Results Q4/FY 2023 - Company Presentation

pbb DEUTSCHE PFANDBRIEFBANK

April 2024

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Business Model

Leading specialised CRE lender with a clear focus on senior lending and green transformation of the CRE sector

pbb

CRE Lending

- Pfandbrief-eligible **senior loans**, complemented by limited non-senior loans
- **Structuring expertise** for complex/large transactions
  - ~ 150 deals per year
  - Ø deal size ~€ 50-70 mn
- **Green Loans** integral part of business model: **CRE transformation partner**

Specialized on-balance sheet lending …

… based on stable, well diversified funding base

Funding

- Strong capital market presence: benchmark issuances and private placements
  - Resilient **Pfandbrief** as main funding source complemented by unsecured bonds
  - pbb one of most active senior unsecured **Green Bond** issuers
  - Strong **ESG Ratings** (e.g. MSCI AAA)
  - EUR and foreign currencies

RE Invest. Mgmt.

- Issuance of **open-ended real estate funds**
- **Capital-efficient** and **scalable** income source
- Provide required formats to **institutional investors** (e.g. debt funds)
- Leverage our extensive **market access**

pbbinvest

Partners Amundi Universal Investment

Green consulting

- Advise on holistic solutions within the **green transformation of RE** (e.g. green development loans, green capex facilities)

ECO ESTATE

Retail deposits

- Scalable **retail deposit** online-platform
- Call and term deposits (EUR, USD)

pbb direkt

USP

- **Leading specialised CRE lender** with a clear focus on **senior lending** and **green transformation** of the CRE sector
- **Strong franchise** with long-standing client relationships
- Local presence in core **Europe and US** (only 7 gateway cities)
- **Resilient Pfandbrief** as main funding source – in addition, **scalable retail deposit platform**

KEY MESSAGES

pbb is an expert in managing the cycle

pbb remains profitable and well capitalised

- **Pre-provision profit of € ~300 mn** provides for solid risk absorption capacity
- **CET 1 ratio is more than 600 bp (€ 1 bn)** above the regulatory requirement
- In light of the challenging market environment, **2023 profit will be retained** – conditions to pay AT1 coupon are comfortably met

Portfolio remains solid with an avg. LTV of 53%[1]

- **100% senior lender, always first ranking**
- Total LLPs of € 589 mn provide for **~189 bp coverage on REF portfolio**
- **US portfolio 100% revalued** – pro-active workout and restructuring limited NPL increase to € ~300 mn

Pre-funding provides pbb with **strong liquidity position – capital market funding needs for 2024 largely covered**

- **Retail deposit growth** substituted more expensive unsecured wholesale funding (12/23: € 6.6 bn); **no Senior benchmark in 2024** to be issued
- **Secured capital market funding largely covered for 2024,** thanks to strong pre-funding
- **€ >6.0 bn liquidity** – sufficient liquidity well beyond internal stress horizon; **LCR >200%** (02/24)

1. Based on performing investment loans only

AGENDA

HIGHLIGHTS 2023

Strong KPIs despite challenging markets

- **Pre-provision profit** of € ~300 mn
- **Strong NII** despite loss of TLTRO and floor income
- **pbb's financial strength** is built to manage the cycle

PBT
€ 90 mn
(2022: € 213 mn)

NII
€ 482 mn
(2022: € 489 mn)

- Selective **REF portfolio growth** with improving margin
- New business with **strong margin uplift**

Portfolio growth
€ +1.8 bn
(12/23: € 31.1 bn, 12/22: € 29.3 bn)

New business margin
+ ~35 bp
(2023: ~205 bp, 2022: ~170 bp)

- **Growth of retail deposits** at favourable funding costs
- **Strong liquidity position**
- pbb well **capitalised**

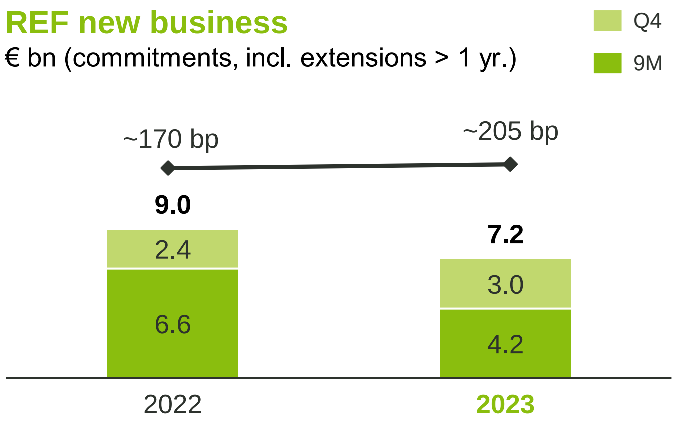
CET1 ratio
15.7%
(12/22: 16.7%)

Liquidity
€ >6.0 bn
(02/24)

OPERATING & FINANCIAL OVERVIEW

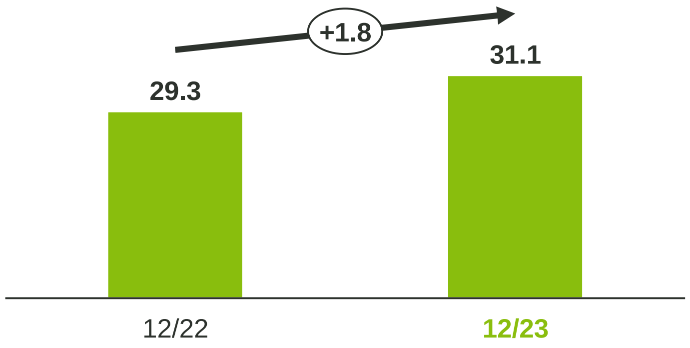
Growing REF portfolio, rising margins

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



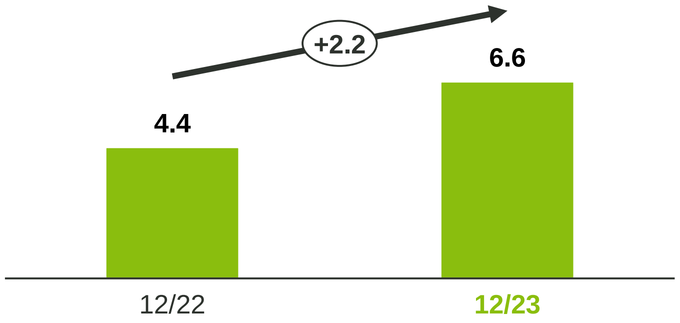
- New business volume adjusted to challenging market environment
- Margin well above plan: +35 bp

REF portfolio
€ bn (financing volume)



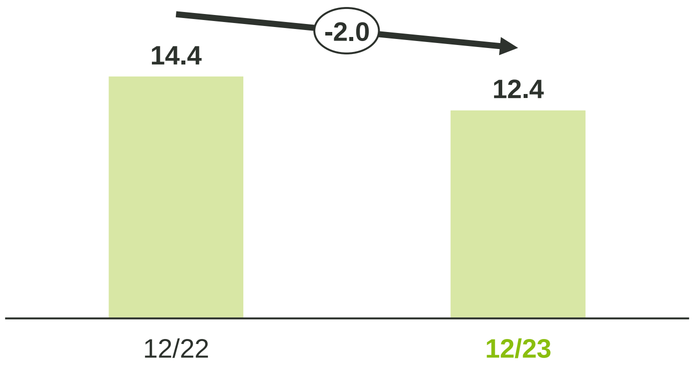
- REF portfolio growth
- Improved portfolio margin

Funding – retail deposits
€ bn



- Growth of retail deposits at favourable costs, well ahead of plan
- Strong liquidity position benefitting from strong pre-funding

Non-Core portfolio
€ bn (financing volume)

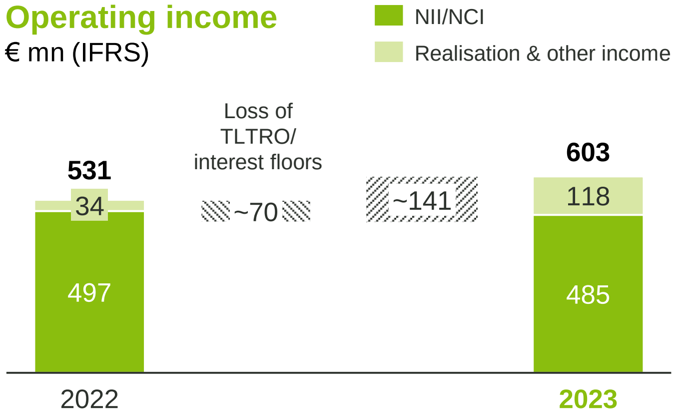


- Optimisation of non-core portfolio ongoing
- Asset reduction accelerated at attractive price level

Note: Figures may not add up due to rounding

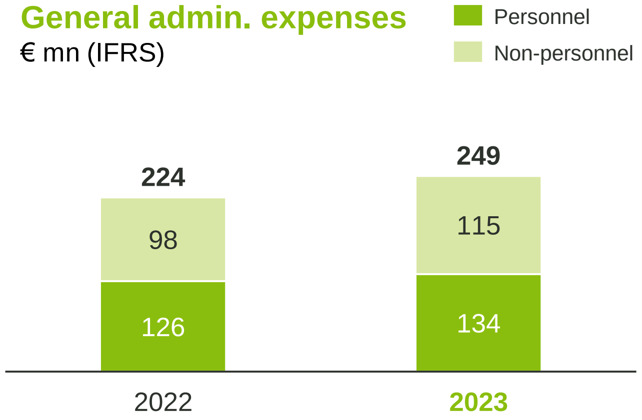
Strong pre-provision profit cushions risk costs

Operating income
€ mn (IFRS)



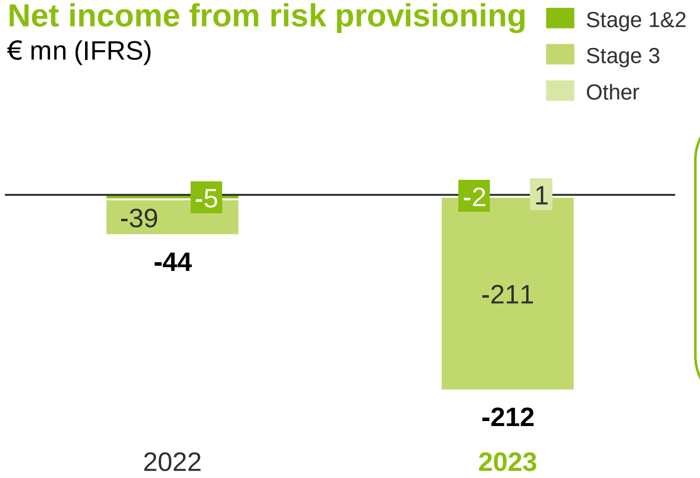
- NII/NCI well ahead of initial target of € >450 mn
- In addition, pbb benefits from its financial strength

General admin. expenses
€ mn (IFRS)



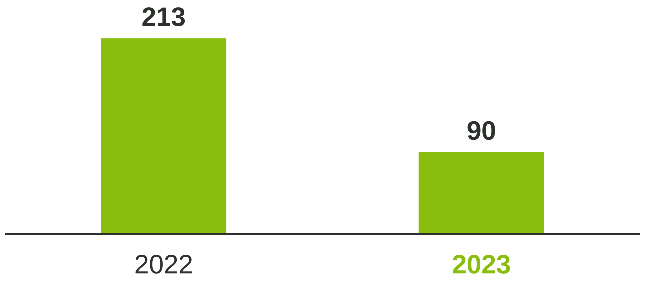
- Investments into IT transformation and digitalisation
- Strategic projects and restructuring

Net income from risk provisioning
€ mn (IFRS)



- Risk provisioning mainly driven by US office
- € 259 mn LLPs in place for US

Pre-tax profit
€ mn (IFRS)



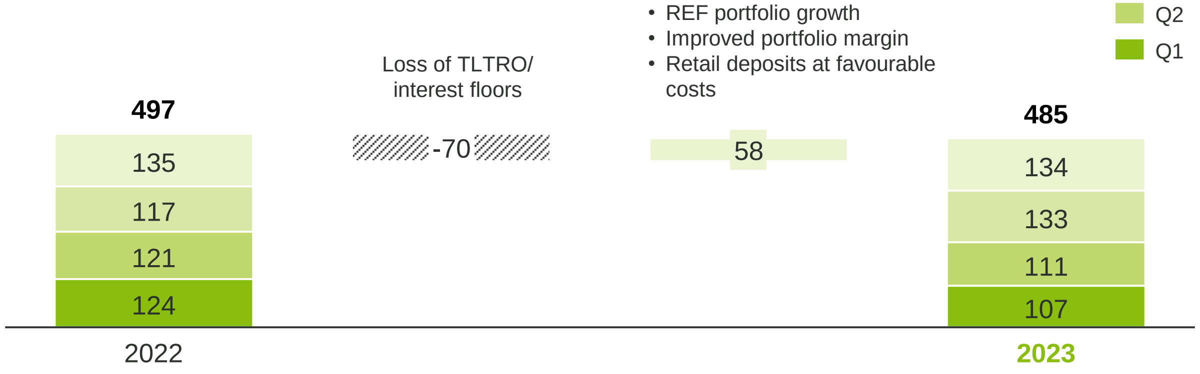
- pbb remains profitable despite higher risk provisioning in very challenging market conditions

Note: Figures may not add up due to rounding

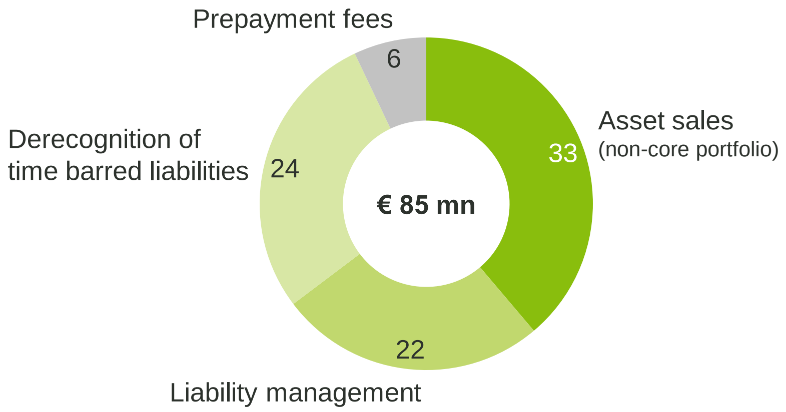
OPERATING INCOME

pbb benefits from its financial strength

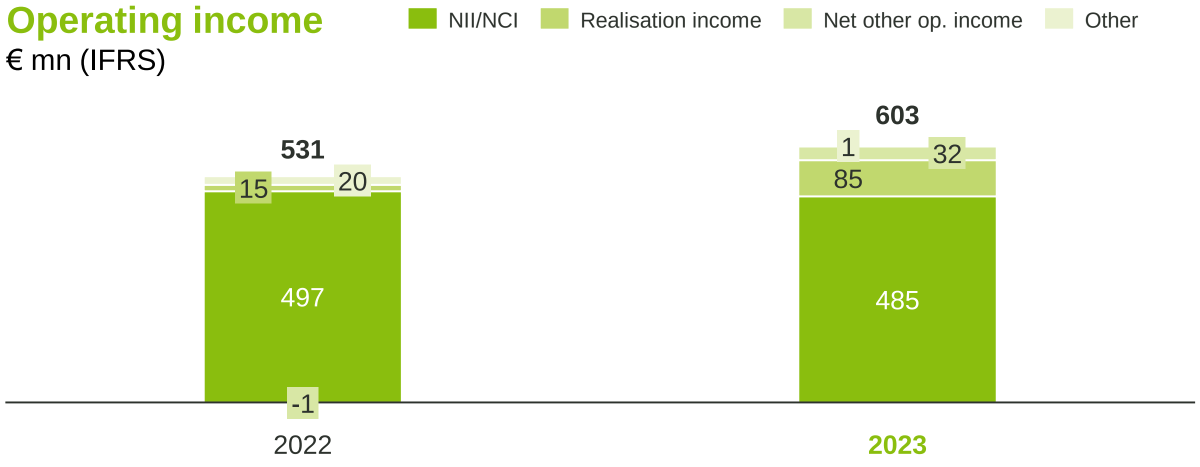
Net interest and commission income
€ mn (IFRS)



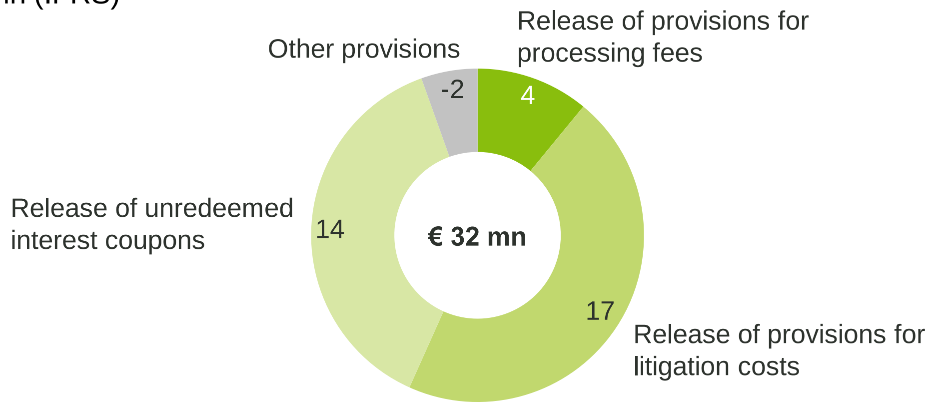
Net income from realisations
2023: € mn (IFRS)



Operating income
€ mn (IFRS)



Net other operating income
2023: € mn (IFRS)

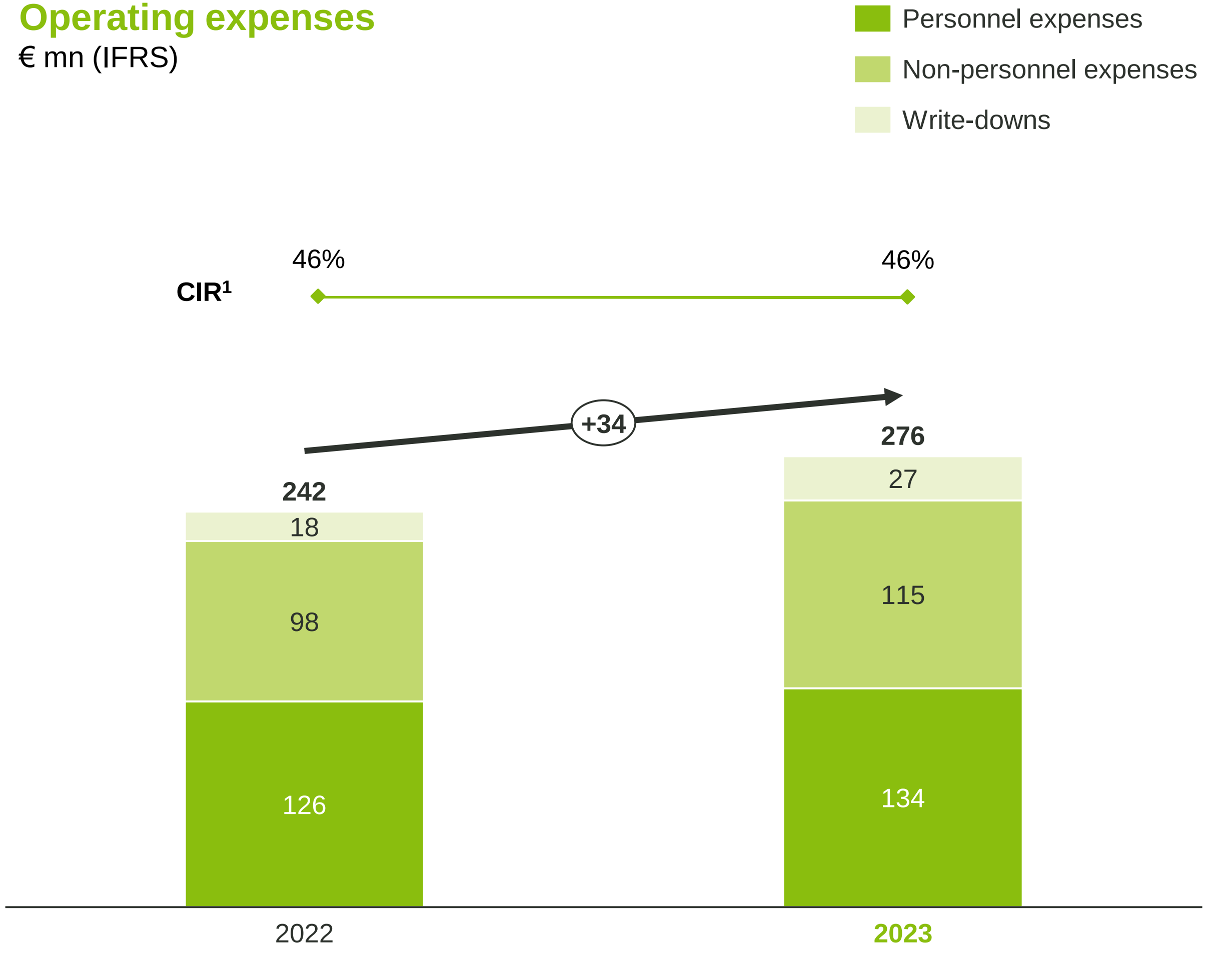


Note: Figures may not add up due to rounding

OPERATING EXPENSES

pbb invests into process and cost efficiencies

Operating expenses
€ mn (IFRS)



