



**DEUTSCHE
PFANDBRIEFBANK**

Annual Financial Statements 2025

Deutsche Pfandbriefbank AG

Combined Management Report

The Management Report of Deutsche Pfandbriefbank AG (pbb) and the Group Management Report are combined pursuant to section 315 (5) of the German Commercial Code (Handelsgesetzbuch – HGB) in connection with section 298 (2) HGB and is published in the Annual Report 2025 of Deutsche Pfandbriefbank Group (pbb Group).

The Annual Financial Statements and the Management Report combined with the Group Management Report for the financial year 2025 will be published by the operator of the German Company Register (Unternehmensregister).

pbb's Annual Financial Statements and pbb Group's Annual Report are also available online at www.pfandbriefbank.com.

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Income Statement

Income Statement of Deutsche Pfandbriefbank AG for the time from 1 January to 31 December 2025

in € million	2025		2024
1. Interest income from			
a) lending and money market business	2,541		3,284
b) fixed-income and government-inscribed debt	114	2,655	168
2. Interest expenses		-2,316	-3,065
		339	387
3. Current income from			
a) equity shares and other variable-income securities		-	-
b) participating interests		-	-
c) investments in affiliated companies		-	-
		-	-
4. Income from profit pooling, profit transfer or partial profit transfer agreements		-	-
5. Commission income		9	9
6. Commission expenses		-7	-7
		2	2
7. Other operating income		48	59
8. General and administrative expenses			
a) personnel expenses			
aa) wages and salaries	-123		-113
ab) social security contributions and expenses for pensions and other employee benefits	-16	-139	-25
thereof: for pensions €3 million (31.12.2024: €-7 million)			
b) other administrative expenses		-113	-133
		-252	-271
9. Amortisation/depreciation and write-downs of intangible and tangible assets		-13	-9
10. Other operating expenses		-20	-56
11. Write-downs of claims and certain securities as well as additions to provisions in the lending business		-410	-127
12. Income from write-ups of claims and certain securities as well as reversals of provisions in the lending business		-	-
		-410	-127
13. Write-downs and impairments to participating interests, investments in affiliated companies and securities treated as fixed assets		-	-
14. Income from write-ups to participating interests, investments in affiliated companies and securities treated as fixed assets		12	116
		12	116
15. Additions to the fund for general banking risks		-	-62
16. Expenses from assumption of losses		-	-
17. Result from ordinary activities		-294	39
18. Extraordinary income		1	-
19. Extraordinary expenses		-3	-
20. Extraordinary result		-2	-
21. Income taxes		-2	2
22. Other tax unless reported under item no. 10		-	-1
		-2	1
23. Net income/loss		-298	40
24. Profit/loss carried forward from the previous year		-	-
		-298	40
25. Withdrawals from additional paid-in capital		-	-
26. Refilling of profit participation capital/withdrawals from profit participation capital		-	-
27. Allocation to retained earnings/ Withdrawals from retained earnings		298	-20
28. Unappropriated retained earnings		-	20

Balance Sheet

Annual Balance Sheet of Deutsche Pfandbriefbank AG as at 31 December 2025

Assets

in € million	31.12.2025	31.12.2024
1. Cash reserve		
a) cash on hand	-	-
b) balances with central banks	34	69
thereof: with the Deutsche Bundesbank €34 million (31.12.2024: €69 million)		
	34	69
2. Loans and advances to other banks		
a) mortgage loans	-	-
b) public-sector loans	552	552
c) other loans and advances	2,571	3,577
thereof: repayable on demand €2,239 million (31.12.2024: €2,934 million)		-
thereof: collateralised by securities €0 million (31.12.2024: €0 million)		
	3,123	4,129
3. Loans and advances to customers		
a) mortgage loans	26,462	28,546
b) public-sector loans	3,780	6,932
c) other loans and advances	76	38
thereof: collateralised by securities €0 million (31.12.2024: €0 million)		
	30,318	35,516
4. Bonds and other fixed-income securities		
a) money market instruments		
aa) of public-sector issuers	273	-
thereof: eligible as collateral for Deutsche Bundesbank €0 million (31.12.2024: €0 million)		
ab) of other issuers	-	-
thereof: eligible as collateral for Deutsche Bundesbank €0 million (31.12.2024: €0 million)		
	273	-
b) Bonds and notes		
ba) of public-sector issuers	4,783	2,155
thereof: eligible as collateral for Deutsche Bundesbank €4,249 million (31.12.2024: €1,474 million)		
bb) of other issuers	1,009	1,560
thereof: eligible as collateral for Deutsche Bundesbank €918 million (31.12.2024: €1,469 million)		
	5,792	3,715
c) own debt securities	-	-
notional amount €0 million (31.12.2024: €0 million)		
	6,065	3,715
5. Equity shares and other variable-income securities	3	2
6. Participating interests	-	-
thereof: in banks €0 million (31.12.2024: €0 million)		
thereof: in financial services institutions €0 million (31.12.2024: €0 million)		
thereof: in Securities and Investment Institute €0 million (31.12.2024: €0 million)		
7. Investments in affiliated companies	102	82
thereof: in banks €0 million (31.12.2024: €0 million)		
thereof: in financial services institutions €0 million (31.12.2024: €0 million)		
thereof: in Securities and Investment Institute €0 million (31.12.2024: €4 million)		
8. Assets held in trust	-	-
thereof: loans on a trust basis €0 million (31.12.2024: €0 million)		
Carryover	39,645	43,513

in € million	31.12.2025	31.12.2024
Carryover	39,645	43,513
9. Intangible assets		
a) internally generated commercial property rights and similar rights and assets	-	-
b) purchased concessions, commercial property rights and similar rights and assets as well as licences in such rights and assets	41	40
c) goodwill	-	-
d) down-payments	-	9
	41	49
10. Tangible assets	10	12
11. Sundry assets	116	117
12. Prepaid expenses		
a) from the issuance and loan business	74	91
b) other	67	88
	141	179
13. Overfunded plan assets	-	-
Total assets	39,953	43,870
Liabilities and equity		
in € million		
1. Liabilities to other banks		
a) registered Mortgage Pfandbriefe issued	240	317
b) registered Public Pfandbriefe issued	354	385
c) other liabilities	1,065	2,664
thereof: repayable on demand €118 million (31.12.2024: €384 million)		
	1,659	3,366
thereof: delivered to lender as collateral for received loans		
registered Mortgage Pfandbriefe €0 million (31.12.2024: €0 million)		
registered Public Pfandbriefe €0 million (31.12.2024: €0 million)		
2. Liabilities to customers		
a) registered Mortgage Pfandbriefe issued	3,631	3,687
b) registered Public Pfandbriefe issued	3,485	3,987
c) savings deposits		
ca) with agreed notice period of three months	-	-
cb) with agreed notice period of more than three months	-	-
	-	-
d) other liabilities	10,053	10,501
thereof: repayable on demand €927 million (31.12.2024: €860 million)		
	17,169	18,175
thereof: delivered to lender as collateral for received loans		
registered Mortgage Pfandbriefe €0 million (31.12.2024: €0 million)		
registered Public Pfandbriefe €0 million (31.12.2024: €0 million)		
3. Securitised liabilities		
a) bonds in issue		
aa) Mortgage Pfandbriefe	10,926	10,763
ab) Public Pfandbriefe	1,661	1,797
ac) other bonds	4,523	5,367
	17,110	17,927
b) other securitised liabilities	-	-
thereof: money market instruments €0 million (31.12.2024: €0 million)		
	17,110	17,927
Carryover	35,938	39,468

in € million	31.12.2025	31.12.2024
Carryover	35,938	39,468
4. Liabilities held in trust	-	-
thereof: liabilities on a trust basis €0 million (31.12.2024: €0 million)		
5. Sundry liabilities	31	83
6. Deferred income		
a) from issuance and loan business	117	133
b) other	99	133
	216	266
7. Provisions		
a) provisions for pensions and similar obligations	123	133
b) provisions for taxes	9	10
c) other provisions	79	73
	211	216
8. Subordinated liabilities	643	605
9. Additional Tier 1 capital instruments	317	317
10. Fund for general banking risks	139	139
11. Equity		
a) share capital	380	380
b) additional paid-in capital	1,639	1,639
c) retained earnings		
ca) legal reserve	13	13
cb) reserve for shares in a controlling or major shareholding entity	-	-
cc) statutory reserves	-	-
cd) other retained earnings	426	724
	439	737
d) unappropriated retained earnings	-	20
	2,458	2,776
Total liabilities and equity	39,953	43,870
1. Contingent liabilities		
a) contingent liabilities from settled rediscounted bills of exchange	-	-
b) liabilities from guarantees and indemnity agreements (regarding keepwell statements, see disclosures in the Notes)	148	99
c) liability arising from the provision of collateral for third-party liabilities	-	-
	148	99
2. Other commitments		
a) repurchase obligations from non-genuine sale and repurchase agreements	-	-
b) placement and underwriting obligations	-	-
c) irrevocable loan commitments	1,408	1,446
	1,408	1,446
Total of contingent liabilities and other commitments	1,556	1,545

Notes

ACCOUNTING POLICIES

1 Accounting Regulations

The Deutsche Pfandbriefbank AG (pbb), with its headquarters in Munich, is registered in the commercial register of the Amtsgericht (local court) Munich (HRB 41054).

The 2025 annual financial statements of pbb were prepared in accordance with the financial reporting principles set out in the German Commercial Code (Handelsgesetzbuch – “HGB”) and the additional provisions of the German Public Limited Companies Act (Aktiengesetz – “AktG”), the German Banking Act (Kreditwesengesetz – “KWG”) and the German Pfandbrief Act (Pfandbriefgesetz – “PfandBG”), as applicable to specific legal forms and institutions. The structure and the content of balance sheet and income statement is mainly prescribed by the German Accounting Directive for Banks and Financial Services Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – “RechKredV”).

The annual financial statements comprise income statement, balance sheet and notes to the financial statements. In addition, a management report was prepared pursuant to the requirements of section 289 HGB. pbb exercised the option of section 315 (5) HGB in connection with section 298 (2) HGB to combine the Group Management Report with the Management Report. The combined Management Report is included in Deutsche Pfandbriefbank Group’s (pbb Group) Annual Report 2025.

2 Accounting and Measurement Principles

The Management Board prepared and authorised these annual financial statements on 3 of March 2025 under the going-concern assumption.

Cash reserve

Cash reserve is measured at notional amounts.

Loans and advances

Loans and advances are recognised at nominal value, in accordance with section 340e (2) of the HGB, with recognised loan loss provisions deducted. The difference between the nominal value and the actual payment has characteristics of interest and is reported as prepaid expenses. It is amortised in proportion to the principal and pro rata temporis, and recognised in the income statement under net interest income. Pro-rata interest and similar amounts are assigned to the (sub-)item they relate to.

Risk provisioning

All identifiable individual default risks in the lending business were covered by specific allowances and provisions in the amount of expected losses. In the context of specific impairments, the expected individual cash flows are determined on the basis of the expected value of various possible scenarios in order to adequately take into account acute default risk in accordance with the principle of commercial prudence.

As regards the measurement of specific impairments, expected individual cash flows also include interest and the discount to fair value, in addition to repayments. To the extent that the receivable underlying interest calculations has already been written down or written off because of non-recoverability, no interest income will be recognised. Gains or losses from discounting or unwinding of the discount in relation to risk provisioning are reported in “Write-downs and valuation allowances of loans and advances and specific securities, as well as additions to loan loss provisions” and “Income from amounts written back on loans and advances and specific securities, and from the reversal of loan loss provisions”, respectively.

Portfolio-based allowances and provisions in the lending business (general loan loss provisioning) are recognised for potential default risks in the lending business. When determining amounts for general loan loss provisioning, pbb applies a model-based procedure using the regulatory risk parameters (probability of default – PD, loss given default – LGD) and contractual information on loans and advances such as contractually agreed cash flows. Regulatory risk parameters are transformed appropriately. Parameters based on historical loss experience are used for the transformation. For special purpose vehicle models, default probabilities are transformed using expected property market values and the expected 5-year swap rate for each currency; for non-special purpose vehicles, expected property market values are used for transformation.

The subject of IDW RS BFA 7 statement on accounting is the consideration of foreseeable counterparty risks in the lending business of credit institutions that have not yet been specified for individual borrowers. IDW RS BFA 7 enables IFRS reporting entities to also apply the IFRS 9 methodology to determine general loan loss provisions in accordance with the HGB. pbb utilises this option.

In June 2025, pbb decided to completely discontinue its US business and intends to reduce, securitise or sell its portfolio there in a manner that preserves value. As part of this process, pbb completed a significant risk transfer (SRT) on a synthetic basis in December 2025 with several funds managed by Oaktree Capital Management, L.P. (“Oaktree”), a global investment manager headquartered in the US. Oaktree has assumed credit risk protection for a mezzanine tranche of the majority of pbb's high performing US portfolio in the amount of approximately USD 321 million. The underlying US portfolio mainly comprises loans secured by office properties. As at 31 December 2025, the underlying loans had a carrying amount of €1,751 million, 95% of which is included in the significant risk transfer. The mezzanine tranche is effective after a first loss piece to be borne by pbb. As at 31 December, the underlying loans were subject to a blanket credit loss allowance at stage 2.

As part of the SRT transaction, Oaktree subscribed to an interest-bearing credit-linked note issued by pbb and secured in cash by Oaktree in the amount of the mezzanine tranche. The underlying loans remain on pbb's statement of financial position and continue to generate interest income, whereas the premium for the SRT will be interest expense. Risk provisions must continue to be made for the underlying loans. If a reimbursement from the SRT can be expected, this is taken into account in the calculation of the general allowance.

In 2025, pbb made a change to the measurement of its general allowances. The risk parameters probability of default (PD) and loss given default (LGD) are used as a basis for determining the general allowance. The regulatory risk parameters are transformed appropriately.

For its REF business, pbb has previously applied three transformation parameters: 5-year swap rate per currency, development of collateral market values differentiated by property type and region, and unemployment rate. An analysis has shown that the influence of the unemployment rate parameter on the probability of default has declined in recent years in a changed market environment, particularly against the backdrop of New York. It is no longer statistically significant and will therefore be removed from the transformation. As a result, this parameter is no longer used for the transformation; only the two parameters 5-year swap rate per currency and development of collateral market values differentiated by property type and region are used. The change resulted in a reversal of risk provisions amounting to €1 million, which was attributable to financial assets.

General loan loss provisioning is determined through probability weighting of various scenarios. The baseline scenario used by pbb to determine general loan loss provisioning is weighted at 55% (31 December 2024: 55%); the positive scenario has a weighting of 5% (31 December 2024: 5%) and the negative scenario has a weighting of 40% (31 December 2024: 40%). For loan receivables which were subject to a significant increase in the risk of losses or default since the loan was granted, lifetime expected credit losses are recognised.

