

pbb Deutsche Pfandbriefbank

Annual Results 2022

Analyst Presentation



09 March 2023

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Agenda

- 1. Introduction**
2. Operative highlights
3. Financial highlights
4. ESG
5. Strategic outlook
6. Summary
7. Appendix

pbb's growth strategy

We are expanding our leading position as a European specialist bank for commercial real estate financing to create added value for all our stakeholders



We intend to **grow** in our **core business** – commercial real estate financing

We are **expanding** our **commission business** based on our core competencies

We are **broadening** our **refinancing activities**



In all we do, we are fully committed to

- **expanding our green business** and footprint
- **digitalising our business** as well as our product and the services we provide and
- implementing our **people strategy to attract young talent**



We intend to remain a **reliable and attractive dividend stock** for long-term investors by playing an active role in driving the resilient development and green transformation of the real estate sector

Our ambition 2026

Building on our conservative-risk approach we want to accelerate growth to reach a higher profitability level with > 10% RoE before tax in 2026

We drive profitability in our core REF business and expand to capital-light business models

> 10% RoE before tax vs. 6.3% in 2022
Translating to > 9% RoE after tax¹ vs. 6.0% in 2022

We grow our franchise to lift profits above our historical target bandwidth of ~ € 200 mn PBT

> € 300 mn PBT vs. € 213 mn in 2022

We continue digitalisation and cost control efforts to maintain our strong efficiency (incl. investments)

< 45% CIR vs. ~ 46% in 2022/~ 40% in 2021

We continue our risk-conservative approach and keep solid capitalisation

> 14% CET1 ratio² vs. 16.7% in 2022

We continue our attractive dividend policy (valid 2023-2025) and let our shareholders participate in our success

50% + 25% payout ratio³
Dividend policy of 50% regular dividend plus 25% special dividend

1. Based on CET1 capital 2. Calibrated towards anticipated Basel IV levels (fully loaded) 3. Based on consolidated PAT attributable to shareholders acc. to IFRS and after AT1 coupon

Agenda

1. Introduction
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3. Financial highlights
4. ESG
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Results 2022

pbb demonstrates resilient business performance thanks to its robust business model



Strong resilience against market trend:
REF portfolio growth of + 6% to € 29.3 bn; stable new business¹ at € 9 bn



Exceptionally strong growth of pbb direkt by 38% to € 4.4 bn



Sound operative performance with pre-tax profit of € 213 mn within forecast range



Launch of Real Estate Investment Management to increase capital-efficient income



Strong capital base with CET1 ratio of 16.7% (Basel IV-calibrated)² provides flexibility for profitable growth opportunities



Attractive shareholder return with dividend proposal of € 0.95 per share (payout ratio³ of 75%)

1. Incl. extensions > 1 year 2. Calibrated towards anticipated Basel IV levels (fully loaded) 3. Based on consolidated PAT attributable to shareholders acc. to IFRS and after AT1 coupon

Operative highlights 2022

pbb is committed to continuing its resilient business development and ...

€ 9 bn

REF new business¹

~ 170 bp

Gross interest margin²
(REF new business)

+ € 1.7 bn

REF portfolio³; total € 29.3 bn

+ 37.5%

pbb direkt; total € 4.4 bn

1. Incl. extensions > 1 year 2. Net of FX-effects; gross revenue margin ~190 bp 3. Financing volume

Operative highlights 2022

... to leading the green transformation of the real estate sector

+ € 1.2 bn

Green Loans¹

11%

Green REF Portfolio share²
(24% on scored portfolio)

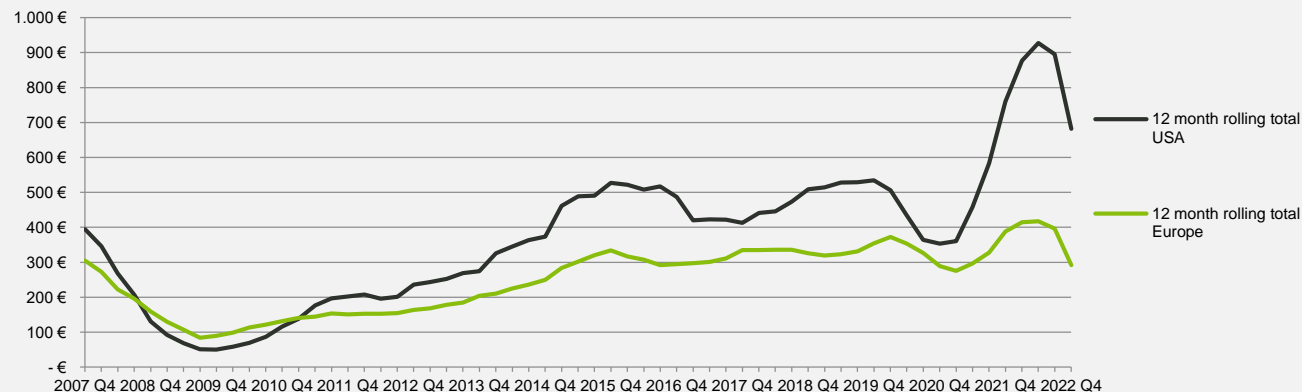
+ € 1.9 bn

Green Bonds³

€ 2.9 bn

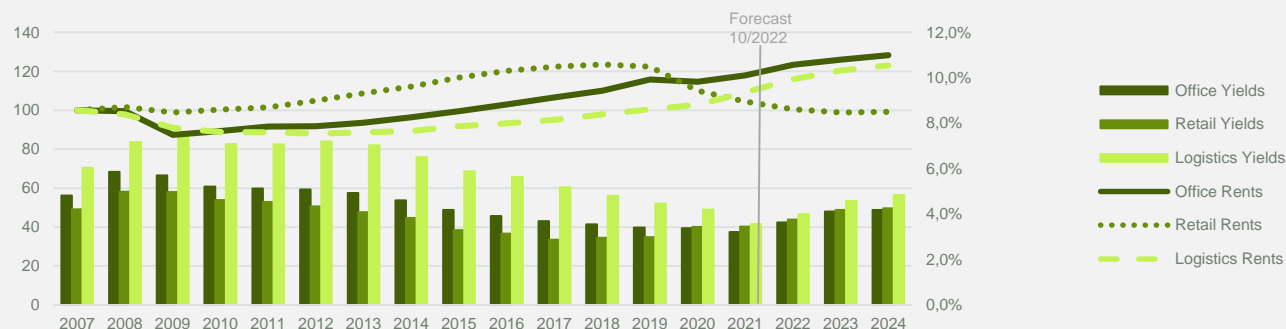
Green Bonds³ outstanding

European and US Investment volume¹ (€ bn)



- European and US CRE investment volumes declined significantly in Q4/22 as due to weak sentiment number of buyers and sellers fell to the lowest level since 2013
- Due to the ongoing difficult investment environment, it can be expected that deal volume will continue to face downward pressure
- Europe:
 - In general, values in 2022 were still relatively stable in almost all markets, but yields are now moving out
 - Prime office yields are increasing in all markets
 - Logistics expected to see relatively strong price decreases while residential values are expected to decline less

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



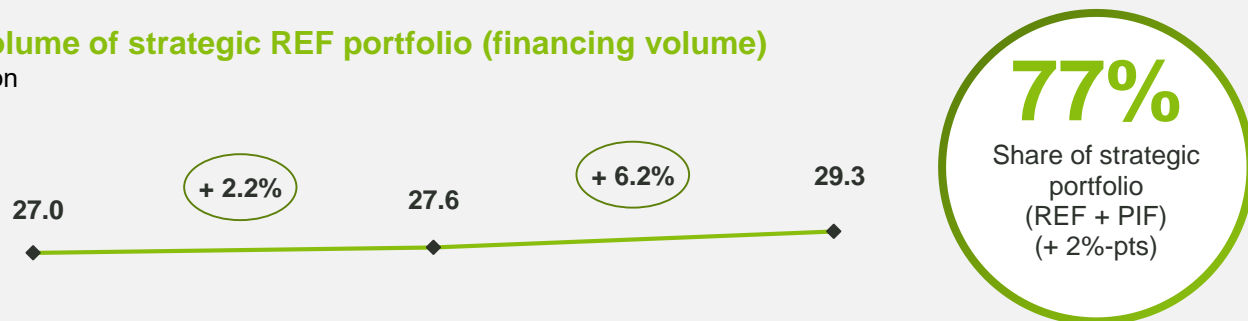
1. All property types. Based on independent reports of properties and portfolios over € 5 mn (over \$ 2.5 mn for US), USD to EUR = end years FX rates Source: Real Capital Analytics (RCA) 2. Source: pbb Property Market Analysis (PMA) as of October 2022