Investments of € 35 mn **in strategic agenda** in 2023

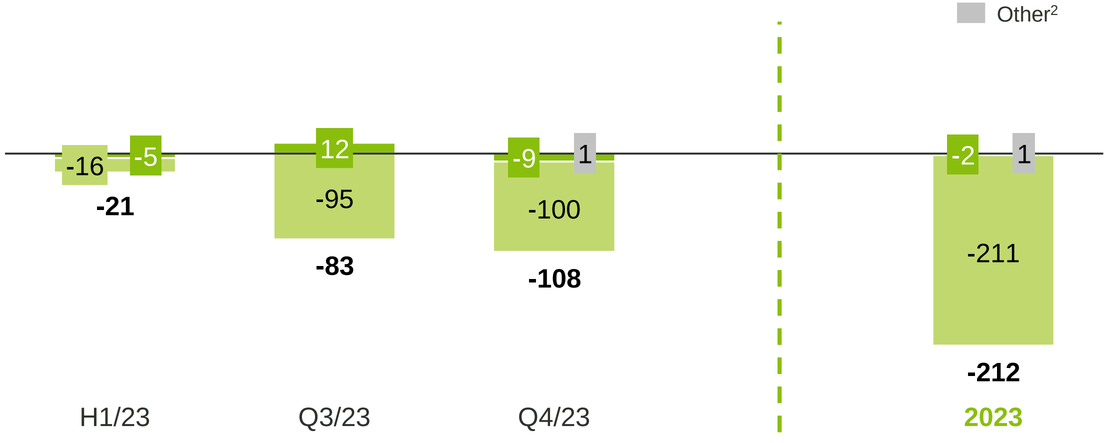
- **IT transformation** (€ 5 mn) to achieve cost savings
  - Insourcing of IT infrastructure and IT personnel
  - Change of IT provider – parallel run in 2024 / end of transformation 2025
- **Digitalisation** (€ 10 mn)
  - Development of digital credit workplace
  - Consulting for process streamline
  - One-off write-downs
- **Strategic projects and restructuring** (€ 20 mn)
  - Set-up new business line pbb invest
  - Optimization of office space
  - Severance pays
  - Restructuring provisions

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

RISK COSTS

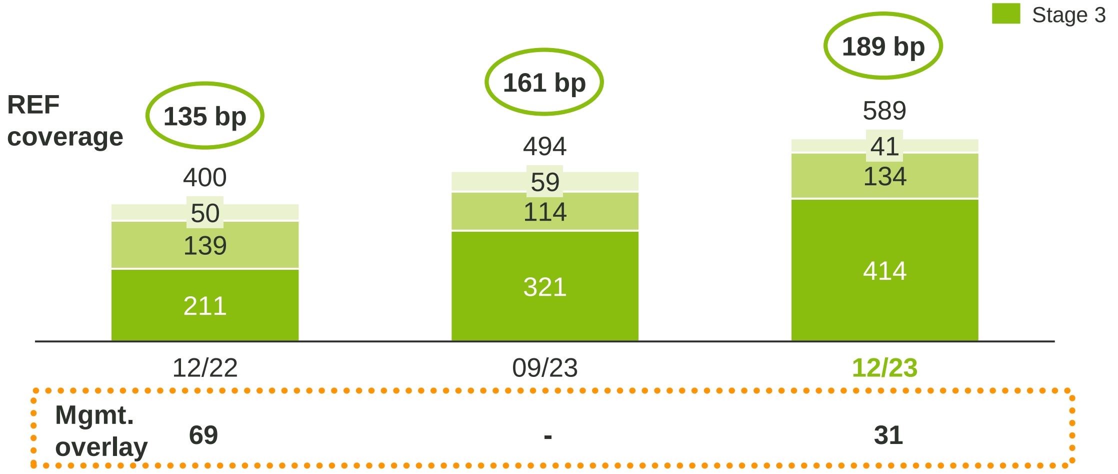
Risk provisioning mainly driven by US

Net income from risk provisioning
€ mn (IFRS)



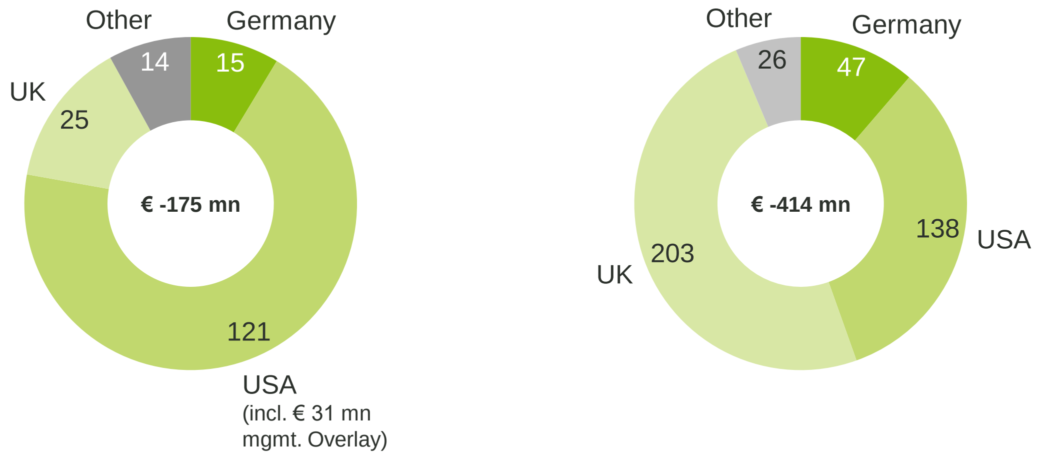
- **Stage 1&2:** € 62 mn additions for US (incl. € 31 mn management overlay) compensated by model based release from improved macroeconomic model parameters in Europe
- **Stage 3:** € 132 mn net additions mainly driven by US office loans
- **US LLPs:** Total LLPs of € 259 mn in place for US – thereof, € 121 mn coverage for performing US portfolio

Balance sheet – loss allowances
€ mn



Stage 1&2

Stage 3



1. Incl. provisions in off balance sheet lending business 2. Recoveries from written-off financial assets

AGENDA

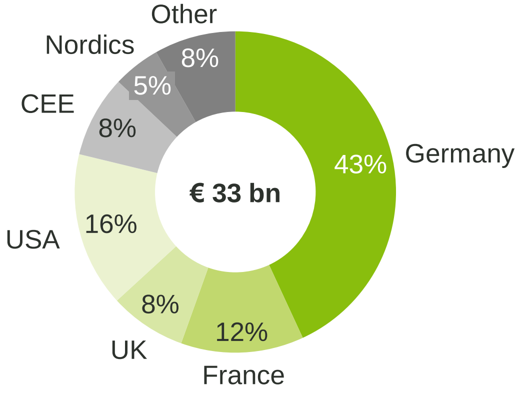
1. Highlights 2023 and P&L
2. Portfolio Quality
   - Focus US
   - Focus Development
   - Focus Office
3. Funding
4. Capital
5. Outlook
6. Appendix

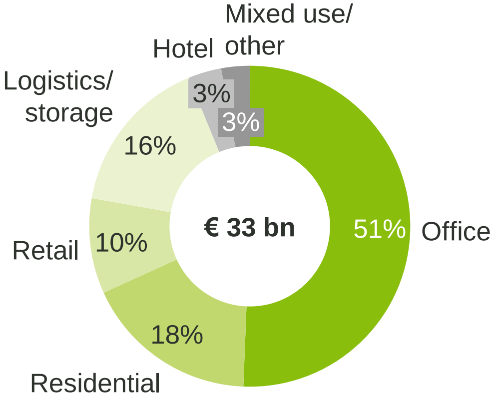
REF PORTFOLIO

Portfolio quality remains solid

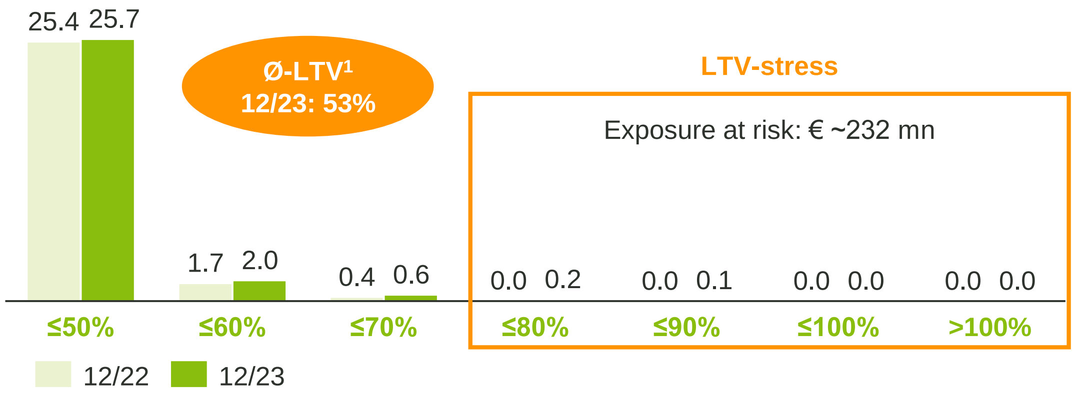
REF Portfolio
€ bn (EaD, Basel III)

- **Portfolio quality** remains solid – focus on prime properties in core locations
- **Collateral values of entire portfolio reviewed in 2023** – low avg. LTV[1] of 53% already reflects 2023 valuation reductions, esp. for office properties – in line with pbb's core markets
- **LTV-stress: Exposure at risk** only ~0.8% of portfolio[1]; **coverage ratio** of ~75% via existing stage 1&2 LLPs of € 175 mn





Layered LTV – based on performing investment loans only
31/12/2023 (€ bn, commitments, Basel III)

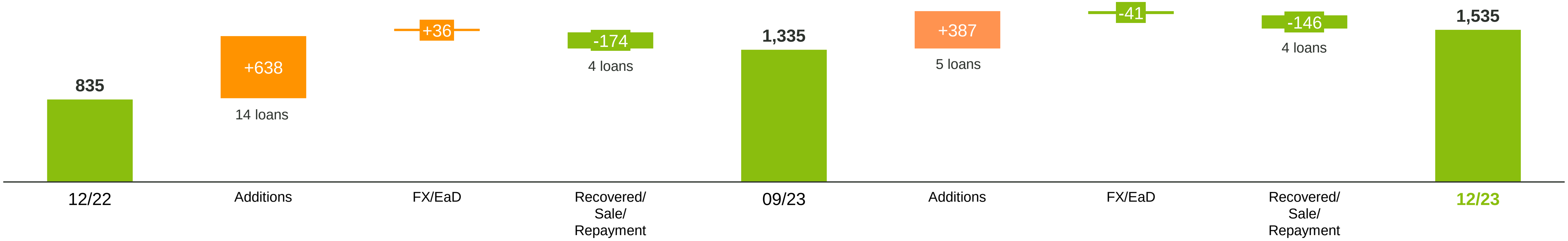


Note: Figures may not add up due to rounding 1. performing investment loans, based on commitments

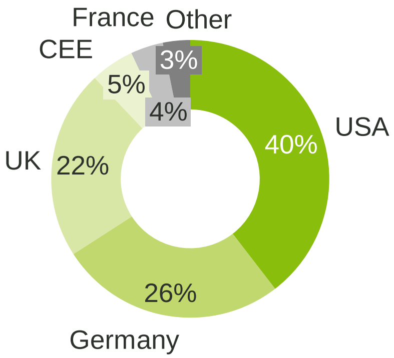
NPL PORTFOLIO

Pro-active NPL management

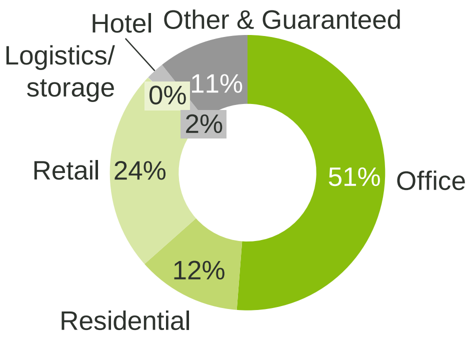
NPL Portfolio
€ mn (EaD, Basel III)



Regions
31/12/2023 (EaD, Basel III)



Property Type
31/12/2023 (EaD, Basel III)



- Active **management of NPL portfolio** with 8 loans (€ 320 mn) successfully restructured/worked out in 2023
- 4 loans (€ 201 mn) recovered to performing and 4 loans (€ 119 mn) repaid at or above internal valuation marks
- **NPE[1] ratio** 3.0% / **REF NPE[1] ratio** 4.6%
- **Coverage ratio** of ~27% via existing stage 3 LLPs of € 414 mn

Note: Figures may not add up due to rounding 1. Non-Performing Exposure ratio = Non-performing loans and bonds / total portfolio (EaD); NPL ratio (EBA definition) 12/23: 3.7% (NPL ratio = gross carrying amount of non-performing loans and advances (incl. loans in forbearance cure-period) / total gross carrying amount of loans and advances)

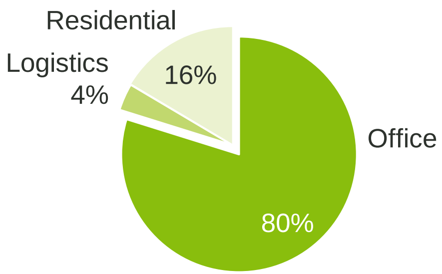
FOCUS: US – PERFORMING

Entire portfolio revalued in 2023

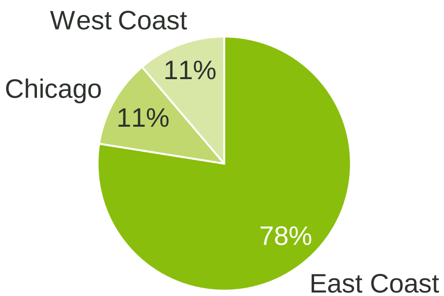
Performing Portfolio
€ bn (EaD, Basel III)

- **USA largest liquid and transparent CRE market** – low market share of pbb allows for selective business. pbb focuses only on **7 gateway-cities** (CBDs) and predominantly on **East Coast** office
- Fully focused on **risk mitigation** in existing portfolio, no new commitments this year
- **100% of portfolio revalued** with avg. **revaluation** of around -19% – in line with markets we are operating in; 9% of the portfolio to mature in 2024 and 17% in 2025
- **LTV-stress: Exposure at risk** only ~3.0% of portfolio[1]; **coverage ratio** of ~121% via existing stage 1&2 LLPs of € 121 mn

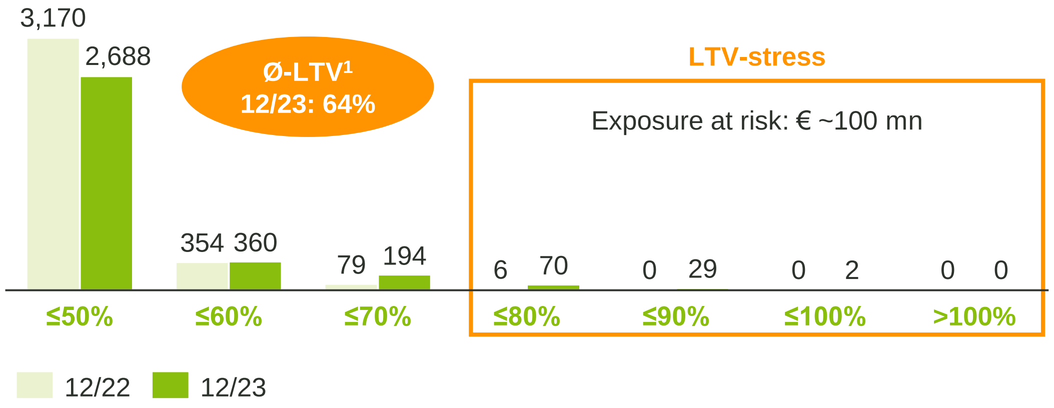
Property types
31/12/2023: € 4.5 bn (EaD, Basel III)



Office – Regions
31/12/2023: € 3.6 bn (EaD, Basel III)



Office – Layered LTV – based on performing investment loans only
31/12/2023 (€ mn, commitments, Basel III)

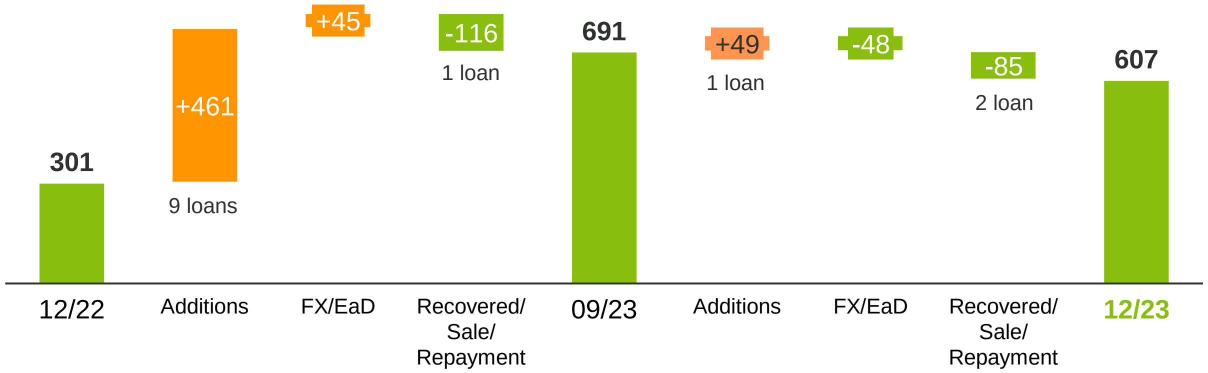


Note: Figures may not add up due to rounding 1. performing investment loans, based on commitments

FOCUS: US – NON-PERFORMING

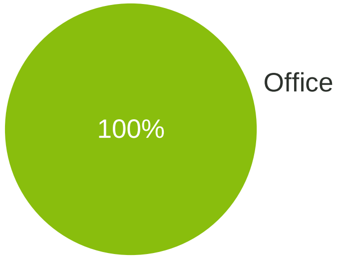
Pro-active workout and restructuring limited NPL increase to € ~300 mn

US NPL Portfolio
€ mn (EaD, Basel III)