As at 31 December 2025, pbb had formed a management overlay of €27 million, as the Management Board of pbb believed that the model-based risk provisioning did not adequately reflect the current uncertainties and risks in the development of the economy and the real estate financing markets in the United States. On the one hand, the management overlay included an adjustment of the model-based loss given default (LGD) rates for the entire high performing US business. The LGDs derived from long-term historical averages were replaced by current recovery estimates. This assessment took into account the recovery strategy through the completed significant risk transfer (SRT). Secondly, US

real estate financing without indicators of impaired credit quality was collectively provisioned in the amount of the lifetime expected credit loss. As at 31 December 2024, pbb had not made any adjustments to expected credit losses in the form of a management overlay, as it considered that the model-based risk provision adequately reflected the current risk situation.

Use was made of the cross-offsetting option permitted under section 340f (3) of the HGB in conjunction with section 340c (2) of the HGB for the compensatory recognition of income and expenses.

Securities

Securities of the liquidity reserve are measured at the lower of cost or market value and recognised at their lower value as of the balance sheet date in accordance with section 253 (4) sentence 1 of the HGB.

Securities treated as fixed assets are recognised at cost of purchase respectively at amortised cost in accordance with section 253 (3) HGB in conjunction with section 340e HGB. (modified lower-of-cost-or-market principle). In case of an expected permanent impairment, securities treated as fixed assets are carried at the lower fair value. The review as to whether there is an expected permanent impairment is performed regularly. A permanent impairment is deemed to exist, subject to a rebuttable presumption, when there are doubts – due to credit quality issues – as to whether the expected future cash flows can be recovered. A general allowance is recorded for potential default risks in relation to securities treated as fixed assets. They are determined based on expected losses. If the reason for a write-down ceases to exist, a write-up up to amortised cost has to be recognised.

The fair values are generally determined using transaction or stock exchange prices as at the relevant reporting date. If such prices are not available, recognised measurement models are used where the model parameters are derived from comparable market transactions. Internal measurement models were used when there were no transaction or stock exchange prices available for transactions. Market parameters or market prices arising from involuntary liquidation or distressed sales are not used for measurement purposes.

No securities were reclassified between current and non-current assets in the 2025 and 2024 financial years.

Securities lending and repurchase transactions

Repurchase transactions are reported in accordance with the principles set out in section 340b of the HGB: pbb continues to carry securities lent, given beneficial ownership, whilst borrowed securities are not carried on the balance sheet. Cash collateral pledged for securities lending transactions is carried as a receivable (depending on the counterparty, in loans and advances to banks or loans and advances to customers), whilst collateral received is carried as a liability (liabilities to banks or liabilities to customers).

Investments in affiliated companies and participating interests

Investments in affiliated companies and participating interests are recognised at cost of purchase, reduced, if appropriate, by impairment write-downs to the lower fair value. Write-ups are recorded if the reasons for the write-down cease to exist.

pbb carried out impairment tests in accordance with section 253(3) of the German Commercial Code (HGB) on its shares in affiliated companies. In the financial year, the mitigated lower of cost or market principle was not applied in the valuation of shares in affiliated companies and investments. The valuation was carried out in accordance with IDW S1 in conjunction with IDW RS HFA 10.

In March 2025, pbb invest GmbH was founded with its registered office in Munich. Its sole shareholder is pbb Beteiligungs GmbH, based in Munich, a wholly-owned subsidiary of pbb. The company's share capital amounts to €25,000.

During the reporting period, the wholly-owned subsidiaries Alabama Four Asset Management LLC, Alabama Five Asset Management LLC, Alabama Six Asset Management LLC and Alabama Seven Asset Management LLC were established in Atlanta, USA. The companies are used to restructure pbb's real estate financing in the USA.

Intangible assets

Purchased intangible assets are carried at cost (not exceeding amortised cost), reduced by amortisation and, where necessary, impairment write-downs. Software products that are closely related in terms of technology and function are combined and accounted for as a single asset. Amortisation is determined using the asset's useful life. The capitalisation option of the § 248 (2) HGB for internally generated intangible assets held as fixed assets is not exercised.

Tangible assets

Tangible assets are measured at cost of purchase or production, reduced by depreciation and, where necessary, impairment write-downs. Depreciation is recorded on a straight-line basis and is subject to the depreciation rates that correspond to the estimated useful lives which are also used for tax purposes. Leasehold improvements have useful lives of 5 to 15 years; IT-equipment (in its broader sense) 3 to 5 years; other operating and office equipment 3 to 25 years.

Low-value assets with a cost of not more than €250 are written off in full during the year of acquisition. A collective account pursuant to section 6 (2a) of the German Income Tax Act (Einkommensteuergesetz – "EStG") was recorded for depreciable movable assets with a cost of more than €250 and up to €1,000. This collective account is depreciated on a straight-line basis over a period of five years.

Overfunded plan assets

Reinsurance claims assigned to employees represent assets which are protected from access by all other creditors, and which are exclusively intended to settle liabilities from retirement benefit obligations or comparable long-term obligations. Therefore, these claims are measured at fair value in accordance with section 253 (1) sentence 4 HGB in conjunction with section 246 (2) sentence 2 HGB, and netted against provisions related to the respective benefit plan. The relevant repurchase values are used as fair values. Accordingly, expenses and income from reinsurance and from the discounting of the associated pension provisions are netted. Any excess of plan assets over post-employment benefit liabilities is reported in a separate line item and is designated accordingly.

Derivatives

Derivative financial instruments are used primarily to hedge interest rate and currency risks within the context of the overall bank's risk management. The bank enters into customer derivatives which customers use for protection against interest rate risks. The customer derivatives are regularly hedged by offsetting transactions on the interbank market or controlled within the framework of macro interest rate management. Interest rate derivatives are generally reported as part of the overall assessment of the interest rate risk in the banking book. Currency-related derivative financial instruments are recognised within the context of currency translation in accordance with section 340h HGB. Interest income and expenses arising from derivative financial transactions are reported on a gross basis.

Liabilities

Liabilities are recognised at settlement price. The difference between settlement price and issue price of the liabilities is recorded as prepaid expenses or deferred income in accordance with the option provided for under section 250 (3) HGB. It is amortised in proportion to the principal and pro rata temporis, and recognised in the income statement in net interest income. Pro-rata interest and similar amounts are assigned to the (sub-)item they relate. Zero-coupon bonds are recognised at their issue price plus pro rata interest based on the issue yield.

Provisions

Provisions are recognised for uncertain liabilities and pending losses in the required settlement amount, as determined based upon prudent commercial judgement. If the original remaining term of a provision is more than one year, in principle the provision is discounted using the interest rates for matching maturities, as published by Deutsche Bundesbank. To the extent that provisions are recognised for pending losses arising from the fair value measurement of executory contracts determined on the basis of market value calculations using present values, such provisions are not discounted in accordance with IDW RS HFA 4 no. 44, but instead recorded at their negative fair value. The discounting option is not exercised for provisions with an original remaining term of up to one year. Unwinding effects relating provisions are calculated on a monthly basis.

The measurement of the provisions for legal risks is mainly based on the amount in dispute and potential utilisations. These are determined by pbb on the basis of opinions prepared by external lawyers.

Gains or losses from discounting and unwinding of the discount in relation to provisions which are not related to the banking business are reported in other operating income or other operating expenses, whereas gains or losses from discounting and unwinding of the discount in relation to provisions related to banking business (excluding risk provisions) are reported in interest income or interest expense. The provisions for pensions and similar obligations are measured using the projected unit credit method. This method represents an appropriate method which is based on verifiable criteria.

Calculations were based on the following assumptions:

- > Discount rate: 2.05% p.a. (31 December 2024: 1.90% p.a.)
- > Rate of increase in future compensation: 2.50% p.a. (31 December 2024: 2.50% p.a.)
- > Rate of increase in pension obligations: 2.0% p.a. (31 December 2024: 2.25% p.a.)
- > Mortality tables: actuarial tables issued by K. Heubeck in 2018 ("Richttafeln 2018 G")

Age-related fluctuations were taken into account for the calculation. A 0% salary trend was assumed for Management Board members in office during the financial years 2025 and 2024.

Provisions for pension obligations were discounted in the financial year 2025 in accordance with section 253 (2) HGB using the average market interest rate over the past ten years, which results from an assumed remaining term of 15 years. The difference between the recognition of provisions for pensions as at 31 December 2024 using the average market interest rate over the past ten years of 2.05% (31 December 2024: 1.90%) and the average market interest rate over the past seven years of 2.21% (31 December 2024: 1.97%) is negative in the reporting year. A positive difference resulting from the valuation of the pension obligations using the 10-year average interest rate compared to the valuation using the 7-year average interest rate is subject to a distribution block (Section 253 (6) sentence 2 HGB). As the historical interest rate trend meant that the 7-year average interest rate was higher than the 10-year average interest rate as at the reporting date, this resulted in a negative difference of €5 million (31.12.2024: €3 million), meaning that there was no restriction on distribution as at 31 December 2025 and as at 31 December 2024.

The application of statement IDW RH FAB 1.021 for the valuation of provisions for reinsured pension obligations resulted in a reduction of claims from reinsurance policies in the amount of €22 million (2024: €18 million). This resulted in an expense of €4 million in 2025 (2024: €3 million). Implementation of the Accounting Practice Statement was carried out using the actuarial reserve procedure, selecting the liability method (Passivprimat). Using the biometric factors specified by the German Association of Actuaries (DAV), a multiplicative reestimation of the biometric calculation bases between the Klaus Heubeck 2018 G mortality tables and the DAV tables was carried out.

Contingent liabilities and other commitments are disclosed as off-balance sheet items at notional value less any recognised provisions.

Valuation units

As a result of the increasing shift in pbb's interest rate risk management from an individual to an overall interest rate book approach, interest rate hedging derivatives are generally allocated to macro interest rate hedging. Accordingly, they are also assessed and measured as part of overall bank risk management. There were no valuation units (micro hedges) as at 31 December 2025 and 31 December 2024.

Loss-free valuation

In accordance with the statement of the IDW (IDW RS BFA 3 new version) regarding the loss-free measurement of interest-bearing transactions included in the banking ledger, pbb conducted a loss free measurement using the present value method as at the balance sheet date. The valuation object analysed is, in accordance with risk management, an interest ledger of on-balance sheet and off-balance sheet transactions. The calculated present value margin of the existing transactions in the interest rate portfolio is compared to imputed funding costs as well as any administrative and risk costs incurred on existing exposures that are included until the interest rate transactions mature and which are determined using present values. There was no surplus of liabilities in relation to the valuation object as at 31 December 2025 and 31 December 2024.

Negative Interest

pbb reports, if available, negative interest on financial assets in interest expenses, and positive interest on financial liabilities in interest income.

IBOR-reform

Interbank offered rates (IBOR) are used as reference rates when determining the prices of numerous financial instruments and calculating the related cash flows. Given the weaknesses of interbank rates used to date, which became evident for the first time as part of the LIBOR scandal, legislators and regulatory authorities worldwide have been working on establishing a system of transaction-based risk-free reference interest rates or to reform the determination of reference interest rates.

The European Money Markets Institute (EMMI) revised the calculation methodology of the EURIBOR interest rate in 2019 and switched to a hybrid method. EMMI has been calculating and publishing the reformed EURIBOR interest rate since July 2019. The EU-BMR conformity of the revised EURIBOR interest rate enables market participants, and thus also pbb, to use EURIBOR interest rates as a reference rate for both existing and new contracts until further notice. pbb expects the EURIBOR rate to remain the reference rate for at least the next few years.

Regarding the potential impact on financial reporting under German commercial law, the Corporate Reporting Committee of the Institute of Public Auditors in Germany (IDW), in cooperation with the IDW's Banking Committee, issued the Accounting Practice Statement "Consequences of changes to certain reference interest rates ('IBOR reform') for financial instruments for accounting and financial reporting under German commercial law" (IDW RH FAB 1.020) in September 2019. pbb has taken this accounting guidance into consideration in the preparation of its annual financial statements for 2025.

Foreign currency translation

Foreign currency assets, liabilities and off-balance sheet items are translated using the average spot exchange rate as at the balance sheet date as part of specific coverage pursuant to section 340h HGB in conjunction with section 256a HGB. The concept of specific coverage used by pbb for currency translation only includes foreign currency assets and liabilities which have identical amounts and currencies. The fulfilment of these two criteria is ensured through an internal funding model. For the sake of clarity and convenience, the resulting currency translation gains and losses, in deviation from section 340a (1) HGB in conjunction with section 277 (5) sentence 2 HGB, were not reported as separate items of other operating income or other operating expenses in the income statement. The corresponding disclosures were made in the notes to the income statement items nos. 7 and 10, respectively. Open foreign currency positions resulting from hedged items are closed largely by means of spot transactions or suitable derivatives. Currency translation gains or losses from fractional amounts in a currency are generally accounted for on a portfolio basis. Income and expenses in foreign currencies are recorded using the exchange rates applicable at the respective transaction dates. Against this overall background, the special rules applicable to foreign currency translation under commercial law at financial institutions (IDW RS BFA 4) were fully complied with.

Deferred taxes

Deferred taxes are determined for temporary differences between the carrying amount of assets, liabilities, deferred income and prepaid expenses as determined under the commercial law (HGB) and under tax law. In connection with the recognition of deferred taxes pursuant to section 274 (1) HGB, pbb generally exercises the option to offset deferred tax assets against deferred tax liabilities. Any excess of deferred tax assets over deferred tax liabilities is not recognised.

Deferred tax assets are recognised at pbb in particular for other provisions not accepted for tax purposes, for differences in the measurement of pension provisions in the balance sheet and tax accounts, measurement differences due to a so-called unilateral termination of discontinued hedging relationships and for differences in the recognition of allowances for credit losses and intangible assets. As at the balance sheet date, deferred tax liabilities existed primarily due to valuation differences in software and hardware, as these are fully depreciated for tax purposes in the year of acquisition. The existing tax loss carryforwards increase the deferred tax assets in an amount that is equivalent to their realisation. The measurement of deferred taxes was based on a combined income tax rate of 27.06% (31 December 2024: 27.67%) which comprises corporation tax, trade tax and solidarity surcharge.

pbb applies the exemption from recognising deferred taxes resulting from the implementation of the global minimum tax rules by the respective countries. pbb does not operate in countries with a tax rate below the 15% threshold.

Prepaid expenses and deferred income

Amounts paid or received before balance sheet date which represent expenses or income after balance sheet date have to be recognised as prepaid expenses and deferred income pursuant to section 250 (1), (2) HGB. pbb reports the discount on debt securities and the premium on loans and advances granted as prepaid expenses, and the discount on loans and advances granted and the premium on debt securities and loans received as deferred income. Prepaid expenses and deferred income in connection with derivatives are recognised for option and upfront premiums.

Notice

The annual financial statements are prepared in euros and generally rounded to the nearest million euros (€ million). Information is presented in accordance with the principle of materiality. Minor differences may occur regarding the figures added, due to rounding. All amounts of less than €500,000 are shown as a zero, or a zero balance indicated by a hyphen.

