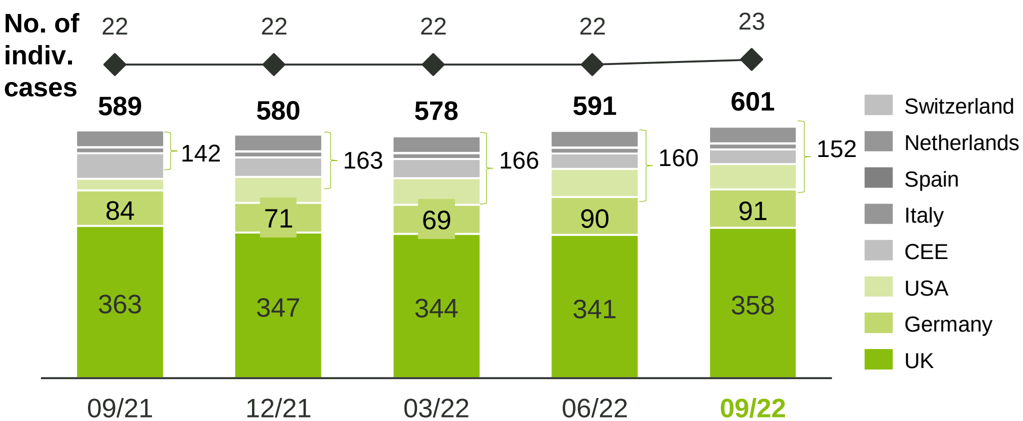
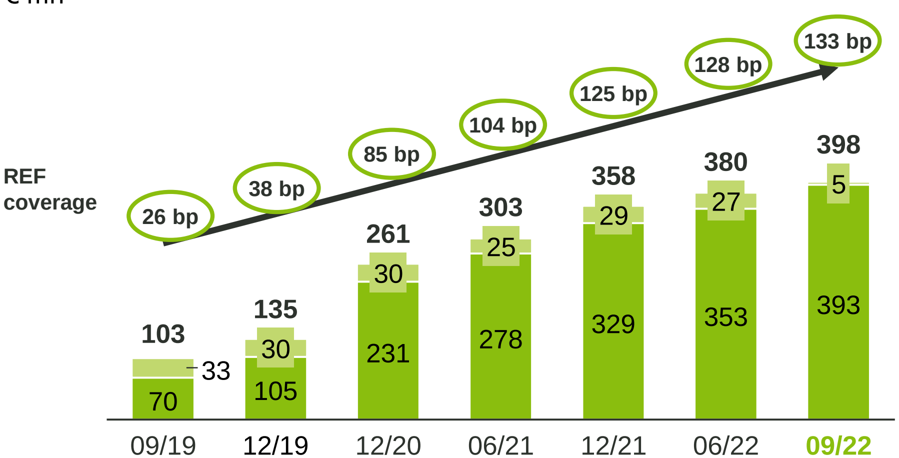
Non-performing loans – regions

€ mn (EaD, Basel III)



Balance sheet – loss allowances

€ mn



Key drivers Q3/9M 2022

- **Non-performing loans** (NPLs) remain on low level
  - **Restructuring loans** slightly up at € 587 mn (06/22: € 577 mn)
    - newly added € 26 mn retail loan, UK (small provisioning of € 0.4 mn) and
    - € 60 mn office loan, USA (no provisioning necessary)

    partially compensated by incoming payments from
    - € -67 mn office loan, USA (no risk provisioning)
    - € -1 mn Office park, Poland (partial repayment)
    - € -9 mn FX-effects
  - **Workout loans** stable at only € 14 mn
- **NPL ratio**[1] of 1.1% remains on low level (06/22: 1.1%; 03/22: 1.0%; 12/21: 1.0%)
- Solid **loss allowances on balance sheet** provide comfortable buffer for challenges to come
  - **REF coverage** of 133 bp
  - Approx. 50% **stage 1&2** allowances

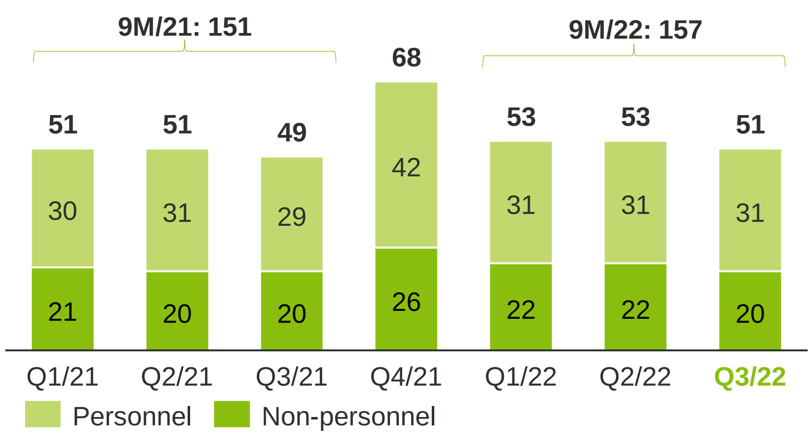
Note: Figures may not add up due to rounding 1 NPL ratio = NPL volume / total assets

Financials
Operating costs under control

General & administrative expenses and depreciations
€ mn

€ mn	Q3/21	Q3/22	9M/21	9M/22
General admin. expenses	-49	-51	-151	-157
Personnel	*-29*	*-31*	*-90*	*-93*
Non-personnel	*-20*	*-20*	*-61*	*-64*
Net income from write-downs and write-ups on non-financial assets	-5	-5	-14	-14
CIR (%)[1]	*38.0*	*43.8*	*38.5*	*42.8*

General admin. expenses
€ mn



Key drivers Q3/9M 2022

- **GAE** largely stable y-o-y despite increase in inflation
  - **Personnel expenses** up € 3 mn y-o-y, mainly due to regular salary increases – Q4/21 impacted from **€ 11 mn provision** in connection with our efficiency initiatives
  - **Non-personnel expenses** up € 3 mn y-o-y – higher project costs (regulatory, strategic, ESG, digitalisation)
- **Cost-Income-Ratio** slightly increased but still at low level (09/22: 43%), reflecting continued strict cost management and driven by lower income from realisations
- **Net income from write-downs and write-ups** on non-financial assets driven by scheduled depreciations
- **Investment in strategic projects** to continue in difficult times
  - **Client portal well accepted**
  - **Digital credit work place** further developed
  - **Efficiency measures** constantly pushed forward to cover entire primary process
  - **ESG** program progressing according to plan

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

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New Business

REF new business up by € 0.9 bn y-o-y – deal pipeline supports solid new business with significant positive margin trend for Q4/22

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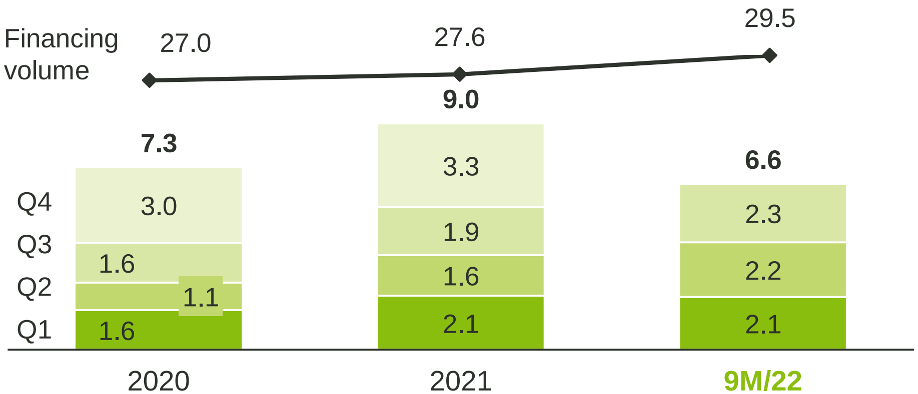
REF New business

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



REF new business

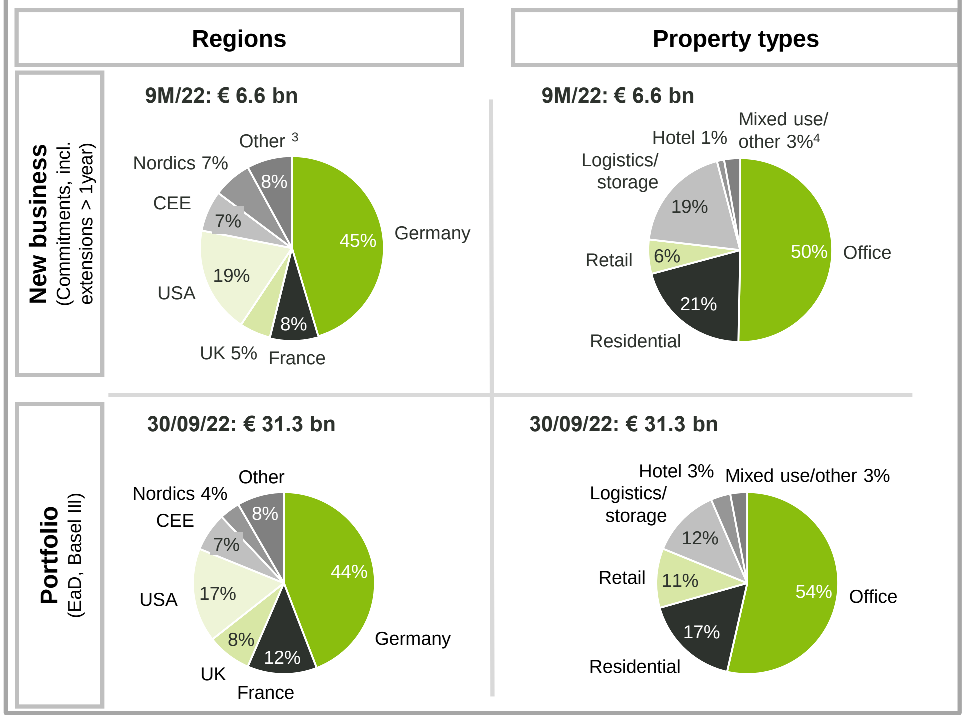
	9M/21	FY21	9M/22
Total volume (€ bn)	5.7	9.0	6.6
thereof: Extensions >1 year	*1.7*	*2.6*	*1.8*
No. of deals	103	166	102
Avg. maturity (years)[1]	~4.7	~4.8	~4.6
Avg. LTV (%)[2]	55	56	55
Avg. gross interest margin (bp)	~170	~170	~160

Key drivers Q3/9M 2022

- **REF new business** of € 6.6 bn on solid level despite continued selective approach and drop in CRE transaction volumes
  - **Avg. gross interest margin** slightly down to ~160 bp in 9M/22 (2021: ~170 bp), reflecting lower LTV business in Q3/22 (avg. LTV 49%)
  - High share in **Germany, USA, Residential** and **Office,** low share in **France**
  - Risk positioning unchanged with **avg. LTV** of 55% for **new commitments** and 52% for **extensions** in 9M/22
  - **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 level for Q4/22 with significant positive margin trend

ESG – Green Loans

- **Green Loan volume** further increased to more than € 1.3 bn (06/22: € 1.0 bn; 03/22: € 0.8 bn; 12/21: € 0.2 bn)



Note: Figures may not add up due to rounding 1 Legal maturities 2 New commitments; avg. LTV (extensions): 9M/22: 52%; 9M/21: 55% 3 Netherlands, Austria, Belgium, Spain 4 Land