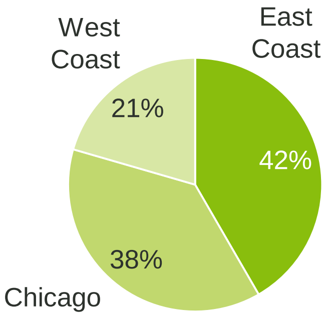


- Active **management of NPL portfolio** with 3 US loans (€ 201 mn) successfully restructured/worked out in 2023
- 2 loans (€ 172 mn) recovered to performing and 1 loan (€ 29 mn) repaid above internal valuation mark
- **US NPE[1] ratio** 12%
- **Coverage ratio** of ~23% via existing stage 3 LLPs of € 138 mn
- Avg. **revaluation** of around -35% in 2023. Portfolio LTV and existing stage 3 LLPs cover for further valuation reduction between 30-40%

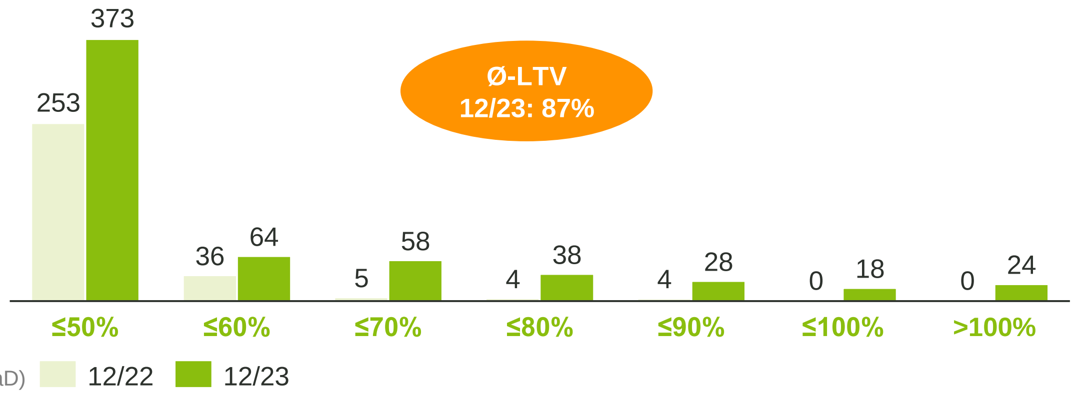
Property types
31/12/2023: € 607 mn (EaD, Basel III)



Office – Regions
31/12/2023: € 607 mn (EaD, Basel III)



US NPL – Layered LTV – based on investment loans only
(€ mn, commitments, Basel III)

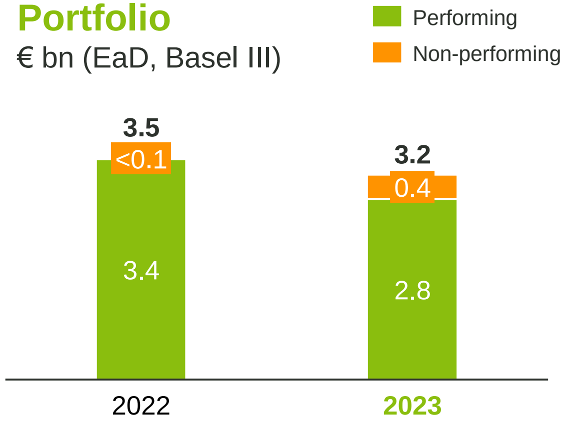


Note: Figures may not add up due to rounding 1. Non-Performing Exposure ratio = Non-performing loans and bonds / total US portfolio (EaD)

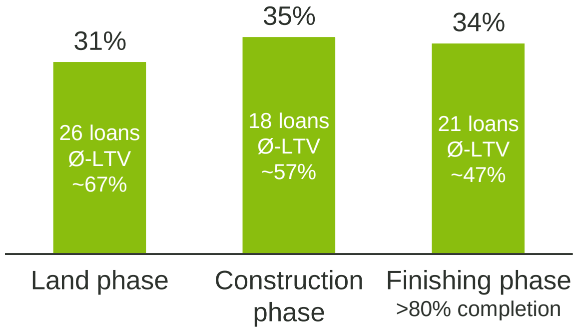
FOCUS: DEVELOPMENT PORTFOLIO

Strict underwriting standards

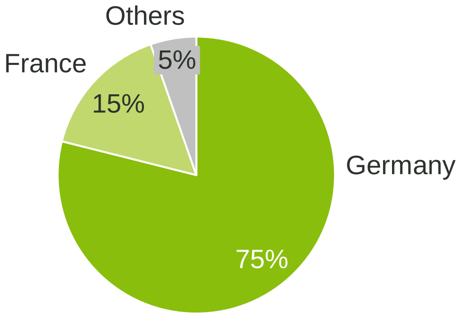
Portfolio
€ bn (EaD, Basel III)



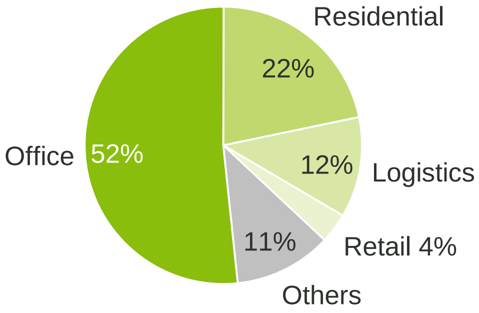
Phase
31/12/2023 (commitments, Basel III)



Regions
31/12/2023 (EaD, Basel III)



Property types
31/12/2023 (EaD, Basel III)



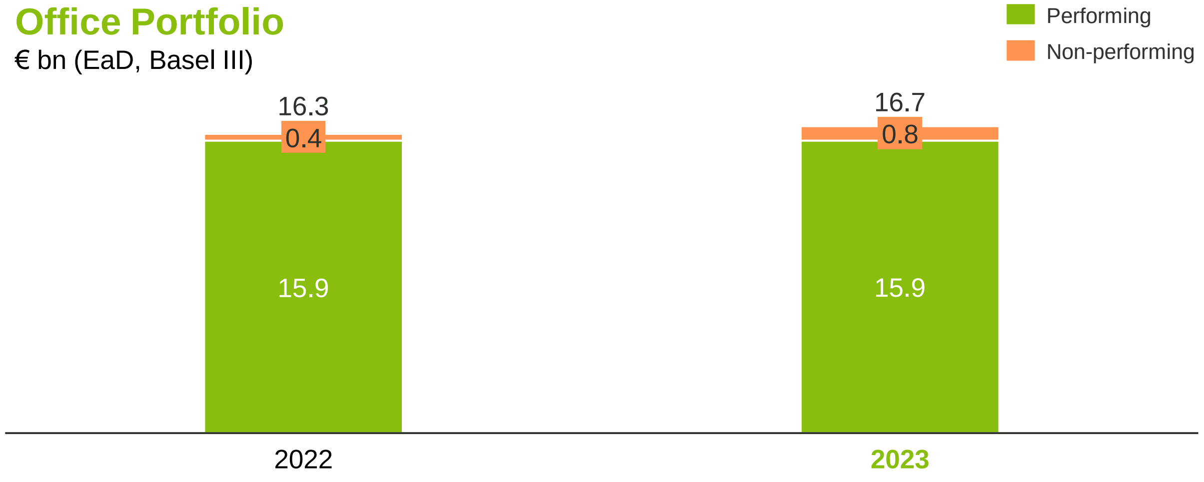
Note: Figures may not add up due to rounding

- **Portfolio** significantly **reduced** since 2019 (12/19: € 4.7 bn, 12/23: € 3.2 bn) – **turnover** of € 6.3 bn due to repayment (~70%) or transfer to investment loan (~30%)
- **Senior lending** only – no exposure in unsecured/subordinated instruments
- Cooperation only with selective and well **experienced large developers**
- Focus on **office, residential and logistics** in major urban locations (very good locations) in Germany (only big 7) and Europe
- 2/3 in **land and finishing phase**, therefore no or only little immediate construction risk – risk management **focus on loans in construction phase**
- **NPL portfolio** of € 382 mn with coverage ratio of ~12% via existing stage 3 LLPs of € 45 mn – 2023: 5 new cases (€ 351 mn)
  - All Germany; very good inner city locations
  - 3 cases in land phase
  - 2 cases in construction phase (1 residential/1 retail)

FOCUS: OFFICE PORTFOLIO

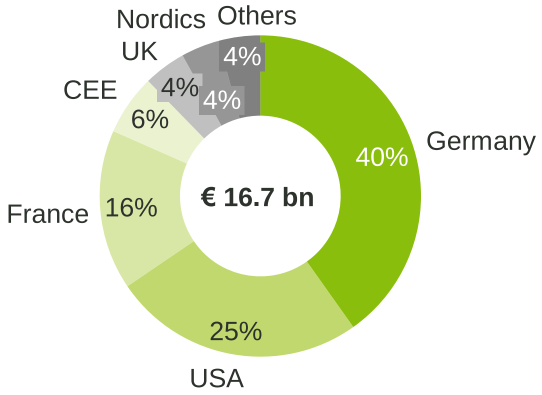
Solid portfolio quality

Office Portfolio
€ bn (EaD, Basel III)

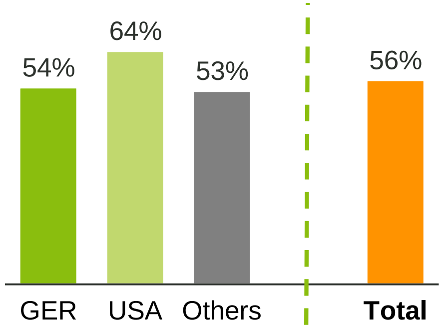


- **European office structure** is different from US office. Flight to quality trend remains intact, different home office behavior, different sponsor behavior, lower vacancies and less sensitive to short-term interest rate changes
- Focus on **prime properties** in core inner-city locations and strict risk parameters
- **Collateral values of entire portfolio reviewed in 2023**
- **LTV-stress: Exposure at risk** only ~1.5% of portfolio[1], **coverage ratio** of ~57% via existing stage 1&2 LLPs of € 124 mn

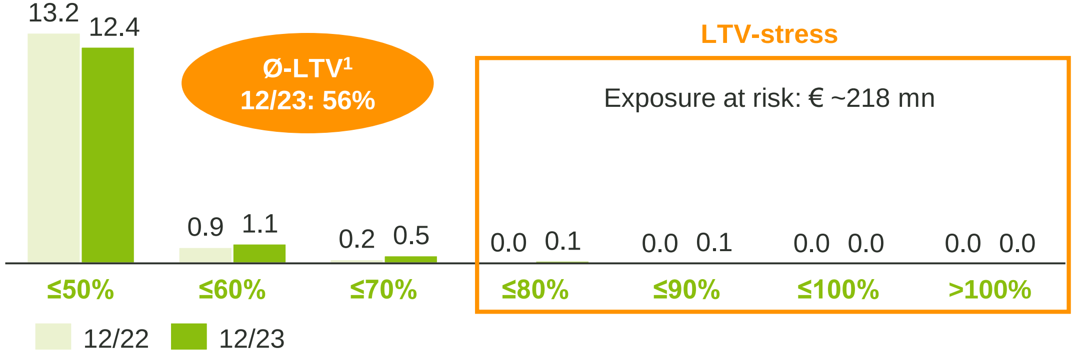
Regions
31/12/2023 (EaD, Basel III)



Avg. LTV[1]
31/12/2023 (Commitment, Basel III)



Layered LTV – based on performing investment loans only
31/12/2023 (€ bn, commitments, Basel III)

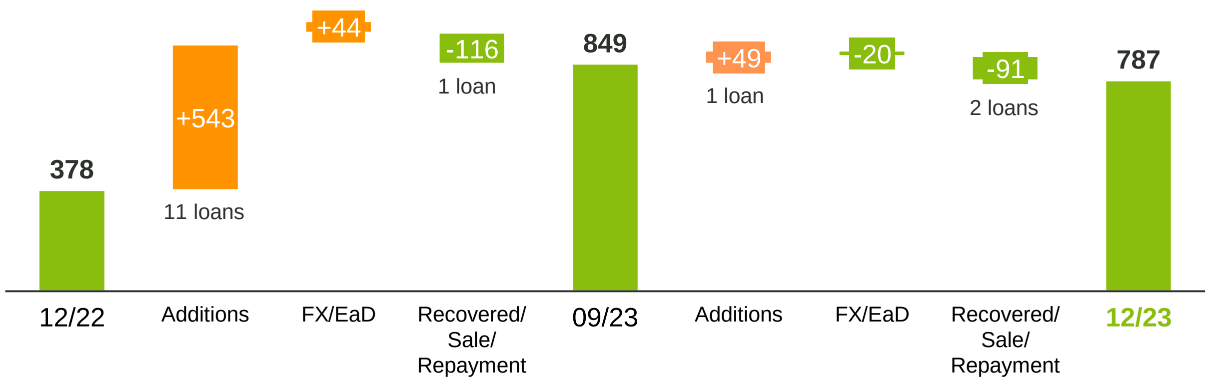


Note: Figures may not add up due to rounding 1. performing investment loans, based on commitments

FOCUS: OFFICE – NON-PERFORMING

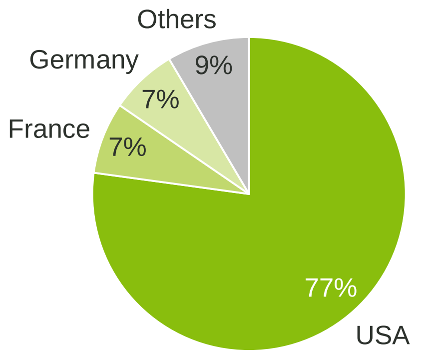
Pro-active NPL management

Office NPL Portfolio
€ mn (EaD, Basel III)

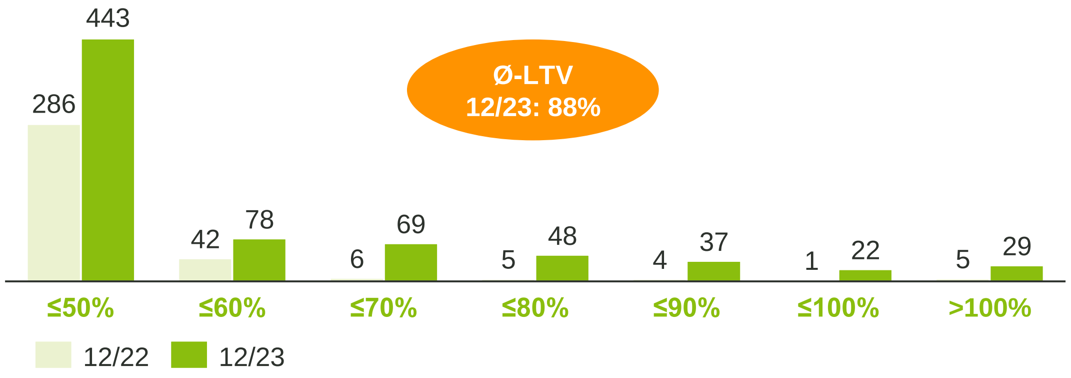


- Active **management of NPL portfolio** with 3 office loans (€ 207 mn) successfully restructured/worked out in 2023
- 2 loans (€ 172 mn) recovered to performing and 1 loan repaid (€ 35 mn) at or above internal valuation marks
- **Office NPE[1] ratio** 4.7%
- **Coverage ratio** of ~21% via existing stage 3 LLPs of € 165 mn
- Avg. **revaluation** of around -35% in 2023. Portfolio LTV and existing stage 3 LLPs cover for further valuation reduction between 30-40%

Regions
31/12/2023 (EaD, Basel III)



Office NPL – Layered LTV – based on investment loans only
(€ mn, commitments, Basel III)



Note: Figures may not add up due to rounding 1. Non-Performing Exposure ratio = Non-performing loans and bonds / total Office portfolio (EaD)

AGENDA

FUNDING AND LIQUIDITY

Strong liquidity position – 2024 largely covered

Capital market funding needs for 2024 largely covered

- **Pre-funding** across toolbox and moderate new business result in lower 2024 funding needs
- **No Senior Unsecured benchmark in 2024** to be issued, substituted by retail deposit growth (€ 6.9 bn 02/24 near FY target)
- **Secured** pre-funding with six Pfandbrief benchmarks (in total € 2.7 bn) issued since summer 2023 until 2024 year-to-date

Strong liquidity position

- Strong regulatory ratios with both **LCR and NSFR** significantly above minimum requirements of 100%
- **€ >6.0 bn liquidity** – sufficient liquidity well beyond internal stress horizon (i.e. six times the regulatory requirements)

LCR

>200%
(02/24)

NSFR

111%
(12/23)

Retail deposits

€ 6.9 bn
(02/24)

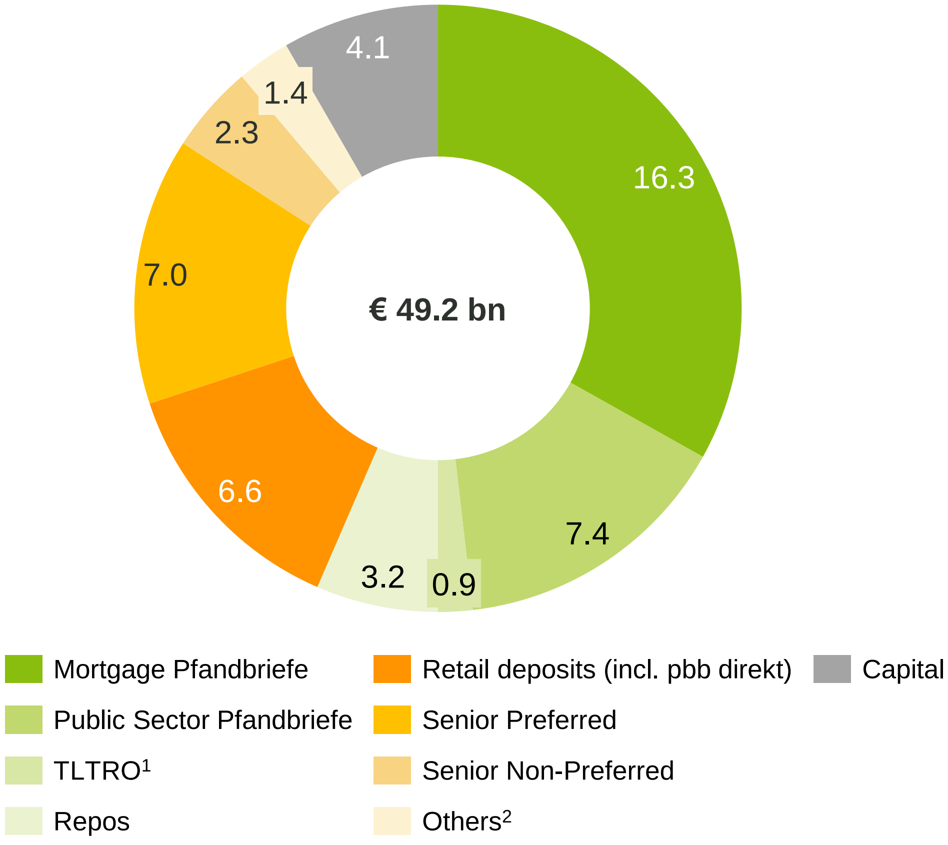
Liquidity

€ >6.0 bn
(02/24)