REF new business & portfolio

Strategic portfolio grows slightly while new business margins pick up in Q4

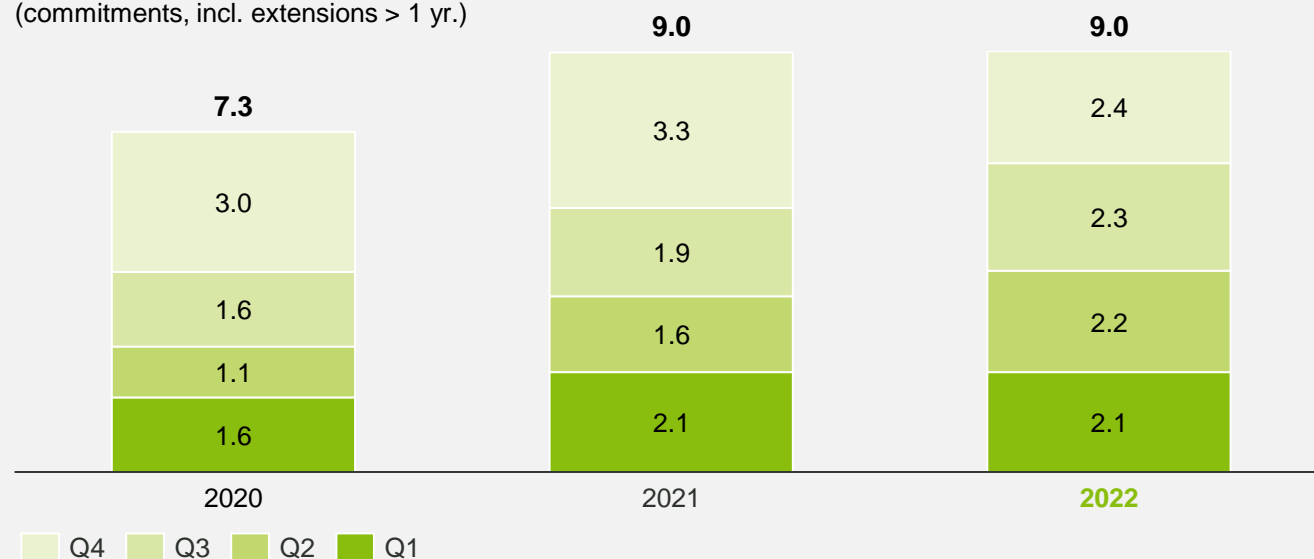
Volume of strategic REF portfolio (financing volume)

€ bn



New business in € bn

(commitments, incl. extensions > 1 yr.)



- Growth driven by strategic initiatives and low pre-payments
- Strong new business margin pick-up of 40bp in Q4/22 supports portfolio profitability
- Risk positioning unchanged with avg. LTV¹ of 54%

| New business | 2020 | 2021 | 2022 |
|---|-------|-------|-------|
| Share of extensions > 1 year (%) | 36 | 29 | 30 |
| Ø gross interest margin (bp) ² | ~ 180 | ~ 170 | ~ 170 |
| Ø LTV ¹ (%) | 54 | 56 | 54 |
| Ø Maturity ³ (yrs.) | ~ 4.3 | ~ 4.8 | ~ 4.3 |

1. New commitments; avg. LTV (extensions): 12M/22: 52%; 12M/21: 54% 2. Net of FX-effects; gross revenue margin ~190 bp 3. Legal maturities
Note: Figures may not add up due to rounding

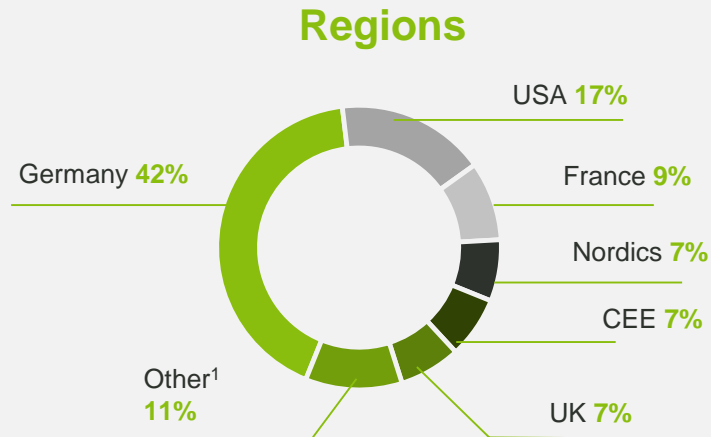
REF new business & portfolio

Diversification by countries and property types enables for flexible approach

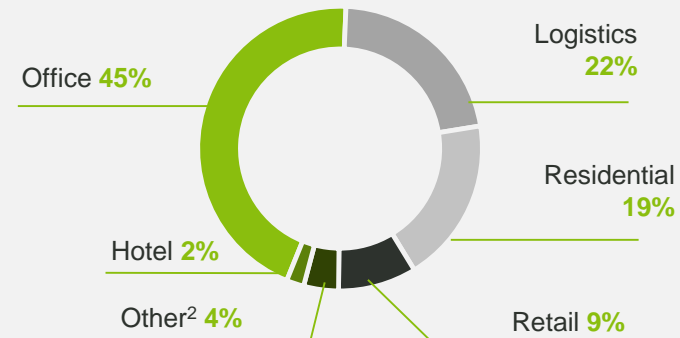
€ 9.0 bn

New business

(commitments, incl. extensions > 1 year)



Property types

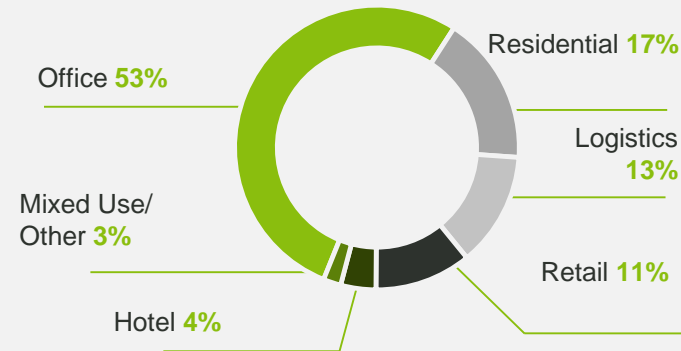
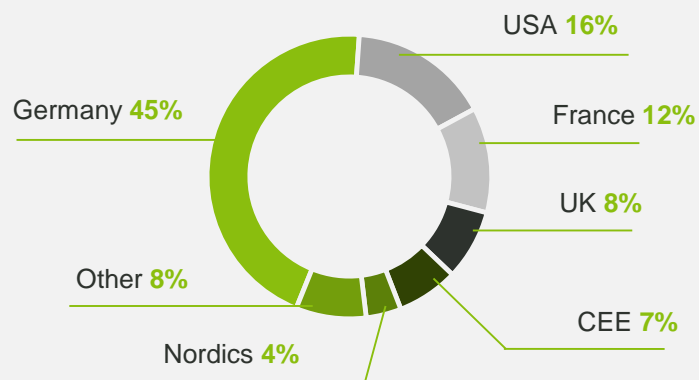


- New business 2022 with focus on Germany, USA, Nordics
- Main property types Office, Residential and Logistics
- No new commitments in property types Hotel and Retail Shopping Centres (except for extensions)
- REF portfolio with avg. LTV¹ of 51%

€ 31.0 bn

Portfolio

(EaD, Basel IV)