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Portfolio

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

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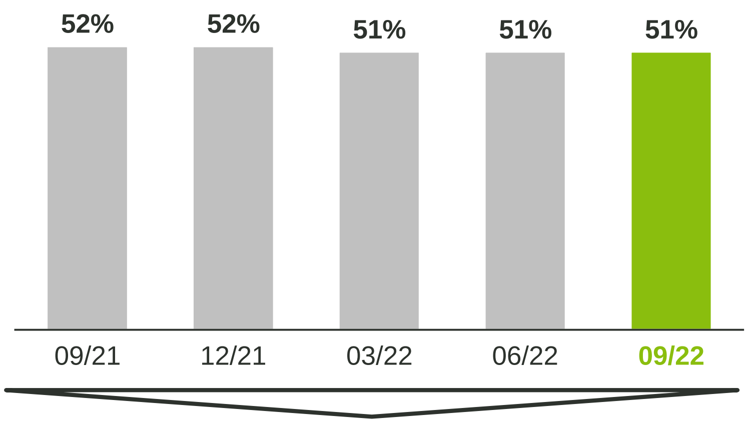
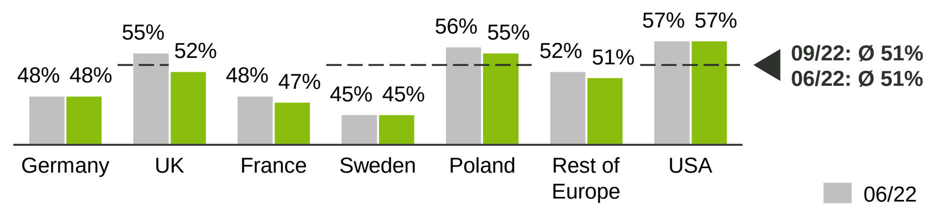
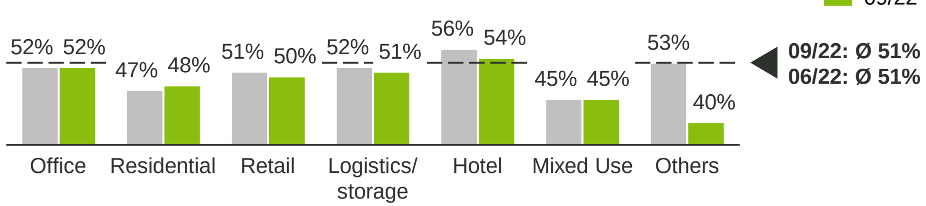
REF Portfolio: Avg. weighted LTVs

% (commitments)[1]

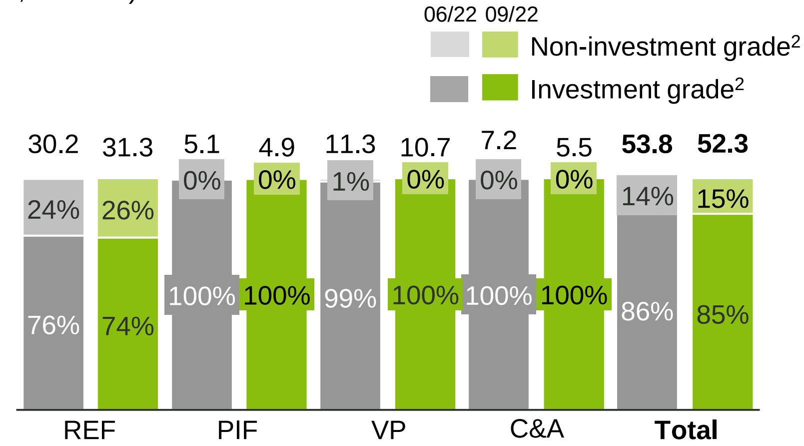






Total portfolio: Internal ratings (EL classes)

€ bn (EaD, Basel III)



Key messages

- **Avg. LTV** of 51% slightly improved y-o-y, stable 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, Russia and Belarus
  - **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

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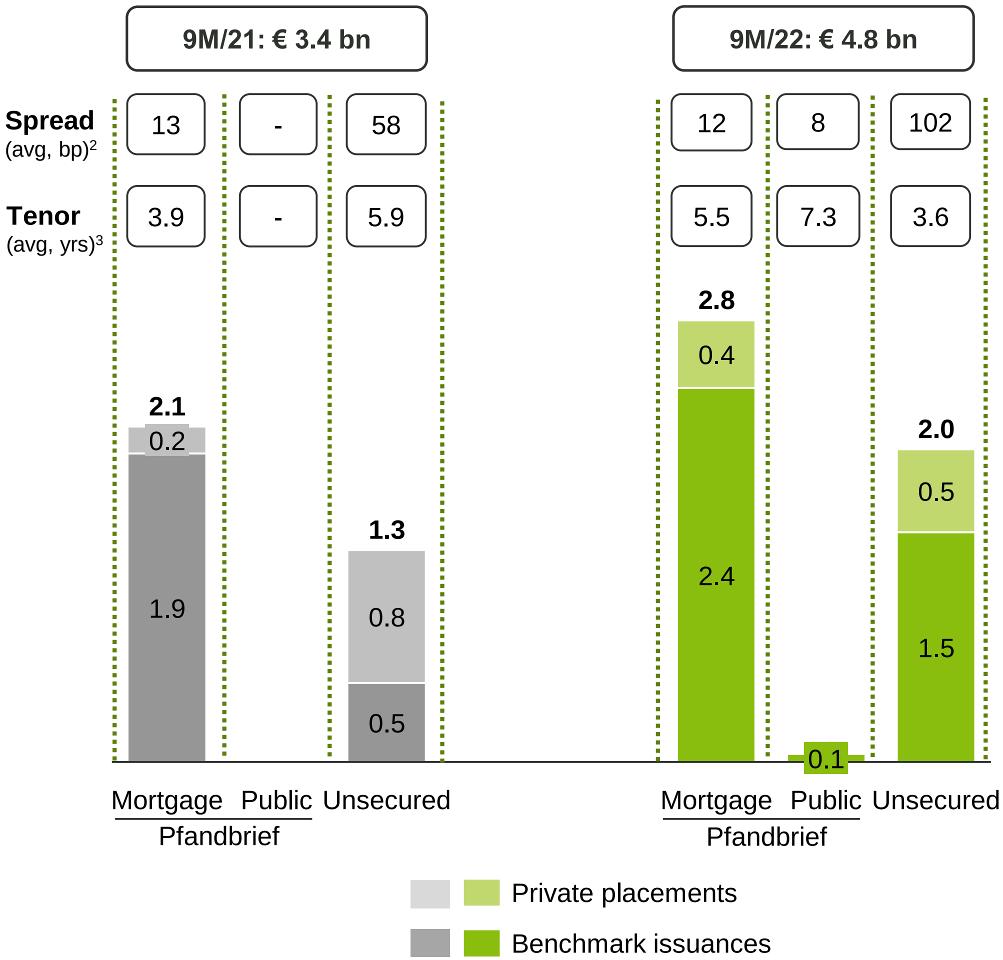
Funding

Strong funding in 9M/22 – focus on Pfandbriefe, asset matching currencies and Green refinancing

New long-term funding[1]

€ bn



Funding Q3/9M 2022

- Strong **Pfandbrief** funding year-to-date:
  - US$ 750 mn Pfandbrief
  - € 2.75 bn Pfandbrief Benchmarks (2 x € 750 mn in April and July 2022 and a € 500mn in October 2022)
  - € 250 mn Pfandbrief taps
  - Additionally, pbb has again successfully placed SEK Pfandbriefe with Nordic investors
- € 1.45 bn **Green Senior Preferred** Benchmarks issued in 2022 with two Benchmarks (€ 750mn in January 2022 and € 500mn in August 2022) and a € 200 mn tap of a Green Senior Preferred Benchmark in April 2022
- Strong increase in **retail deposits** to mitigate increased unsecured capital market spreads
- **ALM profile** and **liquidity position** remain comfortable (NSFR >100%; LCR >150%)

ESG – Green Bonds

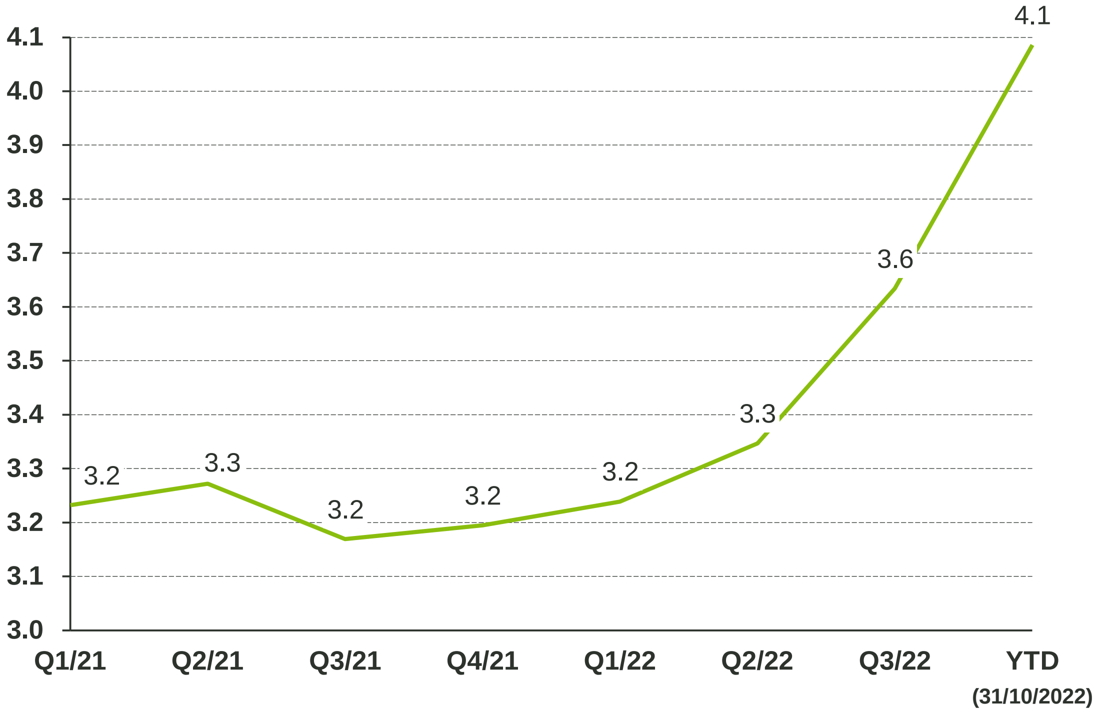
- Green Bond **volume further increased** – as of 09/22, outstanding volume at € 2.45 bn (06/22: € 1.95 bn)
- With four Green Benchmarks and one tap, pbb is **one of the most active issuers** in Green senior funding

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

Funding

Strong increase in retail deposits to mitigate increased unsecured capital market spreads

Development of pbb direkt volume
€ bn



Retail deposits Q3/9M 2022

- **Retail deposit** funding increased to counterbalance higher capital market spreads – further increase intended
- Steady increase of deposit rates lead to **continuous fund inflows**, supported by further increasing interest rates as well as active measures to push organic growth (through e.g. marketing, new products) and cooperations or additional partnerships
- As of 09/22 **pbb direkt deposits** amounted to € 3.6 bn and further increased to € 4.1 bn ytd (10/22)
- **Avg. term of deposits[1]** 9M/22 is 3.5 yrs (9M/21: 3.8 yrs)

Note: Figures may not add up due to rounding 1 Initial weighted average maturity

Funding

Structural shifts in funding costs – contrary to Senior Preferred, retail deposits cheapened significantly while Pfandbrief spreads have remained largely stable