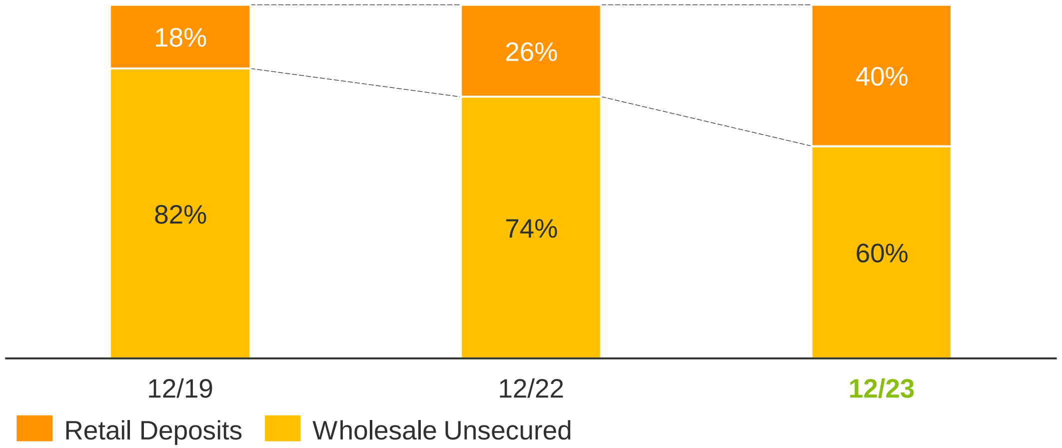
Diversified funding base

Diversified Funding Base

31/12/2023: € bn, nominal values



Unsecured Funding



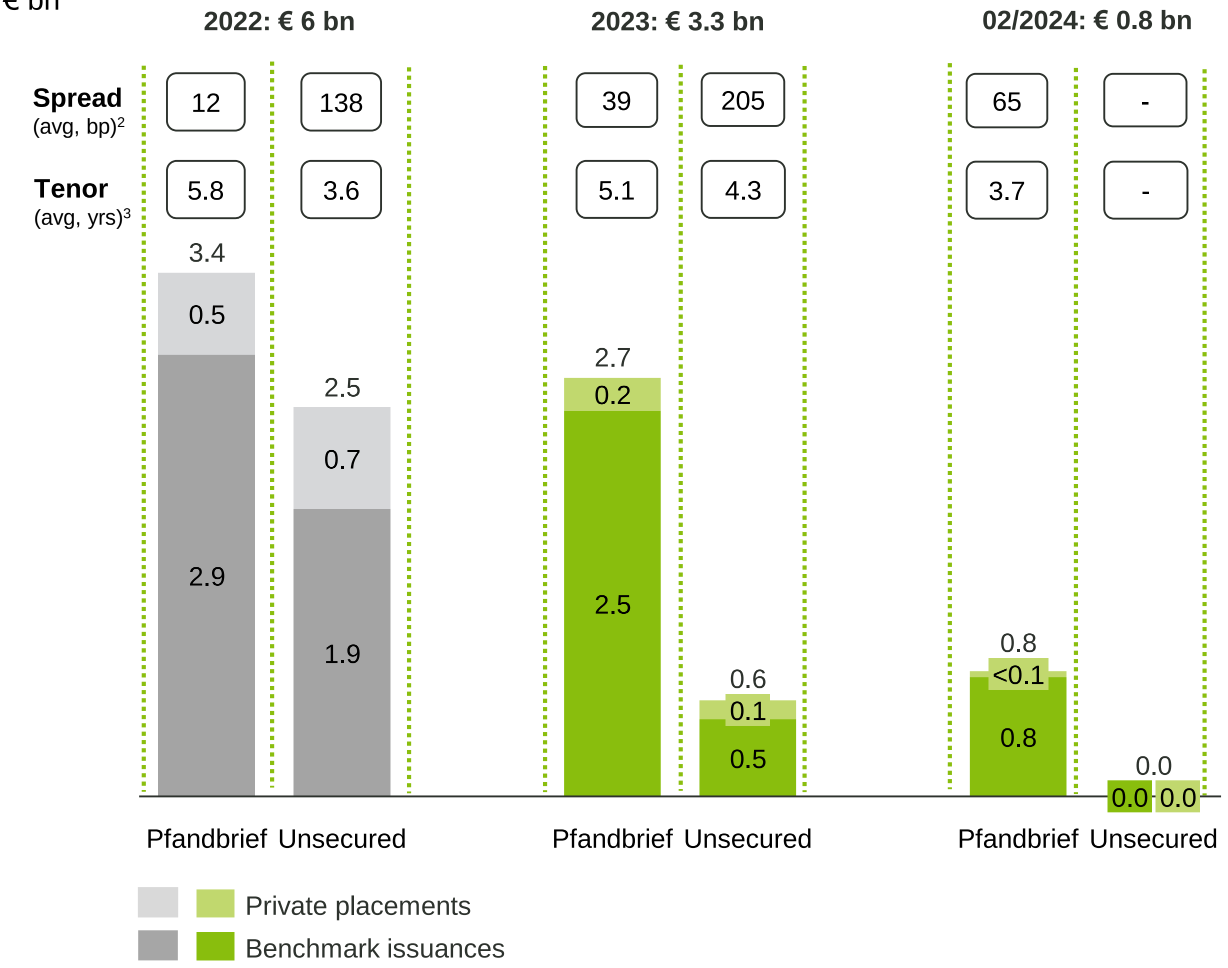
- Over 55% resilient **secured funding**[3]
- **Broad toolbox** for both, secured and unsecured funding
- Capital market **unsecured funding** systematically **substituted with retail deposits**

1. To be repaid in 2024 (liquidity neutral) 2. Others: e.g. institutional deposits and cash collateral 3. Pfandbriefe, TLTRO and Repos

Capital Market funding focused on Pfandbrief

New long-term funding[1]

€ bn



- **Unsecured wholesale** largely replaced by stable and competitive retail deposits
  - One Senior Unsecured benchmark in early 2023
  - No Senior Unsecured benchmark needed in 2024
- **Secured capital market funding** largely covered for 2024, thanks to prefunding and moderate new business
  - With € 2.7 bn Pfandbrief issuance in 2023 and € >800 mn year-to-date, secured funding is well ahead of plan
  - Majority of Pfandbrief issuances in H2 2023 and 2024 year-to-date (€ 2.7 bn)
  - 7 Pfandbrief Benchmarks in 2023 and 2024 year-to-date (4 EUR Benchmarks, 1 USD Benchmark, 1 GBP and 1 SEK) with average duration of 3 years matching pbb`s asset duration

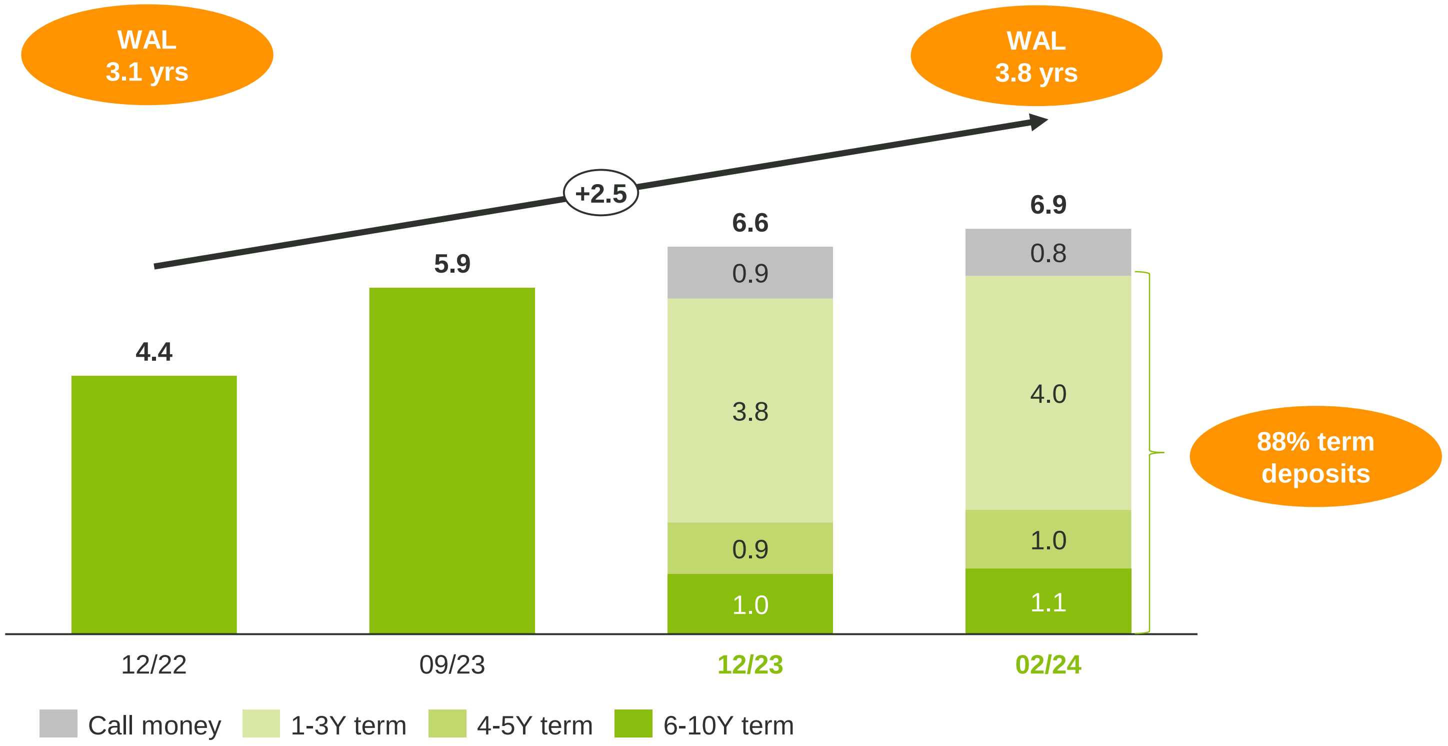
1. Excl. retail deposit business and “own-use” Pfandbriefe 2. vs. 3M Euribor 3. Initial weighted average maturity Note: Figures may not add up due to rounding

RETAIL DEPOSITS

Retail deposit continue to grow

Retail Deposits – development & maturity profile[1]

€ bn



pbb direkt[3]	12/22	12/23	02/24
Number of Clients	~60,000	~91,900	~97,000
Avg. deposit amount per client (€)	~68,000	~64,000	~63,000

- **Granular, long-term and deposit insured**
  - Granular: € 63,000 average deposit (pbb direkt)
  - Long-term: 88% with 3.8 yrs WAL
  - Deposit insured[2]: nearly 100%
- **Call money only 12% / € 800 mn** at any time well covered by liquidity reserves
- **Cost efficient** – more than 180 bp cheaper than senior preferred funding in 2023
- **Elastic source of funding:** rates lowered twice in Jan and Feb 2024; currently paying 3% for 5Y and 10Y deposits; room to grow
- **Co-operations broadened** with CHECK 24 and Raisin/Weltsparen added in 2023 – total brokered deposits € 0.9 bn, 100% term

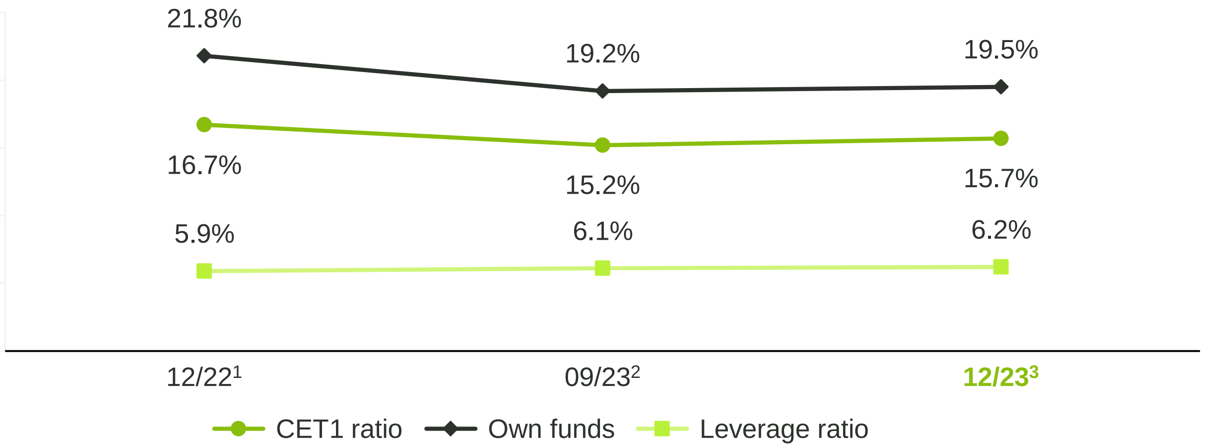
Note: Figures may not add up due to rounding
1. Initial weighted average life 3.8 years, remaining average time to maturity 2.6 years 2. Statutory deposit protection scheme in combination with the voluntary protection scheme of German Banks 3. Only pbb direkt clients without co-operations

AGENDA

CAPITAL

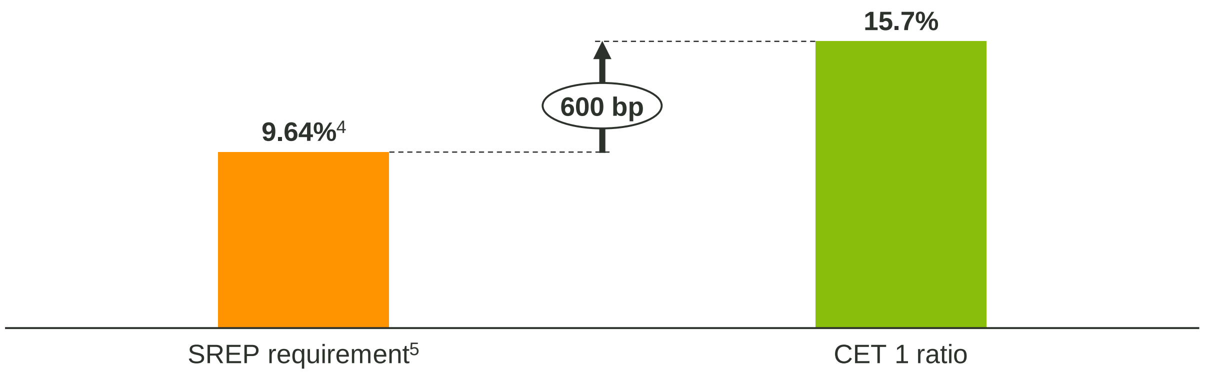
pbb well capitalised

Basel III: Capital and leverage ratios
(IFRS)



- **15.7% CET 1 capital ratio** remains well above management ambition level
- REF portfolio growth and internal rating developments resulted in higher **RWA**
- Quarter-over-quarter increase driven by **recognition of full-year results and retention of 2023 profit**
- **Leverage ratio** remains well above regulatory requirements

Basel III: MDA buffer
(IFRS)



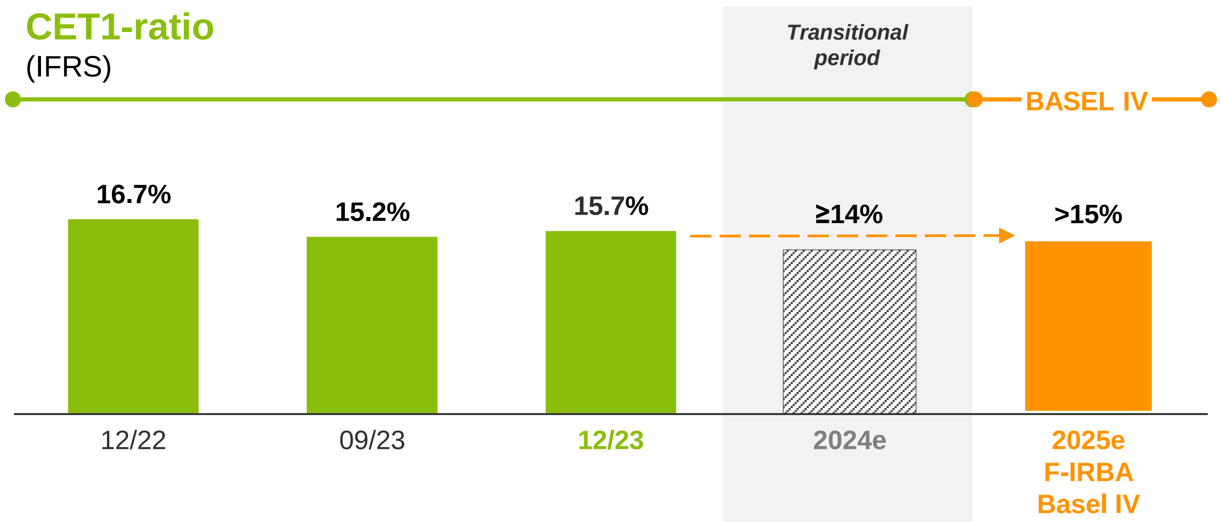
- Strong **MDA buffer of 600 bp (€ 1 bn)** over regulatory requirements
- In addition, with ADI of € 2.3 bn, **conditions to pay AT1 coupon comfortably met**

1. Incl. full-year result, post dividend 2022 2. Excl. interim result 3. Incl. full-year result 4. 4.5% P1R + 1.69% P2R + 2.5% Capital Conservation Buffer + 0.95% anticipated additional buffer (CCyB + SyRB) 5. SREP requirements 2024: CET 1 ratio: 8.69%, Tier 1 ratio: 10.75%, Own funds ratio: 13.50% (excl. anticipated additional buffer of 95 bp (CCyB + SyRB)
Note: Figures may not add up due to rounding

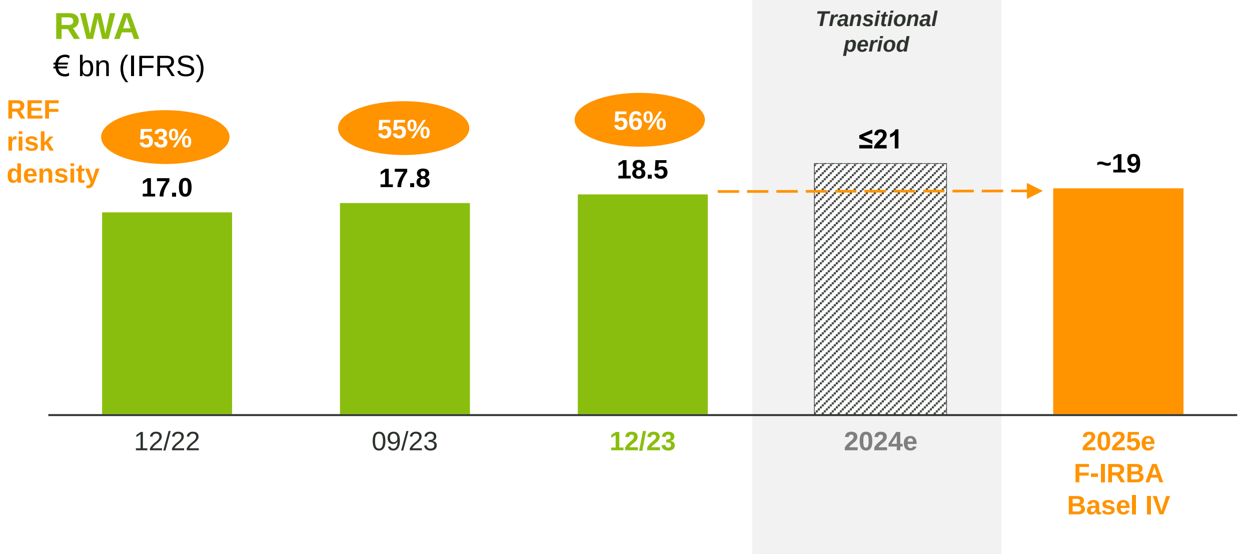
CAPITAL

Road to new model landscape – Different ratio, same capital

CET1-ratio
(IFRS)



RWA
€ bn (IFRS)



Basel IV target landscape 2025

- **Foundation Internal Ratings-based Approach (F-IRBA)** will be applied for the majority of pbb's portfolio following Basel IV implementation and ECB approval
- **CET 1 ratio of >15%** expected (RWA € ~19 bn)