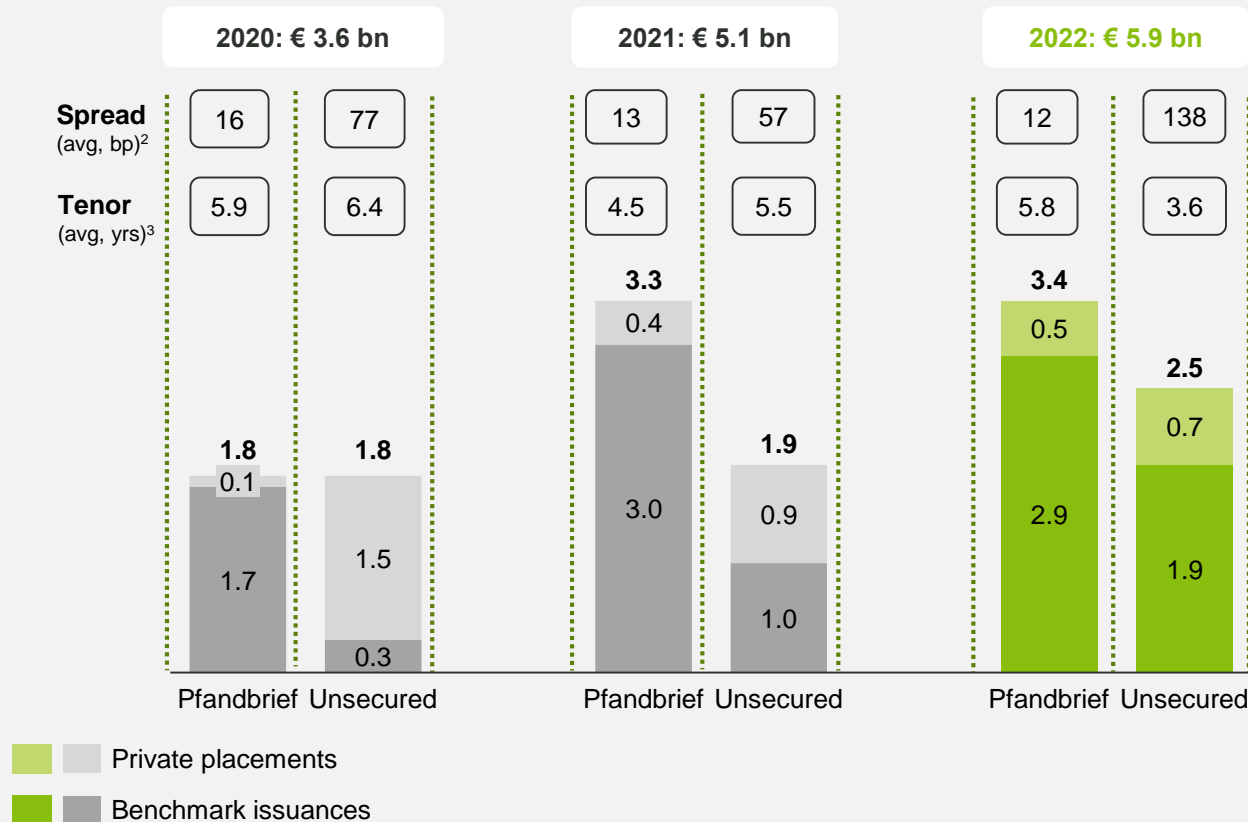
1. Netherlands, Austria, Belgium, Spain 2. Land 3. Based on performing investment loans only
Note: Figures may not add up due to rounding

Funding

Strong funding based on resilient and cost efficient Pfandbrief – unsecured funding increasingly shifted into more favorable retail deposit base

New long-term funding¹

€ bn



- Strong focus on benchmarks, asset matching currencies (USD, GBP, SEK) and green refinancing in 2022
- Pfandbrief funding with 4 benchmarks and 1 tap
- Unsecured funding dominated by Green Senior Preferred (3 benchmarks and 1 tap)
- As a trusted partner of retail investors, pbb increasingly leverages its retail deposit platform pbb direkt
- TLTRO of € 5.75 bn repaid in 2022 – remaining volume of € 2.65 bn to be repaid in 2023/24

Development of pbb direkt volume

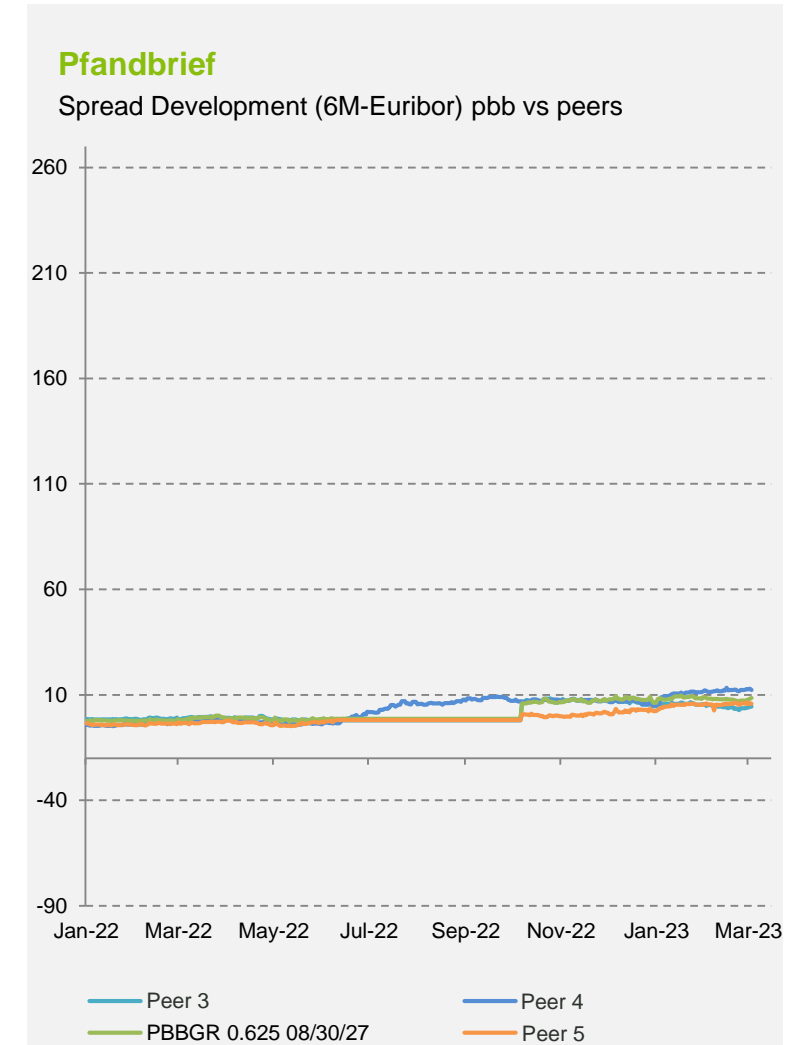
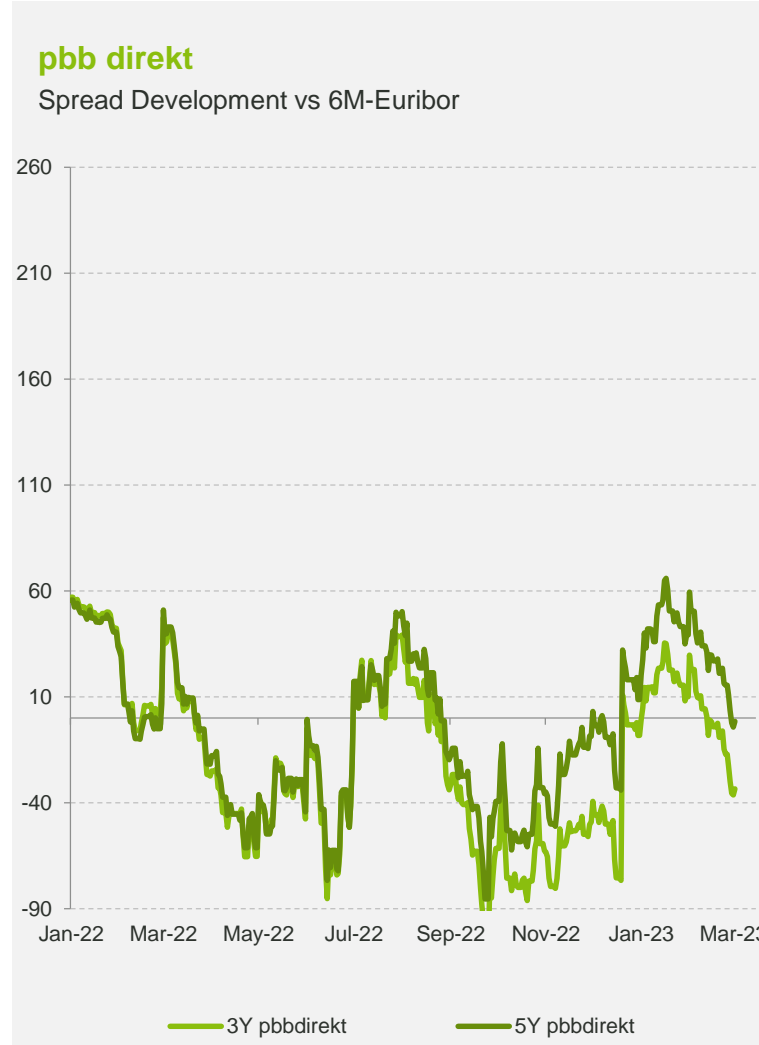
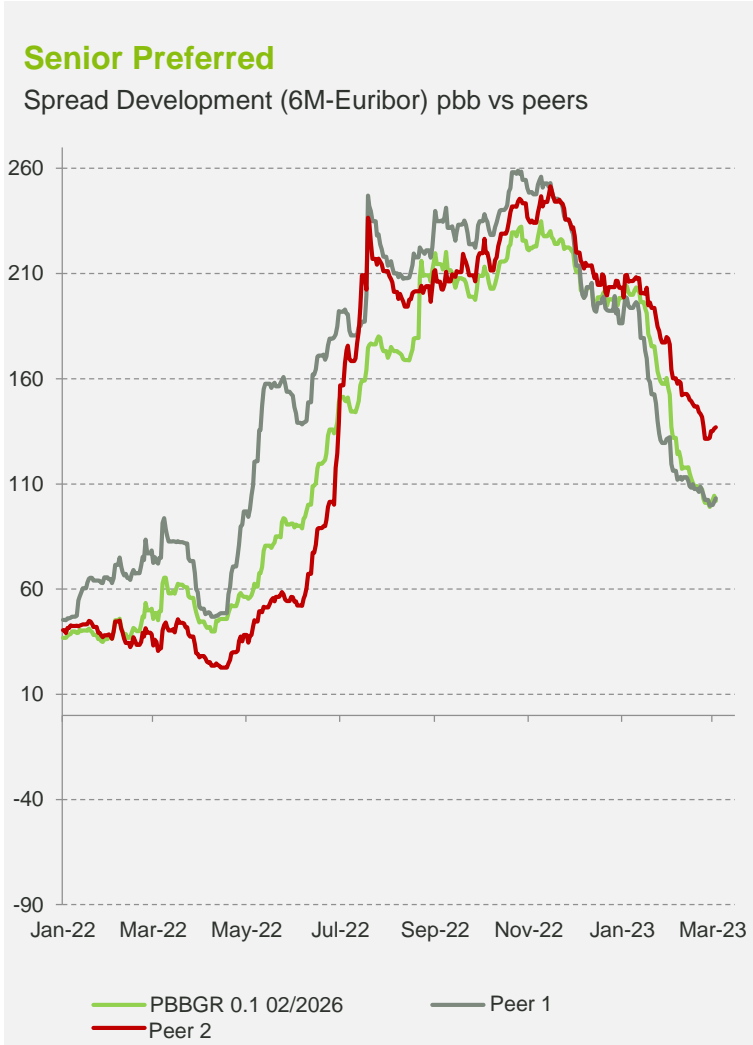
€ bn