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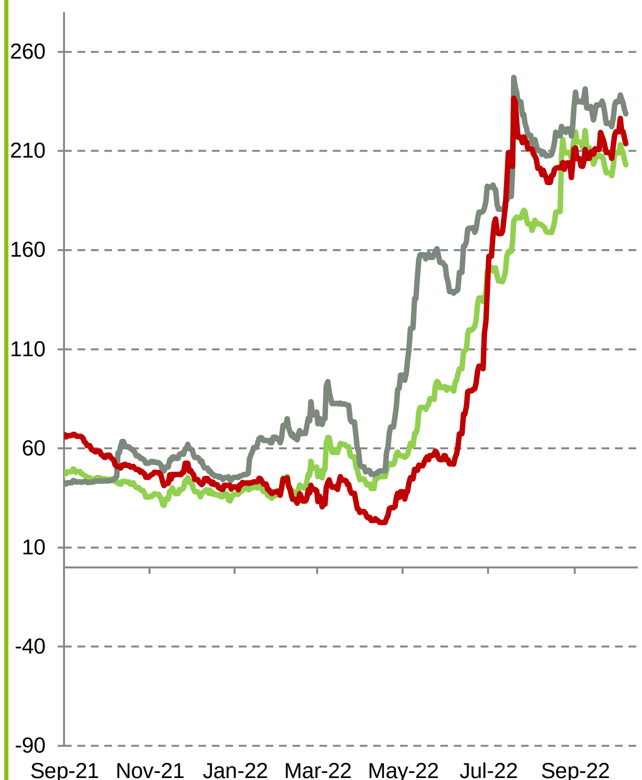
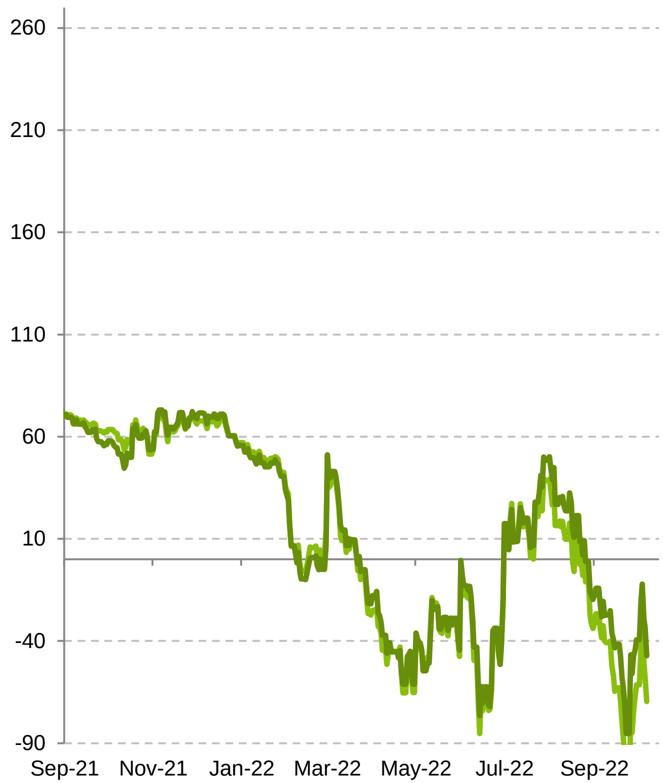
Senior Preferred

Spread Development pbb vs peers



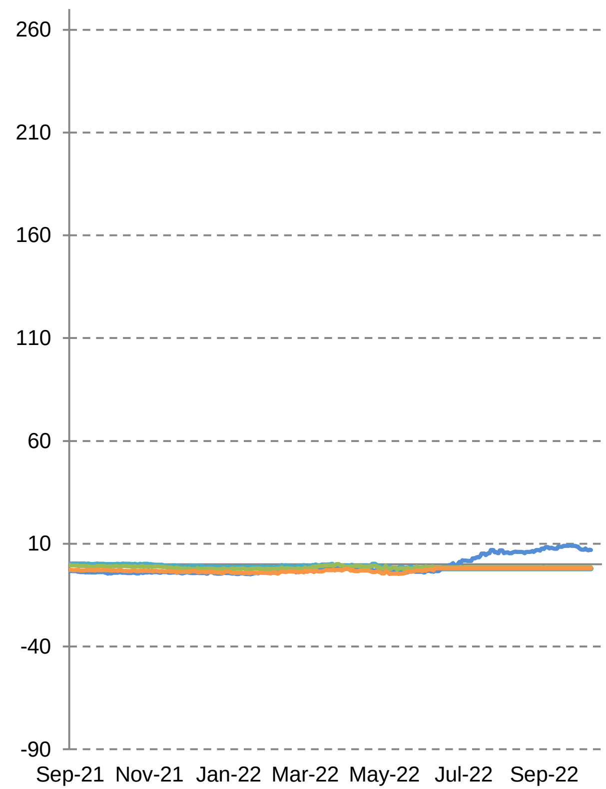
pbb direkt

Spread Development vs Mid-Swap



Pfandbrief

Spread Development pbb vs peers



Source: Bloomberg; Treasury

Agenda

1. The system works as designed
2. Markets
3. Financials
4. New Business
5. Portfolio
6. Funding
7. Capital
8. Summary & Outlook

Appendix
Contact details

Capital
Capitalisation remains strong

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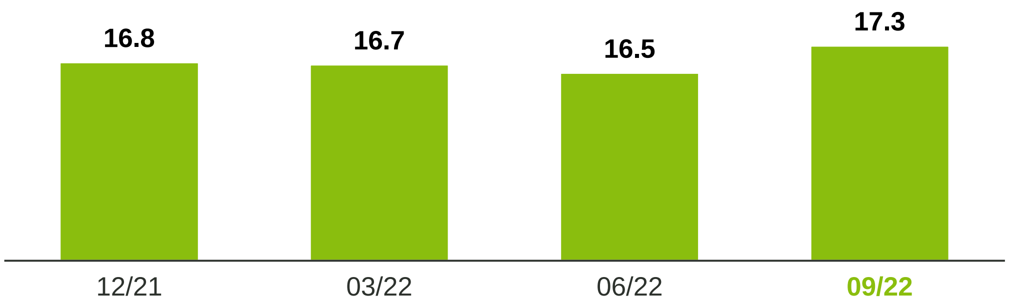
Basel III: RWA
€ bn (IFRS)



Basel III: Equity and capital ratios
(IFRS)

Capital in € bn	12/21[1]	06/22[2,3]	09/22[2]
CET 1	2.9	2.8	2.8
AT 1	0.3	0.3	0.3
Tier 2	0.6	0.6	0.6
Total Equity	**3.8**	**3.7**	**3.7**

Capital ratios in %	12/21[1]	06/22[2,3]	09/22[2]
CET 1	17.1	17.2	16.3
Tier 1	18.9	19.0	18.1
Own funds	22.4	22.5	21.5
Leverage ratio	6.0	5.7[4]	5.6[4]

RWA development Q3/9M 2022

- RWA up mainly due to
  - increase in REF portfolio and FX effects
  - only partly compensated by maturity, interest rate movements; reclassification and syndication effects
  - no material RWA effect from individual rating deteriorations
- RWA already calibrated towards Basel IV (fully-loaded) – thus, no major further effects expected from implementation

Capital ratios

- CET 1 ratio down to 16.3%[2] (06/22: 17.1%[2]; 03/22: 16.9%[2]; 12/21: 17.1%[1]) due to increase in RWA – 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 intends to account for upcoming changes of country-specific countercyclical buffers and German sectoral systemic risk buffer with increase of already anticipated countercyclical buffer from 45bp to ~90bp in 2023

Note: Figures may not add up due to rounding
1 Incl. full-year result, post proposed dividend 2021 2 Excl. interim result 3 Retrospectively adjusted (previously, AT1 coupon was deducted from CET 1 capital) 4 Regulatory technical reasons (exemption for Central Bank deposits expired)

Agenda

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Summary & Outlook
System works as designed

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- **Solid PBT** despite current geopolitical and economic developments
- **Strong growth in REF portfolio**, compensating decline in floor income and from TLTRO in the mid-term
- **Best use of funding base** – Pfandbrief remains stable source while expansion of our "pbb direkt" deposit business mitigates higher unsecured capital market spreads
- **Strategic initiatives on track** – organic growth, “green” finance and digitalisation
- **pbb DNA unchanged** – risk-conservative, vigilant and reliable

pbb on track to achieve full-year guidance 2022

Appendix

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Appendix

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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
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	**Expected at lower end of guidance of € 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 Digitalisation

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 € 219 mn, including € 11 mn restructuring expenses 2 Basel IV calibrated, fully-loaded

Appendix

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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 pbb Green Bond	• 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		

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

ESG Ratings

Continuous improvement reflected in ESG ratings – Upgrade from MSCI from “A“ to “AA“

pbb rating/score

ISS ESG

LAST UPDATE: March 2022

Rating	pbb rating/score
A+	
A	
A-	
B+	
B	
B-	
C+	
C	50.9
C-	
D+	
D	
D-	

Prime: A+ to C

- “Prime” Rating since initiation in 2012

MSCI

LAST UPDATE: May 2022

Rating	pbb rating/score
AAA (8.571 – 10.0)	
AA (7.143 – 8.571)	7.9
A (5.714 – 7.143)	
BBB (4.286 – 5.714)	
BB (2.857 – 4.286)	
B (1.429 – 2.857)	
CCC (0.0 - 1.429)	

- Second-best rating on MSCI rating scale
- Upgrade to from “A” to „AA“ in 03/22

Moody‘s ESG Solutions

LAST UPDATE: April 2022

Score	pbb rating/score
80-100	
60-80	
40-60	44
20-40	
0-20	

- Solid rating with score of 44 (scale of 100)
- „Limited“ Performance Level since 2019

- Continuous improvement of ESG organisational set-up, governance, strategy and operative integration reflected in above average ESG ratings
- Recent upgrade from MSCI from „A“ to „AA“ mainly reflects strongly increased Environmental score
- ISS ESG confirms „Very High“ transparency level
- No involvement in controversial activities identified by agencies depicted

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	Q2/22	Q3/22	9M/22
Net interest income	458	476[8]	123	123	123	125	494	122	120	116	358
Net fee and commission income	6	6	2	3	1	2	8	2	1	1	4
Net income from fair value measurement	-7	-8	2	-	1	7	10	9	5	7	21
Net income from realisations	48	26	21	17	17	26	81	5	5	-	10
Net income from hedge accounting	-2	4	-1	-2	1	2	-	1	-2	8	7
Net other operating income	3	22	-1	-	-1	-	-2	10	-6	-4	-
Operating Income	**506**	**526**	**146**	**141**	**142**	**162**	**591**	**149**	**123**	**128**	**400**
Net income from risk provisioning	-49	-126	-10	-23	-17	-31	-81	-18	-1	-19	-38
General and administrative expenses	-202	-204	-51	-51	-49	-68	-219	-53	-53	-51	-157
Expenses from bank levies and similar dues	-24	-26	-28	-1	1	-1	-29	-31	-	-1	-32
Net income from write-downs and write-ups on non-financial assets	-18	-19	-5	-4	-5	-6	-20	-5	-4	-5	-14
Net income from restructuring	3	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**216**	**151**	**52**	**62**	**72**	**56**	**242**	**42**	**65**	**52**	**159**
Income taxes	-37	-30[8]	-10	-7	-11	14	-14	-6	-10	-8	-24
Net income	**179**	**121**	**42**	**55**	**61**	**70**	**228**	**36**	**55**	**44**	**135**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	9M/22
CIR[1]	43.5	42.4[8]	38.4	39.0	38.0	45.7	40.4	38.9	46.3	43.8	42.8
RoE before tax	6.9	4.6[8]	6.4	7.8	8.9	6.7	7.5	4.8	7.9	6.1	6.3
RoE after tax	5.7	3.6[8]	5.1	6.9	7.5	8.5	7.0	4.1	6.7	5.1	5.3