Transitional period 2024

- Models to be calibrated towards **standardised parameters** – no further downside risk on PD/LGD parameters
- **CET 1 ratio expected to remain ≥14% – RWA managed to stay € ≤21 bn**
  - Technical, temporary uplift by € ~3-4 bn to be expected
  - De-risking and additional RWA reduction measures of up to € ~1.5 bn
- pbb's **capital to remain stable**
- CET 1 ratio to remain **significantly above the current regulatory requirement** throughout the entire transitional period

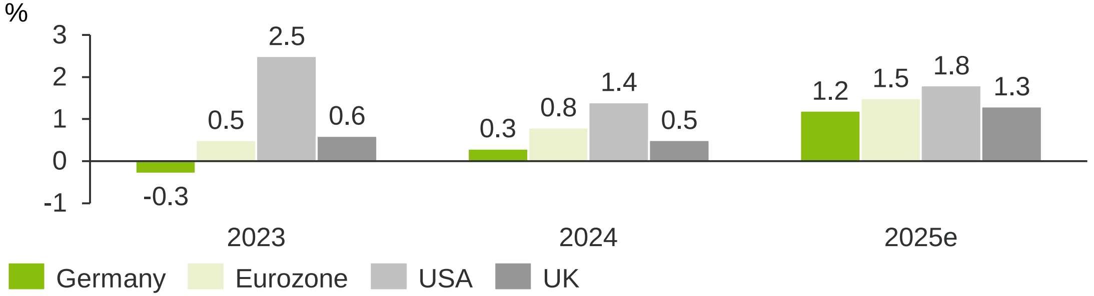
Note: Figures may not add up due to rounding

AGENDA

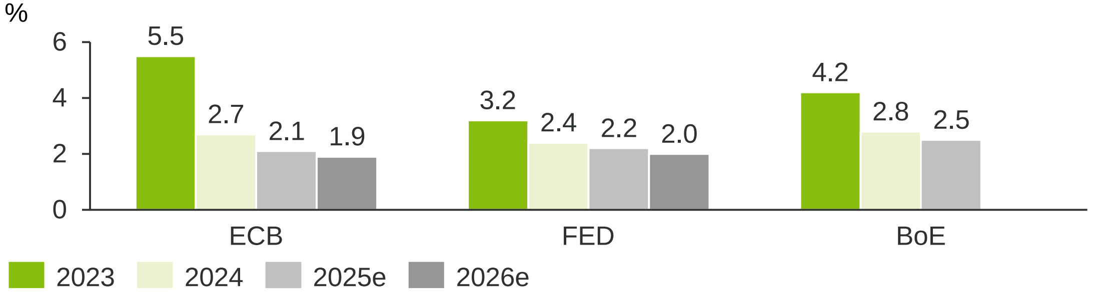
ECONOMIC OUTLOOK

Base case: modest economic growth outlook

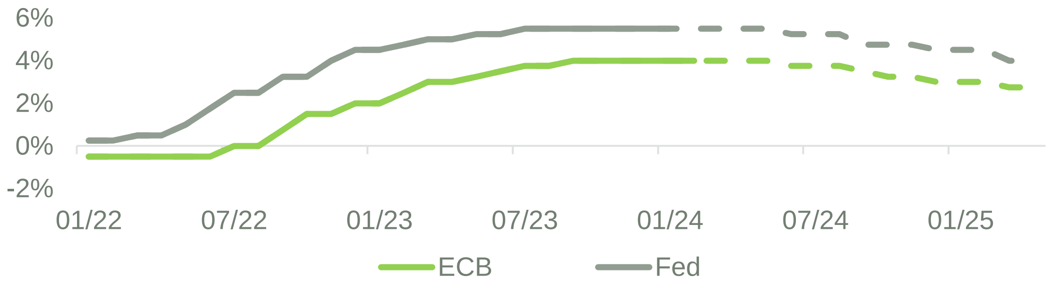
GDP growth picks up moderately in Europe



Inflation on track to return to 2% target by 2026



Economists expect several rate cuts 2024



- In 2024 and 2025, pbb expects **GDP growth** in **Continental Europe**, while the UK is expected to grow again by ~0.5% this year, and ~1.3% in 2025. **US** GDP is expected to expand solidly over the next two years.
- **Inflation** developments are key for this year's outlook. Market consensus expects that central banks will begin **lowering interest rates in mid-2024** amid inflation on track to return to the 2% target. This interest rate development in Europe and the US will help to **stabilise the real estate market**.
- Therefore, **the first half 2024 should remain challenging**. pbb expects to see **further valuation corrections for US office properties**, but lower than 2023.
- Due to different market structures, pbb does **not expect a spillover from the US to Europe** to the same degree.
- In Europe, the "**flight to quality" trend is expected to remain intact** – this also holds true for the US, but on a lower level.
- In Europe, office space **demand for prime properties in core inner-city locations is expected to continue to be strong**, especially when ESG standards are high.

Sources: Bloomberg Survey as of January 26 (Fed) and February 12 (ECB), European Commission

GUIDANCE 2024

Solid operating income strength; PBT expected significantly above 2023 level

REF Portfolio	**New business** (incl. extensions > 1 year)	€ 6-7 bn
	Financing volume	€ 30-31 bn
P&L	**Operating Income**	€ 525-550 mn
	thereof: NII + NCI	€ 475-500 mn
	LLPs	<< 2023
	CIR	~50%
Profitability	**Pre-tax profit**	>> 2023
	RoE/RoCET1 after taxes	>> 2023
Capitalisation	**CET 1 ratio**	≥14%

AGENDA

1. Highlights 2023 and P&L
2. Portfolio Quality
   - Focus US
   - Focus Development
   - Focus Office
3. Funding
4. Capital
5. Outlook
6. **Appendix**

PBB‘s LEADERSHIP TEAM

Extensive experience

Kay Wolf

Chief Executive Officer

- Member of the Management Board since February 2024
- **More than 25 years of experience in the financial industry and more than 20 years in Credit Risk Management, incl. CRE**
  - Chief Risk Officer Private Bank at Deutsche Bank AG
  - Chief Risk Officer Deutsche Postbank AG

Marcus Schulte

Chief Financial Officer & Treasurer

- CFO since December 2023, Member of the Management Board and Treasurer since 2019
- **More than 25 years of experience in the financial industry**
  - Head of European FIG, Debt Capital Markets at Credit Suisse, London
  - Head of Capital Markets & Financing, FI Germany/ Austria at Bank of America Merrill Lynch, London/ Frankfurt

Thomas Köntgen

Deputy-CEO & Real Estate Finance

- Deputy-CEO since October 2016 (2014-2015 Co-CEO)
- **More than 30 years of experience in the Real Estate industry and more than 25 years in the financial industry**
  - 12 years with Hypotheken-bank Frankfurt (former Eurohypo)
    - 2 years as CEO
    - Nearly 6 years Member of the Management Board
    - Divisional Board Member of Commerzbank Group

Andreas Schenk

Chief Risk Officer

- CRO of pbb since March 2014
- **More than 25 years with pbb and predecessor institutions, more than 10 years of experience in CRE Credit Risk Management** – former positions:
  - Chief Credit Officer
  - Head of Treasury

Dr. Pamela Hoerr

pbb invest, HR & ESG

- Member of the Management Board since January 2024
- **More than 25 years experience in the Real Estate industry and nearly 20 years in the asset management**
  - Member of the Management Board at Real I.S., Munich
  - Member of the Management Board at Patrizia Real Estate IM S.à.r.l., Luxemburg

APPENDIX

KEY FIGURES

pbb Group

Income statement (€ mn)	2021	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023
Net interest income	494	122	120	116	131	489	106	110	132	134	482
Net fee and commission income	8	2	1	1	4	8	1	1	1	0	3
Net income from fair value measurement	10	9	5	7	-1	20	1	-1	2	-2	0
Net income from realisations	81	5	5	0	5	15	14	28	3	40	85
Net income from hedge accounting	-	1	-2	8	-7	0	-2	-1	3	1	1
Net other operating income	-2	10	-6	-4	-1	-1	-1	3	15	15	32
Operating Income	**591**	**149**	**123**	**128**	**131**	**531**	**119**	**140**	**156**	**188**	**603**
Net income from risk provisioning	-81	-18	-1	-19	-6	-44	-2	-19	-83	-108	-212
General and administrative expenses	-219	-53	-53	-51	-67	-224	-58	-65	-57	-69	-249
Expenses from bank levies and similar dues	-29	-31	0	-1	0	-32	-22	-2	0	-1	-25
Net income from write-downs and write-ups on non-financial assets	-20	-5	-4	-5	-4	-18	-5	-5	-6	-11	-27
Pre-tax profit	**242**	**42**	**65**	**52**	**54**	**213**	**32**	**49**	**10**	**-1**	**90**
Income taxes	-14	-6	-10	-8	-2	-26	-5	-7	-2	15	1
Net income	**228**	**36**	**55**	**44**	**52**	**187**	**27**	**42**	**8**	**14**	**91**

Key ratios (%)	2021	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023
CIR[1]	40.4	38.9	46.3	43.8	54.2	45.6	52.9	50.0	40.4	42.6	45.8
RoE before tax	7.5	4.8	7.9	6.1	6.3	6.3	3.3	5.5	0.5	-0.9	2.1
RoE after tax	7.0	4.1	6.7	5.1	6.0	5.5	2.7	4.6	0.3	1.1	2.2
RoCET1 after tax	n/a	4.5	7.3	5.6	6.7	6.0	3.0	5.2	0.3	1.2	2.4

Balance sheet (€ bn)	12/21	03/22	06/22	09/22	12/22	03/23	06/23	09/23	12/23
Total assets	58.4	56.3	55.1	55.9	53.0	53.7	49.8	48.2	50.9
Equity	3.4	3.4	3.3	3.4	3.4	3.5	3.3	3.4	3.4
Financing volume	43.7	43.8	43.3	44.3	43.7	43.5	43.3	43.4	43.5

Regulatory capital ratios[2]	12/21	03/22	06/22	09/22	12/22	03/23	06/23	09/23	12/23
RWA (€ bn)	16.8	16.7	16.5	17.3	17.0	17.1	17.3	17.8	18.5
CET 1 ratio – phase in (%)	17.1[3]	16.9[4]	17.2[5/6]	16.3[5]	16.7[7]	16.6[8]	16.0[5]	15.2	15.7[9]

Personnel	12/21	03/22	06/22	09/22	12/22	03/23	06/23	09/23	12/23
Employees (FTE)	784	780	777	776	791	800	811	800	806

1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2. Basel III transition rules 3. Incl. full-year result, post proposed dividend 2021 4. Excl. Interim result, post proposed dividend 2021 5. Excl. Interim result 6. Retrospectively adjusted (previously, AT1 coupon was deducted from CET 1 capital) 7. Incl. full-year result, post proposed dividend 2022 8. Excl. Interim result, post proposed dividend 2022 Note: annual results audited, interim results Q1 2022/23 and Q3 2022/23 unaudited, interim results Q2 2022/23 unaudited, but reviewed 9. Incl. full-year result

KEY FIGURES

Real Estate Finance (REF)

Income statement (€ mn)	2021	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023
Net interest income	417	104	103	101	112	420	96	101	117	120	434
Net fee and commission income	8	2	1	2	3	8	1	1	2	0	4
Net income from fair value measurement	6	6	4	4	0	14	0	-1	2	-1	0
Net income from realisations	81	5	5	1	5	16	4	16	-1	25	44
Net income from hedge accounting	0	1	-1	4	-4	0	-1	-1	2	1	1
Net other operating income	-1	8	-4	-2	0	2	-1	4	15	10	28
Operating Income	**511**	**126**	**108**	**110**	**116**	**460**	**99**	**120**	**137**	**155**	**511**
Net income from risk provisioning	-79	-19	-3	-41	-6	-69	-2	-19	-84	-108	-213
General and administrative expenses	-189	-46	-47	-45	-58	-196	-51	-56	-50	-62	-219
Expenses from bank levies and similar dues	-18	-20	0	0	-1	-21	-15	-1	0	-1	-17
Net income from write-downs and write-ups on non-financial assets	-17	-4	-4	-4	-4	-16	-4	-5	-5	-10	-24
Pre-tax profit	**208**	**37**	**54**	**20**	**47**	**158**	**27**	**39**	**-2**	**-26**	**38**

Key ratios (%)	2021	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023
CIR[1]	40.3	39.7	47.2	44.5	53.4	46.1	55.6	50.8	40.1	46.5	47.6
RoE before tax	9.9	6.3	9.0	2.9	7.3	6.4	3.7	5.5	-1.0	-5.0	0.8

Key figures (€ bn)	12/21	03/22	06/22	09/22	12/22	03/23	06/23	09/23	12/23
Equity[2]	2.1	2.3	2.3	2.3	2.4	2.5	2.5	2.6	2.3
RWA	15.1	15.1	15.1	15.9	15.5	15.5	15.8	16.7	17.5
Financing volume	27.6	28.0	28.4	29.5	29.3	29.4	30.2	30.5	31.1

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 Note: annual results audited, interim results Q1 2022/23 and Q3 2022/23 unaudited, interim results Q2 2022/23 unaudited, but reviewed

KEY FIGURES

Non-Core (PIF & VP)

Income statement (€ mn)	2021	Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023
Net interest income	75	17	17	15	18	67	9	9	14	14	46
Net fee and commission income	0	0	0	-1	1	0	0	0	-1	0	-1
Net income from fair value measurement	4	3	1	3	-1	6	1	0	0	-1	0
Net income from realisations	0	0	0	-1	0	-1	10	12	4	15	41
Net income from hedge accounting	0	0	-1	4	-3	0	-1	0	1	0	0
Net other operating income	-1	2	-2	-2	-1	-3	0	-1	0	5	4
Operating Income	**78**	**22**	**15**	**18**	**14**	**69**	**19**	**20**	**18**	**33**	**90**
Net income from risk provisioning	-2	1	2	22	0	25	0	0	1	0	1
General and administrative expenses	-30	-7	-6	-6	-9	-28	-7	-9	-7	-7	-30
Expenses from bank levies and similar dues	-11	-11	0	-1	1	-11	-7	-1	0	0	-8
Net income from write-downs and write-ups on non-financial assets	-3	-1	0	-1	0	-2	-1	0	-1	-1	-3
Pre-tax profit	**32**	**4**	**11**	**32**	**6**	**53**	**4**	**10**	**11**	**25**	**50**

Key ratios (%)		Q1/22	Q2/22	Q3/22	Q4/22	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023
CIR[1]	44.0	36.4	40.0	38.9	64.3	43.5	42.1	45.0	44.4	24.2	36.7
RoE before tax	n/a	2.2	8.5	28.1	5.3	10.5	3.9	12.1	14.3	30.9	14.4

Key figures (€ bn)		03/22	06/22	09/22	12/22	03/23	06/23	09/23	12/23
Equity[2]	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.2	0.4
RWA	1.0	1.0	0.8	0.8	0.8	0.8	0.6	0.6	0.6
Financing volume	16.1	15.8	14.9	14.8	14.4	14.1	13.1	12.9	12.4

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 Note: annual results audited, interim results Q1 2022/23 and Q3 2022/23 unaudited, interim results Q2 2022/23 unaudited, but reviewed

BALANCE SHEET

pbb is a leading European specialist lender

Balance sheet
IFRS, € bn

Assets	31/12/23	31/12/22
Financial assets at fair value through P&L	**0.9**	**1.1**
thereof		
Positive fair values of stand-alone derivatives	0.5	0.6
Debt securities	0.1	0.1
Loans and advances to customers	0.3	0.4
Financial assets at fair value through OCI	**1.5**	**1.7**
thereof		
Debt securities	1.4	1.4
Loans and advances to customers	0.1	0.3
Financial assets at amortised cost (after credit loss allowances)	**45.2**	**48.7**
thereof		
Debt securities	4.0	5.4
Loans and advances to other banks	2.5	5.8
Loans and advances to customers	38.7	37.6
Positive fair values of hedge accounting derivatives	**0.3**	**0.3**
Other assets	**3.0**	**1.2**
Total Assets	**50.9**	**53.0**

Liabilities & equity	31/12/23	31/12/22
Financial liabilities at fair value through P&L	**0.7**	**0.7**
thereof		
Negative fair values of stand-alone derivatives	0.7	0.7
Financial liabilities measured at amortised cost	**45.9**	**47.7**
thereof		
Liabilities to other banks (incl. central banks)	6.1	7.5
thereof		
Registered Mortgage Pfandbriefe	*0.4*	*0.4*
Registered Public Pfandbriefe	*0.9*	*0.5*
Liabilities to other customers	18.8	17.9
thereof		
Registered Mortgage Pfandbriefe	*3.2*	*3.0*
Registered Public Pfandbriefe	*5.1*	*5.9*
Bearer Bonds	20.4	21.6
thereof		
Mortgage Pfandbriefe	*12.4*	*12.0*
Public Pfandbriefe	*1.9*	*2.0*
Subordinated liabilities	0.6	0.6
Negative fair values of hedge accounting derivatives	**0.8**	**1.1**
Other liabilities	**0.1**	**0.1**
Equity (attributable to shareholders)	**3.1**	**3.1**
AT1-capital	**0.3**	**0.3**
Total liabilities & equity	**50.9**	**53.0**

Share of Pfandbriefe of refinancing liabilities

52%/50%

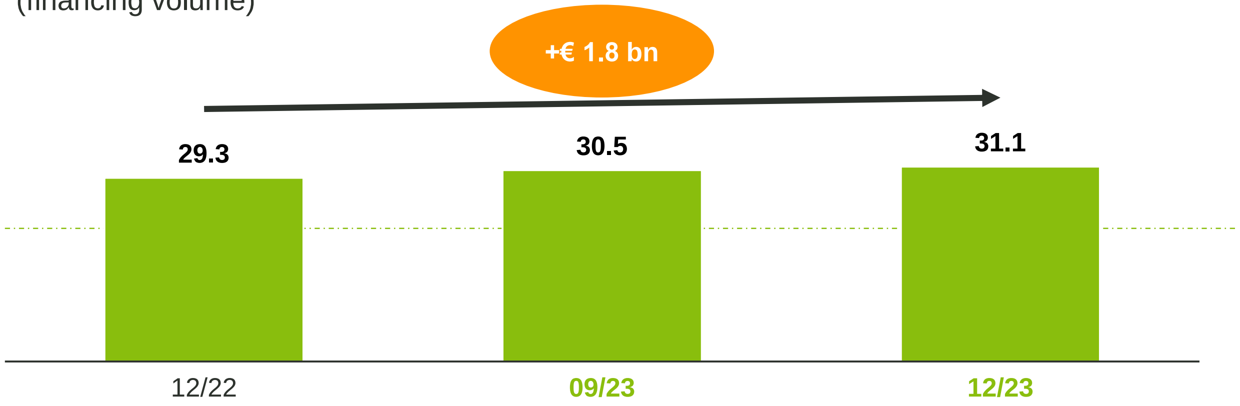
Note: Figures may not add up due to rounding

APPENDIX

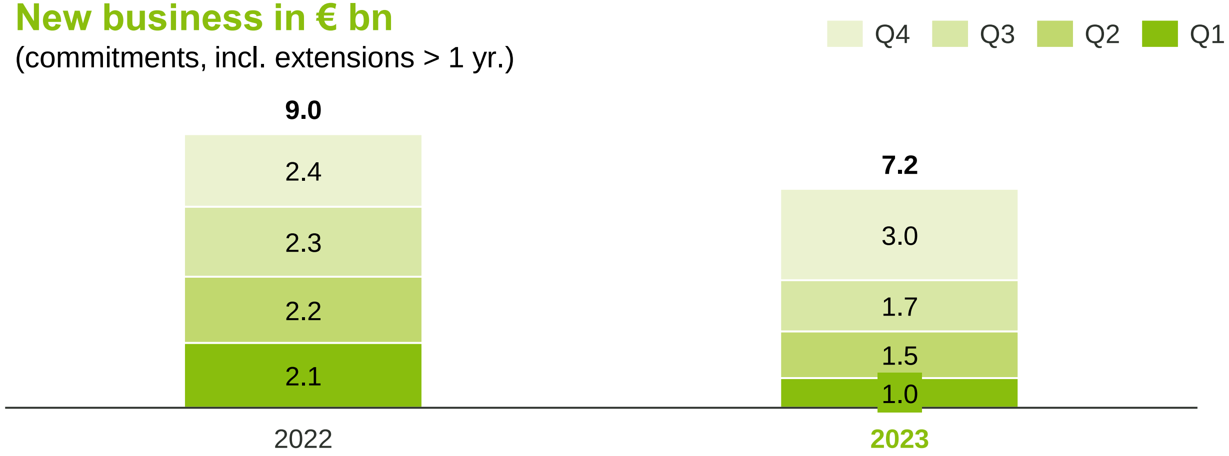
REF NEW BUSINESS

REF portfolio growth with improving margin

Volume of strategic REF portfolio in € bn
(financing volume)