1. Excl. retail deposit business and "own-use" Pfandbriefe 2. vs. 3M Euribor 3. Initial weighted average maturity 4. Excl. daily money
 Note: Figures may not add up due to rounding

Funding

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



Source: Bloomberg; Treasury

Agenda

1. Introduction
2. Operative highlights
- 3. Financial highlights**
4. ESG
5. Strategic outlook
6. Summary
7. Appendix

Financial highlights

pbb has a strong track record of delivering on guidance and shareholder return

€ 213 mn

PBT (RoE before tax of 6.3%)

16.7%

CET 1 ratio¹

€ 1.27

EPS

€ 0.95 / 75%

DPS

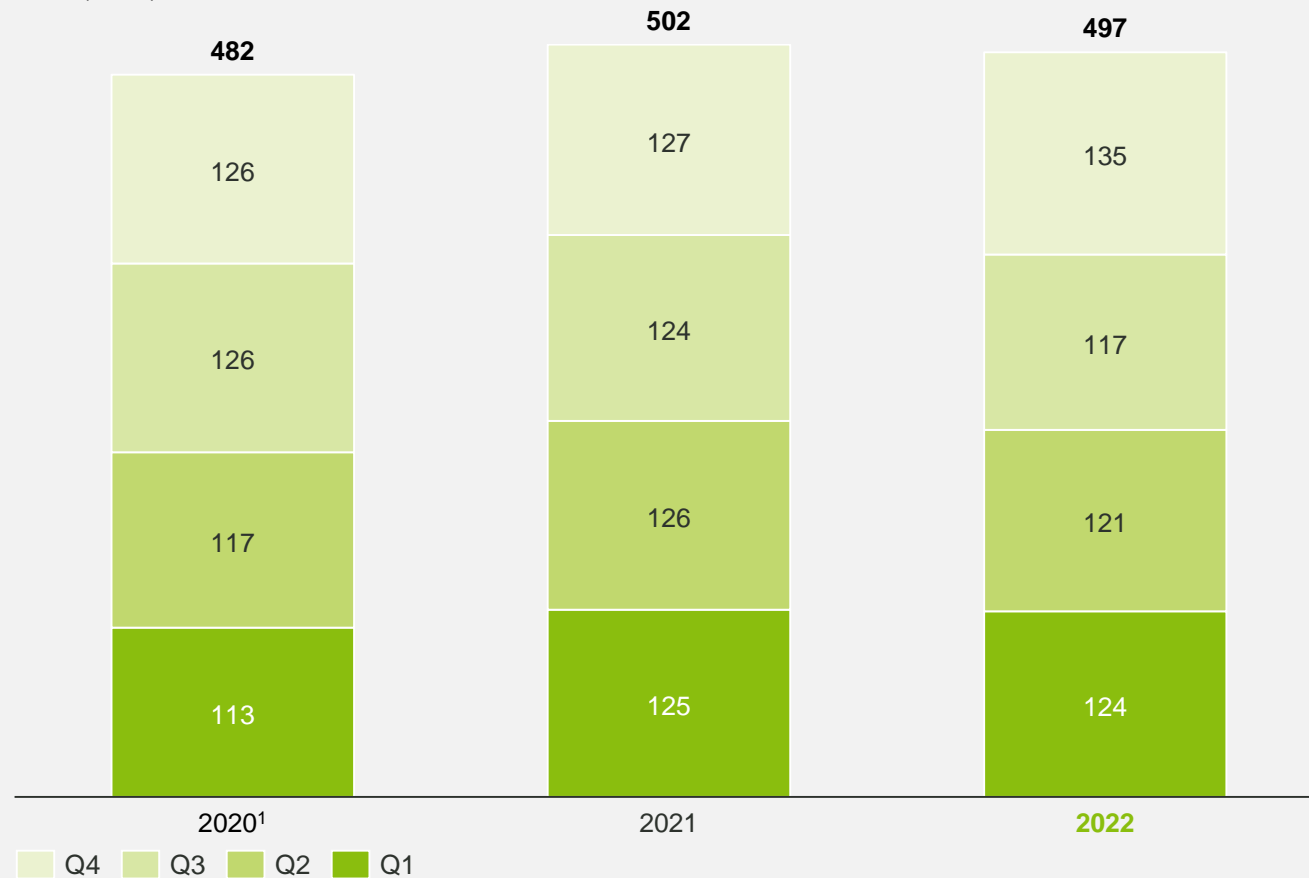
Payout Ratio²

Proposal for FY 2022

NII and NCI

pbb proves strong NII resilience – income from realisations significantly lower

NII and NCI
€ mn (IFRS)



- NII supported by resilient portfolio profitability and growth
 - + € 1.4 bn avg. REF financing volume
 - + € 1.2 bn build-up of favorable pbb direkt retail deposits
- New business line Real Estate Investment Management provides for capital efficient income (NCI) in the future

- Net income from realisations of € 15 mn significantly lower than the exceptionally high previous year level (2021: € 81 mn) which was supported by one-off gains