Balance sheet (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22	09/22
Total assets	56.8	58.9	58.1	59.0	58.8	58.4	56.3	55.1	55.9
Equity	3.2	3.3	3.3	3.3	3.4	3.4	3.4	3.3	3.4
Financing volume	45.5	44.2	44.6	43.4	43.4	43.7	43.8	43.3	44.3

Regulatory capital ratios[2]	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22	09/22
RWA (€ bn)	17.7	17.7	18.3	18.0	18.1	16.8	16.7	16.5	17.3
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]	17.2[10,11]	16.3[10]

Personnel	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22	09/22
Employees (FTE)	752	782	779	779	782	784	780	777	776

Note: annual results audited, interim results Q1 2021/22 and Q3 2021/22 unaudited, interim results Q2 2021/22 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 10 Excl. Interim result 11 Retrospectively adjusted (previously, AT1 coupon was deducted from CET 1 capital)

Segment reporting

Segment performance reflects strong performance of strategic REF portfolio in 9M/22

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	REF				PIF				Value Portfolio			
Income statement (IFRS, € mn)	**Q3/21**	**Q3/22**	**9M/21**	**9M/22**	**Q3/21**	**Q3/22**	**9M/21**	**9M/22**	**Q3/21**	**Q3/22**	**9M/21**	**9M/22**
Operating income	122	110	372	344	10	9	28	26	9	9	27	29
thereof: Net interest income	*103*	*101*	311	308	10	8	28	24	9	7	28	*25*
Net income from realisations	*17*	*1*	55	11	1	-	1	-	-1	-1	-1	*-1*
Net income from risk provisioning	-15	-41	-49	-63	-	-	-	-1	-2	22	-1	26
General administrative expenses	-43	-45	-131	-138	-4	-4	-13	-12	-2	-2	-7	-7
Net other revenues/expenses	-3	-4	-29	-32	-	-1	-5	-5	-1	-1	-8	-9
Pre-tax profit	**61**	**20**	**163**	**111**	**6**	**4**	**10**	**8**	**4**	**28**	**11**	**39**
Key indicators	**Q3/21**	**Q3/22**	**9M/21**	**9M/22**	**Q3/21**	**Q3/22**	**9M/21**	**9M/22**	**Q3/21**	**Q3/22**	**9M/21**	**9M/22**
CIR (%)[1]	38.5	44.5	38.4	43.6	40.0	44.4	50.0	50.0	33.3	33.3	29.6	27.6
RoE before tax (%)	11.4	2.9	10.5	6.1	14.0	11.6	8.3	7.7	3.1	34.9	2.7	13.7
Financing volume (€ bn)	27.0	29.5	27.0	29.5	5.4	4.8	5.4	4.8	11.0	10.0	11.0	10.0

Key drivers Q3/9M 2022

REF

- Financial **segment performance** mainly impacted from reduced net income from realisations and higher stage 1&2 risk provisioning y-o-y
- **NII** stable y-o-y, lower floor income, reduced positive TLTRO effects and slight increase in average refinancing spreads largely compensated by increase in avg. REF financing volume
- **Risk provisioning up** y-o-y – model adjustments due to deterioration of macroeconomic outlook (stage 1&2);
- **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** slightly down y-o-y
- **NII** slightly down y-o-y due to reduced financing volume
- **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 rating upgrades
- **Financing volume** further down in line with strategy due to maturities

Note: Figures may not add up due to rounding 1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income

Key figures

pbb Group 9M/21 vs. 9M/22

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Income statement (€ mn)	**REF**		**PIF**		**VP**		**C&A**		**pbb Group**	
	9M/21	**9M/22**	**9M/21**	**9M/22**	**9M/21**	**9M/22**	**9M/21**	**9M/22**	**9M/21**	**9M/22**
Net interest income	311	308	28	24	28	25	2	1	369	358
Net fee and commission income	6	5	-	-	-	-1	-	-	6	4
Net income from fair value measurement	2	14	-	2	1	5	-	-	3	21
Net income from realisations	55	11	1	-	-1	-1	-	-	55	10
Net income from hedge accounting	-1	4	-	1	-1	2	-	-	-2	7
Net other operating income	-1	2	-1	-1	-	-1	-	-	-2	-
Operating Income	**372**	**344**	**28**	**26**	**27**	**29**	**2**	**1**	**429**	**400**
Net income from risk provisioning	-49	-63	-	-1	-1	26	-	-	-50	-38
General and administrative expenses	-131	-138	-13	-12	-7	-7	-	-	-151	-157
Expenses from bank levies and similar dues	-17	-20	-4	-4	-7	-8	-	-	-28	-32
Net income from write-downs and write-ups on non-financial assets	-12	-12	-1	-1	-1	-1	-	-	-14	-14
Pre-tax profit	**163**	**111**	**10**	**8**	**11**	**39**	**2**	**1**	**186**	**159**

Key figures
Real Estate Finance (REF)

Income statement (€ mn)	2019[3]	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	9M/22
Net interest income	388	396[4]	104	104	103	106	417	104	103	101	308
Net fee and commission income	7	6	2	3	1	2	8	2	1	2	5
Net income from fair value measurement	-8	-6	1	-	1	4	6	6	4	4	14
Net income from realisations	48	24	21	17	17	26	81	5	5	1	11
Net income from hedge accounting	-1	3	-1	-1	1	1	-	1	-1	4	4
Net other operating income	2	19	-1	1	-1	-	-1	8	-4	-2	2
Operating Income	**436**	**442**	**126**	**124**	**122**	**139**	**511**	**126**	**108**	**110**	**344**
Net income from risk provisioning	-57	-129	-11	-23	-15	-30	-79	-19	-3	-41	-63
General and administrative expenses	-164	-175	-44	-44	-43	-58	-189	-46	-47	-45	-138
Expenses from bank levies and similar dues	-14	-16	-17	-1	1	-1	-18	-20	-	-	-20
Net income from write-downs and write-ups on non-financial assets	-15	-16	-4	-4	-4	-5	-17	-4	-4	-4	-12
Net income from restructuring	3	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**189**	**106**	**50**	**52**	**61**	**45**	**208**	**37**	**54**	**20**	**111**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	9M/22
CIR[1]	41.1	43.2[4]	38.1	38.7	38.5	45.3	40.3	39.7	47.2	44.5	43.6
RoE before tax	11.3	5.5	10.0	10.2	11.4	8.2	9.9	6.3	9.0	2.9	6.1

Key figures (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22	09/22
Equity[2]	1.7	1.9	1.9	2.1	2.1	2.1	2.0	2.3	2.3
RWA	15.8	16.0	16.6	16.2	16.4	15.1	15.1	15.1	15.9
Financing volume	27.1	27.0	27.5	26.8	27.0	27.6	28.0	28.4	29.5

Note: annual results audited, interim results Q1 2021/22 and Q3 2021/22 unaudited, interim results Q2 2021/22 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	Q2/22	Q3/22	9M/22
Net interest income	37	38	9	9	10	9	37	8	8	8	24
Net fee and commission income	-	-	-	-	-	-	-	-	-	-	-
Net income from fair value measurement	-2	-1	-	-	-	1	1	1	-	1	2
Net income from realisations	1	1	-	-	1	1	2	-	-	-	-
Net income from hedge accounting	-	-	-	-	-	-	-	-	-	1	1
Net other operating income	-	3	-	-	-1	1	-	1	-1	-1	-1
Operating Income	**36**	**41**	**9**	**9**	**10**	**12**	**40**	**10**	**7**	**9**	**26**
Net income from risk provisioning	-	-1	-	-	-	-	-	-2	1	-	-1
General and administrative expenses	-25	-19	-4	-5	-4	-6	-19	-4	-4	-4	-12
Expenses from bank levies and similar dues	-3	-3	-4	-	-	-	-4	-4	1	-1	-4
Net income from write-downs and write-ups on non-financial assets	-2	-2	-1	-	-	-1	-2	-1	-	-	-1
Net income from restructuring	-	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**6**	**16**	**-**	**4**	**6**	**5**	**15**	**-1**	**5**	**4**	**8**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	9M/22
CIR[1]	75.0	51.2	55.6	55.6	40.0	58.3	52.5	50.0	57.1	44.4	50.0
RoE before tax	2.7	8.0	-0.6	11.7	14.0	11.5	9.1	-3.0	15.4	11.6	7.7

Key figures (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22	09/22
Equity[2]	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1
RWA	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.6	0.6
Financing volume	6.3	5.8	5.7	5.5	5.4	5.2	5.0	4.9	4.8

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

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2019[3]	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	9M/22
Net interest income	29	38	9	10	9	10	38	9	9	7	25
Net fee and commission income	-1	-	-	-	-	-	-	-	-	-1	-1
Net income from fair value measurement	3	-1	1	-	-	2	3	2	1	2	5
Net income from realisations	-1	1	-	-	-1	-1	-2	-	-	-1	-1
Net income from hedge accounting	-1	1	-	-1	-	1	-	-	-1	2	2
Net other operating income	1	-	-	-1	1	1	-1	1	-1	-1	-1
Operating Income	**30**	**39**	**10**	**8**	**9**	**11**	**38**	**12**	**8**	**9**	**29**
Net income from risk provisioning	8	4	1	-	-2	-1	-2	3	1	22	26
General and administrative expenses	-13	-10	-3	-2	-2	-4	-11	-3	-2	-2	-7
Expenses from bank levies and similar dues	-7	-7	-7	-	-	-	-7	-7	-1	-	-8
Net income from write-downs and write-ups on non-financial assets	-1	-1	-	-	-1	-	-1	-	-	-1	-1
Net income from restructuring	-	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**17**	**25**	**1**	**6**	**4**	**6**	**17**	**5**	**6**	**28**	**39**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	Q3/22	9M/22
CIR[1]	46.7	28.2	30.0	25.0	33.3	36.4	31.6	25.0	25.0	33.3	27.6
RoE before tax	1.7	3.9	0.3	5.0	3.1	4.9	3.3	4.3	5.8	34.9	13.7

Key figures (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22	09/22
Equity[2]	0.6	0.5	0.4	0.4	0.4	0.4	0.5	0.4	0.3
RWA	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.2
Financing volume	12.1	11.4	11.4	11.1	11.0	10.9	10.8	10.0	10.0