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



- Growth in **strategic REF portfolio** benefitting from drawdowns of new business and low level of prepayments and repayments
- **Avg. portfolio margin** further up
- **New business** volume of € 7.2 bn fully in-line with adjusted guidance of € 6.5-8 bn for 2023
- Selective **new business** in challenging market environment and significant share of extensions
- Focus on **balanced risk/return ratio**, avoiding higher risk profile at the expense of higher volume or higher margin

New Business	2022	2023
Share of extension > 1 year (%)	30	50
Ø Gross interest margin (bp)[2]	~170	~205
Ø LTV[1] (%)	54	53
Ø Maturity[3] (yrs.)	~4.3	~3.8
No. of Deals	137	116

1. New commitments; avg. LTV (extensions): 12/23: 55%; 12M/22: 52%; 12M/21: 54% 2. Net of FX-effects; gross revenue margin: 2021: ~190 bp, 2022: ~190 bp, 2023 ~225 bp 3. Legal maturities

REF NEW BUSINESS

Diversification supports management of the cycle

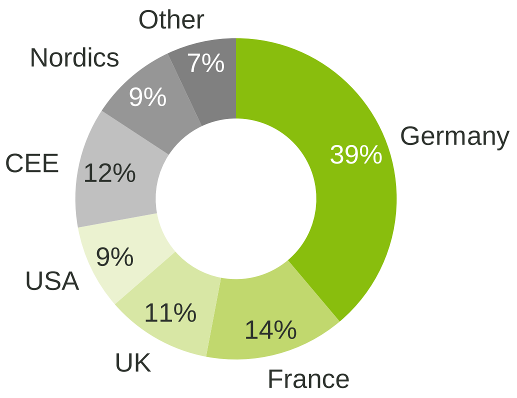
As of 31/12/23

€ 7.2 bn

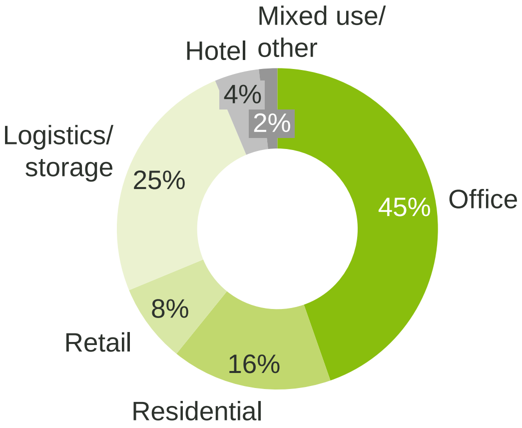
New business

(commitments, incl. extensions > 1 year)

Regions



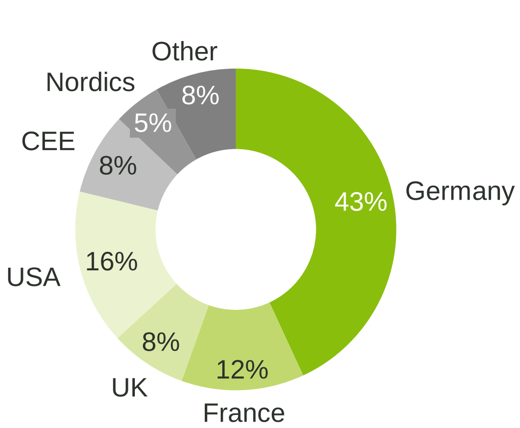
Property types

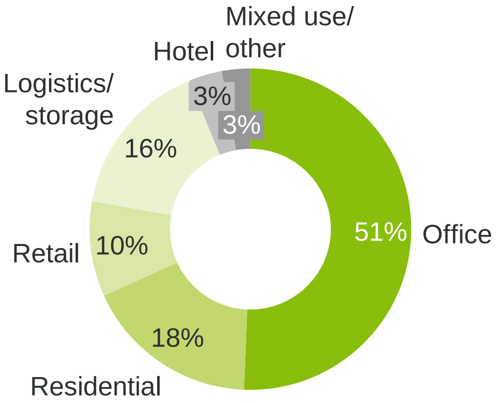


€ 33.0 bn

Portfolio

(EaD, Basel III)





1. Note: Figures may not add up due to rounding

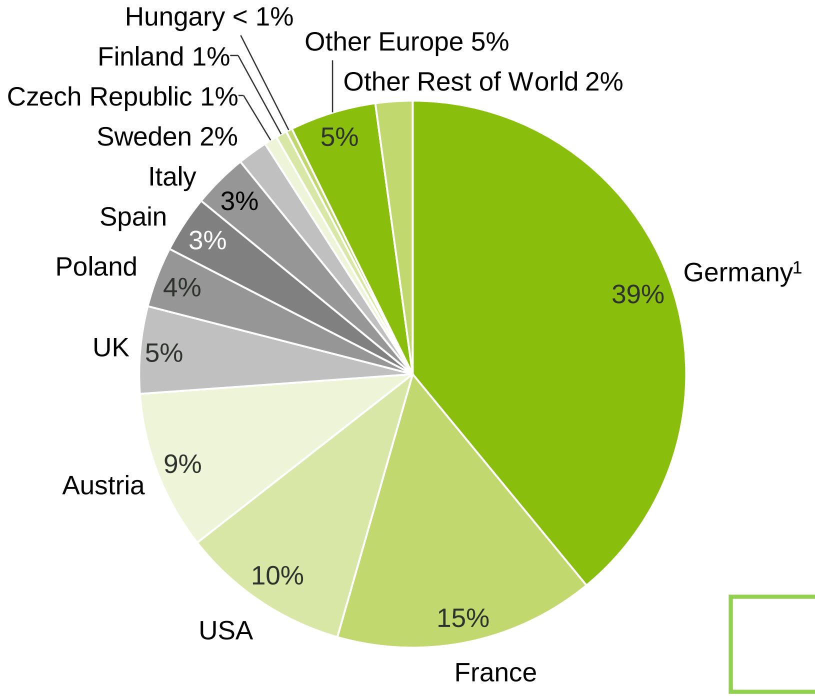
APPENDIX

PORTFOLIO

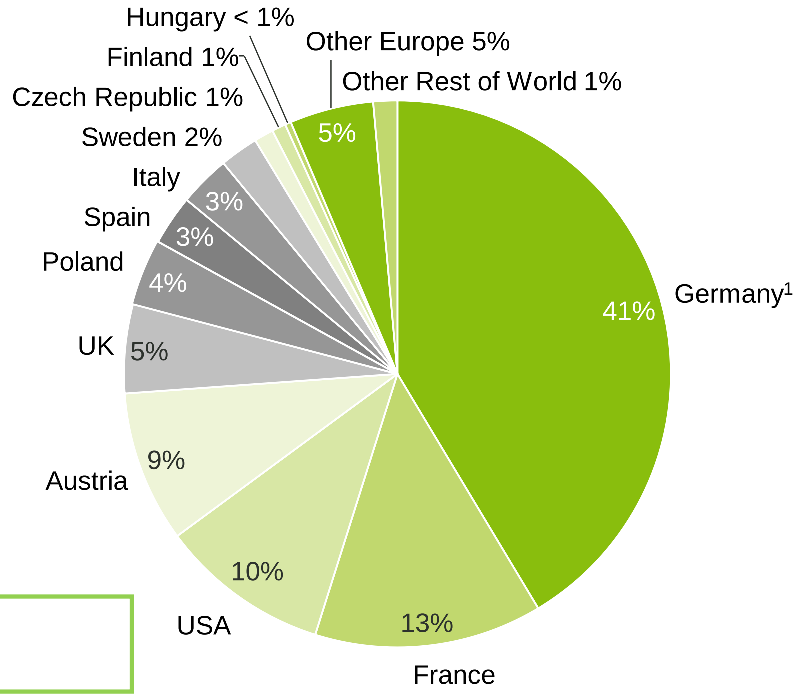
Total portfolio

Regions
(EaD, Basel III)

31/12/2022 / Total: € 50.0 bn



31/12/2023 / Total: € 51.3 bn



No direct exposure in/to Ukraine, Russia and Belarus

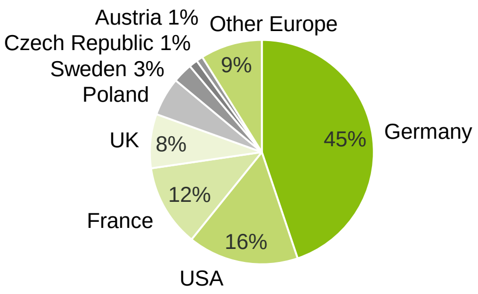
1. Incl. Bundesbank accounts (12/22: € 1.0 bn; 12/23: € 2.7 bn) 2. EaD, Basel III Note: Figures may not add up due to rounding

PORTFOLIO

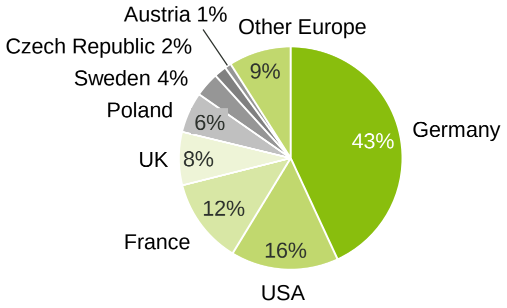
Real Estate Finance (REF)

Regions

31/12/2022: € 31.0 bn

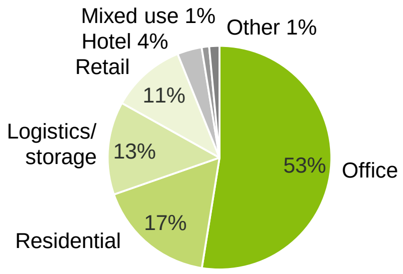


31/12/2023: € 33.0 bn

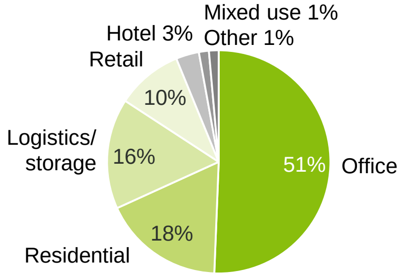


Property types

31/12/2022: € 31.0 bn

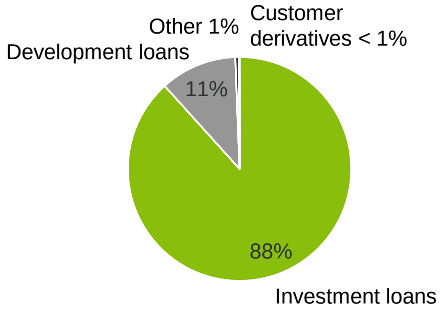


31/12/2023: € 33.0 bn

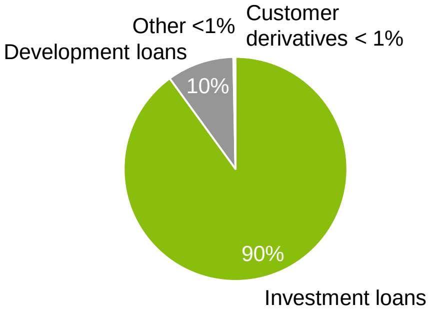


Product class

31/12/2022: € 31.0 bn

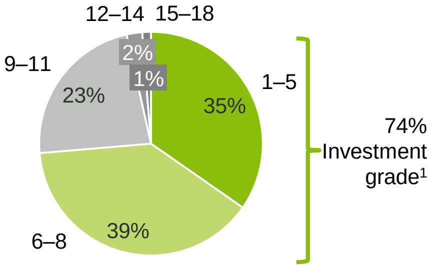


31/12/2023: € 33.0 bn

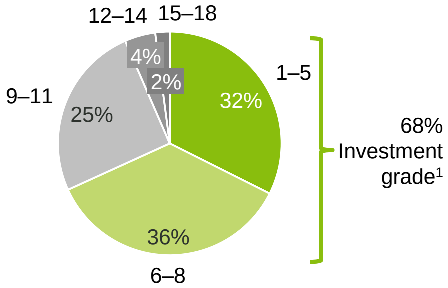


Internal ratings (EL classes)

31/12/2022: € 31.0 bn



31/12/2023: € 33.0 bn



1. Internal EL Classes 1–8 = Investment grade; Internal EL classes 9–18 = Non-investment grade

Note: Figures may not add up due to rounding, EaD, Basel III

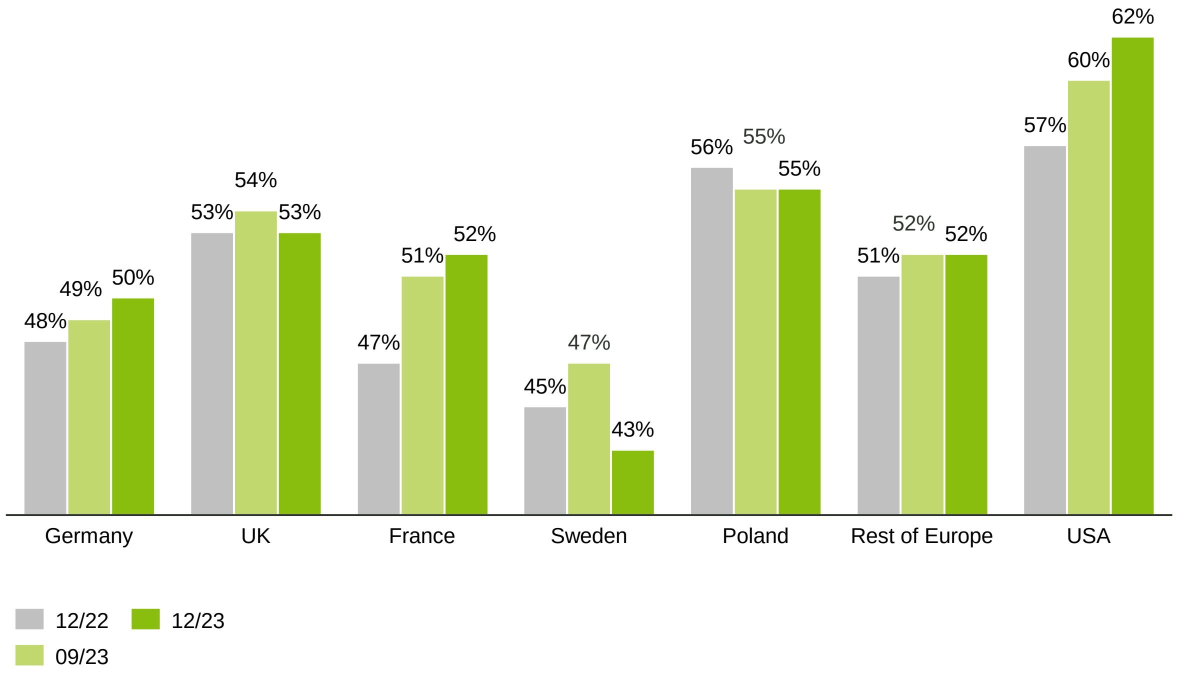
REF PORTFOLIO

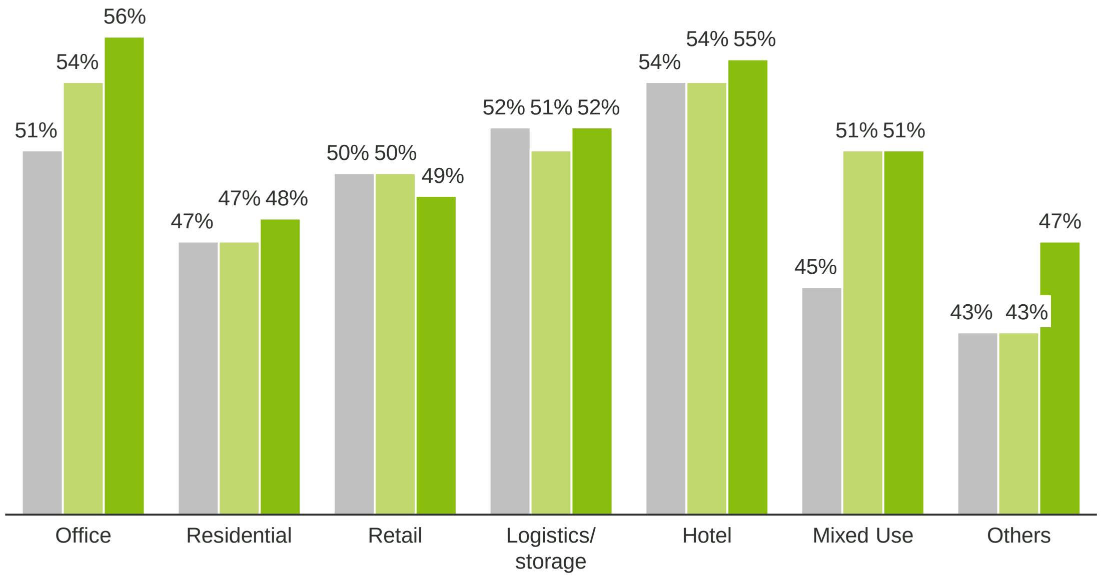
LTV development reflects market environment

REF Portfolio: LTV cluster[1]

€ bn

Avg. LTV[1]
12/22: 51%
12/23: 53%





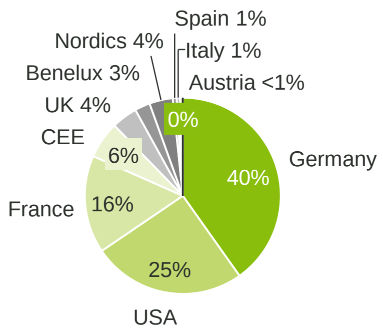
1. Based on performing investment loans only Note: Figures may not add up due to rounding

REF PORTFOLIO

Sub-segments

Property: Office — € 16.7 bn (51%)

Regions



Evaluation of current situation

- 2023 was still challenging. Due to the overall economic situation occupiers were still reluctant. Although net absorption stabilized.
- Discussions about new concepts of work are still ongoing. Employees prefer flexible working models and therefore office presence declines. Demand for office space is reduced accordingly.
- Demand is currently focused on modern, flexible and ESG-compliant properties in prime locations. Office space in secondary locations is still not sought after.
- Occupancy forecasts track employment and are expected to be stable or even slightly positive.
- As interest rates and inflation peaked, a further decline in prices is only expected to a very limited extent, concentrating on older properties in secondary locations.

Challenges

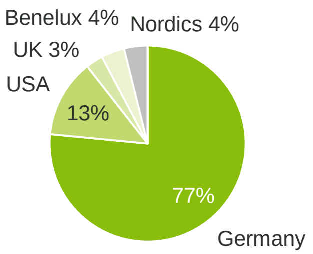
- Cooling of tenant market due to overall economic situation and shift of demand towards modern, green, centrally located properties leads to reletting/extension risks with pressure on rental level on secondary/older buildings.
- Good locations expected to remain competitive and "Green" having become a very core element in competition.
- Increased interest level in combination with competitive disadvantage for B-properties/B-locations has increased pressure on value on these properties.
- Some former A-locations have, due to structural changes, downgraded to B-locations.
- Structural changes, cooled letting market and increased interest level have put pressure on cash flow for, in particular, class-B-properties.