NOTES TO THE INCOME STATEMENT

3 Net Interest Income (Income Statement Items Nos. 1 & 2)

Interest income from lending and money market transactions includes early repayment penalties and non-acceptance compensation amounting to €9 million (2024: €3 million).

Interest expenses relating to Mortgage Pfandbriefe, Public Sector Pfandbriefe and other debt securities amounted to €738 million (2024: €754 million).

Of the claims from finance lease agreements reported under customer receivables in the amount of €116 million (31 December 2024: €130 million) interest income amounted to €2 million (2024: €3 million).

There was no negative interest from non-derivative financial assets that would have to be reported under interest expense (2024: no negative interest rates from non-derivative assets). Interest income did not include any positive interest from non-derivative financial liabilities (2024: no positive interest from non-derivative financial liabilities). Swap transactions resulted in net positive interest expenses of €2 million (2024: net positive interest expenses of €1 million).

4 Net Commission Income (Income Statement Items Nos. 5 & 6)

Commission income mainly results from upfront fees of €6 million (2024: €7 million) and from guarantee commissions of €2 million (2024: €2 million). The commission expenses include €4 million fees from deposit business (2024: €5 million) and fees from custodial business of €1 million (2024: €1 million).

5 Other Operating Income (Income Statement Item No. 7)

Other operating income includes reversals of other provisions in non-lending business amounting to €25 million (2024: reversals of other provisions in non-lending business amounting to €22 million). Income relating to other periods amounted to €0 million (2024: €5 million). In addition, the item benefited from a payment of €16 million as part of a settlement in connection with a legal dispute involving a predecessor company of pbb. There was no income from currency translation (2024: no income). Income from gains on own debt securities totalled €1 million (2024: €30 million).

The balance of interest income from reinsurance and expenses from the discounting of pension obligations resulted in net income of €0 million (2024: €1 million).

Income from the discounting of other provisions amounted to €5 million (2024: €3 million).

6 General and Administrative Expenses (Income Statement Item No. 8)

General and administrative expenses consist of personnel expenses amounting to €139 million (2024: €138 million) and other administrative expenses amounting to €113 million (2024: €133 million).

7 Other Operating Expenses (Income Statement Item No. 10)

Other operating expenses include mainly additions to other provisions in non-lending business of €14 million (2024: €12 million). Price losses on own debt securities resulted in expenses totalling €1 million (2024: €38 million). In addition, the item included expenses and contributions as well as allocations for the European bank levy and BaFin totalling €1 million (2024: €1 million). Currency translation resulted in expenses of €1 million (2024: €4 million).

Expenses from the compounding of other provisions are recognised under other operating expenses and amounted to €1 million (2024 : €1 million).

8 Write-downs, Write-ups and Impairments to Receivables and Certain Securities and Additions and Reversals of Provisions in Credit Business (Income Statement Items Nos. 11 & 12)

Write-downs, write-ups and credit loss allowances on receivables and certain securities, as well as additions to and reversals of provisions in the lending business amounting to €410 million net (2024: €127 million net) consisted of general credit loss allowances (net addition) of €29 million (2024: net reversal of €7 million), individual value adjustments on receivables and reversals of lower of cost or market write-downs on certain securities and loans amounting to €382 million net (2024: €134 million net). In the 2025 financial year, recoveries on written-off receivables amounted to €1 million (2024: recoveries of less than €1 million on written-off receivables).

The creation of the management overlay, which led to an increase in general allowances in the reporting year, is explained in more detail in the general accounting and valuation principles.

9 Write-downs, Write-ups and Impairments to Participating Interests, Investments in Affiliated Companies and Securities Treated as Fixed Assets (Income Statement Items Nos. 13 & 14)

In the 2025 financial year, net income of €12 million (2024: net income of €116 million) was generated from write-downs, write-ups and impairments on investments, shares in affiliated companies and securities treated as fixed assets. Net income totalling €39 million was attributable to gains on sales (2024: net income totalling €117 million from gains on sales and €1 million from the reversal of general value adjustments) on securities classified as fixed assets. Impairments on investments and shares in affiliated companies amounted to €28 million (2024: €2 million).

10 Extraordinary Result (Income Statement Item No. 20)

The extraordinary result of €-2 million (2024: €0 million) comprised restructuring expenses of €3 million and reversals of provisions of €1 million and is attributable to personnel measures in connection with the withdrawal from the US market.

11 Income Taxes (Income Statement Item No. 21)

In 2025, income taxes amounted to a total expense of €2 million, which resulted from income of €4 million for previous years and expenses of €6 million for the current year.

In 2024, income of €2 million consisted of income of €12 million for previous years and expenses of €10 million for the current year.

The pbb Group falls within the scope of the global minimum taxation rules. The global minimum tax is levied at the level of pbb as the ultimate parent company for the reporting period in Germany. In addition, pbb is also subject to comparable regulations in the United Kingdom, France, the Netherlands, Spain and Sweden for its permanent establishments located in these countries.

No minimum tax arose in any country during the reporting period.

NOTES TO THE BALANCE SHEET

12 Mortgage Loans (Assets Side Items Nos. 2 & 3)/Pfandbriefe Outstanding (Liabilities Side Items Nos. 1, 2 & 3)

Cover statement

in € million	31.12.2025	31.12.2024
A. Mortgage Pfandbriefe		
Cover assets		
Loans and advances to other banks		
a) Mortgage loans	-	-
Loans and advances to customers		
a) Mortgage loans	16,083	18,129
Tangible assets (land charges on the Bank's own property)	-	-
Sundry assets	-	-
	16,083	18,129
Further cover assets		
Other loans and advances to other banks	-	-
Bonds and other fixed-income securities	862	724
Claims from derivatives	-	-
Total cover assets	16,945	18,853
Total Mortgage Pfandbriefe requiring cover	14,613	15,268
thereof liabilities from derivatives	-	-
Over-collateralisation	2,332	3,585
B. Public Pfandbriefe		
Cover assets		
Loans and advances to other banks		
a) Mortgage loans	-	-
b) Public-sector loans	250	250
Loans and advances to customers		
a) Mortgage loans	2	3
b) Public-sector loans	4,011	7,064
Bonds and other fixed-income securities	1,991	934
	6,254	8,251
Further cover assets		
Other loans and advances to other banks	-	-
Claims from derivatives	-	-
Total cover assets	6,254	8,251
Total Public Pfandbriefe requiring cover	5,389	6,550
thereof liabilities from derivatives	-	-
Over-collateralisation	865	1,701

13 Maturities of Selected Balance Sheet Items

Maturities of selected balance sheet items

in € million	31.12.2025	31.12.2024
Loans and advances to other banks (assets side item no. 2)	3,123	4,129
Repayable on demand	2,239	2,934
Loans and advances with duration	884	1,195
up to 3 months	234	645
more than 3 months to 1 year	350	-
more than 1 year to 5 years	300	250
more than 5 years	-	300
Loans and advances to customers (assets side item no. 3)	30,318	35,516
of undetermined duration	24	22
up to 3 months	2,304	3,041
more than 3 months to 1 year	6,139	5,468
more than 1 year to 5 years	17,024	18,184
more than 5 years	4,827	8,801
Bonds and other fixed-interest securities (assets side item no. 4)	6,065	3,715
thereof maturing in the subsequent year	644	485
Liabilities to other banks (liabilities side item no. 1)	1,659	3,366
Repayable on demand	118	384
Liabilities with agreed duration or notice period	1,541	2,982
up to 3 months	269	1,717
more than 3 months to 1 year	508	325
more than 1 year to 5 years	526	637
more than 5 years	238	303
Liabilities to customers (liabilities side item no. 2)	17,169	18,175
Repayable on demand	927	860
Liabilities with agreed duration or notice period	16,242	17,315
up to 3 months	1,413	1,806
more than 3 months to 1 year	2,293	2,239
more than 1 year to 5 years	4,789	5,087
more than 5 years	7,747	8,183
Securitised liabilities (liabilities side item no. 3)	17,110	17,927
a) bonds in issue	17,110	17,927
thereof maturing in the subsequent year	4,501	3,961
b) other securitised liabilities	-	-
up to 3 months	-	-
more than 3 months to 1 year	-	-
more than 1 year to 5 years	-	-
more than 5 years	-	-

14 Subordinated Assets (Assets Side Items Nos. 2, 3, 4 & 11)

There are no subordinated assets to be recognised neither as of 31. December 2025 nor as of 31 December 2024.

15 Breakdown of Marketable Securities and Other Financial Investments (Assets Side Items Nos. 4, 5, 6 & 7)

The marketable securities disclosed under corresponding balance sheet items are attributable to listed or unlisted criterion as follows:

Marketable securities and other financial investments

in € million	listed		unlisted	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Bonds and other fixed-income securities	5,904	3,449	161	266
Equity shares and other variable-income securities	-	-	3	2
Participating interests	-	-	-	-
Investments in affiliated companies	-	-	-	-

16 Bonds and Other Fixed-Income Securities (Assets Side Item No. 4)

Of the bonds and other fixed-income securities (assets side item No. 4), pbb holds third-party bonds with a carrying amount of €6,065 million (31 December 2024: €3,715 million). Of this amount, €4,651 million (31 December 2024: €2,733 million) are treated as fixed assets, and €1,414 million (31 December 2024: €982 million) are treated as current assets.

As at 31 December 2025 the fair value of the securities held as fixed assets with omitted depreciation amounted to €1,304 million and was therefore lower than the carrying amount of €1,369 million. The write-downs not recognised as at 31 December 2024 amounted to €65 million.

As at 31 December 2024 securities held as fixed assets with a carrying amount of €1,194 million were not recognised at the lower fair value on the balance sheet date of €1,119 million valued. The write-downs not recognised as at 31 December 2024 amounted to €75 million.

The issuer groups are broken down as follows:

Omitted write-downs, by issuer

in € million	31.12.2025				31.12.2024
	Public issuers	Other banks	Other issuers	Total	Total
Carrying amount	1,343	21	5	1,369	1,194
Fair value	1,278	21	5	1,304	1,119
Omitted write-downs of fixed assets	65	-	-	65	75

pbb assumes, for all securities with unrecognised write-downs, that the fair value is below the carrying amount only temporarily. There are no payment defaults or doubts regarding the recoverability of these securities.

17 Participating Interests and Investments in Affiliated Companies (Assets Side Items Nos. 6 & 7)

Investments in affiliated companies (assets side item no. 7)

Name and registered office	Capital share section 16 (4) AktG	of which held indirectly	Equity in thousand ²⁾	Net income in thousand ²⁾	Currency
IMMO Invest Real Estate GmbH ¹⁾ Munich, Germany	100.00%	-	948	-	EUR
Niagara Asset Management LLC, Atlanta, USA	100.00%	-	30,431	-8,214	USD
Alabama One Asset Management LLC, Atlanta, USA	100.00%	-	103	-3,887	USD
Alabama Two Asset Management LLC, Atlanta, USA	100.00%	-	-10	-5,020	USD
Alabama Three Asset Management LLC, Atlanta, USA	100.00%	-	36,512	-2,875	USD
Alabama Four Asset Management LLC, Atlanta, USA	100.00%	-	42	-16	USD
Alabama Five Asset Management LLC, Atlanta, USA	100.00%	-	30	-6,281	USD
Alabama Six Asset Management LLC, Atlanta, USA	100.00%	-	35	-5,743	USD
Alabama Seven Asset Management LLC, Atlanta, USA	100.00%	-	-	-	USD
pbb Beteiligungs GmbH ¹⁾ , Munich, Germany	100.00%	-	44,150	-	EUR
pbb invest GmbH ¹⁾ , Munich, Germany	100.00%	100.0%	43,732	-393	EUR

¹⁾ Transfer of earnings by shareholders based on earnings transfer agreement.

²⁾ Information on equity and earnings of the companies was taken from the financial statements in accordance with IFRS accounting standards (where available).

Participating interests (assets side item no. 6)

Name and registered office	Capital share section 16 (4) AktG	of which held indirectly	Equity in thousand	Net income in thousand	Currency
Eco Estate GmbH, Frankfurt/Main, Germany	45.0%	-	152	-451	EUR
161 North Clark Holdco LLC, New York, USA	21.74%	21.74%	27,304	-35,499	USD

¹⁾ Financial figures from the financial year 2024

pbb was not general partner in any company disclosed under the positions participating interests (assets side item no. 6) and affiliated companies (assets side item no. 7).

Furthermore, pbb held one equity instrument of one company with a capital share and voting right less than 1%.

18 Trust Business (Assets Side Item No. 8 & Liabilities Side Item No. 4)

As of 31 December 2025 and as of 31 December 2024 neither assets nor liabilities were held in trust. Trust assets and trust liabilities include assets and liabilities held by pbb in its own name for the account of others. These items are measured at amortised cost.

19 Intangible Assets (Assets Side Item No. 9)

Intangible assets include €0 million down-payments (31 December 2024: €9 million) and purchased software in the amount of €41 million (31 December 2024: €40 million).

20 Tangible Assets (Assets Side Item No. 10)

Tangible assets include operating and office equipment of €10 million (31 December 2024: €12 million).

21 Development in Fixed Assets (Assets Side Items Nos. 4, 6, 7, 9 & 10)**Development in fixed assets**

in € million	Intangible assets	Tangible assets	Securities treated as fixed assets	Participating interests	Shares in affiliated companies
Cost of purchase or production					
1.1.2024	97	15			
Additions	9	12			
Disposals	-1	-5			
Transfers	-	-			
Foreign currency translation effects	-	-			
31.12.2024	105	22			
1.1.2025	105	22			
Additions	2	1			
Disposals	-	-			
Transfers	-	-			
Foreign currency translation effects	-	-			
31.12.2025	107	23			
Write-down					
1.1.2024	-49	-14			
Write-up	-	-			
Disposals	1	5			
Transfers	-	-			
Depreciation or amortisation	-8	-1			
Impairment write-down	-	-			
Foreign currency translation effects	-	-			
31.12.2024	-56	-10			
1.1.2025	-56	-10			
Write-up	-	-			
Disposals	-	-			
Transfers	-	-			
Depreciation or amortisation	-10	-3			
Impairment write-down	-	-			
Foreign currency translation effects	-	-			
31.12.2025	-66	-13			
Carrying amounts					
1.1.2024	48	1	4,205	-	1
Aggregation according to section 34(3) RechKredV			-1,472	-	81
31.12.2024	49	12	2,733	-	82
1.1.2025	49	12	2,733	-	82
Aggregation according to section 34(3) RechKredV			1,918	-	20
31.12.2025	41	10	4,651	-	102

22 Sundry Assets (Assets Side Item No. 11)

In addition to the adjustment items resulting from the measurement of hedged foreign currency transactions recognised in note “Financial Derivatives” the major part of sundry assets resulted from income tax assets in the amount of €20 million (31. December 2024: €51 million). As at 31 December 2025, the collateral provided for the European bank levy amounted to €42 million (31 December 2024: €42 million), for the deposit protection fund to €3 million (31 December 2024: €3 million) and for the Compensation Scheme of German Banks to €7 million (31 December 2024: €6 million).