Note: annual results audited, interim results Q1 2021/22 and Q3 2021/22 unaudited, interim results Q2 2021/22 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	30/09/22	31/12/21	Liabilities & equity	30/09/22	31/12/21
Financial assets at fair value through P&L	**1.0**	**1.2**	**Financial liabilities at fair value through P&L**	**0.8**	**0.6**
thereof			thereof		
Positive fair values of stand-alone derivatives	0.5	0.5	Negative fair values of stand-alone derivatives	0.8	0.6
Debt securities	0.1	0.1	**Financial liabilities measured at amortised cost**	**50.4**	**52.7**
Loans and advances to customers	0.3	0.5	thereof		
Financial assets at fair value through OCI	**1.7**	**1.3**	Liabilities to other banks (incl. central banks)	10.9	10.6
thereof			thereof		
Debt securities	1.4	0.9	*Registered Mortgage Pfandbriefe*	*0.3*	*0.3*
Loans and advances to customers	0.3	0.3	*Registered Public Pfandbriefe*	*0.5*	*0.5*
Financial assets at amortised cost (after credit loss allowances)	**49.6**	**48.1**	Liabilities to other customers	17.4	20.1
thereof			thereof		
Debt securities	5.5	6.9	*Registered Mortgage Pfandbriefe*	*3.0*	*3.7*
Loans and advances to other banks	6.1	2.6	*Registered Public Pfandbriefe*	*6.1*	*7.9*
Loans and advances to customers	38.0	38.4	Bearer Bonds	21.4	21.3
Positive fair values of hedge accounting derivatives	**0.3**	**1.0**	thereof		
Other assets	**3.3**	**6.8**	*Mortgage Pfandbriefe*	*11.7*	*12.3*
			Public Pfandbriefe	*2.0*	*2.2*
			Subordinated liabilities	0.6	0.7
			Negative fair values of hedge accounting derivatives	**1.2**	**1.4**
			Other liabilities	**0.1**	**0.3**
			Equity (attributable to shareholders)	**3.1**	**3.1**
			AT1-capital	**0.3**	**0.3**
Total Assets	**55.9**	**58.4**	**Total liabilities & equity**	**55.9**	**58.4**

Share of Pfandbriefe of refinancing liabilities

47% / 51%

Note: Figures may not add up due to rounding

Appendix

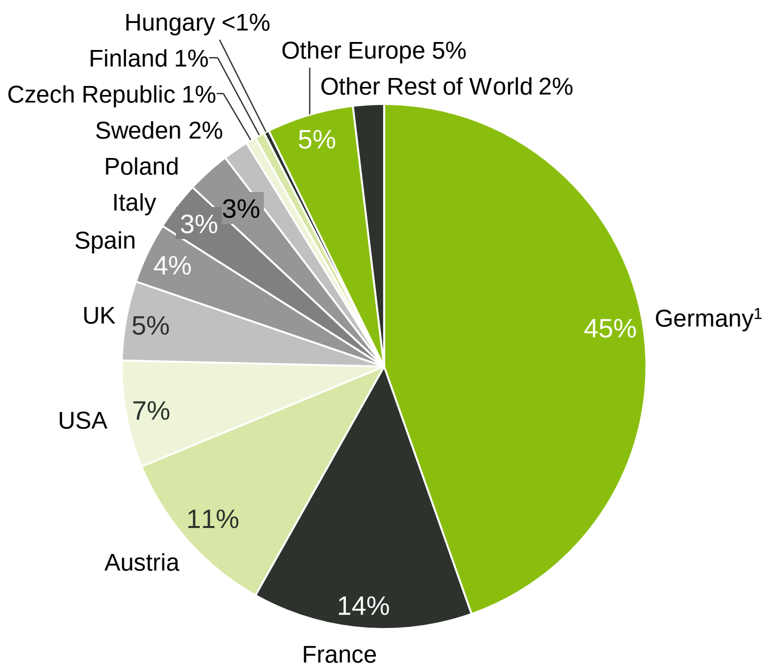
DEUTSCHE PFANDBRIEFBANK

Portfolio
Total portfolio

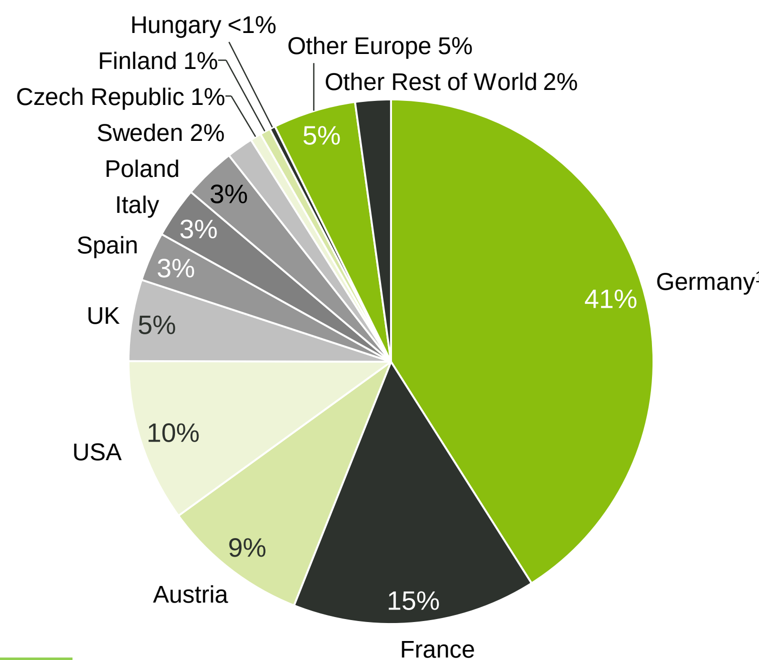
€ bn (EaD, Basel III)

Regions

31/12/2021 / Total: € 57.5 bn



30/09/2022 / Total: € 52.3 bn



No direct exposure in/to Ukraine, Russia ans Belarus

Note: Figures may not add up due to rounding 1 Incl. Bundesbank accounts (12/21: € 6.6 bn; 09/22: € 3.1 bn)

Portfolio

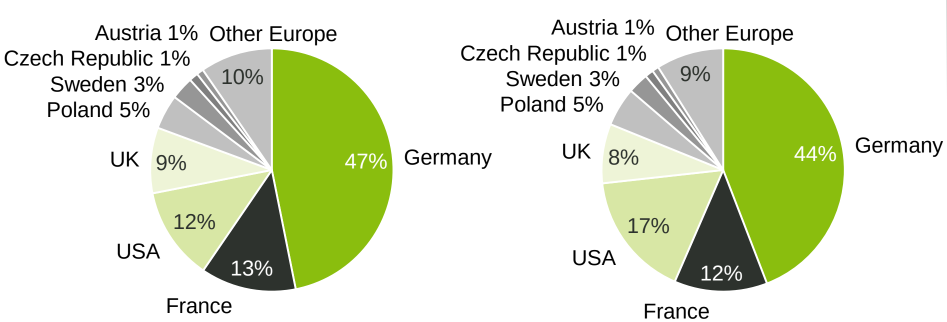
Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

€ bn (EaD, Basel III)

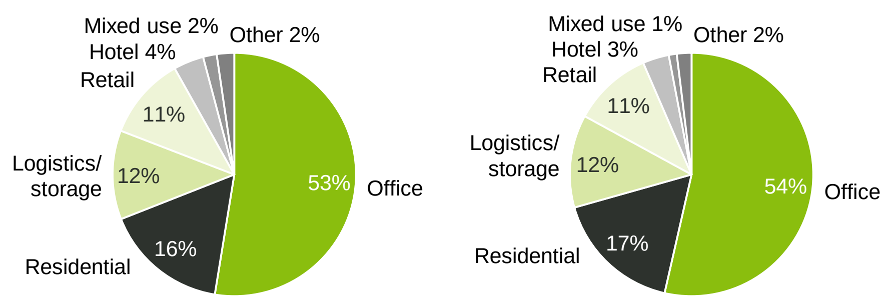
Regions

31/12/2021: € 29.7 bn **30/09/2022: € 31.3 bn**



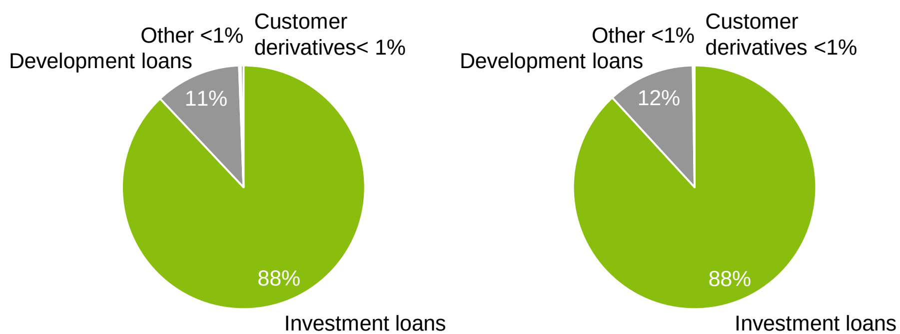
Property types

31/12/2021: € 29.7 bn **30/09/2022: € 31.3 bn**



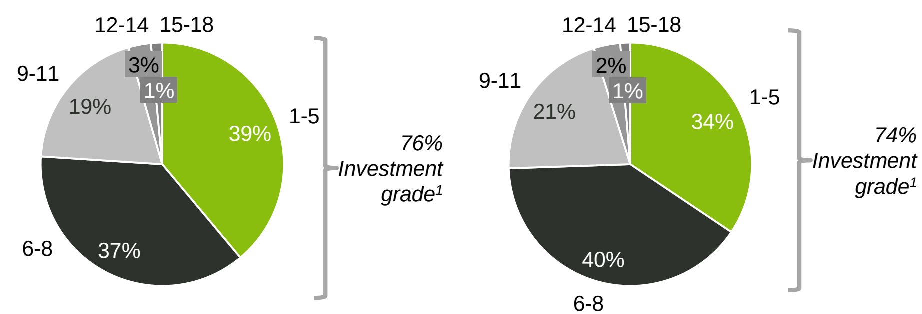
Loan types

31/12/2021: € 29.7 bn **30/09/2022: € 31.3 bn**



Internal ratings (EL classes)

31/12/2021: € 29.7 bn **30/09/2022: € 31.3 bn**

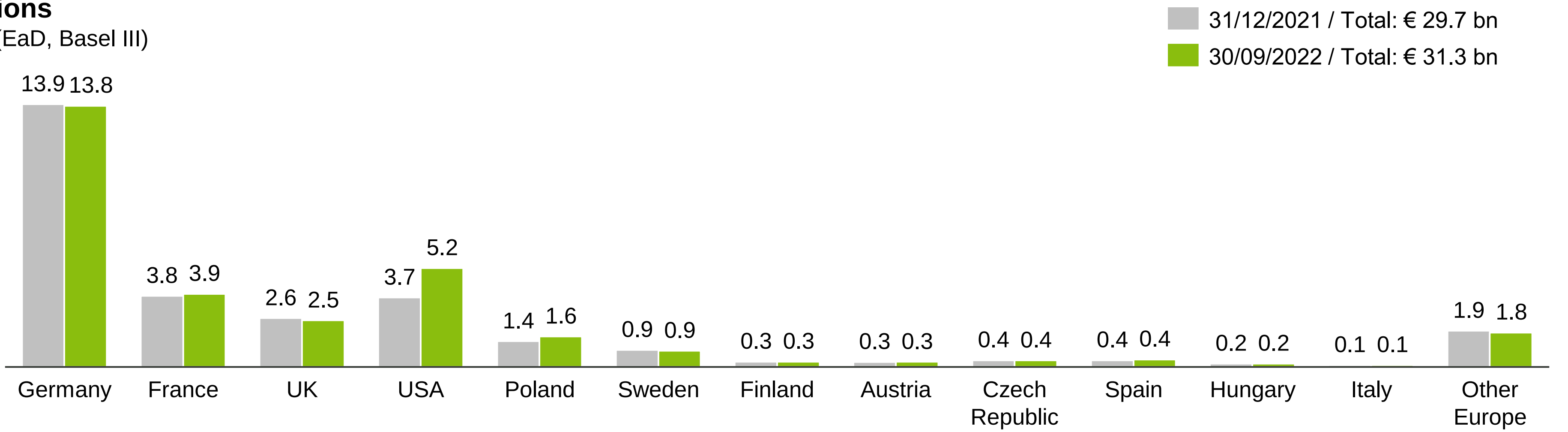


Note: Figures may not add up due to rounding 1 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