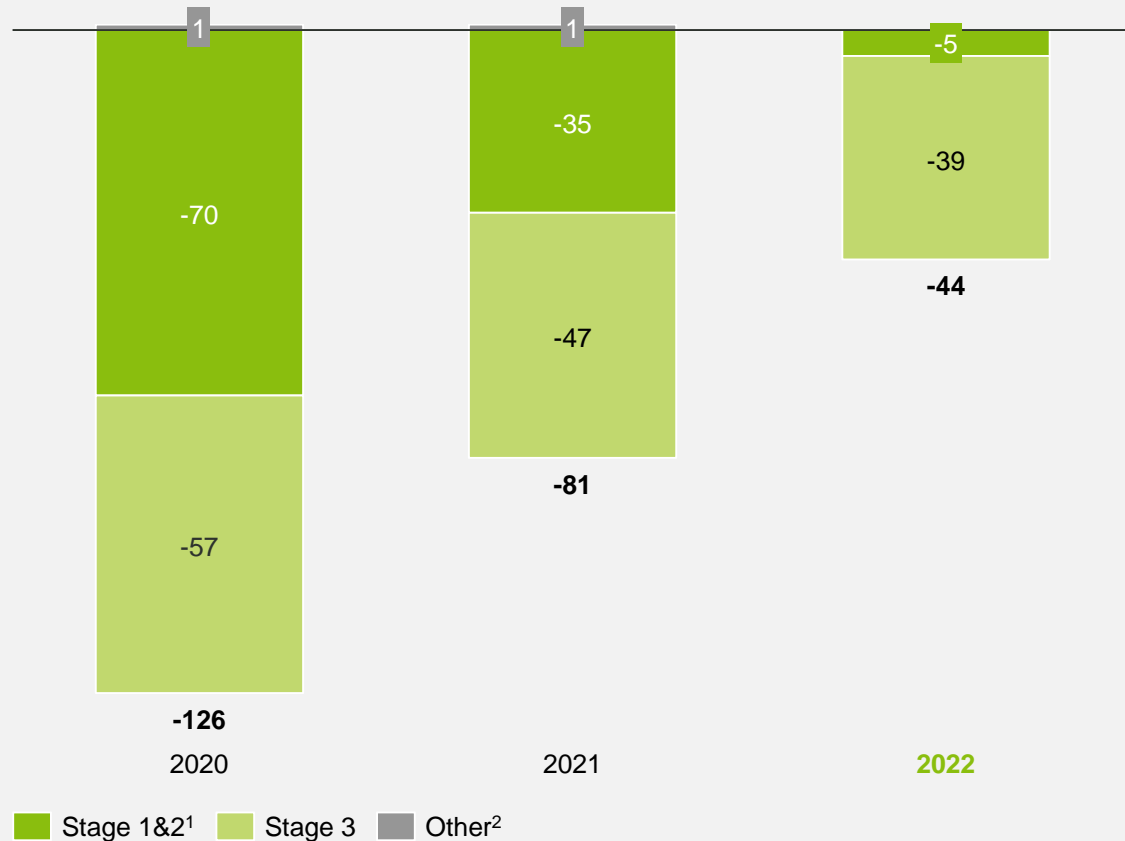
1. 2020 figures retrospectively adjusted according to IAS 8.42
Note: Figures may not add up due to rounding

Risk provisioning

Level of risk provisioning confirms risk conservative positioning throughout the cycle

Net income from risk provisioning

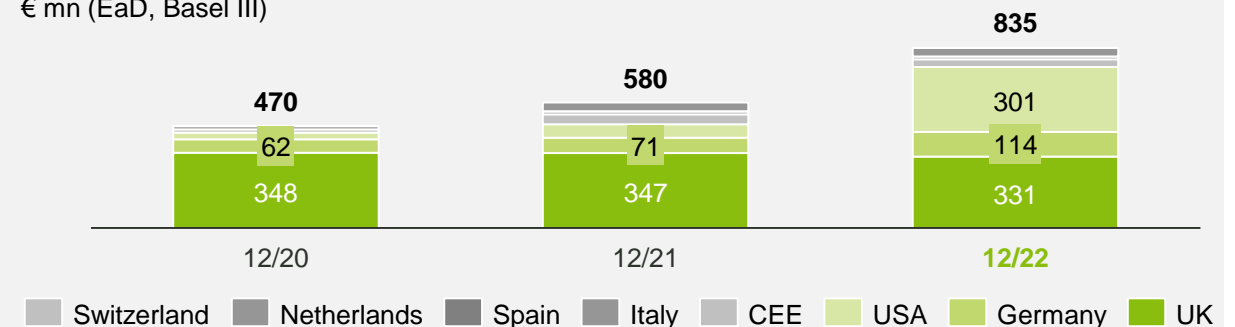
€ mn (IFRS)



- Stage 1&2: Net additions of - € 5 mn (Q4/22: net release € 7 mn) – improved macro and model parameter compensate for stage movements and increase in Management Overlay (€ 69 mn, covering potential office market risks incl. ESG transformation, potential deterioration and stagflation risks)
- Stage 3: Net additions of - € 39 mn (Q4/22: - €13 mn) mainly driven by shopping centres (esp. UK in H1/22)
- Non-performing loans (NPLs) up y-o-y by € 255 mn to € 835 mn due to new NPL loans (mainly US office in Q4/22) with almost no provisioning need
- NPL ratio³ of 1.6% remains on low level (09/22: 1.1%; 12/21: 1.0%)

Non-performing loans – regions

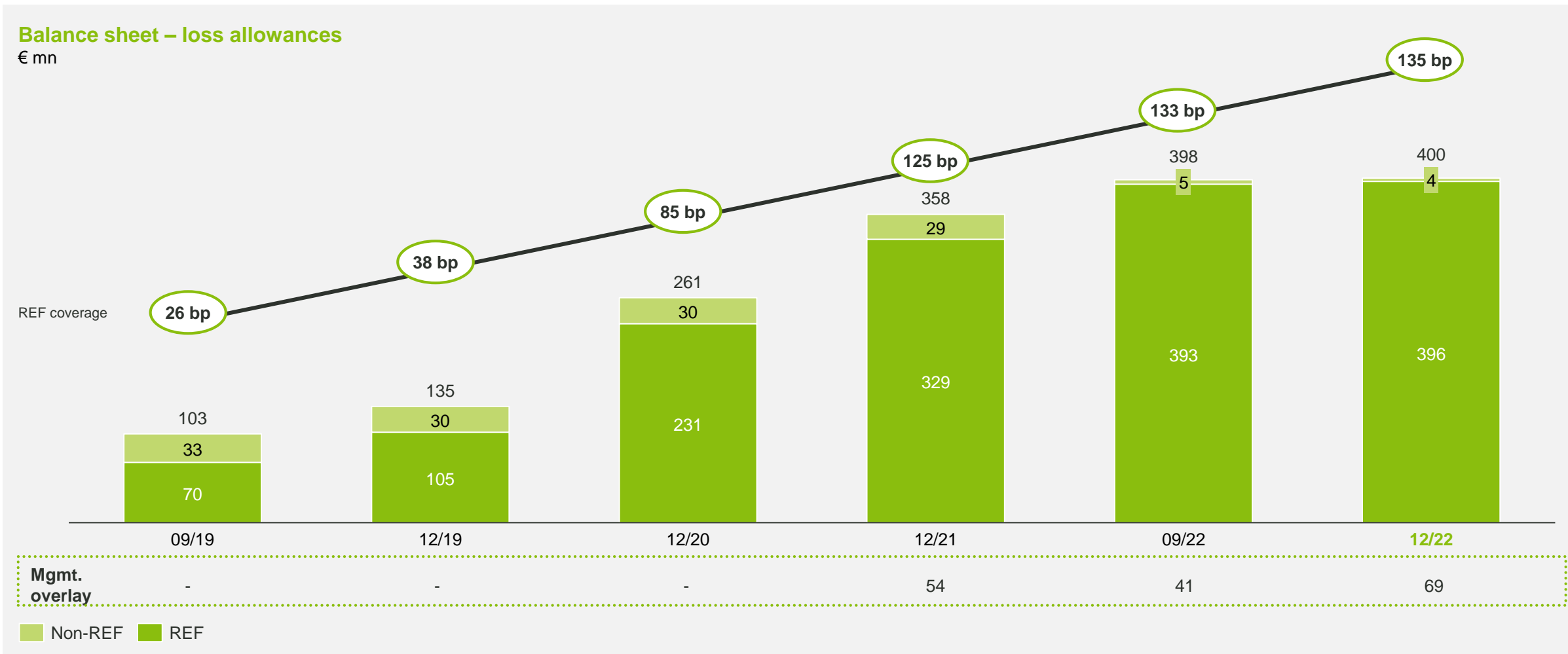
€ mn (EaD, Basel III)



1. Incl. provisions in off balance sheet lending business 2. Recoveries from written-off financial assets 3. NPL ratio = NPL volume/total assets
Note: Figures may not add up due to rounding