In accordance with section 246 (2) sentence 2 HGB, other assets include unpledged claims from reinsurance policies for pensions in the amount of €1 million (31 December 2024: €1 million).

The fair values of pledged claims from retirement benefit obligations, are reported, if applicable, in the item “overfunded plan assets” after setting off reinsured pension provisions and provisions for partial retirement schemes.

23 Overfunded Plan Assets (Assets Side Item No. 13)

As of 31 December 2025 and as of 31 December 2024, no overfunded plan assets were recognised pursuant to section 246 (2) sentences 2 and 3 HGB due to the fact that provisions for pensions and similar obligations exceeded the fair values of plan assets.

24 Prepaid Expenses and Deferred Income (Assets Side Item No. 12 & Liabilities Side Item No. 6)

Prepaid expenses and deferred income

in € million	31.12.2025	31.12.2024
Assets side item no. 12a)		
Prepaid expenses from the issuance and loan business	74	91
thereof:		
discount from debt securities and loans received	27	32
premium from loans and advances granted	47	59
Liabilities side item no. 6a)		
Deferred income from the issuance and loan business	117	133
thereof:		
discount from debt securities and loans received	75	84
premium from loans and advances granted	42	49

25 Sundry Liabilities (Liabilities Side Item No. 5)

In addition to the adjustment items resulting from the measurement of hedged foreign currency transactions recognised in note “Financial Derivatives” the major part of sundry liabilities is trade accounts payable amounting to €9 million (31 December 2024: €10 million).

26 Provisions for Pensions and Similar Obligations (Liabilities Side Item No. 7a)

As at 31 December 2025 this item included, pursuant to section 246 (2) sentence 2 of the HGB, only provisions for pensions and similar obligations after offsetting against plan assets (pension provisions of €259 million [31 December 2024: €280 million], of which an amount of €136 million was offset against the fair value or amortised cost of plan assets [31 December 2024: €147 million]).

The pension provisions to former Management Board members and their surviving dependants amounted to €61 million (31 December 2024: €60 million).

27 Other Provisions (Liabilities Side Item No. 7c)

The following major single items are included in other provisions:

- > Provisions for variable remuneration in the amount of €12 million (31 December 2024: €19 million)
- > Provisions of €16 million (2024: €12 million) for termination of employment relationships
- > Provisions for personnel in the amount of €10 million (31 December 2024: €9 million)
- > Provisions for IT costs in the amount of €8 million (31 December 2024: €7 million)
- > Provisions for legal and litigation risks and corresponding default interest payments of €6 million (31 December 2024: €4 million)

28 Subordinated Liabilities (Liabilities Side Item No. 8)

This item refers to promissory note loans, bearer bonds and registered bonds. The interest rates for fixed-income issues are between 3.25% p. a. and 7.125% p.a. They mature between 2026 and 2035.

Interest expenses of €32 million (2024: €27 million) were incurred for subordinated liabilities. This balance sheet item includes interest in the amount of €14 million (31 December 2024: €16 million).

Outstanding subordinated liabilities are not subject to any contractual regulations for the conversion into equity capital or into another type of debt. Subordinated liabilities do not provide for any early repayment obligation for pbb. In the event of liquidation or insolvency, claims on interest and principal from these liabilities are subordinated to the claims of all other creditors of pbb, which are not themselves subordinated.

Three euro-denominated issues included in this item exceed 10% of the total amount of subordinated liabilities:

Year of issue	Notional at issue in € million	Interest rate in %	Maturity
2017	150	3.375	2027
2017	150	4.6	2027
2025	300	7.125	2035

These bonds are subject to the following terms and conditions:

- > In July 2025, pbb issued a subordinated bond with a nominal value of €300 million and an initial interest rate of 7.125% p.a., which has a term of 10 years. The issuer may give ordinary notice of termination of the bond after five years. Otherwise, the bond can only be terminated for tax or regulatory reasons at the issuer's discretion and with the consent of the competent supervisory authority. Ordinary termination by the holders is excluded. If pbb does not terminate the bond after five years, the interest rate will be reset for the remaining term. In the event of the bank's liquidation or insolvency, the liabilities arising from the debt securities are subordinate to the claims of third-party creditors arising from non-subordinated liabilities, meaning that payments on the subordinated debt securities will not be made until the claims of these third-party creditors arising from non-subordinated liabilities have been satisfied in full. Offsetting claims arising from the subordinated debt securities against claims of the issuer is excluded. Collateral and guarantees that could change the ranking may not be provided. In the event of a threat to the existence of pbb, the resolution authority may order a so-called 'bail-in', which may result in a write-down of the bond and/or a conversion into equity.
- > In February 2017 pbb issued a subordinated bond in the principal amount of €150 million and an interest rate of 4.6% p.a. with a term to maturity of 10 years. Otherwise, the bond can only be terminated for tax or regulatory reasons at the issuer's discretion and with the consent of the competent supervisory authority. Ordinary termination by the holders is excluded. In the event of the bank's liquidation or insolvency, the liabilities arising from the debt securities are subordinate to the claims of third-party creditors arising from non-subordinated liabilities, meaning that payments on the subordinated debt securities will not be made until the claims of these third-party creditors arising from non-subordinated liabilities have been satisfied in full. Offsetting claims arising from the subordinated debt securities against claims of the issuer is excluded. Collateral and guarantees that could change the ranking may not be provided. In the event of a threat to the existence of pbb, the resolution authority may order a so-called 'bail-in', which may result in a write-down of the bond and/or a conversion into

equity. In July 2025, part of the subordinated bond was repurchased. The outstanding nominal volume as at 31 December 2025 is €64 million.

- > In June 2017 pbb issued a Tier 2 bond in the principal amount of €300 million and a coupon of 4.679% p.a. with a term to maturity of 10 years. The issuer may give ordinary notice of termination of the bond after five years. Otherwise, the bond can only be terminated for tax or regulatory reasons at the issuer's discretion and with the consent of the competent supervisory authority. Ordinary termination by the holders is excluded. If pbb does not terminate the bond after five years, the interest rate will be reset for the remaining term. In the event of the bank's liquidation or insolvency, the liabilities arising from the debt securities are subordinate to the claims of third-party creditors arising from non-subordinated liabilities, meaning that payments on the subordinated debt securities will not be made until the claims of these third-party creditors arising from non-subordinated liabilities have been satisfied in full. Offsetting claims arising from the subordinated debt securities against claims of the issuer is excluded. Collateral and guarantees that could change the ranking may not be provided. In the event of a threat to the existence of pbb, the resolution authority may order a so-called 'bail-in', which may result in a write-down of the bond and/or a conversion into equity. In July 2025, part of the subordinated bond was repurchased. The outstanding nominal volume as at 31 December 2025 is €137 million.

29 Additional Tier 1 Capital Instruments (Liabilities Side Item No. 9)

pbb follows the guideline of the IDW dated 22 December 2014 and recognises under "additional Tier 1 capital instruments" AT1 capital in the total principal amount of €300 million with a carrying amount of €317 million (31 December 2024: €317 million) (including accrued interest of €17 million [31 December 2024: €17 million]). For the instruments of additional Tier 1 capital instruments interest expenses amounted to €25 million (2024: €25 million).

The bond – issued by pbb in April 2018 – carries an initial coupon of 5.75% p.a. and has no final maturity. For the new five-year interest period from 28 April 2023, the coupon is 8.474% p.a. Coupons are generally payable at pbb's discretion. If pbb pays its shareholders a dividend or takes similar measures, interest must be paid on the AT1 bond. By contrast, coupon payments are not permitted if they are prohibited by regulatory authorities and/or would result in CET1 capital falling below the agreed trigger level (generally based on the consolidated CET1 ratio for groups accounted for under IFRSs, as well as on the single-entity CET1 ratio in accordance with the HGB if the regulatory waiver is cancelled or suspended), or if coupon payments would exacerbate an existing shortfall below these levels. Coupon payments are not cumulative, which means investors investing in AT1 instruments will not be compensated for suspended coupon payments in subsequent years. There is no contractual provision to convert the AT1 instrument into shares in pbb should the ratio mentioned drop below the threshold; instead, the AT1 instrument is written down and (if the ratio mentioned rises again above the threshold) written up again. If there is a risk jeopardising pbb's existence as a going concern the resolution board may order a bail-in of the AT1 instruments which could result in a write-down and/or a conversion into equity shares. In the HGB balance sheet the AT1 instrument is recognised as liabilities and not as equity.

30 Fund for General Banking Risks (Liabilities Side Item No. 10)

The fund for general banking risks pursuant to Section 340g of the German Commercial Code (HGB) remained unchanged at €139 million as at 31 December 2025 (31 December 2024: €139 million with an addition of €62 million in the 2024 financial year).

31 Development in Equity (Liabilities Side Item No. 11)

Subscribed capital is the maximum liability of the shareholder for the liabilities of the corporation to its creditors. Additional paid-in capital includes contributions from a previous financial year as well as premiums from the issue of shares. Retained earnings were generally created only from net income of the current financial year or previous periods. This includes legal reserves to be created from net income/loss and other reserves.

in € million	Retained Earnings					Unappropriated retained earnings/loss (-)	Total
	Share capital	Additional paid-in capital	Legal reserve	Other reserves	Total		
Equity as of 1.1.2024	380	1,639	13	703	716	-	2,735
Net income	-	-	-	-	-	40	40
Dividend distribution	-	-	-	-	-	-	-
Additions to retained earnings/ Withdrawals from retained earnings	-	-	-	20	20	-20	-
Rounding adjustment	-	-	-	1	1	-	1
Equity as of 31.12.2024	380	1,639	13	724	737	20	2,776
Equity as of 1.1.2025	380	1,639	13	724	737	20	2,776
Net income	-	-	-	-	-	-298	-298
Dividend distribution	-	-	-	-	-	-20	-20
Additions to retained earnings/ Withdrawal from retained earnings	-	-	-	-298	-298	298	-
Equity as of 31.12.2025	380	1,639	13	426	439	-	2,458

32 Share Capital (Liabilities Side Item No. 11a)

Share capital amounted to €380,376,059.67 during the entire financial years 2025 and 2024 and is divided into 134,475,308 ordinary bearer shares with no par value with a notional value of €2.83 per share. pbb did not hold any treasury shares during the entire financial years 2025 and 2024.

For information on authorised and contingent capital please refer to the chapter "Supplemental Information" in the section "Disclosures Pursuant to Section 315a (1) HGB" of the Combined Management Report in pbb Group's Annual Report 2025.

33 Additional Paid-in Capital (Liabilities Side Item No. 11b)

In the financial years 2025 and 2024 there were no transfers to or withdrawals from additional paid-in capital.

In accordance with Section 272 (2) No. 4 HGB, the additional paid-in capital includes other additional payments by shareholders into equity as well as premiums from the issue of shares. Except for legal reserves pursuant to section 150 (2) of the AktG of €25,383,131.91 (31 December 2024: €25,383,131.91), additional paid-in capital is freely available.

34 Retained Earnings (Liabilities Side Item No. 11c)

The legal reserve remained unchanged in the 2025 and 2024 financial years. An amount of €298 million was withdrawn from retained earnings in the 2025 financial year (2024: addition of €20 million to retained earnings).

Retained earnings include legal reserves pursuant to section 150 (2) of the AktG of €12,654,474.06 (31 December 2024: €12,654,474.06).

35 Foreign Currency Assets and Liabilities

Foreign currency assets amounted to €5,866 million (31 December 2024: €7,230 million), whereas foreign currency liabilities amounted to €5,981 million (31 December 2024: €7,342 million).

36 Assets transferred as collateral

The following assets were transferred as collateral for own liabilities:

Assets transferred as collateral

in € million	Carrying amount	
	31.12.2025	31.12.2024
Pledging of securities arising from open market transactions with ECB	-	-
Pledging of securities arising from TLTRO with the ECB	-	-
Securities held under repurchase agreements	-	126
Securities held connected with EUREX transactions	353	345
Loans and advances held under repurchase agreements	9	14
Pledging of loans and advances as collateral for loans and advances received	147	173
Pledging of securities as collateral for loans and advances received	-	-
Cash collateral deposited at other banks	677	956
Cash collateral deposited at clients	33	21

All assets reported in the table contain pro rata interest and were transferred completely for liabilities to other banks.

In 2025, there were no open market transactions with the ECB for which pbb pledged its own covered issues that were not in circulation, including the pro rata interest contained therein, to the ECB (31 December 2024: €575 million). In 2025, there were no repurchase agreements involving the pledging of own covered issues, including the pro rata interest contained therein, that were not in circulation (31 December 2024: €168 million).

As at 31 December 2025, the collateral provided for the European bank levy amounted to €42 million (31 December 2024: €42 million), for the Deposit Protection Fund to €3 million (31 December 2024: €3 million) and for the Compensation Scheme of German Banks to €7 million (31 December 2024 : €6 million). Accordingly, the collateral for the Compensation Scheme of German Banks was increased by €1 million in 2025. In addition, pbb is obliged to make additional contributions upon request. These represent a risk with regard to the financial position within the meaning of section 285 no. 3 HGB. Further information on the accounting treatment of collateral is provided in Note 41 "Off-balance sheet transactions and other financial obligations".

In addition, €273 million was transferred as collateral under the SRT in 2025.

37 Loans and Advances and Liabilities to Affiliated and Participated Companies

Loans and advances and liabilities to affiliated and participated companies

in € million	to affiliated companies		to participated companies	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Loans and advances to other banks (assets side item no. 2)	-	-	-	-
Loans and advances to customers (assets side item no. 3)	-	-	-	-
Bonds and other fixed-interest securities (assets side item no. 4)	-	-	-	-
Liabilities to other banks (liabilities side item no. 1)	-	-	-	-
Liabilities to customers (liabilities side item no. 2)	5	2	-	-
Securitised liabilities (liabilities side item no. 3)	-	-	-	-
Subordinated liabilities (liabilities side item no. 8)	-	-	-	-

OTHER NOTES

38 Supplemental Disclosures According to Section 28 PfandBG

Mortgage Pfandbriefe outstanding and the cover assets used on their behalf

in € million	Notional		Present value		Risk-adjusted net present value ¹⁾	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Total outstanding						
Mortgage Pfandbriefe	14,613	15,268	14,789	15,520	14,994	15,727
therof derivatives	-	-	-	-	-	-
Cover Pool	16,945	18,853	17,317	19,313	17,297	19,325
therof derivatives	-	-	-	-	-	-
Over-collateralisation	2,332	3,585	2,528	3,793	2,303	3,598
Over-collateralisation in of Pfandbriefe outstanding	16.0%	23.5%	17.1%	24.4%	15.4%	22.9%
Legal Over-collateralisation ²⁾	583	603	296	310	-	-
Contractual Over-collateralisation ²⁾	-	-	-	-	-	-
Voluntary Over-collateralisation ²⁾	1,750	2,982	2,232	3,483	-	-
Over-collateralisation in consideration of vdp-credit-quality-differentiation model	2,329	3,581	2,524	3,789	-	-
Over-collateralisation in of Pfandbriefe outstanding	15.9%	23.5%	17.1%	24.4%	-	-

¹⁾ For the calculation of risk net present value the dynamic rate method is applied according to section 5 (1) no. 1 PfandBarwertV.