Risk positioning

- Focus on good locations in main European and US urban locations.
- Avg. LTV of 56%[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).
- Detailed analysis of "green profile" of properties including associated risk conducted in new business and on occasions of (annual) credit reports transactions.

Property: Residential — € 5.8 bn (18%)

Regions



Evaluation of current situation

- The market of owner-occupier properties is expected to recover slowly as inflation declines and central banks will probably cut interest rates.
- Increased interest rates also had a negative impact on multifamily properties. Multipliers dropped significantly. Rising rents mitigated the effect to some extent.
- 2024 is expected to have different dynamics. First of all ESG-compliant properties are expected to be sought after. Regulations in the rental sector expected to impede NOI increase.

Challenges

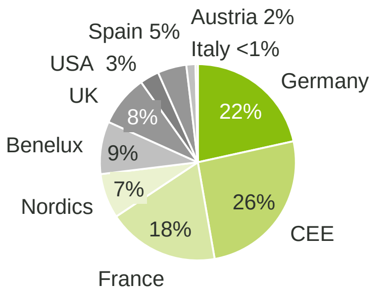
- Increased interest level puts pressure on value, however still more moderate than in other (sub-) asset classes.
- Cash flow under pressure from many reasons: interest rates, energy costs, investment requirements - partially counterbalanced by increasing rents.
- In particular, capital-market oriented investors often with challenging refinancing situations.

Risk positioning

- Portfolio volume of € 5.8 bn with avg. LTV of 48%[1] provides good buffer and supports commitment of investors/sponsors.
- Well diversified portfolio with strong focus on Germany.

Property: Logistics — € 5.3 bn (16%)

Regions



Evaluation of current situation

- The logistics sector benefits from a stronger focus on e-commerce but also from the need for more resilient supply chains in the industry sector.
- This in turn leads to rental growth in most market types, but focused on key cities where supply is low.
- The expected significant drop in values is yield driven, while rental growth is partially mitigating the decline.
- Since demand for logistics space is typically strongly correlated with economic activity and GDP current economic uncertainties pose a potential threat.
- Sought after investment class.

Challenges

- Monoline logistics centres.
- Due to partially overheated prices, market correction on investment side seen.
- Rents still stable/partially further increasing.

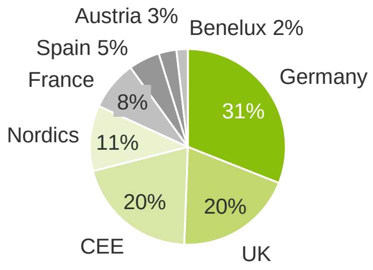
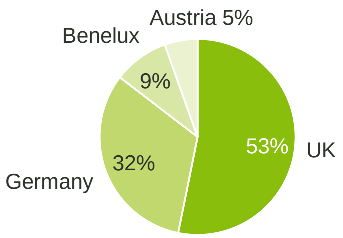
Risk positioning

- Strategic approach; expert team since 2014; share increase since 2013 from 8% to 16%.
- Focus on locations: good infrastructure, connection to a variety of different transportation routes.
- Avg. LTV of 52%[1] provides good buffer and supports commitment of investors / sponsors.
- Well diversified portfolio.
- High quality of sponsors.

1. Based on performing investment loans only   Note: Figures may not add up due to rounding, EaD, Basel III

REF PORTFOLIO

Sub-segments

Property	Regions	Evaluation of current situation	Challenges	Risk positioning
Retail € 3.2 bn (10%)		▪ Inflation and high interest rates weakened retail sales in 2023. In 2024 consumer confidence expected to increase due to declining inflation rate and lower interest rates. Therefore, consumer spending expected to increase. ▪ Real purchasing power expected to increase in 2024. Therefore, discretionary sales should increase on a small scale. ▪ European retailers expected to continue to explore flagship-stores. Therefore, prime locations expected to sought after in the upcoming years. ▪ In 2024 E-Commerce is expected to grow in Europe on its pre-pandemic growth trend. Constant consumer spending assumed while in-store spending expected to decrease further. ▪ Factory Outlet Center have outperformed the retail sector in 2023, expected to continue in 2024. The investment market was observed to be very liquid although the yield increased.	▪ Short Term: threats to income stability as well as decreasing consumer spendings/consumer confidence due to inflation, however re-stabilization post Covid partially compensates this. Therefore, performing retail assets with on average less impacted than other (sub-) asset classes. ▪ Mid Term: structural changes (online sale, change of high street/shopping centre retail structure towards more leisure) leading to continued pressure on rents and to oversupply of space in particular outside A-locations.	▪ Selective approach with planned reduction of retail portfolio by ~55% or € 3.8 bn since 2016 (12/23: € 3.2 bn; 12/16: € 7.1 bn). ▪ Only investment loans, almost no development loans. ▪ Avg. LTV of 49%[1] provides good buffer and supports commitment of investors/ sponsors. ▪ Well diversified portfolio. ▪ For new business selective approach with moderate LTVs.
Hotel (Business Hotels only) € 1.1 bn (3%)		▪ Increasing competition has led to mergers of operators and licensees. Secondary hotels have been developed to apartments. ▪ Hotel industry benefits from strong pent-up demand resulting from both leisure and business. This in turn led to relatively strong recovery in hotel performance, boosted RevPAR by rising room rates. ▪ Economic uncertainty and lower disposable income because of high inflation are still a threat for Hotel performance. ▪ ESG requirements expected to be an ongoing challenge for the hotel industry.	▪ Recovery in progress with many locations close or even above to pre-Corona-levels in terms of occupancy and room rates. ▪ Recovery of business hotels focus on central locations, fringe locations lagging behind. ▪ Shortage of qualified personnel in parts of the industry, further increasing operating costs squeeze margins and compensate part of the recovery trend.	▪ Selective approach and strict adherence to 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 locations secures base value of properties. ▪ Avg. LTV of 55%[1] provides good buffer and supports commitment of investors/ sponsors. ▪ Focus on business hotels in main European capitals/business locations in combination with strong brands and professional sponsors.

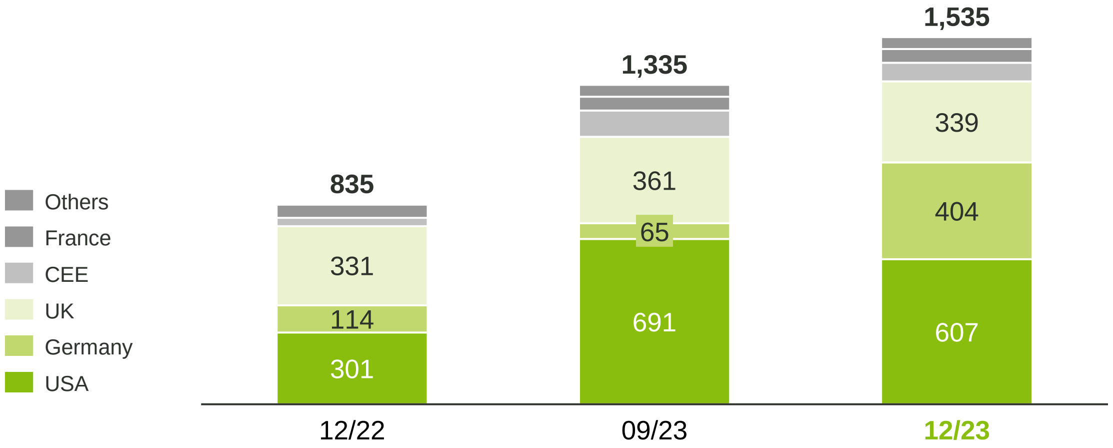
1. Based on performing investment loans only   Note: Figures may not add up due to rounding, EaD, Basel III

REF NPL PORTFOLIO

US NPLs down in Q4/23

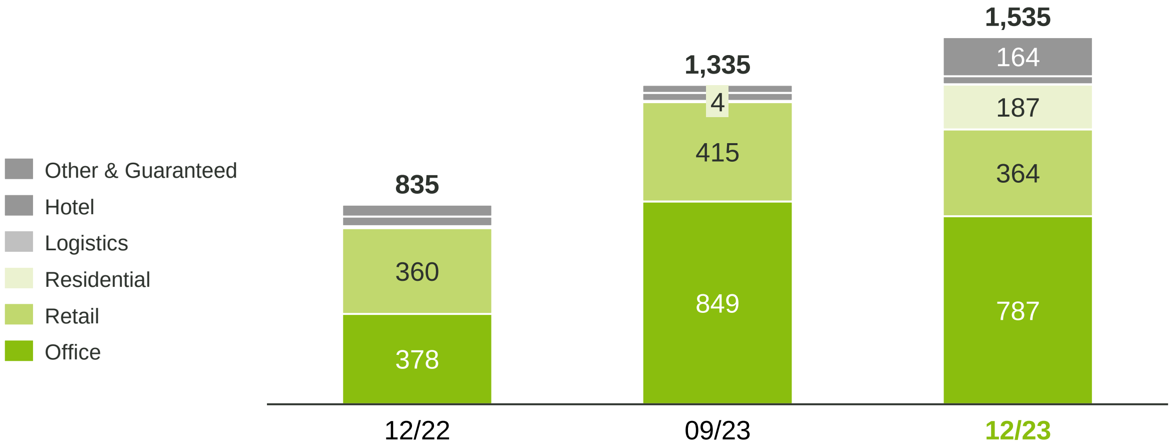
Geographical breakdown

€ bn (EaD, Basel III)



Breakdown by property type

€ bn (EaD, Basel III)



- **USA:** NPLs down in Q4/23; LLPs mainly related to NPLs booked before Q4/23
- **Germany:** New NPLs in Q4/23 resulting from 1 residential loan, 1 retail loan and 2 loans for land – all in top locations in big cities
- **UK:** 4 shopping center loans (default 2019, 70% LLP ratio) and 1 Office loan (default 2023, no LLP)

- **Office:** Increase in NPLs mainly from US loans
- **Retail:** Reduction by sale/repayment of 3 loans from Germany, UK and USA
- **Residential:** Increase from 1 development loan in Germany
- **Others:** Increase resulting from loans for land in top locations in big German cities

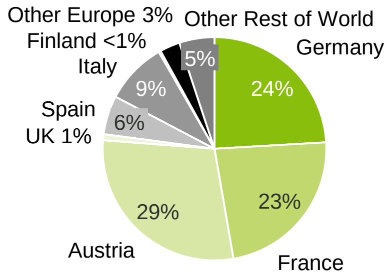
Note: Figures may not add up due to rounding 1. Based on investment loans only

PORTFOLIO

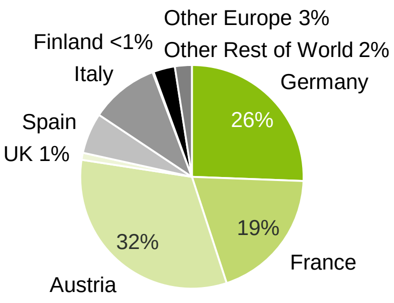
Non-Core Unit (PIF & VP)

Regions

31/12/2022: € 15.2 bn

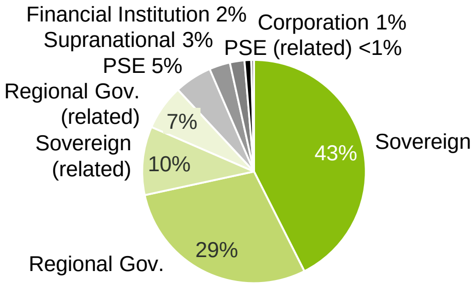


31/12/2023: € 13.2 bn

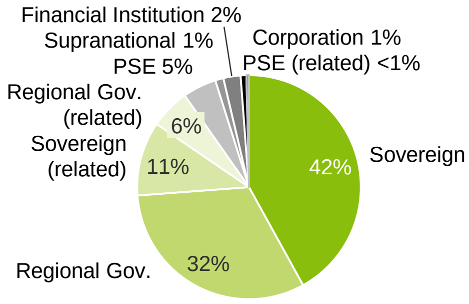


Borrower classification[1]

31/12/2022: € 15.2 bn

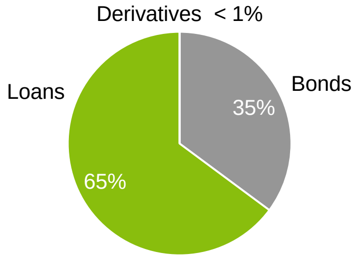


31/12/2023: € 13.2 bn

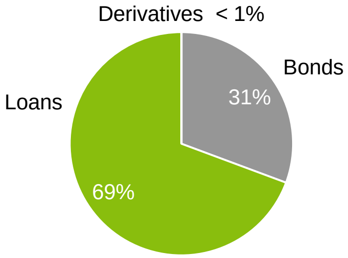


Product class

31/12/2022: € 15.2 bn

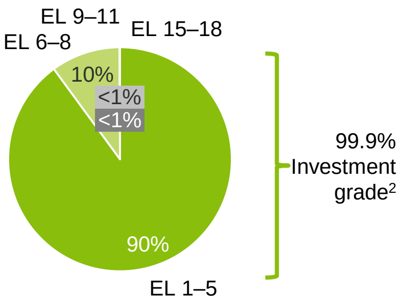


31/12/2023: € 13.2 bn

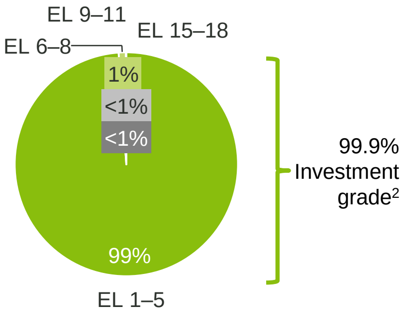


Internal ratings (EL classes)

31/12/2022: € 15.2 bn



31/12/2023: € 13.2 bn



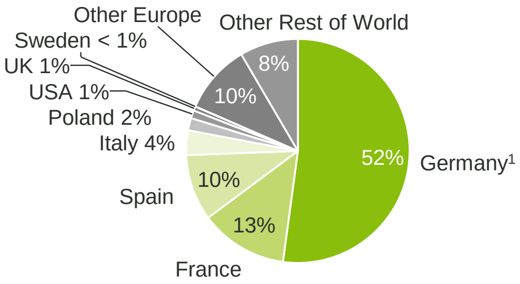
1. See appendix for definition of borrower classification 2. Internal EL Classes 1–8 = Investment grade; Internal EL classes 9–18 = Non-investment grade Note: Figures may not add up due to rounding, EaD, Basel III

PORTFOLIO

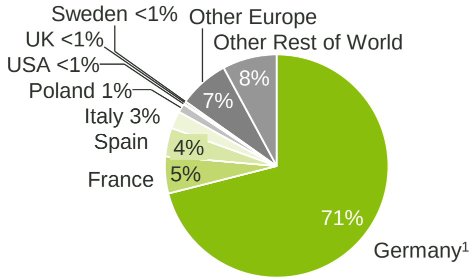
Consolidation and Adjustments (C&A)

Regions

31/12/2022: € 3.7 bn

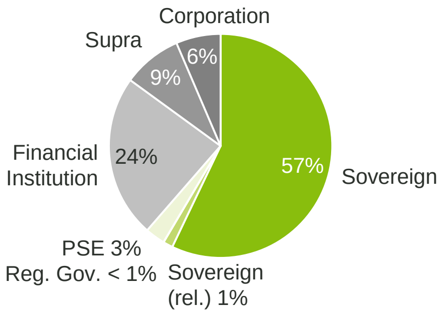


31/12/2023: € 5.1 bn

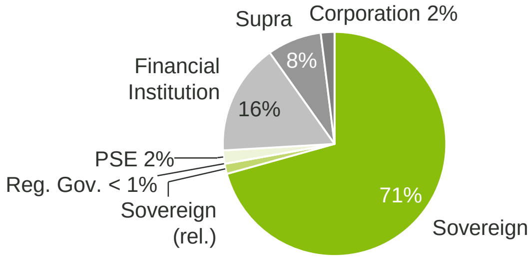


Borrower classification[2]

31/12/2022: € 3.7 bn

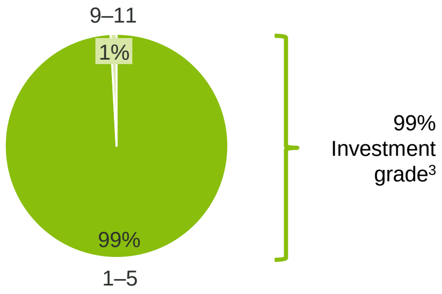


31/12/2023: € 5.1 bn

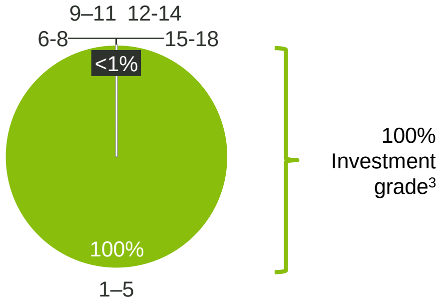


Internal ratings (EL classes)

31/12/2022: € 3.7 bn



31/12/2023: € 5.1 bn



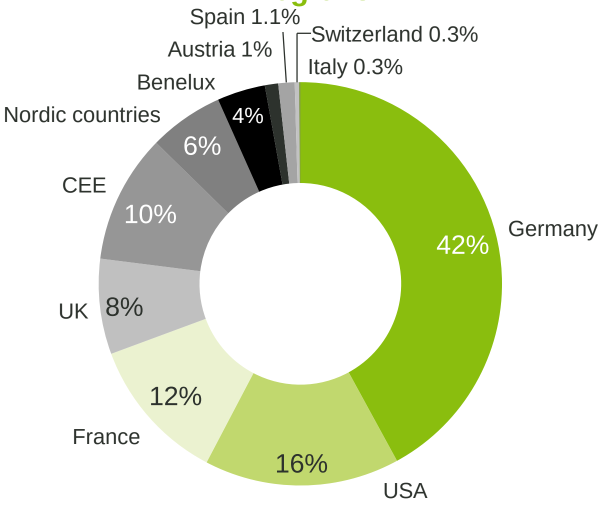
1. Incl. Bundesbank accounts (12/22: € 1.0 bn; 12/23: € 2.7 bn) 2. See appendix for definition of borrower classification 3. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade
Note: Figures may not add up due to rounding, EaD, Basel III

APPENDIX

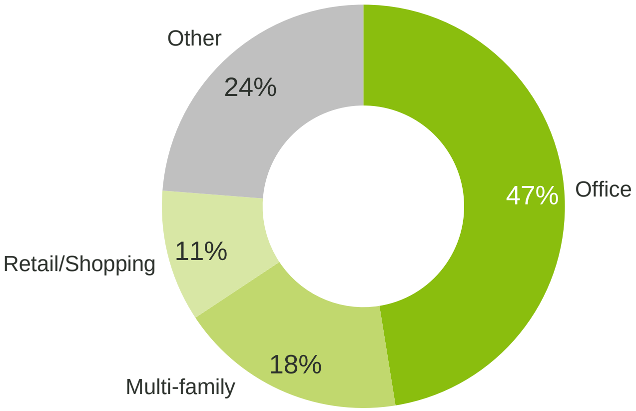
Diversification by countries and property types