Risk provisioning

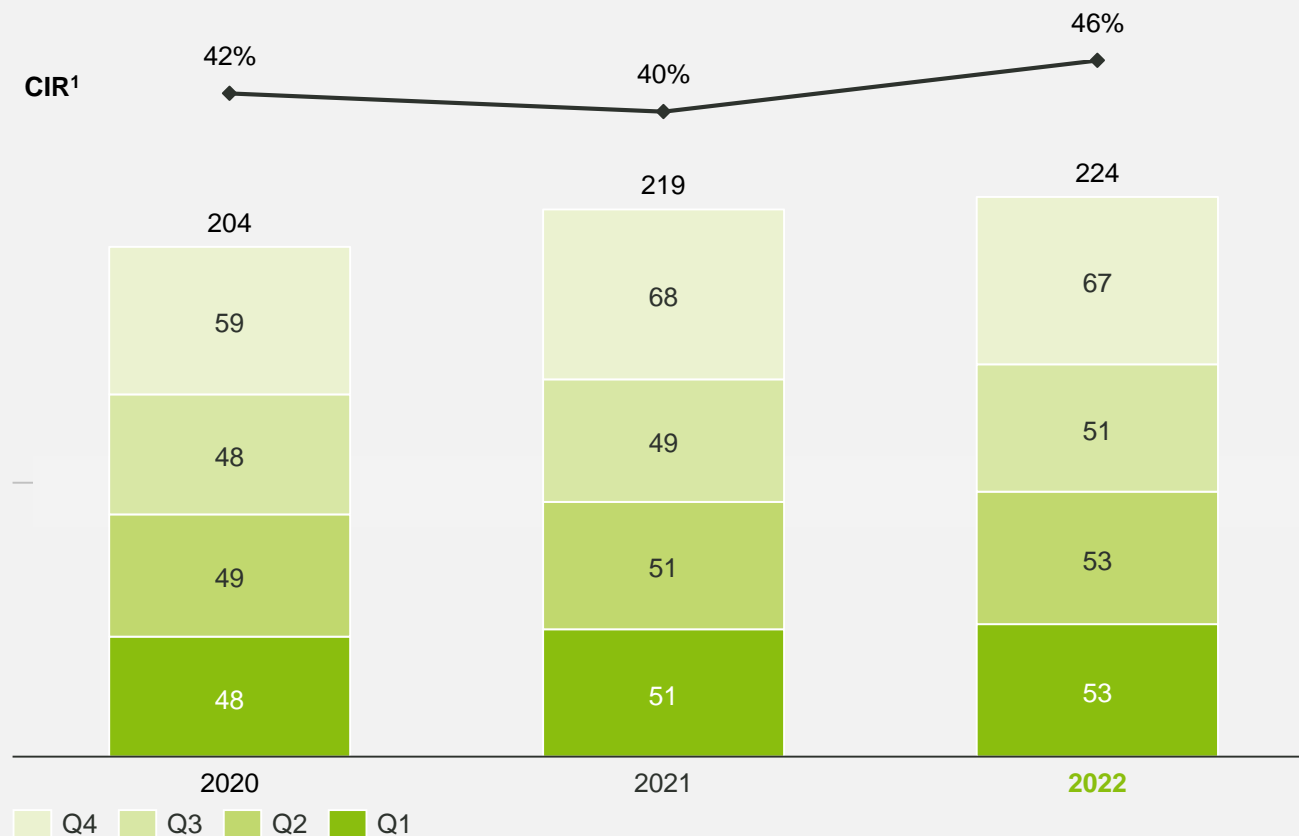
Comfortable buffer for challenges to come – conservative risk profile aims at a long-term sustainable provisioning level of 40-80bp on the REF portfolio throughout the cycle



Note: Figures may not add up due to rounding

General and admin. expenses

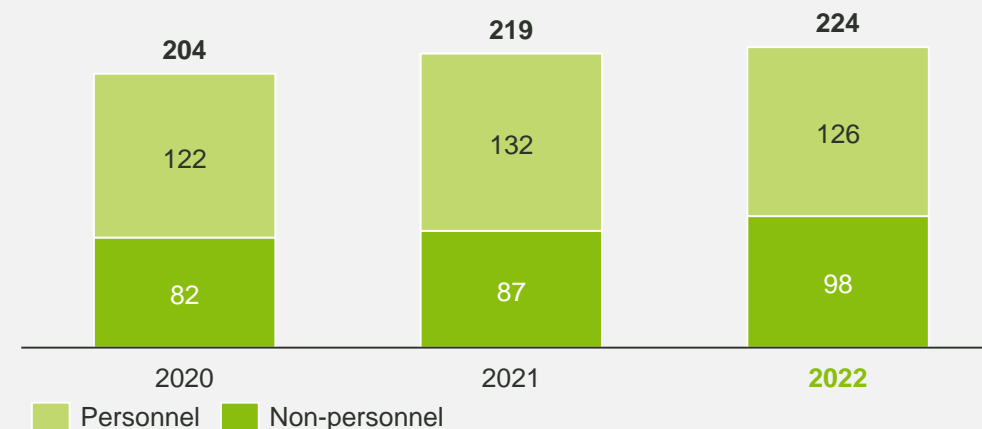
€ mn (IFRS)



- Cost discipline to remain integral part of strategy
- CIR on competitive level
- Investment in strategic projects to continue in difficult times, e.g., customer portal, digital credit workplace, ESG programme, Real Estate Investment Management

Personnel vs. non-personnel expenses

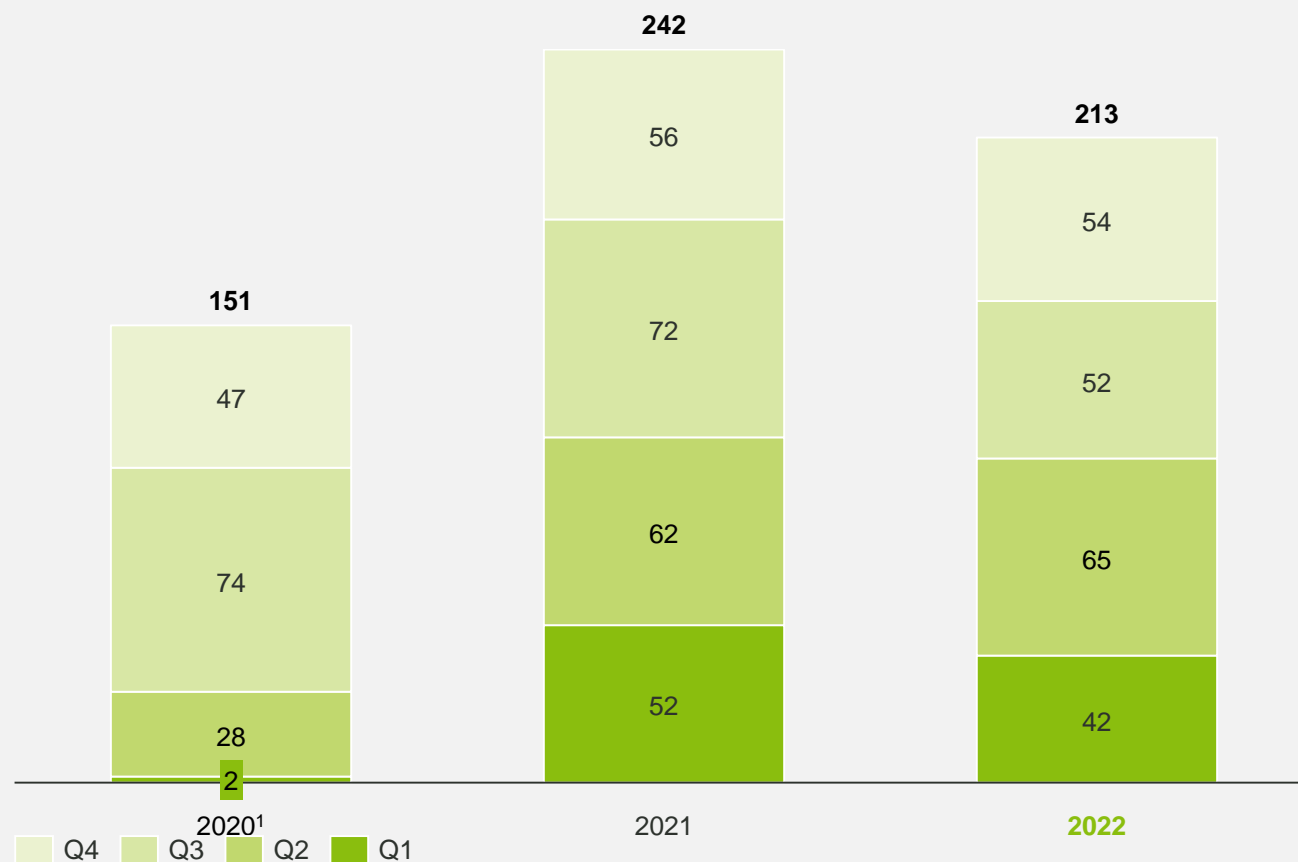
€ mn (IFRS)