²⁾ The statutory over-collateralisation requirement is made up of the present value over-collateralisation in accordance with section 4 (1) PfandBG including interest and currency stress scenarios and the nominal value over-collateralisation in accordance with section 4 (2) PfandBG.

Maturity structure (remaining term) notional

in € million	Mortgage Pfandbriefe		Cover pool		Maturity postponement (12 month) ¹⁾	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
up to 0.5 years	972	1,094	2,334	2,777	-	-
more than 0.5 years to 1 year	2,248	900	2,679	2,577	-	-
more than 1 year to 1.5 years	2,889	971	2,213	1,376	972	1,094
more than 1.5 years to 2 years	1,562	2,996	1,626	2,373	2,248	900
more than 2 years to 3 years	2,151	4,440	3,303	3,381	4,451	3,966
more than 3 years to 4 years	1,470	1,013	1,721	2,484	2,152	4,441
more than 4 years to 5 years	86	620	1,505	1,568	1,470	1,013
more than 5 years to 10 years	929	847	1,513	2,196	849	1,256
more than 10 years	2,306	2,387	51	121	2,471	2,598
total	14,613	15,268	16,945	18,853	14,613	15,268

¹⁾ Effects of an postponement of maturity on the maturity structure of the Pfandbriefe/postponement scenario: 12 months. This is an extremely unlikely scenario, which would only take place after the appointment of a cover pool administrator.

Further cover assets for Mortgage Pfandbriefe as of 31 December 2025

in € million		Claims according section 19 (1) set 1 no. 2a) and b) PfandBG		Claims according section 19 (1) set 1 no. 3a) until c) PfandBG		Claims according section 19 (1) set 1 no. 4 PfandBG	Total
		Total	thereof: covered bonds	Total	thereof: covered bonds		
Germany	2025	-	-	-	-	189	189
	2024	-	-	-	-	250	250
Belgium	2025	-	-	-	-	100	100
	2024	-	-	-	-	-	-
France	2025	-	-	-	-	68	68
	2024	-	-	-	-	64	64
Ireland	2025	-	-	-	-	75	75
	2024	-	-	-	-	75	75
Latvia	2025	-	-	-	-	25	25
	2024	-	-	-	-	25	25
Luxembourg	2025	-	-	-	-	240	240
	2024	-	-	-	-	100	100
Slovenia	2025	-	-	-	-	50	50
	2024	-	-	-	-	50	50
Spain	2025	-	-	-	-	115	115
	2024	-	-	-	-	160	160
other States/Institutions	2025	-	-	-	-	-	-
	2024	-	-	-	-	-	-
Total of all countries	2025	-	-	-	-	862	862
	2024	-	-	-	-	724	724

Volume of claims used to cover Mortgage Pfandbriefe, split by countries where the property is located, and by property type

in € million	31.12.	thereof: residential						
		Total of used claims	Apartments	Single-and two-family houses	Multi-family houses	Buildings under construction	Building land	Total residential
Germany	2025	7,089	205	1	2,250	20	-	2,476
	2024	7,729	224	1	2,447	117	-	2,789
Belgium	2025	6	-	-	-	-	-	-
	2024	6	-	-	-	-	-	-
Finland	2025	401	-	-	116	-	-	116
	2024	362	-	-	72	-	-	72
France	2025	1,904	-	-	8	-	-	8
	2024	2,128	-	-	-	-	-	-
Great Britain	2025	967	-	-	-	-	-	-
	2024	1,180	-	-	-	-	-	-
Italy	2025	84	-	-	-	-	-	-
	2024	64	-	-	-	-	-	-
Luxembourg	2025	20	-	-	-	-	-	-
	2024	20	-	-	-	-	-	-
Netherlands	2025	676	-	-	155	-	-	155
	2024	789	-	-	277	-	-	277
Austria	2025	249	-	-	-	-	-	-
	2024	198	-	-	-	-	-	-
Poland	2025	1,350	-	-	-	-	-	-
	2024	1,286	-	-	-	-	-	-
Romania	2025	29	-	-	-	-	-	-
	2024	80	-	-	-	-	-	-
Sweden	2025	923	-	-	121	-	-	121
	2024	841	-	-	114	-	-	114
Slovakia	2025	70	-	-	-	-	-	-
	2024	71	-	-	-	-	-	-
Slovenia	2025	-	-	-	-	-	-	-
	2024	38	-	-	-	-	-	-
Spain	2025	342	-	-	40	-	-	40
	2024	322	-	-	-	-	-	-
Czech Republic	2025	312	-	-	-	-	-	-
	2024	447	-	-	-	-	-	-
Hungary	2025	139	-	-	-	-	-	-
	2024	139	-	-	-	-	-	-
Switzerland	2025	25	-	-	-	-	-	-
	2024	53	-	-	-	-	-	-
USA	2025	1,497	-	-	100	-	-	100
	2024	2,376	-	-	188	-	-	188
Other OECD countries	2025	-	-	-	-	-	-	-
	2024	-	-	-	-	-	-	-
Total of all countries	2025	16,083	205	1	2,790	20	-	3,016
	2024	18,129	224	1	3,098	117	-	3,440

Volume of claims used to cover Mortgage Pfandbriefe, split by countries where the property is located, and by property type

in € million	31.12.	thereof: commercial						
		Office buildings	Retail buildings	Industrial buildings	other commercially used buildings	Buildings under construction	Building land	Total commercial
Germany	2025	2,734	527	66	754	382	150	4,613
	2024	2,830	711	68	692	540	99	4,940
Belgium	2025	-	-	-	6	-	-	6
	2024	-	-	-	6	-	-	6
Finland	2025	176	53	-	56	-	-	285
	2024	177	84	-	29	-	-	290
France	2025	1,397	125	-	368	6	-	1,896
	2024	1,436	136	46	417	93	-	2,128
Great Britain	2025	305	153	26	483	-	-	967
	2024	424	219	27	510	-	-	1,180
Italy	2025	-	84	-	-	-	-	84
	2024	64	-	-	-	-	-	64
Luxembourg	2025	20	-	-	-	-	-	20
	2024	20	-	-	-	-	-	20
Netherlands	2025	214	113	-	194	-	-	521
	2024	187	108	-	217	-	-	512
Austria	2025	24	129	-	96	-	-	249
	2024	24	77	-	97	-	-	198
Poland	2025	543	315	-	492	-	-	1,350
	2024	530	254	-	502	-	-	1,286
Romania	2025	29	-	-	-	-	-	29
	2024	80	-	-	-	-	-	80
Sweden	2025	394	185	-	223	-	-	802
	2024	298	183	-	246	-	-	727
Slovakia	2025	-	-	-	70	-	-	70
	2024	-	-	-	71	-	-	71
Slovenia	2025	-	-	-	-	-	-	-
	2024	-	38	-	-	-	-	38
Spain	2025	26	78	-	198	-	-	302
	2024	78	88	-	156	-	-	322
Czech Republic	2025	58	92	54	108	-	-	312
	2024	91	93	121	142	-	-	447
Hungary	2025	78	49	-	12	-	-	139
	2024	78	49	-	12	-	-	139
Switzerland	2025	25	-	-	-	-	-	25
	2024	53	-	-	-	-	-	53
USA	2025	1,372	-	-	25	-	-	1,397
	2024	2,040	-	39	109	-	-	2,188
Other OECD countries	2025	-	-	-	-	-	-	-
	2024	-	-	-	-	-	-	-
Total of all countries	2025	7,395	1,903	146	3,085	388	150	13,067
	2024	8,410	2,040	301	3,206	633	99	14,689

Claims used to cover Mortgage Pfandbriefe

in € million	Total amount of payments in arrears for at least 90 days		Total amount of these claims in as much as the respective amount in arrears is at least 5% of the claim	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Germany	1	-	-	-
France	-	-	-	-
Spain	-	-	-	-
Total of all countries	1	-	-	-

Claims used to cover Mortgage Pfandbriefe by size group

in € million	31.12.2025	31.12.2024
up to €300 thousand	26	37
more than €300 thousand up to €1 million	74	90
more than €1 million up to €10 million	1,158	1,233
more than €10 million	14,825	16,769
Total	16,083	18,129

Key figures about outstanding Mortgage Pfandbriefe and cover pool used

in € million	31.12.2025	31.12.2024
Outstanding Mortgage Pfandbriefe	14,613	15,268
thereof fixed-rate Pfandbriefe	89.4%	88.5%
Cover pool	16,945	18,853
thereof total amount of claims which exceed the limits according to section 13 (1) set 2 PfandBG	-	-
thereof total amount of the claims according section 19 (1) PfandBG which exceed the limits according to section 19 (1) set 7 PfandBG	-	-
total amount of the claims which exceed the limits according to section 19 (1) no. 2 PfandBG	-	-
total amount of the claims which exceed the limits according to section 19 (1) no. 3 PfandBG	-	-
total amount of the claims which exceed the limits according to section 19 (1) no. 4 PfandBG	-	-
thereof fixed-rate cover assets	63.4%	59.8%
"Net present value pursuant to section 6 (1) of the PfandbriefBarwertV for each foreign currency in € (section 28 (1) no. 14 PfandBG [Net Total of asset/liability])"		
CHF	27	55
DKK	-	-
GBP	717	921
JPY	-	-
NOK	-	-
SEK	-3	294
USD	1,008	918
Volume-weighted average time in years (seasoning)	4.0	3.9
Weighted average loan-to-value ratio	56.7%	57.1%
Weighted average loan-to-value ratio, based upon the market value – optional –	36.2%	36.5%
Key figures regarding liquidity according section 28 (1) set 1 no. 6 PfandBG		
Largest negative amount within the next 180 days within the meaning of section 4 (1a) s. 3 PfandBG for Pfandbriefe (Liquidity requirement)	508	504
Day on which the largest negative sum occurs	117	45
Total amount of cover assets meeting the requirements of section 4 (1a) s. 3 PfandBG (Liquidity coverage)	835	744
Key figures on derivatives according section 28 (1) no. 7 PfandBG		
share of derivative transactions included in the cover pools according section 19 (1) s. 1 no. 1 PfandBG (credit quality step 3)	-	-
share of derivative transactions included in the cover pools according section 19 (1) s. 1 no. 2 c PfandBG (credit quality step 2)	-	-
share of derivative transactions included in the cover pools according section 19 (1) s. 1 no. 3 PfandBG (credit quality step 1)	-	-
share of derivative transactions in liabilities to be covered according section 19 (1) s. 1 no. 1 PfandBG (credit quality step 3)	-	-
share of derivative transactions in liabilities to be covered according section 19 (1) s. 1 no. 2 c PfandBG (credit quality step 2)	-	-
share of derivative transactions in liabilities to be covered according section 19 (1) s. 1 no. 3 d PfandBG (credit quality step 1)	-	-
Key figures according section 28 (1) s. 1 no. 15 PfandBG	-	-
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Art. 178 (1) CRR is deemed to have occurred.	1%	-

List of International Securities Identification Numbers of the International Organisation for Standardisation (ISIN)

31.12.2025	31.12.2024
DE000A11QAU6, DE000A254ZN3, DE000A2AAV88, DE000A2AAVX2, DE000A2E4Y05, DE000A2E4Y39, DE000A2E4ZA7, DE000A2GSLB8, DE000A2GSLQ6, DE000A2GSLV6, DE000A2NB96, DE000A2YNNV9, DE000A2YNNV3, DE000A30WF19, DE000A30WF27, DE000A30WF68, DE000A30WFU3, DE000A31RJ11, DE000A31RJ29, DE000A31RJ45, DE000A31RJ52, DE000A31RJ60, DE000A31RJS7, DE000A31RJV1, DE000A31RJZ2, DE000A382624, DE000A382632, DE000A382640, DE000A382673, DE000A3826W6, DE000A3826X4, DE000A3826Y2, DE000A3826Z9, DE000A3E5K73, DE000A3E5K99, DE000A3E5KZ2, DE000A3T0X63, DE000A3T0YB8, DE000A3T0YE2, DE000A3T0YF9, DE000A3T0YH5, DE000A3T0YL7	DE000A11QAU6, DE000A13SV24, DE000A13SV65, DE000A1RFBQ3, DE000A254ZN3, DE000A2AAV88, DE000A2AAVX2, DE000A2E4Y05, DE000A2E4Y39, DE000A2E4ZA7, DE000A2GSLB8, DE000A2GSLP8, DE000A2GSLQ6, DE000A2GSLV6, DE000A2NB96, DE000A2YNNVM8, DE000A2YNNV9, DE000A2YNNV3, DE000A30WF01, DE000A30WF19, DE000A30WF27, DE000A30WF68, DE000A30WF92, DE000A30WFS7, DE000A30WFU3, DE000A30WFZ2, DE000A31RJ03, DE000A31RJ11, DE000A31RJ29, DE000A31RJ37, DE000A31RJ45, DE000A31RJ52, DE000A31RJ60, DE000A31RJP3, DE000A31RJS7, DE000A31RJV1, DE000A31RJZ2, DE000A3826W6, DE000A3826X4, DE000A3826Y2, DE000A3826Z9, DE000A3E5K73, DE000A3E5K99, DE000A3E5KW9, DE000A3E5KZ2, DE000A3T0X63, DE000A3T0YB8, DE000A3T0YC6, DE000A3T0YD4, DE000A3T0YE2, DE000A3T0YF9, DE000A3T0YG7, DE000A3T0YH5, DE000A3T0YJ1, DE000A3T0YL7, DE000A3T0YM5

Enforcement measures (assets side nos. 2 and 3)

in € million	Number of cases		thereof: commercial		thereof: residential	
	2025	2024	2025	2024	2025	2024
Pending as of 31 December						
Forced sales	-	-	-	-	-	-
Administrative receiver-ship	-	-	-	-	-	-
therof included in pending forced sales	-	-	-	-	-	-
Forced sales in the current financial year	-	-	-	-	-	-

Properties acquired or purchased by auction (assets side items nos. 10 & 11): In the current and the previous financial year pbb did not take salvage acquisitions to avoid losses in mortgages.

Overdue interests (assets side items nos. 2 & 3): Total overdue interests to be paid by mortgage debtors (if not written off in previous periods) amounted to €1 million (31 December 2024: €0 million) for commercial purposes and to €0 million (31 December 2024: €0 million) for residential purposes.