Mortgage Cover Pool

Regions



Property types

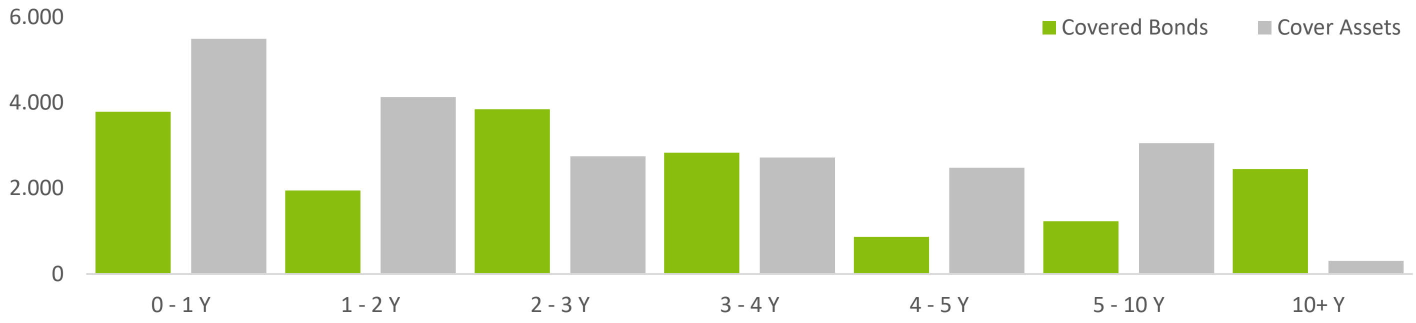


Key metrics

Mortgage cover pool (nominal)	31/12/2023
Pfandbriefe outstanding	€ 17.0 bn
Cover funds	€ 20.9 bn
Over-collateralisation (Nominal/NPV)	23.4% / 25.4%
No. of loans	1,464
No. of properties	3,260
Payments ≥ 90 days overdue	€ 0.1mn
Weighted average LTV (based on market value)	34.3%

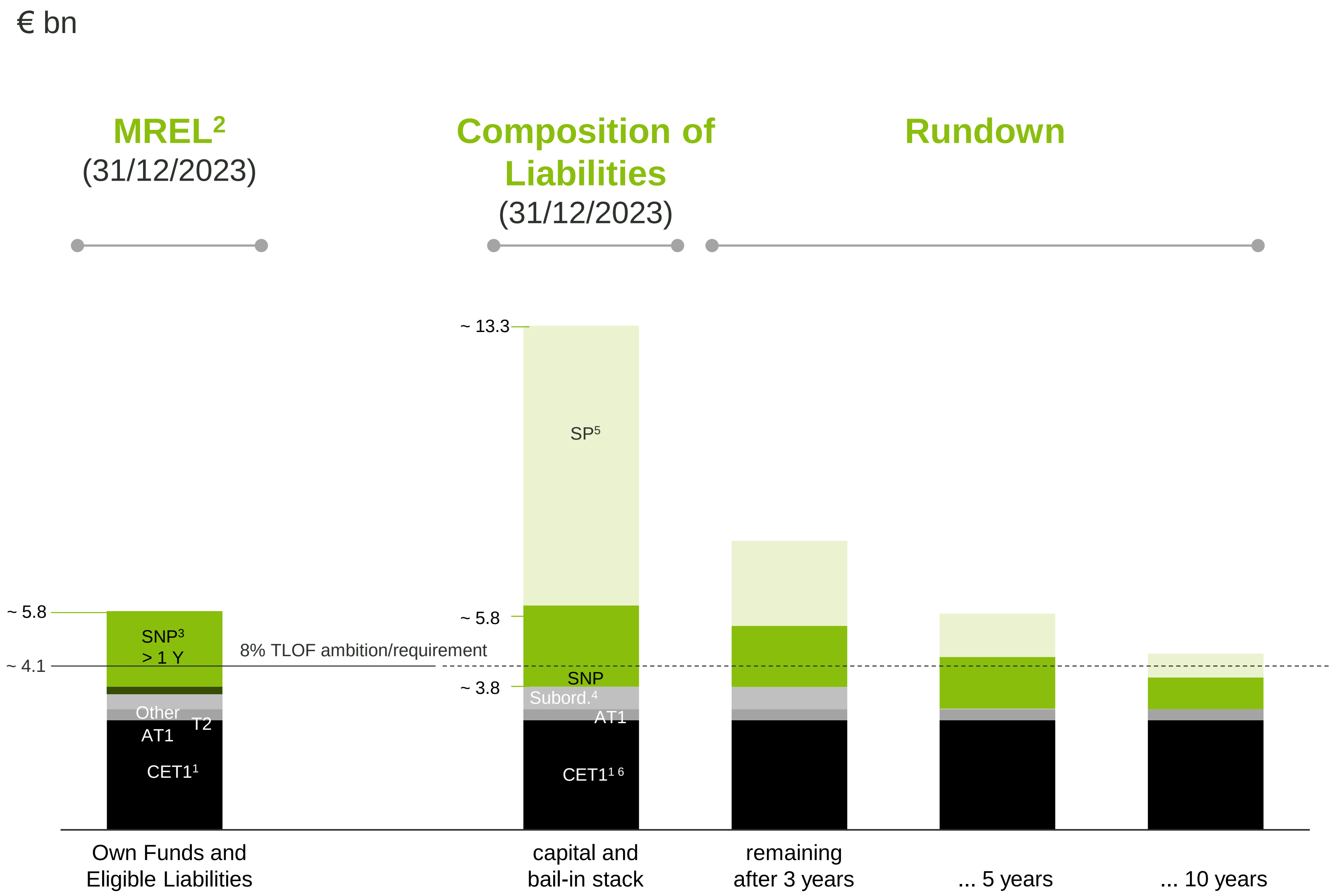
Maturity Profile

(nominal values, € mn)



FUNDING

Own Funds and Eligible Liabilities exceed 8% TLOF



- Buffer for Senior Preferred (SP) investors due to high volume of capital instruments and Senior Non-Preferred (SNP) liabilities
- Existing Senior Non-Preferred liabilities with long remaining terms
- SP currently predominant senior product, but SNP to remain a key element of pbb's funding strategy
- pbb with 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 2023 financial statements 2. In addition to the regulatory requirements, pbb has set itself an ambition level of 8% TLOF with 100% subordination (i.e. own funds and senior non-preferred). As of 31 December 2023, MREL-eligible positions amounted to ~10.8% TLOF (excluding the approved level of general pre-approvals)/~ 29.8% RWA/~ 10.7% leverage exposure 3. MREL-eligible Senior Non-Preferred Debt > 1Y according to legal maturities; without prior approval volumes for early termination of investments 4. Nominal amount of Tier 2 instruments; the capital stack includes € 300 mn AT1 issuance 5. Senior Preferred, structured unsecured and corporate deposits (excl. protected deposits) 6. CET1 assumed to be constant

Public benchmark issuances since 2020

Types	WKN	Launch Date	Maturity Date	Size	Spread[1]	Coupon	Issue/Reoffer Price
Mortgage Pfandbrief	A2YNVY	14.01.2020	21.01.2028	€ 750 mn	+5 bp	0.10%	99.992%
Mortgage Pfandbrief (2nd Tap)	A1X3LT	15.01.2020	21.01.2022	€ 150 mn	0 bp	1.875%	104.36%
Mortgage Pfandbrief (1st Tap)	A2LQNP	22.01.2020	29.01.2024	€ 250 mn	+1 bp	0.25%	101.919%
Senior Preferred	A2YNV3	23.01.2020	28.07.2023	€ 300 mn	+55 bp	3m-€ibor+90 bp	101.237%
Public Sector Pfandbrief (3rd Tap)	A13SWG	18.02.2020	20.04.2035	€ 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%
Mortgage 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	€ 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	€ 500 mn	+0 bp	0.01%	101.747%
Mortgage Pfandbrief (2nd Tap)	A2GSLV	26.08.2021	30.08.2027	€ 50 mn	-1 bp	0.625%	105.890%
Mortgage Pfandbrief (1nd Tap)	A2YNVM	26.08.2021	16.10.2025	€ 50 mn	-1,9 bp	0.01%	101.880%
Mortgage Pfandbrief (2nd Tap)	A2YNVM	16.09.2021	16.10.2025	€ 50 mn	-2 bp	0.01%	101.540%
Mortgage Pfandbrief (3nd Tap)	A2YNVM	21.09.2021	16.10.2025	€ 100 mn	-2 bp	0.01%	101.490%
Mortgage Pfandbrief	A3E5KY	14.10.2021	11.10.2024	USD 750 mn	+20 bp[3]	0.875%	99.778%
Senior Preferred (Green)	A3T0X2	20.10.2021	27.10.2025	€ 500 mn	+48 bp	0.25%	99.754%
Senior Preferred (Green)	A3T0X9	12.01.2022	17.01.2025	€ 750 mn	+42 bp	0.25%	99.798%
Mortgage Pfandbrief	A3T0YD	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	€ 50 mn	-3 bp	0.01%	98.70%
Mortgage Pfandbrief	A3T0YH	06.04.2022	13.04.2026	€ 750 mn	+1 bp	1.00%	99.727%
Mortgage Pfandbrief (2nd Tap)	A3E5K7	07.04.2022	20.08.2026	€ 50mn mn	-2 bp	0.01%	98.35%
Senior Preferred (Green) (1st Tap)	A3T0X2	11.04.2022	27.10.2025	€ 200 mn	+55 bp	0.25%	95.045%
Mortgage Pfandbrief	A30WFU	19.07.2022	26.07.2027	€ 750 mn	+6 bp	1.75%	99.872%
Senior Preferred (Green)	A30WFV	22.08.2022	28.08.2026	€ 500 mn	+250 bp	4.375%	99.921%
Mortgage Pfandbrief	A30WF2	17.10.2022	25.01.2027	€ 500 mn	+3 bp	3.00%	99.682%
Senior Preferred (Green)	A30WF4	01.12.2022	08.12.2025	GBP 350 mn	+434 bp[8]	7.625%	99.959%
Mortgage Pfandbrief (1st Tap)	A30WF2	09.01.2023	25.01.2027	€ 50 mn	+ 6 bp	3.00%	99.99%
Mortgage Pfandbrief	A30WF6	12.01.2023	19.01.2029	€ 500 mn	+16 bp	2.875%	99.777%
Senior Preferred (Green)	A30WF8	30.01.2023	05.02.2027	€ 500 mn	+215 bp	5.00%	99.428%
Mortgage Pfandbrief (2nd Tap)	A30WF2	14.02.2023	25.01.2027	€ 100mn	+10 bp	3.00%	99.54%
Mortgage Pfandbrief	A31RJS	06.07.2023	13.10.2026	€ 500mn	+14 bp	3.625%	99.651%
Mortgage Pfandbrief	A31RJV	23.08.2023	01.09.2026	GBP 250mn	+68 bp	SONIA +68 bp	100%
Mortgage Pfandbrief	A31RJZ	18.09.2023	28.10.2027	€ 500mn	+27 bp	3.625%	99.863%
Mortgage Pfandbrief	A31RJ1	04.12.2023	07.12.2026	USD 600mn	+100 bp[7]	5.25%	99.935%
Mortgage Pfandbrief	A31RJ4	09.01.2024	15.01.2027	€ 500mn	+58 pb	3.25%	99.851%

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 8. vs UK Treasuries (Gilts)

MANDATED RATINGS

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

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

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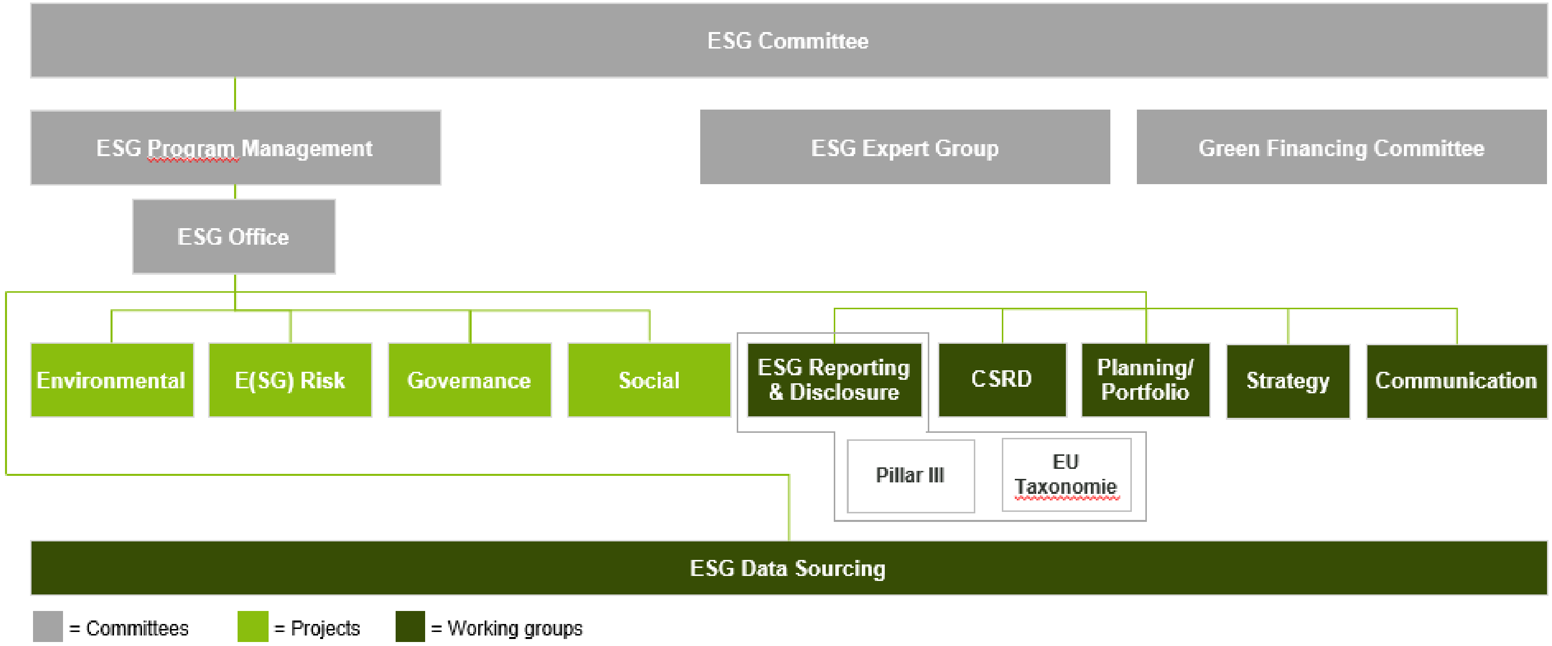
1. S&P: Stand-alone credit profile 2. S&P: "Senior Unsecured Debt" 3. S&P: "Senior Subordinated Debt"

APPENDIX

ESG Program provides for holistic approach

ESG Program



	2021	2022	2023
ISS ESG	C Prime	C Prime	C Prime
MSCI	A	AA	AAA
Moody's ESG Solutions	Score 43	Score 44	Score 50

- ESG at core of pbb's strategy:
  - pbb can help to reduce the real estate sector`s significant CO_2 impact
  - Green finance bank and transformation partner
  - Current KPIs set initial roadmap for establishing green products, science-based decarbonization path for aligning pbb`s CRE portfolio with Paris 1.5° C target by 2050
- ESG risk structurally integrated in risk management landscape and overall business strategy
  - Comprehensive monitoring and steering of physical and transitional risks in REF exposure – portfolio & individual loan basis
  - ESG risk assessment integral part of credit process
- Comprehensive ESG program in place
  - Management Board responsibility – ESG targets part of remuneration
  - Operationally, all ESG dimensions covered with clear responsibilities assigned, e.g. EU taxonomy alignment for REF business
- Progress acknowledged by regulator, ESG rating agencies and capital markets – ESG Rating Upgrade to AAA from MSCI in 11/23 driven by improved governance aspects

pbb continues to execute on its strategy

2017:
1st Non-financial Report (NFRD)

2020:
Introduction of Green Bond Framework

2021:
Holistic organisational set-up of ESG Programm
Introduction of green building scoring model & pbb Green Loan Framework
Development of first ESG strategy

2022:
Implementation of set of KPIs;
Project launch for EU Taxonomy & CSRD disclosure requirements

2023:
Implementation of ESG KPI management concept with defined targets
Foundation of Eco Estate GmbH (JV with G&P for green consulting)

2024:
Refinement of ESG KPIs regarding inclusion of decarbonization path

2025:
1st Non-financial Report (CSRD)

2050:
Alignment of pbb's credit portfolio with 1.5-degree target of Paris Agreement

Focus on Transparency of pbb's portfolio and pbb's own operations

Focus on science-based approach to align pbb's portfolio and pbb's own operations with climate goals

GREEN LOAN

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

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)][1] **pbb Green Bond Framework Eligible[2]**	▪ "Green" building certification	▪ Surface sealing (green field vs. brown field) ▪ Type of/distance to public transportation ▪ Local supply ▪ Materials recycling[3] ▪ Type of heating ▪ Consumption of green energy ▪ Biodiversity[3] ▪ Existing energy/environmental management[3]
MAX SCORE: 50 Points	**MAX SCORE: 20 Points**	**MAX SCORE: 30 Points**
MAX SCORE: 70 Points		

Minimum score for pbb Green Loan: ≥ 60 Points

OR

Compliance with EU Taxonomy

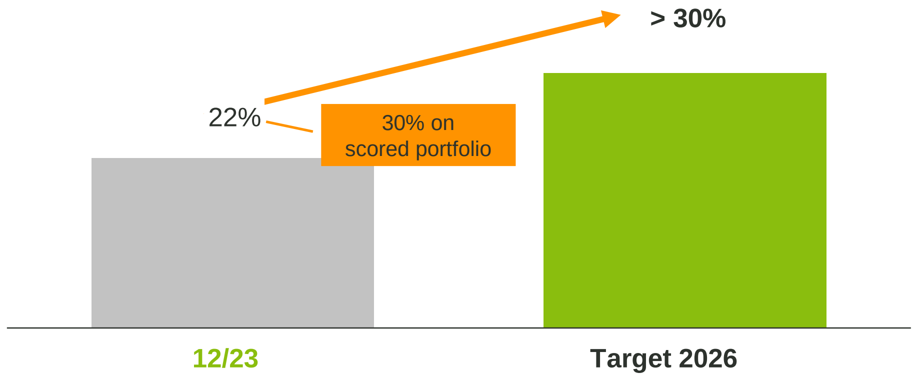
pbb Green Loan Framework Eligible

1. Aligned with the EU Taxonomy
2. Selected criteria are stricter, when the building is considered for pbb Green Bond Framework Eligibility.
3. Do Not Significant Harm Principles according to EU Taxonomy

Continued progress in sustainable finance activities

Green share of REF portfolio[1]

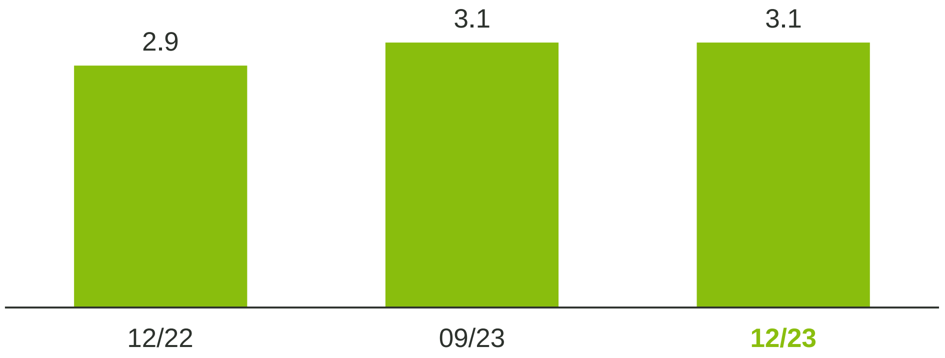
(commitments, green loan eligible assets, %)



- 74% of REF portfolio scored – scoring of remaining portfolio ongoing
- Green share of total REF portfolio currently at 22% resp. € 7.4 bn (30% based on scored portfolio of 74%) vs. 2026 target of >30%

Green Bonds

(nominal volume, € bn)



- pbb is a leading issuer of senior preferred green bonds in the European market
- Reduction of outstanding green bonds due to bond buy-back in Q2/23
- Current headroom between green bond eligible loans and green bonds outstanding allows further green finance activities

1. Based on total REF portfolio; 30% based on scored REF portfolio of 74% as of 31 December 2023 / Green assets according to pbb's green loan framework (Green loan eligible)

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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