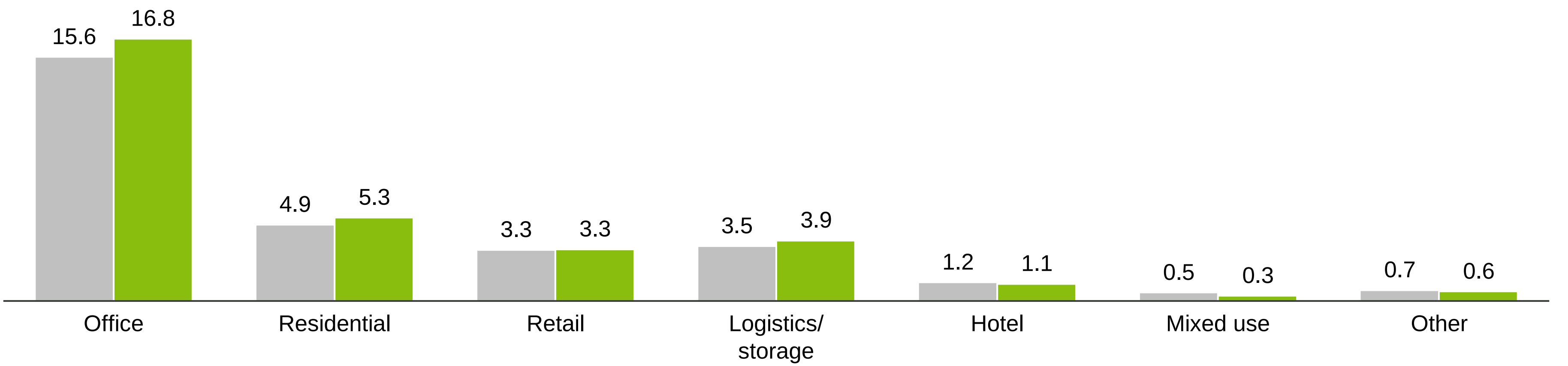
Portfolio
Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

Regions
€ bn (EaD, Basel III)



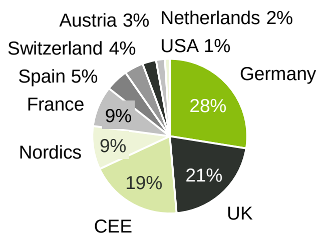
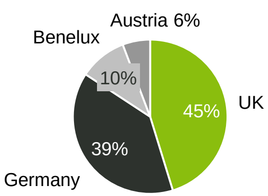
Property types
€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding

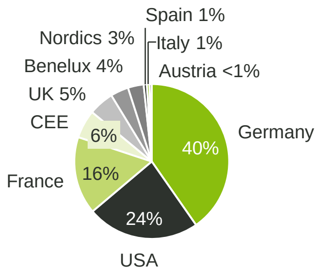
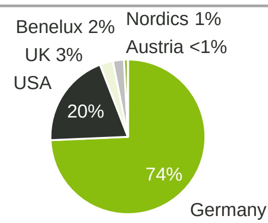
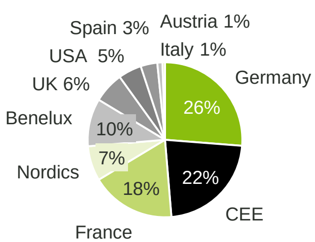
Markets
Sub segments

DEUTSCHE PFANDBRIEFBANK

Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Retail € 3.3 bn (11%)		▪ Shopping centres: increased pressure, fashion dominated shopping centres most impacted (decline in rents, shorter lease terms, etc.). ▪ Retail-parks/discounter with strong local demand: largely stable development. ▪ High street properties: declines in rents and rise in yields. ▪ Downward trend in secondary locations and smaller cities expected to intensify. ▪ Specialized Retail (e.g. FOC) is doing good as Pre-Corona. ▪ Rising commodity costs dampen consumer confidence and purchasing power.	▪ 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) will hamper further recovery of retail markets post COVID-19 pandemic. ▪ 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 (09/22: € 3.3 bn; 12/16: € 7.1 bn). ▪ Only investment loans, almost no development loans ▪ Conservative risk positioning: avg. LTV of 50%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio ▪ Current approach is no new commitments for shopping centres
Hotel (Business Hotels only) € 1.1 bn (3%)		▪ Rising competition leads to insolvencies for operators and licencees and rebuild secondary hotels for other uses (temporary office, longstay, etc.). ▪ Hotels dependent on international tourist and business travelers still not expected to substantially recover in short-/mid-term. ▪ Leisure hotels focused on domestic guests with good accessibility will recover faster. ▪ Economic uncertainty triggered by the military conflict and lower disposable income because of inflation will slow the recovery.	▪ Recovery in progress with some locations close to pre-Corona-levels. ▪ Airport/Fair hotels being late in recovery cycle due to inter alia changing travel habits as well as fairs still substantially from pre-COVID-level of activity. ▪ Recovery of business hotels focus 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 € 1.1 bn ▪ Focus on prime location secures base value of properties ▪ Conservative risk positioning: avg. LTV of 54%[1] provides good buffer and supports commitment of investors/sponsors ▪ Focus on strong sponsors with ability to inject more equity ▪ Currently, approach 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 € 16.8 bn (54%)		▪ Slight rise in vacancies; but in most markets still on comparatively low levels. ▪ Office investment volumes are now again below pre-COVID levels. Only 1a-properties with a long term lease with a good tenant are still in the purchase processes. ▪ The expectation is that yields will increase over the next 6 month by 50 bps, this is expected to happen to prime properties with long-term leases to first-class tenants in the later stage as well. ▪ More important criteria is the ESG aspect of the properties which is a main argument for the selling. Without a good 'Green-' rating or very good energy consumptions balance office properties are expected to not get a market in the future.	▪ 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 competitive ▪ 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 52%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio with focus in Germany, main cities in the US (e.g. New York, Boston, Washington) and France (almost completely Paris/Isle de France region) ▪ In new business and on occasions of (annual) credit reports transactions detailed analysis of "green profile" of properties including associated risk
Residential € 5.3 bn (17%)		▪ At present the multifamily market seems to be stable. Especially in countries with strong social welfare programs. ▪ Growth in rental prices seen so far expected to soften in future, due to rising cost for the energy. Nevertheless inflation coupled rental contracts leads to rising rents. ▪ Condo market expected to soften because of the rising prices for financing. Longer timeline in the selling process.	▪ Call for increased rent regulation could impact value and cash flow ▪ Increasing interest level might put pressure on value ▪ Increasing energy costs with effect of cash flow and potential tenant difficulties ▪ Stock listed residential companies have come under massive pressure since Q1/22 and often lost substantially in market capitalization.	▪ Conservative risk positioning ▪ Portfolio volume of € 5.3 bn with conservative avg. LTV of 48%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio with strong focus on Germany
Logistics € 3.9 bn (12%)		▪ Logistic properties were very popular for investors. ▪ Prices have decoupled from overall trend and increased in last years. The expectation is now a yield widening by a minimum of 50 bps in the next half year. ▪ The benefitting from increasing focus on e-commerce and the need of more resilient supply chains rents expected to rise. ▪ Total return is balanced out by rising yields and rising rents.	▪ Currently still taking advantage from strategic developments like: – Online-shopping – Need for more resilient supply chains in the industry sector – Professionalisation of entire industry ▪ Monoline logistics centres ▪ Limited availability of new space in some countries ▪ Due to partially overheated prices, market correction seen.	▪ Strategic approach; expert team since 2014; share increase since 2013 from 8% to 12% ▪ Focus on locations: good infrastructure, 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

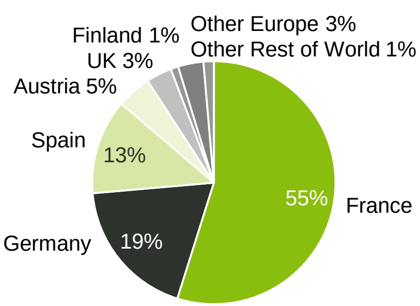
1 Based on performing investment loans only

Portfolio
Public Investment Finance (PIF)

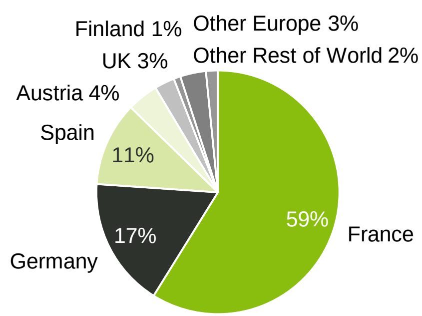
€ bn (EaD, Basel III)

Regions

31/12/2021: € 5.7 bn

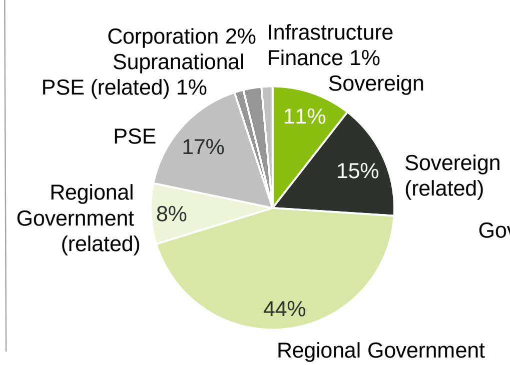


30/09/2022: € 4.9 bn

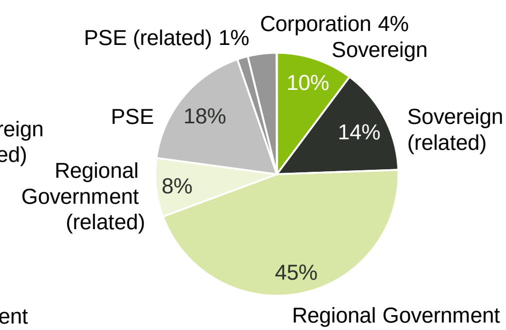


Borrower classification[1]

31/12/2021: € 5.7 bn

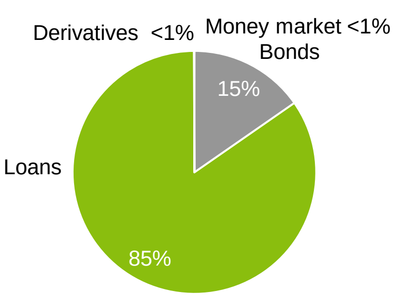


30/09/2022: € 4.9 bn

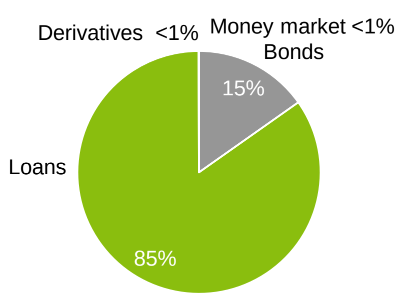


Product class

31/12/2021: € 5.7 bn

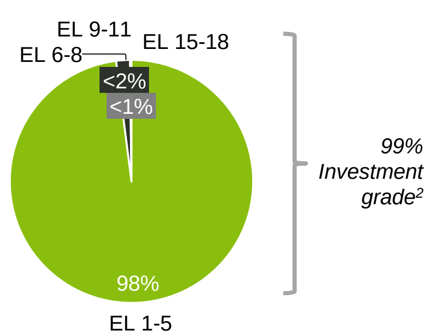


30/09/2022: € 4.9 bn

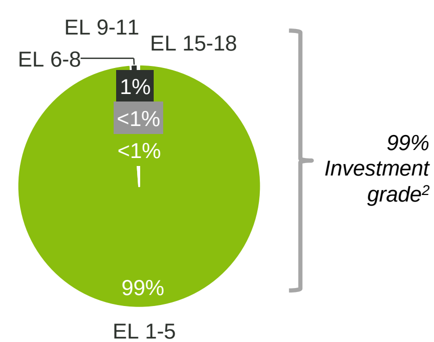


Internal ratings (EL classes)