Public Pfandbriefe outstanding and their cover

in € million	Notional		Present value		Risk-adjusted net present value ¹⁾	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Total outstanding						
Public Pfandbriefe	5,389	6,550	5,697	7,053	6,020	6,687
therof derivatives	-	-	-	-	-	-
Cover Pool	6,254	8,251	6,446	8,901	6,699	8,407
therof derivatives	-	-	-	-	-	-
Over-collateralisation	865	1,701	749	1,848	679	1,720
Legal Over-collateralisation ²⁾	220	266	114	141	-	-
Contractual Over-collateralisation ²⁾	-	-	-	-	-	-
Voluntary Over-collateralisation ²⁾	645	1,435	635	1,707	-	-
Over-collateralisation of Pfandbriefe outstanding	16.1%	26.0%	13.1%	26.2%	11.3%	25.7%
Over-collateralisation in consideration of vdp-credit-quality-differentiation model	862	1,676	745	1,823	-	-
Over-collateralisation in of Pfandbriefe outstanding	16.0%	25.6%	13.1%	25.8%	-	-

¹⁾ For the calculation of risk net present value the dynamic rate method is applied according to section 5 (1) no. 1 PfandBarwertV.

²⁾ The statutory overcollateralization requirement is composed of the net present value of statutory overcollateralization pursuant to section 4 (1) PfandBG, including interest rate and currency stress scenarios, and the nominal value of statutory overcollateralization pursuant to section 4 (2) PfandBG.

**Maturity structure (remaining term)
notional**

in € million	Public Pfandbriefe		Cover pool		Maturity postponement (12 month) ¹⁾	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
up to 0.5 years	155	242	233	265	-	-
more than 0.5 years to 1 year	101	393	508	289	-	-
more than 1 year to 1.5 years	226	188	295	235	155	242
more than 1.5 years to 2 years	211	601	210	548	101	393
more than 2 years to 3 years	1,084	435	899	505	436	789
more than 3 years to 4 years	99	1,083	518	801	1,084	435
more than 4 years to 5 years	272	99	718	412	100	1,083
more than 5 years to 10 years	2,800	1,466	1,902	1,406	1,473	1,352
more than 10 years	441	2,043	971	3,790	2,040	2,256
total	5,389	6,550	6,254	8,251	5,389	6,550

¹⁾ Effects of an postponement of maturity on the maturity structure of the Pfandbriefe / postponement scenario: 12 months. This is an extremely unlikely scenario, which would only take place after the appointment of a cover pool administrator.

Further cover assets for Mortgage Pfandbriefe as of 31 December 2025

in € million		Claims according section 20 (2) s.1 no. 3a) to c) PfandBG		Claims according section 20 (2) s.1 no. 4 PfandBG		Claims accord- ing section 20 (2) s.1 no. 2 PfandBG	Total
		Total	thereof: covered bonds	Total	thereof: covered bonds		
Germany	2025	-	-	-	-	-	-
	2024	-	-	-	-	-	-
Total of all countries	2025	-	-	-	-	-	-
	2024	-	-	-	-	-	-

Volume of claims used to cover Public Pfandbriefe

in € million	31.12.	Cover pool		thereof owned by				thereof guaranteed by			
		Total	thereof granted for reasons of promoting exports	Central state	Regional authorities	Local authorities	Other	Central state	Regional authorities	Local authorities	Other
Germany	2025	2,072	36	252	1,194	7	470	38	72	39	-
	2024	1,889	67	162	1,274	8	250	69	79	47	-
Belgium	2025	50	-	-	-	-	-	50	-	-	-
	2024	58	-	-	-	-	-	50	8	-	-
Finland	2025	10	-	-	-	10	-	-	-	-	-
	2024	13	-	-	-	13	-	-	-	-	-
France	2025	1,925	-	216	506	554	423	88	41	97	-
	2024	2,029	-	130	582	570	506	92	44	105	-
Great Britain	2025	140	-	-	11	129	-	-	-	-	-
	2024	153	-	-	12	141	-	-	-	-	-
Italy	2025	285	-	195	90	-	-	-	-	-	-
	2024	258	-	150	105	3	-	-	-	-	-
Netherlands	2025	18	18	-	-	-	-	18	-	-	-
	2024	24	24	-	-	-	-	24	-	-	-
Austria	2025	1,041	-	500	-	-	-	370	125	46	-
	2024	3,181	-	2,675	-	-	-	300	157	49	-
Portugal	2025	253	-	-	73	-	180	-	-	-	-
	2024	267	-	-	87	-	180	-	-	-	-
Slovakia	2025	100	-	100	-	-	-	-	-	-	-
	2024	100	-	100	-	-	-	-	-	-	-
Spain	2025	219	-	-	194	25	-	-	-	-	-
	2024	202	-	-	177	25	-	-	-	-	-
Japan	2025	-	-	-	-	-	-	-	-	-	-
	2024	-	-	-	-	-	-	-	-	-	-
Canada	2025	26	26	-	-	-	-	-	-	-	26
	2024	39	39	-	-	-	-	-	-	-	39
International Organisations	2025	115	-	-	-	-	115	-	-	-	-
	2024	38	-	-	-	-	38	-	-	-	-
Total of all countries	2025	6,254	80	1,263	2,068	725	1,188	564	238	182	26
	2024	8,251	130	3,217	2,237	760	974	535	288	201	39

As in the previous year, there were no payments in arrears of at least 90 days and no receivables in arrears of at least 5% of the receivable as at the balance sheet date.

Claims used as cover for Public Pfandbriefe according to their amount in tranches

in € million	31.12.2025	31.12.2024
up to €10 million	321	330
more than €10 million up to €100 million	2,558	2,882
more than €100 million	3,375	5,039
Total	6,254	8,251

Key figures about outstanding Public Pfandbriefe and cover pool used

in € million		31.12.2025	31.12.2024
Outstanding Public Pfandbriefe		5,389	6,550
thereof fixed-rate Pfandbriefe		86.5%	78.7%
Cover pool		6,254	8,251
thereof total amount of the claims according section 20 (1) and (2) PfandBG which exceed the limits laid down in section 20 (3) (section 28 (1) s. 1 no. 11 PfandBG)		-	-
claims which exceed the limits laid down in section 20 (2) no. 2 (section 28 (1) s. 1 no. 12 PfandBG)		-	-
claims which exceed the limits laid down in section 20 (2) no. 3 (section 28 (1) s. 1 no. 12 PfandBG)		-	-
thereof percentage share of fixed-rate cover assets		68.5%	72.8%
Net present value pursuant to section 6 (1) PfandbriefBarwerV for each foreign currency in € (section 28 (1) no. 10 PfandBG [Net Total of asset/liability])	CAD	-	-
	CHF	35	58
	GBP	128	124
	JPY	-	-
	USD	18	37
Key figures on liquidity according section 28 (1) no. 6 PfandBG		-	-
Largest negative amount within the next 180 days within the meaning of section 4 (1a) s. 3 PfandBG for Pfandbriefe (Liquidity Requirements)		2	139
Day on which the largest negative sum results		9	57
Total amount of cover assets meeting the requirements of section 4 (1a) s. 3 PfandBG (Liquidity coverage)		1,476	458
Key figures on derivatives according section 28 (1) s. 1 no. 7 PfandBG		-	-
share of derivative transactions included in the cover pools according section 19 (1) s. 1 no. 1 PfandBG (credit quality step 3)		-	-
share of derivative transactions included in the cover pools according section 19 (1) s. 1 no. 2c PfandBG (credit quality step 2)		-	-
share of derivative transactions included in the cover pools according section 19 (1) s. 1 no. 3 PfandBG (credit quality step 1)		-	-
share of derivative transactions in liabilities to be covered according section 19 (1) s.1 no. 1 PfandBG (credit quality step 3)		-	-
share of derivative transactions in liabilities to be covered according section 19 (1) s. 1 no. 2c PfandBG (credit quality step 2)		-	-
share of derivative transactions in liabilities to be covered according section 19 (1) s. 1 no. 3d PfandBG (credit quality step 1)		-	-
Key figures according section 28 (1) s. 1 no. 15 PfandBG		-	-
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Art. 178 (1) of CRR is deemed to have occurred.		-	1.0%

List of International Securities Identification Numbers of the International Organisation for Standardisation (ISIN)

31.12.2025	31.12.2024
DE0001468361, DE0008119504, DE0008153289, DE000A11QAR2, DE000A11QAS0, DE000A11QAW2, DE000A13SWG1, DE000A1EWJQ9, DE000A1R06C5, DE000A2AAVW4	DE0001468361, DE0008119504, DE0008153289, DE000A0B1K04, DE000A11QAR2, DE000A11QAS0, DE000A11QAW2, DE000A12UA83, DE000A13SWG1, DE000A1CR6S0, DE000A1EWJQ9, DE000A1R06C5, DE000A2AAVW4, DE000A31RJX7

39 Contingent Liabilities (Off-Balance-Sheet Item No. 1b)

Contingent liabilities from guarantees and indemnity agreements of €148 million (31 December 2024: €99 million) were granted in connection with banking business. Prior to granting, the potential guarantee or indemnity holders are subjected to a thorough credit assessment. Any subsequent credit deteriorations are closely monitored, and corresponding provisions are recorded, if appropriate. Potential risks from guarantee or indemnity agreements are reflected through the recognition of additional general allowances. In this connection, pbb does not have any indication that would suggest additional future defaults.

40 Other Commitments (Off-Balance-Sheet Item No. 2c)

The reported amount of irrevocable loan commitments of a total of €1,408 million (31 December 2024: €1,446 million) comprises commitments for mortgage loans of €1,380 million (31 December 2024: €1,375 million) and loan commitments to the public sector in the amount of €28 million (31 December 2024: €71 million). Prior to granting, potential borrowers are subjected to a thorough credit assessment. Any subsequent credit deteriorations are closely monitored, and corresponding provisions are recorded, if appropriate. Potential risks from irrevocable loan commitments are reflected through the recognition of additional general allowances. pbb does not have any indication that would suggest additional future defaults.

41 Off-Balance-Sheet Transactions and Other Financial Commitments

Non-terminable operate lease agreements for land and buildings existed as of 31 December 2025 and as of 31 December 2024.

Future minimum lease payments by maturities

in € million	31.12.2025	31.12.2024
up to 1 year	7	5
more than 1 year to 5 years	17	15
more than 5 years	6	4
Total	30	24

In recent years, pbb has utilised the option of not paying contributions to the European bank levy, the Deposit Protection Fund and the Compensation Scheme of German Banks in full, but in part in the form of an irrevocable payment obligation by providing cash collateral. As at 31 December 2025, the collateral provided for the European bank levy amounted to €42 million (31 December 2024: €42 million), for the Deposit Protection Fund €3 million (31 December 2024: €3 million) and for the Compensation Scheme of German Banks €7 million (31 December 2024: €6 million). In 2025, the collateral for the Compensation Scheme of German Banks was increased accordingly by €1 million (2024: increase of €2 million for the Compensation Scheme of German Banks). In addition, pbb is obliged to make additional contributions on request by means of additional contribution allocations. These represent a risk with regard to the financial position within the meaning of section 285 no. 3 HGB.

pbb recognises collateral in accordance with the meeting reports of the Banking Committee of the Institute of Public Auditors in Germany. This states that the transfer of cash and cash equivalents as cash collateral at the contributing institution (protection seller) leads to the recognition of a financial receivable from the protection buyer (restructuring fund) and to the derecognition of the cash and cash equivalents. The institution preparing the balance sheet must also check on each balance sheet date whether there is sufficient probability of a claim being made. To the extent that utilisation or an economic burden from the irrevocable payment obligation is expected in this case, a provision must be recognised.

A French bank that is independent of pbb has filed a lawsuit against the Single Resolution Board (SRB) for the European bank levy in order to obtain the return of its cash collateral following the return of its banking licence. On 13 November 2025, the Court of Justice of the European Union (CJEU) dismissed the French bank's appeal in the final instance. In pbb's opinion, no provision needs to be made, as pbb considers it unlikely that the SRB will call on the collateral. pbb's business operations are designed to continue (going concern assumption), which means that the return of the banking licence with the possible consequence of payment of the outstanding collateral is also considered unlikely.

Other financial obligations existing on the balance sheet date are within the normal scope of business.

As at 31 December 2025, there were no more contingent assets (31 December 2024: €15 million), as a payment was made in August 2025 as part of a settlement in connection with a legal dispute involving a predecessor company of pbb.

42 Legal Risks (Litigation Risks)

Given the nature of business and international expansion of activities and the large number of relevant requirements and regulations, pbb is involved in litigation, arbitration and administrative proceedings in some countries. pbb recognises provisions for the uncertain obligations arising from these proceedings if the potential outflow of resources is sufficiently likely and the amount of the obligation can be estimated. The probability of outflow of resources, which often cannot be estimated with certainty, is highly dependent on the outcome of the proceedings. The assessment of this probability and the quantification of the obligation are largely based on estimates. The actual liability can vary considerably from this estimate. Accounting for the individual legal procedure, pbb analyses developments of the individual case as well as of comparable cases. Depending on the significance and complexity of the respective case, pbb is drawing on its own expertise or opinions by external consultants and in particular by legal advisors. The provisions recognised for the proceedings are not reported separately as pbb believes that the outcome of the proceedings would be seriously compromised by their disclosure.

No proceedings exist for which the Management Board believes the probability of an out-flow of resources – or another impact on pbb's business activities – to be likely (or which are of material significance to pbb for other reasons) with an amount in dispute in excess of €5 million. However, pbb is subject to prudential proceedings, which bear the risk of a material outflow of resources, or another impact on pbb business activities.

43 Financial Derivatives

The financial derivatives are almost exclusively entered into to hedge interest rate and currency risks (only OTC products) within the context of our asset/liability management and as micro hedges. To that extent, the negative balance from the market values of the financial derivatives is generally offset with positive market values from corresponding hedged items. The counterparties of the derivatives are sovereigns, banks and financial institutions from OECD countries as well as customers. The customer derivatives are exclusively entered into in order to hedge risks in connection with a particular loan transaction.

Bilateral netting arrangements are concluded to reduce both economic risk and regulatory credit risk (counterparty default risk). In doing so, the positive and negative market values of derivative contracts included in one netting arrangement may be netted, and the future regulatory risk premiums for these products may be reduced. As a result of the netting process, the credit risk is reduced to one single net receivable from one individual counterparty.

These risk-reducing methods are used for both regulatory reporting and internal measurement and monitoring of credit exposures – only when these are enforceable upon the relevant business partner's insolvency in the respective jurisdiction. The enforceability is reviewed on the basis of legal opinions prepared for this purpose.

In addition, pbb enters into collateral agreements with its business partners to hedge the net receivable/liability resulting from the netting process (receive or provide collateral). This collateral management leads to credit risk mitigation by means of a timely (mostly daily) measurement and adjustment of the unsecured credit risk per counterparty.