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

Pre-tax profit

€ mn (IFRS)



- PBT with strong resilience throughout the cycle
- Interest rate driven decline in prepayment fees from extraordinarily high previous year level by - € 66 mn y-o-y
- Decrease in risk provisioning by € 37 mn y-o-y reflects lower model based additions in stage 1&2

| | 2020 ¹ | 2021 | 2022 |
|--------------|-------------------|------|------|
| RoE b.t. (%) | 4.6 | 7.5 | 6.3 |
| RoE a.t. (%) | 3.6 | 7.0 | 5.5 |
| EPS (€) | 0.77 | 1.58 | 1.27 |

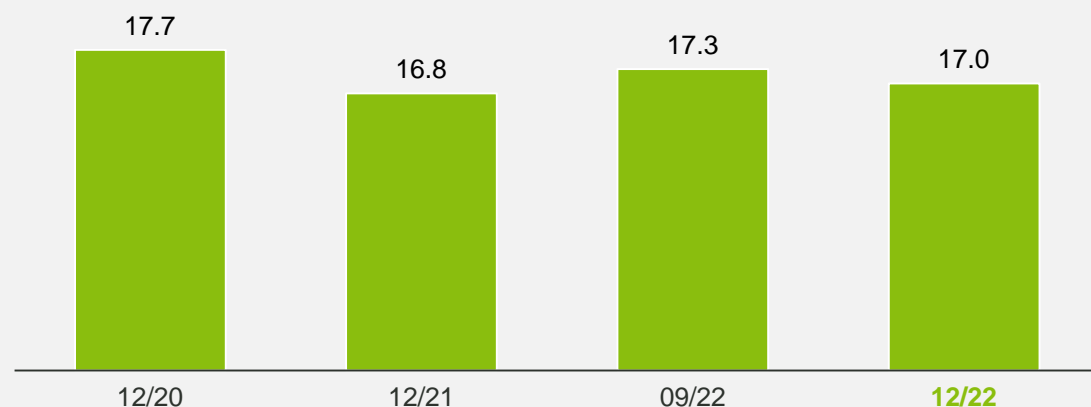
1. 2020 figures retrospectively adjusted according to IAS 8.42
 Note: Figures may not add up due to rounding

Capital

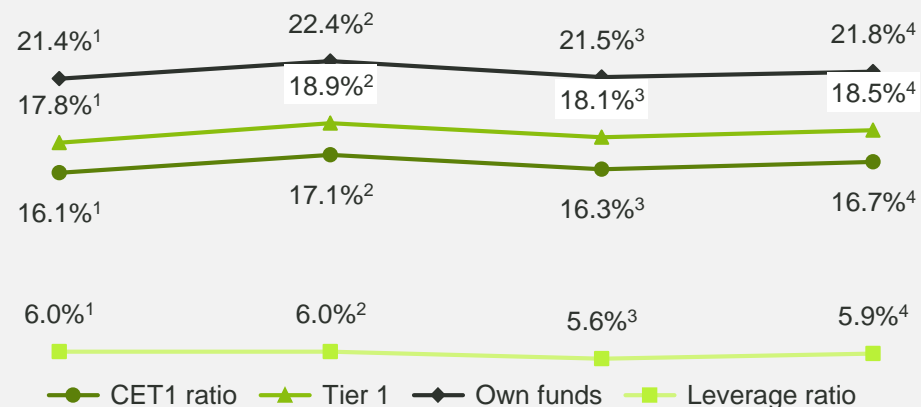
Strong capital base allows taking advantage of profitable growth opportunities even in current market environment

Basel III: RWA

€ bn (IFRS)



- RWA already calibrated towards anticipated Basel IV levels (fully loaded)
- RWA up y-o-y mainly due to
 - increase in REF portfolio and FX effects
 - only partly compensated by maturity, interest rate movements, reclassification and syndication effects
 - no material RWA effect from individual rating deteriorations



- CET 1 ratio down to 16.7%⁴ y-o-y due to increase in RWA and slight decrease in regulatory capital
- Strong capital base provides comfortable buffer
 - for expected rise in RWA from macroeconomic and Real Estate sector uncertainties
 - to take advantage of profitable growth opportunities

1. After approved year-end accounts, 2020 result not included 2. Incl. full-year result, post dividend 2021 3. Excl. interim result 4. Incl. full-year result, post proposed dividend 2022 5. CRR=Capital Requirements Regulation
Note: Figures may not add up due to rounding

Agenda

1. Introduction
2. Operative highlights
3. Financial highlights
- 4. ESG**
5. Strategic outlook
6. Summary
7. Appendix

+ € 1.9 bn

Green Bonds¹

Upgrade to AA

MSCI ESG Rating

11%

Green REF Portfolio share²
(24% on scored portfolio)

+ € 1.2 bn

Green Loans³

ESG Programme



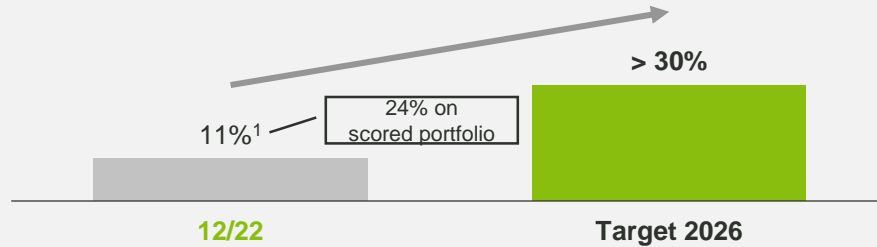
| | 2021 | 2022 | 02/23 |
|-----------------------|--------------------|--------------------|-------------------|
| ISS ESG | C Prime | C Prime | C Prime |
| MSCI | A | AA | AA |
| Moody's ESG Solutions | Score 43 (limited) | Score 44 (limited) | Score 50 (robust) |

- ESG at core of pbb's strategy:
 - pbb can make a real difference, reducing the real estate sector's significant CO2 impact
 - Green finance bank and transformation partner
 - Active portfolio steering with initial roadmap to align CRE portfolio with Paris 1.5 degree target by 2045/2050
- ESG risk structurally integrated in risk management landscape and overall business strategy
 - Comprehensive monitoring of physical and transitional risks in REF exposure – portfolio & individual loan basis
 - ESG risk assessment integral part of credit process
- Comprehensive ESG programme implemented
 - Management Board responsibility – ESG targets part of remuneration
 - Operationally, all ESG dimensions covered with clear responsibilities assigned
- Progress acknowledged by regulator, ESG rating agencies and capital markets

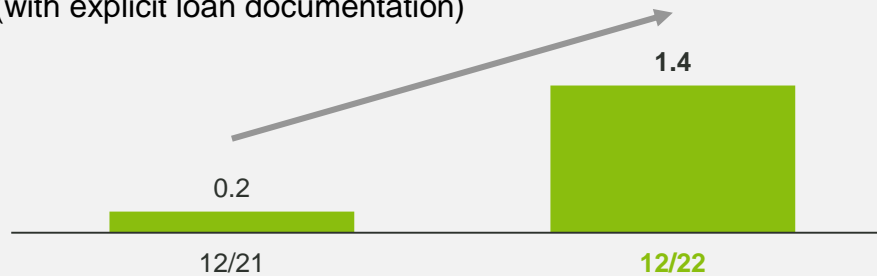
ESG

pbb as sustainable finance bank and transformation partner – > 30% green REF portfolio share targeted by 2026

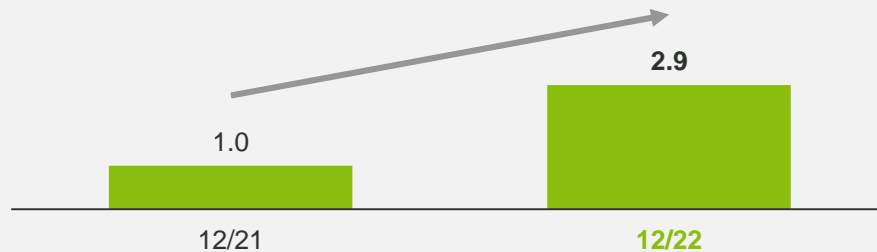
Green share of REF portfolio (green loan eligible assets) %