31/12/2021: € 5.7 bn



30/09/2022: € 4.9 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

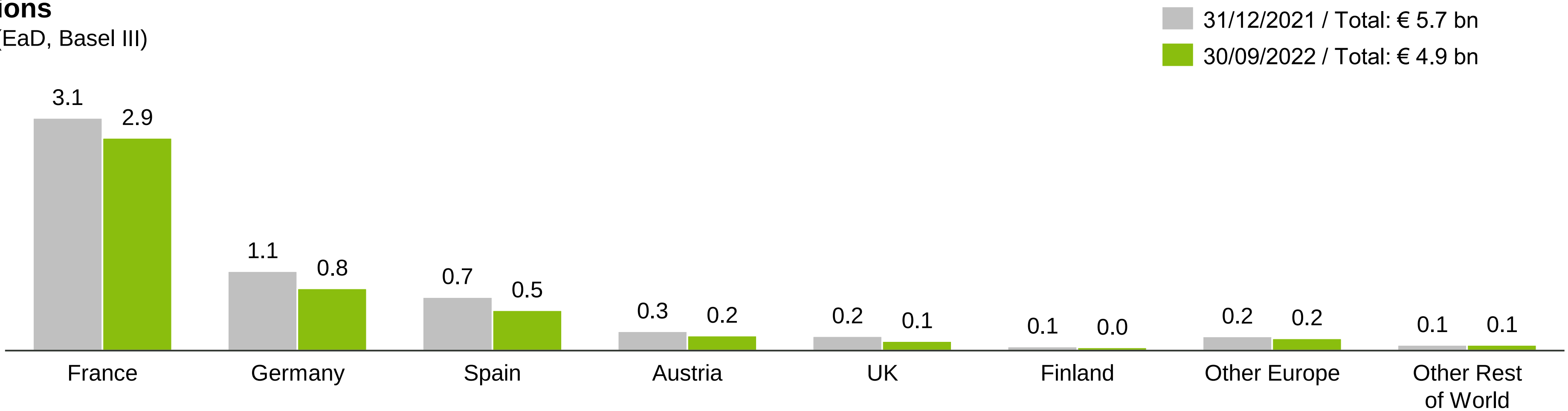
Portfolio

Public Investment Finance (PIF)

DEUTSCHE PFANDBRIEFBANK

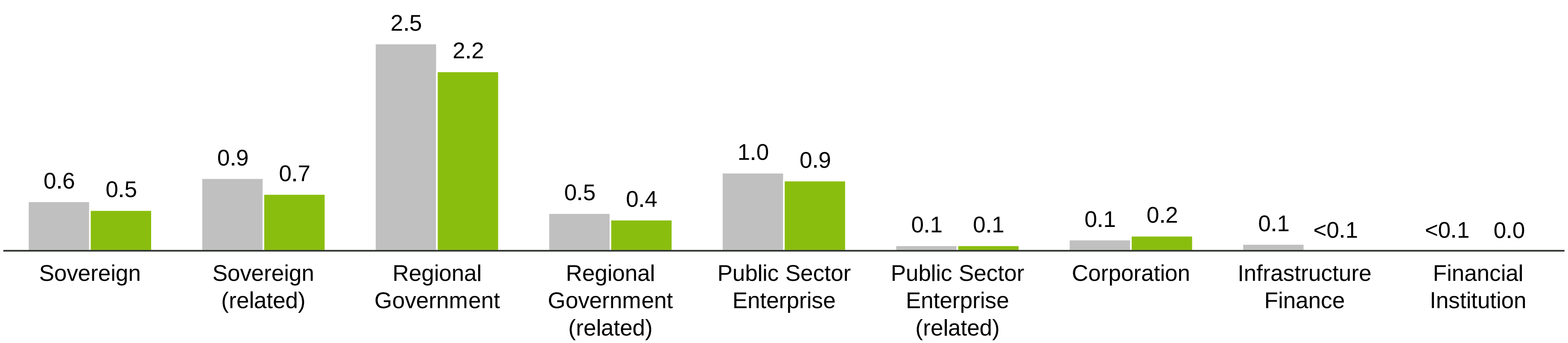
Regions

€ 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

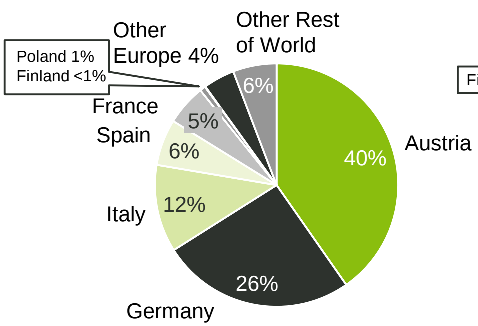
Portfolio
Value Portfolio (VP)

DEUTSCHE PFANDBRIEFBANK

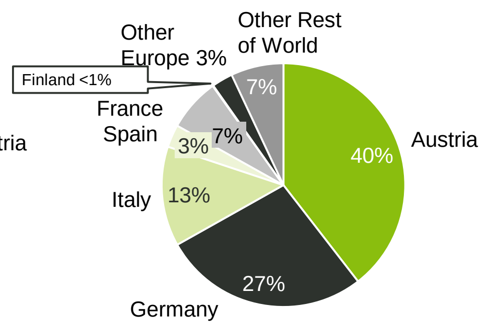
€ bn (EaD, Basel III)

Regions

31/12/2021: € 13.8 bn

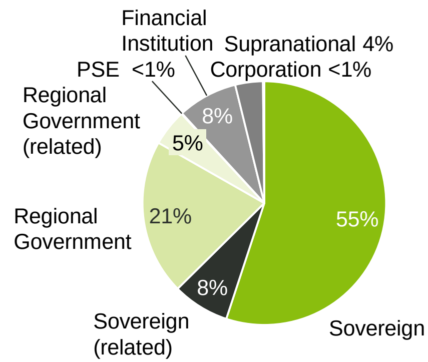


30/09/2022: € 10.7 bn

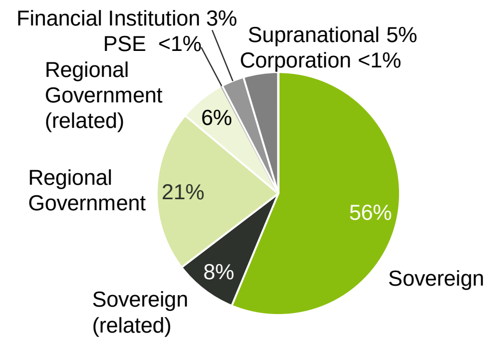


Borrower classification[1]

31/12/2021: € 13.8 bn

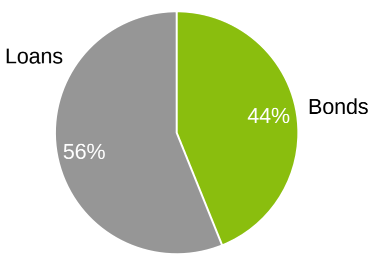


30/09/2022: € 10.7 bn

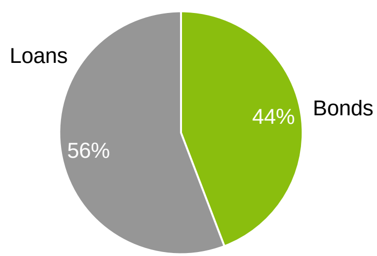


Product class

31/12/2021: € 13.8 bn

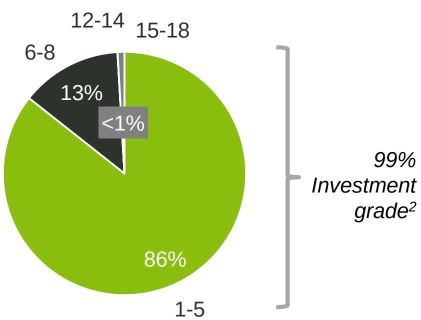


30/09/2022: € 10.7 bn

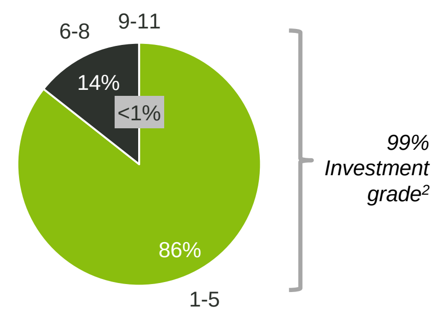


Internal ratings (EL classes)

31/12/2021: € 13.8 bn



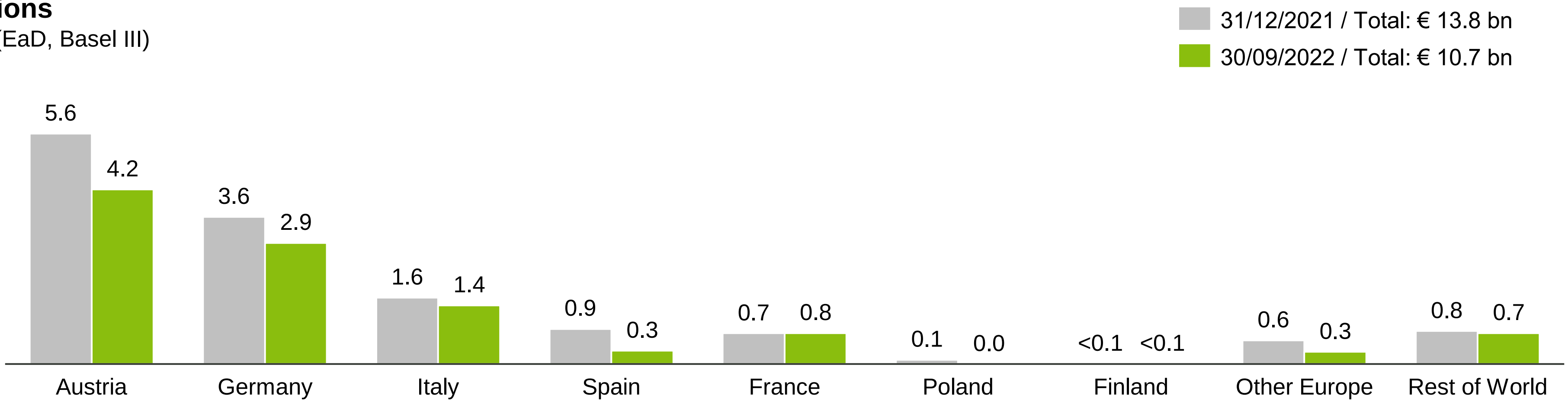
30/09/2022: € 10.7 bn



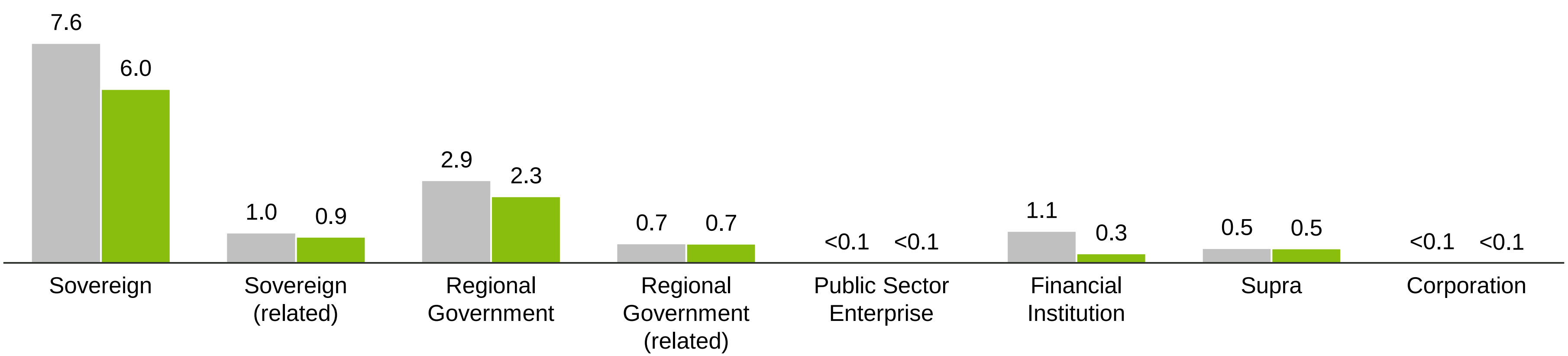
Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification 2 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