As at 31 December 2025, the notional volume of the off-balance sheet derivatives amounted to €44,037 million (31 December 2024: €50,820 million). Under the mark-to-market method, the counterparty default risk exposure (before netting) currently amounts to €791 million (31 December 2024: €1,423 million), which corresponds to 1.8% (31 December 2024: 2.8%) of the notional volume. The fair value of the derivatives was calculated on the basis of generally recognised actuarial models (discounted cash flow method, Black-Scholes model, Hull-White model, Bachelier model).

**Financial derivatives
(before netting)**

in € million	Notional amounts				Fair value	
			positive		negative	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Interest-based transactions	40,055	46,459	757	1,408	1,421	2,024
OTC products						
Forwards	-	-	-	-	-	-
Interest rate swaps	31,807	38,919	748	1,385	1,409	1,995
Interest options	8,248	7,540	9	23	12	29
other interest derivative contracts	-	-	-	-	-	-
Currency-based transactions	3,982	4,361	34	15	11	80
OTC products						
Forward exchange transactions	1,963	1,974	5	4	7	28
Cross-currency swaps	2,019	2,387	29	11	4	52
Foreign exchange options	-	-	-	-	-	-
Total	44,037	50,820	791	1,423	1,432	2,104

Accrued interest

in € million	31.12.2025			31.12.2024
	Interest-based transactions	Currency-based transactions	Total	Total
Loans and advance to other banks (assets side item no. 2)	236	-5	231	235
Loans and advance to customers (assets side item no. 3)	3	-	3	2
Sundry assets (assets side item no. 11)	-	-	-	-
Liabilities to other banks (liabilities side item no. 1)	-242	-	-242	-324
Liabilities to customers (liabilities side item no. 2)	-2	-	-2	-7
Sundry liabilities (liabilities side item no. 5)	-	-	-	-
Total	-5	-5	-10	-94

Currency effect

in € million	31.12.2025			31.12.2024
	Interest-based transactions	Currency-based transactions	Total	Total
Sundry assets (assets side item no. 11)	-	36	36	8
Sundry liabilities (liabilities side item no. 5)	-	-3	-3	-59
Total	-	33	33	-51

Options and upfront premiums

in € million	31.12.2025			31.12.2024
	Interest-based transactions	Currency-based transactions	Total	Total
Prepaid expenses (assets side item no. 12)	55	-6	49	62
Deferred income (liabilities side item no. 6)	-103	-	-103	-132
Total	-48	-6	-54	-70

Pending loss provisions

	31.12.2025			31.12.2024
in € million	Interest-based transactions	Currency-based transactions	Total	Total
Other provisions (liabilities side item no. 7)	-	-	-	-

44 Credit Derivatives

As was the case in the previous year, pbb did not act as guarantor or as guarantee for credit derivatives.

45 Valuation Units

Interest rate derivatives are generally allocated to macro interest rate management. As at 31 December 2025 and 31 December 2024, there were no valuation units (micro-hedging relationships).

46 Auditor's fees

The fee for auditing services provided by Deloitte GmbH Wirtschaftsprüfungsgesellschaft related primarily to the audit of the consolidated financial statements and the annual financial statements, including statutory and contractual extensions of pbb's engagement. In addition, reviews of interim financial statements were performed.

Auditor's fees

in € thousand	2025	2024
Audit	2,101	1,844
Other assurance services	164	180
Tax advisory services	-	-
Other non-audit services	21	-
Total	2,286	2,024

Other assurance services primarily related to the audit pursuant to Section 89 of the German Securities Trading Act (WpHG) and the issuance of a comfort letter in connection with the issue of debt securities.

Other services related to the BaFin audit pursuant to Section 107 of the German Securities Trading Act (WpHG).

In addition, a fee of €76 thousand (2024: €71 thousand) was incurred internationally for audit services provided by the auditor's network companies.

The auditor's independence was not impaired by the services provided outside the audit.

47 Regulatory own funds

Regulatory own funds

in € million	31.12.2025	31.12.2024
Common Equity Tier 1 Capital (CET 1)	2,366	2,734
thereof items of CET 1	2,597	2,895
Subscribed capital acc. to Art. 26 (1) a) CRR	380	380
Additional paid-in capital acc. to Art. 26 (1) b) CRR	1,639	1,639
Retained earnings acc. to Art. 26 (1) c) CRR	439	737
Fund for general banking risks (§ 340g HGB) acc. to Art. 26 (1) f) CRR	139	139
thereof deductible items	-231	-161
Intangible assets acc. to Art. 36 (1) b) CRR	-50	-57
Impairment shortfall for IRBA risk positions acc. to Art. 36 (1) d) CRR	-90	-
Assets of defined benefit pension funds	-	-
Irrevocable payment obligations to deposit guarantee schemes and resolution funds	-52	-51
Other regulatory adjustments ¹⁾	-39	-53
Additional Tier 1 (AT 1) Capital	-	-
Tier 1 (T 1) Capital	2,366	2,734
Tier 2 (T 2) Capital	689	573
thereof items of T 2	689	573
Capital instruments and subordinated loans acc. to Art. 62 a) CRR incl. premium acc. to Art. 62 b) CRR	689	573
Credit risk adjustments acc. to Art. 62 d) CRR	-	-
Own funds	3,055	3,307

¹⁾ The item 'Retained earnings pursuant to Article 26(1)(c) CRR' includes the loss for the current financial year ending 31 December 2025. The item 'Value adjustment shortfall for IRBA risk positions pursuant to Art. 36 (1) (d) CRR' contains the expected loss shortfall as at the reporting date of 31 December 2025.

48 Board Members

Supervisory Board of pbb in financial year 2025

Name	Principal occupation	Supervisory Board memberships and other directorships in 2025
Function in Supervisory Board Initial appointment	Functions in the Committees of the Supervisory Board	
Dr Louis Hagen Chairman 25.5.2023	Lawyer and former Chairman of the Management Board of Münchner Hypothekenbank eG Chairman of the Executive and Nomination Committee and of the Remuneration Control Committee; Member of the Audit Committee and of the Risk Management and Liquidity Strategy Committee	LBBW Asset Management Investmentgesellschaft mbH, Stuttgart – Member of the Supervisory Board Baader Bank AG, Unterschleißheim – Member of the Supervisory Board (since 30.1.2025 Chairman)
Hanns-Peter Storr Member; Deputy Chairman 12.5.2021	Entrepreneur Chairman of the Risk Management and Liquidity Strategy Committee; Member of the Audit Committee and of the Executive and Nomination Committee (from 5 June 2025)	BHW Bausparkasse AG, Hameln – Member of the Supervisory Board
Karim Bohn Member 30.11.2023	Chief Financial Officer der Canyon Bicycles GmbH Member of the Audit Committee and of the Risk Management and Liquidity Strategy Committee	-
Gertraud Dirscherl Member 2.2.2022	Entrepreneur Chairwoman of the Audit Committee; Member of the Remuneration Control Committee, of the Risk Management and Liquidity Strategy Committee and of the Executive and Nomination Committee	Hans DEHN SE, Neumarkt i.d. Oberpfalz – Member of the Supervisory Board DEHN SE, Neumarkt i.d. Oberpfalz – Member of the Supervisory Board
Prof Dr Kerstin Hennig Member 19.7.2022	Professor Frankfurt School of Finance & Management Member of the Risk Management and Liquidity Strategy Committee	DWS Grundbesitz GmbH, Frankfurt/Main – Member of the Supervisory Board and from June 2025 Chairwoman of the Audit Committee Ehret & Klein AG, Starnberg – Member of the Supervisory Board (13 February 2024 to 31 January 2025)
Susanne Klöß-Braekler Member (until 5.6.2025) 12.5.2021	Independent Supervisory and Advisory Board Member, Investor, Senior Advisor Member of the Executive and Nomination Committee and of the Remuneration Control Committee (until 5.6.2025)	ING-DiBa AG, Frankfurt/Main – Chairwoman of the Supervisory Board Oddo BHF SE, Frankfurt/Main – Member of the Supervisory Board Cembra Money Bank AG, Zürich – Member of the Supervisory Board
Theresia Kirmaier Employee Representative (from 5.6.2025) 5.6.2025	Bank employee Member of the Executive and Nomination Committee (from 5.6.2025)	-
Georg Kordick Employee Representative (until 5.6.2025) 22.2.1990	Bank employee Member of the Executive and Nomination Committee (until 5.6.2025)	-
Britta Lehfeldt Member (from 5.6.2025) 5.6.2025	Supervisory Board Member Member of the Remuneration Control Committee (from 5.6.2025)	V-Bank AG, Munich – Member of the Supervisory Board
Olaf Neumann Employee Representative 12.5.2021	Bank employee Member of the Audit Committee	-
Jennifer Wendels Employee Representative 1.10.2024	Bankangestellte Member of the Remuneration Control Committee	-

Management Board of pbb in financial year 2025

Name	Function in the Management Board	Supervisory Board memberships
Kay Wolf	CEO CRO (16 March to 31 May 2025)	-
Thomas Köntgen	Deputy CEO Real Estate Finance Solutions	
Dr Pamela Hoerr	Member Real Estate Investment Solutions	-
Jörn Joseph	Member since 1 June 2025 CRO	
Andreas Schenk	Member until 15 March 2025 CRO	-
Marcus Schulte	Member CFO/Treasurer	-

49 Disclosures According to Section 340a (4) No. 1 HGB

In the financial years 2025 and 2024, neither the legal representatives nor other employees held offices in legally prescribed supervisory boards of large corporations within the meaning of section 267 (3) HGB.

50 Employees According to Section 285 No. 7 HGB**Average number of employees**

	2025	2024
Employees (excluding apprentices)	826	831
Thereof: senior staff in Germany	16	16
Total	826	831

51 Disclosures According to Section 285 No. 9 HGB**Provisions for pensions under HGB**

in € thousand	2025 ¹⁾	
	Additions/ reversals	Total
Management Board members who were in office during the financial year 2025	-7,705	14,099
Management Board members who retired prior to the financial year 2025	1,673	61,481
Total	-6,032	75,580

¹⁾ Provisions for pensions for members of the Management Board serving in the 2024 financial year amounted to €21,804 thousand. Provisions for pensions for members of the Management Board who left before the 2024 financial year amounted to €59,808 thousand as at 31 December 2024.

For the year 2025, pension payments for former members of the Management Board and their surviving dependants amounted to €4,932 thousand (2024: €4,867 thousand).

Remuneration paid to Management Board members of pbb

in € thousand	2025 ¹⁾	
	Remuneration	Total
Management Board members who were in office during the financial year 2025	4,852	4,852
Management Board members who retired prior to the financial year 2025	-	-
Total	4,852	4,852

¹⁾ The remuneration of the members of the Management Board in office in 2024 amounted to €4,747 thousand in 2024. In 2024, members of the Executive Board who left before the 2024 financial year did not receive any remuneration.

As of balance sheet date, there were no receivables to related persons from loans or advances or other commitments.

Remuneration paid to Supervisory Board members of pbb¹⁾

in € thousand	2025 ²⁾
	Total fixed remuneration
Supervisory Board members who were in office during the financial year 2025	754
Supervisory Board members who retired prior to the financial year 2025	-
Total	754

¹⁾ The remuneration of the Supervisory Board members in office in the 2024 financial year amounted to €729 thousand in 2024. Supervisory Board members who left before the 2024 financial year did not receive any remuneration in 2024 either.

²⁾ The remuneration of the employee representatives on the Supervisory Board, which they receive in addition to (and independently of) their Supervisory Board activities on the basis of their employment contracts, is not reported.

With the exception of the employee representatives on the Supervisory Board, who are remunerated by pbb for their activities within the scope of their employment contracts, members of pbb's Supervisory Board did not receive any remuneration for personal services rendered in 2025.

Amount of cash-settled share-based payment transactions

The total amount of outstanding virtual shares in relation to the share-based payment arrangements developed as follows:

Amount of cash-settled share-based payment transactions

Quantity (number)	2025	2024
Balance (outstanding) at 1.1.	548,750	423,503
granted during the reporting period	262,669	300,537
expired during the reporting period	-	-
exercised during the reporting period	220,234	175,290
Balance (outstanding) at 31.12.	591,185	548,750
of which: exercisable	-	-

The fair value of the virtual shares granted in the reporting period amounted to €2 million as at the balance sheet date (2024: €1 million). The obligation arising from share-based payment transactions amounted to €4 million as at 31 December 2025 (31 December 2024: €4 million). It is reported in the statement of financial position under provisions.

The virtual shares exercised in the reporting year were exchanged at a weighted average price of €5.73 per pbb share (2024: €4.29).

In the 2025 financial year, total expenses from share-based payment transactions amounted to less than €1 million (2024: less than €0.5 million).

€0.5 million was spent on former members of the Management Board (2024: €0 million).

52 Disclosures of Contingencies According to Section 34 (2) No. 4 RechKredV

Liabilities from contingencies within the meaning of section 251 HGB are disclosed off-balance sheet, as well as in the notes "Contingent Liabilities (Off-Balance-Sheet Item No. 1b)" and "Other commitments (Off-Balance-Sheet Item No. 2c)" as well as "Off-Balance-Sheet Transactions and Other Financial Commitments".

53 Disclosures According to Section 33 et seq WpHG

In accordance with Section 160 (1) No. 8 of the German Stock Corporation Act (AktG), information must be provided on the existence of shareholdings that have been reported to Deutsche Pfandbriefbank AG, Parkring 28, 85748 Garching, in accordance with Section 33 (1) and (2) of the German Securities Trading Act (WpHG). In accordance with the legal requirements, the reportable instruments notified in the 2025 financial year pursuant to Section 38 WpHG and voting rights

and instruments pursuant to Section 39 WpHG are disclosed below. All notifications of holdings were published by pbb in the 2025 financial year in accordance with Section 40 (1) of the German Securities Trading Act (WpHG) and are available on the internet at www.pfandbriefbank.com/investoren, among other places. Please note that the information on the holdings may now be out of date.

On 19 February 2025, The Goldman Sachs Group, Inc. Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801, USA, reported that it had fallen below the reporting threshold of 10% on 13 February 2025. The total reported shareholding amounted to 7,285,949 (5.42%), consisting of 639,358 (0.48%) voting rights on shares and 6,646,591 (4.94%) through instruments, measured against the total number of shares in Deutsche Pfandbriefbank AG of 134,475,308. In accordance with Section 34 of the German Securities Trading Act (WpHG), the shareholding was indirectly associated with 639,358 (0.48%) voting rights. In accordance with Section 38 (1) No. 1 of the German Securities Trading Act (WpHG), a 'right to recall' instrument was associated with 5,642,801 (4.20%) voting rights. Pursuant to Section 38 (1) No. 2 WpHG, 872,950 (0.65%) were associated with a swap instrument and 130,840 (0.10%) with a call warrant instrument, resulting in a share of voting rights of 1,003,790 (0.75%).