Portfolio
Value Portfolio (VP)

Regions
€ bn (EaD, Basel III)



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



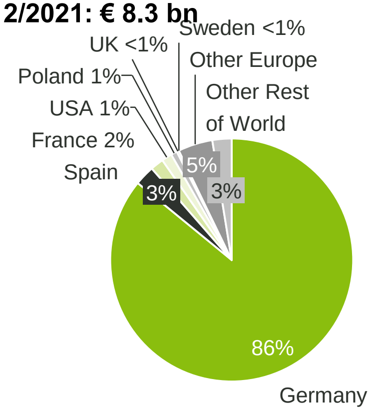
Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification

Portfolio
Consolidation & Adjustments (C&A)

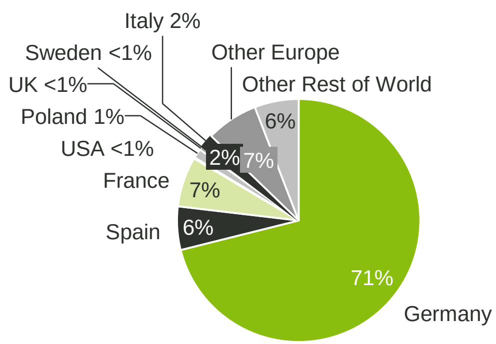
€ bn (EaD, Basel III)

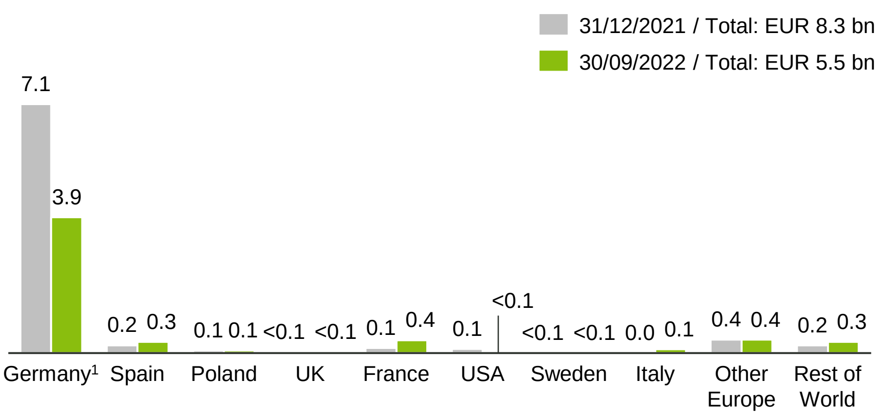
Regions

31/12/2021: € 8.3 bn



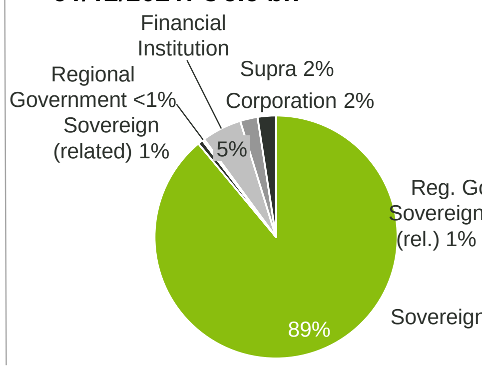
30/09/2022: € 5.5 bn



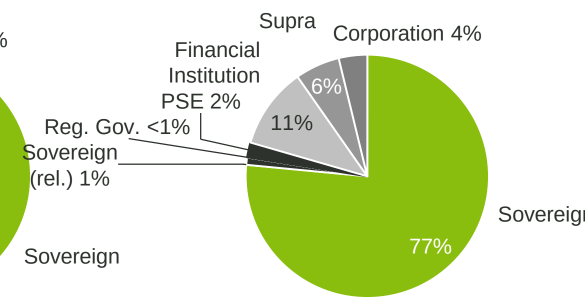


Borrower classification[2]

31/12/2021: € 8.3 bn

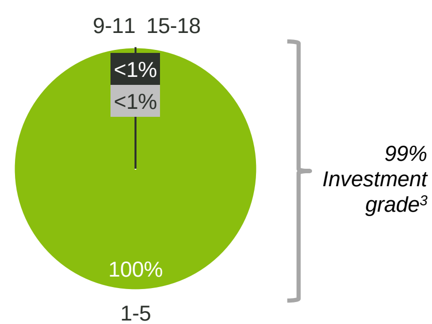


30/09/2022: € 5.5 bn

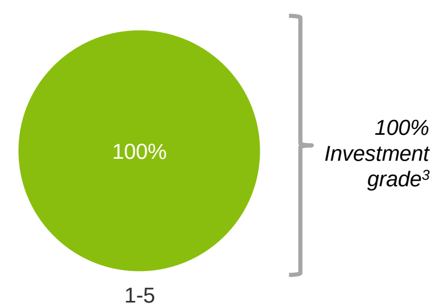


Internal ratings (EL classes)

31/12/2021: € 8.3 bn



30/09/2022: € 5.5 bn



Note: Figures may not add up due to rounding
1 Incl. Bundesbank accounts (12/21: € 6.6 bn; 09/22: € 3.1 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

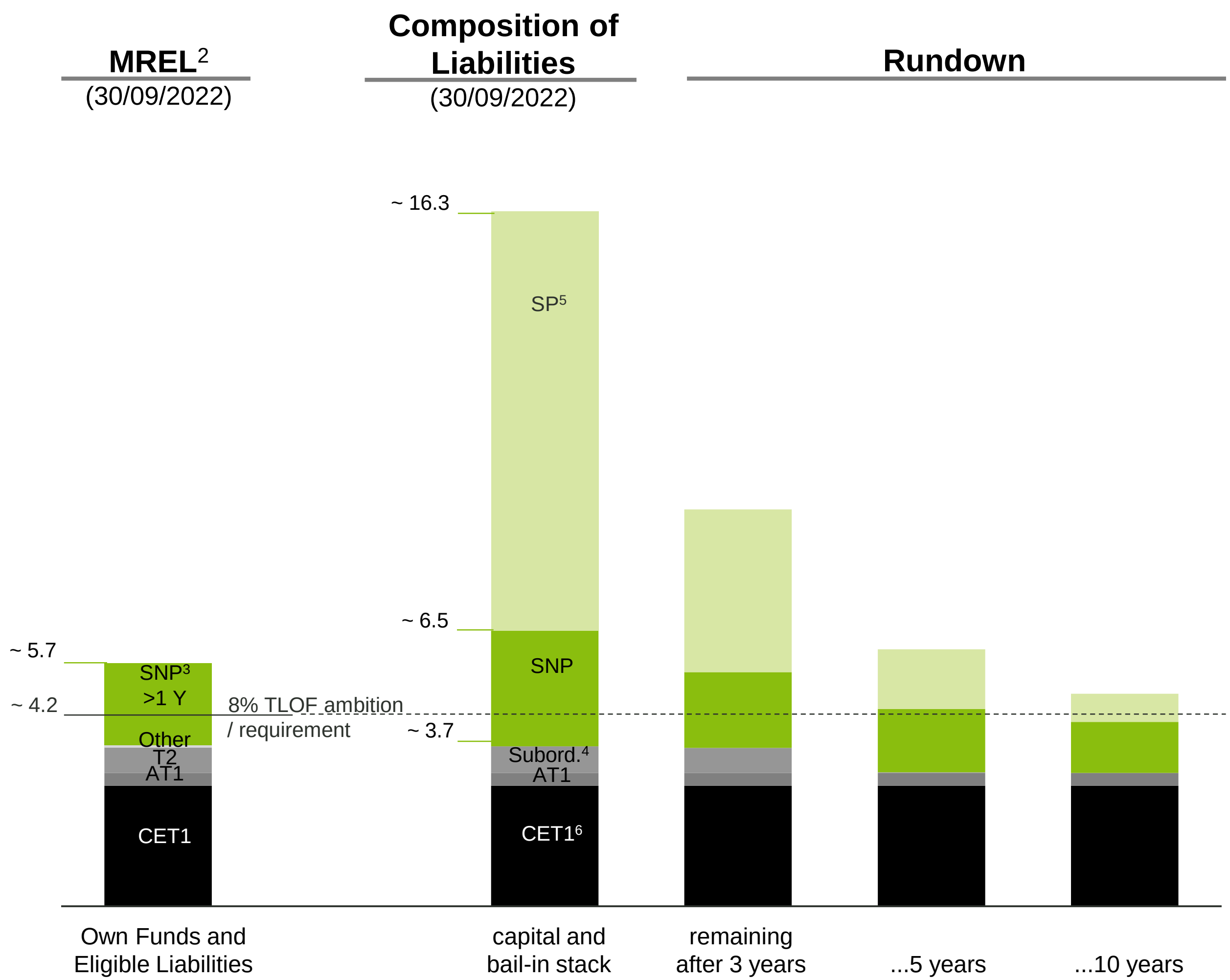
1. Guidance 2022 and mid-term ambition
2. ESG
3. P&L / Balance Sheet
4. Portfolio Profile
5. Funding & Ratings

Contact details

Funding

Own Funds and Eligible Liabilities significantly exceed 8% TLOF

(in € bn as of 30/09/2022)[1)]



- 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 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 30 September 2022, MREL eligible items amounted to ~10.8% TLOF (without approved scope from the General Prior Permissions) / ~34.4% RWA / ~10.6% 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 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	+23 bp[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	+20 bp[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%
Mortage Pfandbrief	A30WFU	19.07.2022	26.07.2027	EUR 750 mn	+6 bp	1.75%	99.872%
Senior Preferred (Green)	A30WFV	22.08.2022	28.08.2026	EUR 500 mn	+250 bp	4.375%	99.921%
Mortage Pfandbrief	A30WF2	17.10.2022	25.01.2027	EUR 500 mn	+3 bp	3.00%	99.682%

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

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

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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