On 24 February 2025, The Goldman Sachs Group, Inc. Corporation Trust Centre, 1209 Orange Street, Wilmington, Delaware 19801, USA, reported that it had fallen below the 5% reporting threshold on 19 February 2025. The total reported shareholding amounted to 6,616,982 (4.92%), consisting of 715,627 (0.53%) voting rights on shares and 5,901,355 (4.39%) through instruments, measured against the total number of shares in Deutsche Pfandbriefbank AG of 134,475,308. In accordance with Section 34 of the German Securities Trading Act (WpHG), the shareholding was indirectly associated with 715,627 (0.53%) voting rights. In accordance with Article 38 (1) No. 1 of the German Securities Trading Act (WpHG), a right-to-recall instrument was associated with 4,835,809 (3.60%) voting rights. Pursuant to Section 38 (1) No. 2 WpHG, 897,722 (0.67%) were associated with a swap instrument and 167,824 (0.12%) with a call warrant instrument, resulting in a total share of voting rights of 1,065,546 (0.79%).

54 Consolidated Financial Statements according to Section 285 No. 14a HGB

pbb, as the ultimate parent company, prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are published in the German Company Register (Unternehmensregister). The consolidated financial statements are also available online under www.pfandbriefbank.com/en/investors.

55 Appropriation of Net Income according to Section 285 No. 34 HGB

The net loss for the year as at 31 December 2025 of €298 million was offset by a withdrawal of €298 million from other retained earnings.

56 Major Post Balance Sheet Date Events According to Section 285 No. 33 HGB

On 1 January 2026, legal ownership of the majority of the following companies in the Deutsche Investment Group was transferred: 89.9% of Deutsche Investment Kapitalverwaltung AG, 74.9% of DIR Deutsche Investment Retail GmbH, 100% of EB Immobilienmanagement GmbH, 100% of B worx Project GmbH and 100% of B worx Service GmbH. B worx Service GmbH holds 100% of B worx Facility Management GmbH. The acquirer was pbb invest GmbH (a wholly owned subsidiary of pbb Beteiligungs GmbH, which in turn is a wholly owned subsidiary of pbb). The voting rights correspond to the capital shares. As a result of the acquisition of ownership, pbb has controlled the acquirees since 1 January 2026. The base purchase price of €43 million was paid on 30 December 2025 as part of the closing.

On 27 February 2026, at the request of the ECB, the EBA took the view that the data published by the US Federal Reserve should be considered 'non-equivalent' for the purposes of the so-called hard test (EBA Q&A 2026_7688). As a result, the preferential treatment of real estate in the US previously used by pbb in calculating RWA would no longer apply on this basis (loss of LGD collateral privilege). pbb will carefully review this assessment and, if appropriate and binding, adjust its RWA calculation accordingly for the next quarterly reporting date. This adjustment would result in additional RWA of approximately €800 million and a reduction of approximately 1.2 percentage points in the CET1 ratio for the pbb Group (indicative figure based on the portfolio as at 31 December 2025). With the approval of the ECB, the

pbb Group is making use of the waiver provision under Article 7(3) CRR and is therefore exempt from determining the capital requirements at the level of the individual institution.

Furthermore, no events with a material impact on pbb's net assets, financial position and results of operations occurred after 31 December 2025.

57 Statement of Compliance with the German Corporate Governance Kodex

The statement of compliance with the German Corporate Governance Kodex in accordance § 161 AktG of Management Board and Supervisory Board is published online under www.pfandbriefbank.com/en/the-company/corporate-governance.html.

Munich, 3 March 2026

Deutsche Pfandbriefbank AG
The Management Board



Kay Wolf



Thomas Köntgen



Dr. Pamela Hoerr



Andreas Schenk



Marcus Schulte

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, these annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Deutsche Pfandbriefbank AG, Munich and the combined management report includes a fair view of the development and performance of the business and the position of the Bank, together with a description of the material opportunities and risks associated with the expected development of the Bank.

Munich, 3 March 2026

Deutsche Pfandbriefbank AG
The Management Board



Kay Wolf



Thomas Köntgen



Dr. Pamela Hoerr



Andreas Schenk



Marcus Schulte

Independent Auditor's Report

To Deutsche Pfandbriefbank AG, Munich/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Deutsche Pfandbriefbank AG, Munich/Germany, which comprise the balance sheet as at 31 December 2025, and the statement of profit and loss for the financial year from 1 January to 31 December 2025, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the parent and the group of Deutsche Pfandbriefbank AG, Munich/Germany, for the financial year from 1 January to 31 December 2025. In accordance with the German legal requirements, we have not audited the content of the sections "Most Important Intangible Resources", "Organisation and Principles of the Internal Controlling System" and "Appropriateness and Effectiveness of the Internal Control and Risk Management System" of the combined management report, which are marked as "unaudited", nor the content of the combined corporate governance statement in accordance with Section 289f and Section 315d German Commercial Code (HGB), including the further reporting on corporate governance included therein, and the separate combined non-financial report in accordance with Section 315b (3) and Section 289b (3) HGB, which are made reference to in the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- > the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2025 and of its financial performance for the financial year from 1 January to 31 December 2025 in compliance with German Legally Required Accounting Principles, and
- > the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the content of the sections "Most Important Intangible Resources", "Organisation and Principles of the Internal Controlling System" and "Appropriateness and Effectiveness of the Internal Control and Risk Management System" of the combined management report referred to above, nor the content of the combined corporate governance statement stated above, including the further reporting on corporate governance included therein, and of the separate combined non-financial report stated above.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law and of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other German professional responsibilities in accordance with these requirements and the IESBA Code. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the determination of risk provisioning in the lending business, which we have determined to be a key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

- a) description (including reference to corresponding information in the annual financial statements)
- b) auditor's response

Determination of Risk Provisioning in the Lending Business

- a) As at 31 December 2025, a total of bEUR 33.4 in loans and advances to customers and other banks are recognised in the annual financial statements of Deutsche Pfandbriefbank AG, which makes up 83.5% of total assets. The existing risk provisioning of mEUR 864 has already been deducted from these loans and advances. Risk provisioning includes both individually determined specific allowances of mEUR 715 and general allowances determined using a model-based approach of mEUR 149. Additional contingent liabilities and other commitments amount to bEUR 1.6, for which provisions of mEUR 4 have been made in the lending business, which fully relate to general allowances determined using a model-based approach.

The Bank assesses the recoverability of loans and advances in the lending business on a regular basis and whenever there are objective indications that the assets may be impaired. According to the procedures defined by the Bank, any need for impairment, i.e. a write-down to the lower fair value, is generally measured as the difference between the current carrying amount of the loans and advances and the expected future payments received. The expected future cash flows derived from probability-weighted scenarios are discounted at the initial effective interest rate of these loans or advances. The expected future cash flows take into account the marketability of collaterals such as land charges/mortgages. Where applicable, corresponding provisions are made for off-balance sheet transactions subject to either an imminent risk of utilisation by doubtful borrowers (guarantees, warranties) or to expected impairments due to payment obligations (irrevocable loan commitments).

Following the determination of risk provisions under IFRS, the Bank calculates general allowances on the basis of parameters. For determining general allowances, the Bank generally uses a model-based procedure based on the regulatory risk parameters (probability of default, loss given default) and on the rules agreed in the loan agreements underlying the loans and advances, such as contractually agreed cash flows. Regulatory risk parameters are transformed based on accounting requirements. General allowances are measured using different scenarios weighted by their probability of occurrence.

As at the balance sheet date 31 December 2025, a management overlay of mEUR 27 was added to the general allowances. To determine the management overlay for financial instruments of the non-impaired US portfolios, the loss given default as derived from long-term historical averages and calculated using a model-based approach is replaced with current realisation estimates. Furthermore, provisions in the amount of the expected loss over the residual term of the instruments were collectively recognised for all financial instruments in the portfolio.

Given the fact that the lending business is one of the Bank's core business activities and both individual and model-based measurements of loans and advances as well as the determination of the settlement amount of provisions as is necessary according to sound business judgement require the executive directors to make judgements and estimates, for example with respect to the design of the measurement models, estimates such as the expected future payments received, the measurement of collateral or other expected defaults, there is a higher risk that the amount of the risk provisioning, if necessary, may not be appropriate. This matter was of particular relevance as part of our audit since the recoverability of loans and advances in the lending business and, in correspondence with that, the appropriate determination of risk provisioning is prone to uncertainties.

The disclosures on the determination of risk provisioning in the lending business can be found in the notes to the financial statements in chapter 2 "Accounting and measurement policies", subsection "Allowances".

- b) Based on our risk assessment, our risk-based audit approach involved an examination of the relevant system of internal control and the performance of substantive procedures. The test of design and implementation and of operating effectiveness comprised the controls with respect to the processes for identifying indications for impairment (risk early recognition process), customer ratings as well as cash flow-based determination of impairment (determination of specific allowances). Moreover, we conducted a test of design and implementation and of operating effectiveness of the controls with respect to the determination of the general allowance.

In addition, we conducted an evaluation of the appropriate identification of indications for impairment based on individual cases selected according to risk aspects, as well as of the measurement of loans and advances for which the Bank considered it necessary to carry out an impairment test, including the acceptability of the estimated values. Within the scope of this evaluation, we particularly reviewed those methods, assumptions and data used by the executive directors for determining the estimated values. With respect to the measurement of loans and advances, we reviewed the underlying assumptions, especially the amount and timing as well as the discounting of expected future payments received in the different scenarios as well as their weighting. In this context, we also evaluated the measurement of collateral taken into account in the scenarios.

Furthermore, we traced the determined general allowances based on a representative sample and evaluated the methodology for deriving the management overlay and the appropriateness of the underlying assumptions, especially with respect to the identified credit portfolio and the adjustments of losses given default, in respect of realisation estimates.

For the purpose of assessing the determination of general allowances and assessing the measurement of collateral, we called in our internal specialists for property valuation and credit risk model assessment.

In addition, we audited the accuracy and completeness of the disclosures made in the notes to the financial statements.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- > the report of the supervisory board,
- > the combined corporate governance statement in accordance with Section 289f and Section 315d HGB including the further reporting on corporate governance included therein, to which reference is made in the combined management report,
- > the combined separate non-financial report in accordance with Section 315b (3) and Section 289b (3) HGB, to which reference is made in the combined management report and which is published together with the combined management report,
- > the executive directors' confirmations in accordance with Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB regarding the annual financial statements and the management report,
- > the unaudited content of the combined management report marked as "unaudited",
- > all other parts of the annual report,
- > but not the annual financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement in accordance with Section 161 German Stock Corporation Act (AktG) on the German Corporate Governance Code, which is part of the corporate governance statement. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- > is materially inconsistent with the annual financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- > otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- > identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- > obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- > evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- > conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- > evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- > evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- > perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Assurance on the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Assurance Opinion

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value a01cb19f2e9e361e653fff5c8fb80ddeb3520c133aaef69f8458cfade86bc0b, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this assurance work only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this assurance opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2025 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Assurance Conclusion

We conducted our assurance work on the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Assurance Standard: Assurance Work on the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- > identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- > obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- > evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- > evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 5 June 2025. We were engaged by the supervisory board on 13 and 22 August 2025. We have been the auditor of Deutsche Pfandbriefbank AG, Munich/Germany, since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the assured ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR ENGAGEMENT

The German Public Auditor responsible for the engagement is Martin Kopatschek.

Munich/Germany, 4 March 2026

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Martin Kopatschek
Wirtschaftsprüfer
(German Public Auditor)

Isabelle Maurer
Wirtschaftsprüferin
(German Public Auditor)

TRANSLATION

– German version prevails –

Appendix to the Annual Financial Statements 2025

COUNTRY-BY-COUNTRY-REPORTING

The requirements of Article 89 CRD on country-by-country reporting were incorporated into German law by Section 26a of the German Banking Act (KWG). In the 2025 and 2024 financial years, no company or branch or representative office of pbb received any public aid. The ratio of net profit/loss to the statement of financial position of the pbb Group was -0.7% as at 31 December 2025 (31 December 2024: 0.2%). The other disclosures required by section 26a of the German Banking Act are contained in the following table:

Country-by-Country Reporting (Additional statement according to Section 26a KWG) as of 31 December 2025

Type of business	Name and place of business	Country	Number of employees ¹⁾	Revenue ²⁾ 3) (in € million)	Income/loss before tax ³⁾ (in € million)	Income taxes ³⁾ (in € million)
Deposit taking credit institution						
	Deutsche Pfandbriefbank AG, Munich	Germany	690	421	-216	-34
Branch of a deposit taking credit institution						
	Deutsche Pfandbriefbank AG, London branch	United Kingdom	31	12	-	-
	Deutsche Pfandbriefbank AG, Madrid branch	Spain	27	3	-	-
	Deutsche Pfandbriefbank AG, Paris branch	France	26	7	-	-
	Deutsche Pfandbriefbank AG, Stockholm branch	Sweden	10	3	1	-
	Deutsche Pfandbriefbank AG, Amsterdam branch	Netherlands	2	-	-	-
Representative office of a deposit taking credit institution						
	Deutsche Pfandbriefbank AG, representative office New York	USA	7	9	3	-
Provider of ancillary services						
	IMMO Invest Real Estate GmbH, Munich	Germany	-	-	-	-
	Niagara Asset Management LLC, Wilmington	USA	-	-11	-11	-
	Alabama One Asset Management LLC, Atlanta	USA	-	-	-4	-
	Alabama Two Asset Management LLC, Atlanta	USA	-	-6	-6	1
	Alabama Three Asset Management LLC, Atlanta	USA	-	-5	-6	-1
	Alabama Four Asset Management LLC, Atlanta	USA	-	-	-	-
	Alabama Five Asset Management LLC, Atlanta	USA	-	-6	-6	-
	Alabama Six Asset Management LLC, Atlanta	USA	-	-5	-5	-
	pbb Beteiligungs GmbH, Munich	Germany	-	-	-	-
	pbb Invest GmbH	Germany	1	-	-	-

¹⁾ Full-time equivalents excluding trainees, interns/working students and temporary employees with a fixed-term contract of less than one year.

²⁾ Operating income as Revenue equivalent.

³⁾ Figures before consolidation.

Future-oriented statements

This report contains future-oriented statements in the form of intentions, assumptions, expectations or forecasts. These statements are based on the plans, estimates and predictions currently available to the management board of pbb. Future-oriented statements therefore only apply on the day on which they are made. We do not undertake any obligation to update such statements in light of new information or future events. By their nature, future-oriented statements contain risks and factors of uncertainty. A number of important factors can contribute to actual results deviating considerably from future-oriented statements. Such factors for example geopolitical crises, the condition of the financial markets in Germany, Europe and the USA, the possible default of borrowers or counterparties of trading companies, the reliability of our principles, procedures and methods for risk management as well as other risks associated with our business activity.

Imprint

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The German version of these Annual Financial Statements and of the Combined Management Report are the authoritative versions and only these German versions were audited by the auditors.

Representation of personal names and personal words

The masculine form is used to improve the readability of personal designations and personal words. These terms apply to all genders.