Green Loans (with explicit loan documentation) € bn



Green Bonds € bn



- Sustainable finance defined as key element of pbb's ESG strategy
- Ambitious green new business and portfolio goals to become a driving force behind the green transformation of the real estate sector and grow the business
- Strong progress on ESG Data allows operationalised KPIs and KRIs to manage performance, risk and actively steer the portfolio
- pbb's proprietary Green Tool systematically collects financed buildings CO₂ footprint and scores each buildings green content in alignment with EU Taxonomy
- 45% of REF portfolio scored – scoring of remaining portfolio ongoing
- Based on ESG Data, pbb is actively giving structured feedback to clients, a basis for intelligent transformation financing offers
- Strong progress in sustainable finance activities
- Green share of total REF portfolio currently at 11% (24% based on scored portfolio of 45%) vs. 2026 target of >30%
- Customers increasingly accept explicit Green Loan documentation subject to respective reporting obligations
- pbb leading issuer of unsecured green bonds in the European market

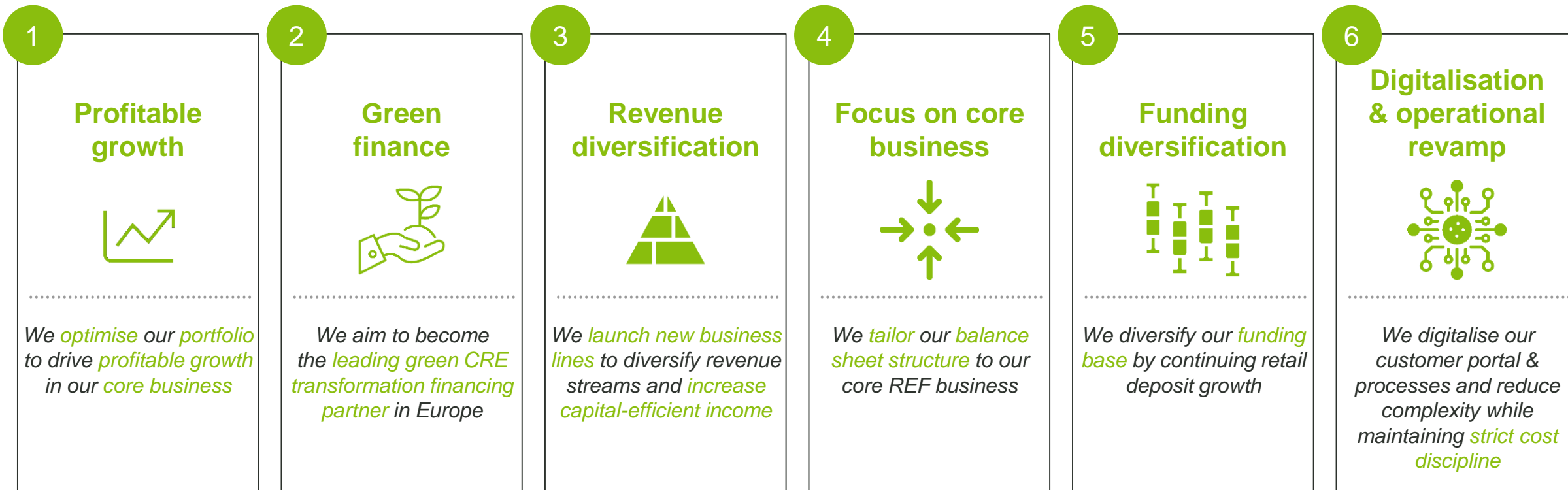
1. Based on total REF portfolio; 24% based on scored REF portfolio of 45% as of 31 December 2022 / Green assets according to pbb's green loan framework (Green loan eligible)

Agenda

1. Introduction
2. Operative highlights
3. Financial highlights
4. ESG
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6. Summary
7. Appendix

pbb's path to a > 9% RoE after tax¹ by 2026

We have put concrete initiatives in motion to further strengthen pbb's profitability growth trajectory and adapt our strategic focus to changing market conditions



People strategy & talent

We have a *clear people strategy* and initiatives for the *attraction of young talent* to enable change towards our targets

1. Based on CET1 capital

1 Profitable growth

We accelerate profitable, organic growth in our core business

Strategic Rationale

We grow our core REF business in two dimensions: volume and margin – while average risk weight to remain unchanged

We exploit selected market opportunities across asset classes while keeping our risk-conservative approach

Measures

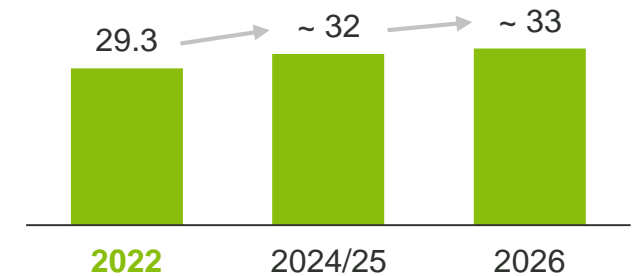
We **re-allocate portfolios** to continue to improve our margins based on current market opportunities across our asset classes

- **Property types:** re-considering cautious focus of asset class spectrum (comparable to pre-crisis within strategic scope of pbb)
- **Property locations:** continue diversification and geographical expansion into attractive markets (e.g., US, UK, and selective CEE)
- **Product types:** selectively expansion of higher-margin product types in combination with green/ESG initiative (e.g., developments, also outside of Germany, Green capex)

Within each of our portfolios, we further **strengthen profitability** focus when steering new business

KPIs

REF portfolio (€ bn)



Gross revenue margin¹ uplift of REF new business



1. Based on 3-month EURIBOR and incl. FY effects

2 Green Finance

Become the leading green CRE transformation financing partner in Europe

Strategic Rationale

We set pbb up as sustainable finance bank and real estate transformation partner through a comprehensive ESG programme

ESG being a responsibility and opportunity at the same time

We establish pbb with sustainability expertise and profile beyond lending

Measures

Green Lending

- We increase **share of financed green properties** in our REF-portfolio with clear business target
- We emphasize **green (development) loans** and green capex facilities
- We build up a comprehensive ESG data gathering and **holistic ESG database**

Green Bonds

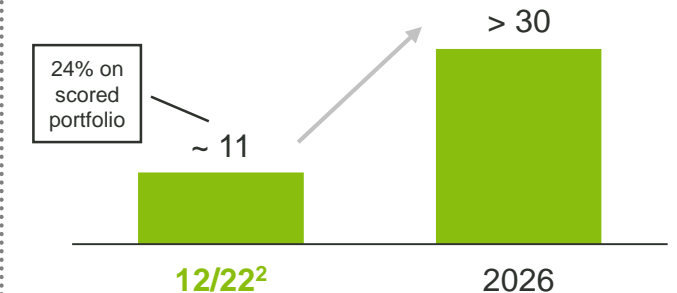
- We are a **leading issuer of green senior unsecured bonds**

Green Consulting

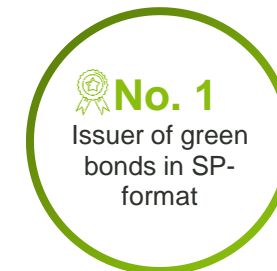
- We want to offer our clients independent and voluntary **consulting services for holistic solutions in green CRE transformation**
- We establish a partnership with ESG-minded **RE developers for advisory services (Groß & Partner)**
- We identify **green leads** through proprietary data tools and create transparency on ESG quality of the pbb loan book

KPIs

Green REF portfolio share¹ (%)



Achievement green bonds



€ 3.3 bn
Green bonds issued (since 2021)

1. Green assets according to pbb's green loan framework (Green loan eligible) 2. Based on total REF portfolio; 24% based on scored REF portfolio of 45% as of 31 December 2022 / Green assets according to pbb's green loan framework (Green loan eligible)

3 Revenue diversification

We leverage our core CRE competencies for capital-efficient diversification of our income

Strategic Rationale

We continue to diversify our business model expanding into off-balance sheet business

We leverage our CRE expertise and market positioning to set up an RE investment manager and expand origination for our institutional investors base

Measures

pbb Real Estate Investment Management (IM)

- We **finalize the ramp-up** of our new business model
- Experienced **new board member** already hired¹ and further hiring of senior IM experts
- Establish **distribution partnership** with an industry leader
- Complement in-house capabilities with **fund administration partner (Universal Investment)**
- Setup dedicated brand “**pbb invest**”, with IM subsidiary to follow in the medium term
- We build a comprehensive **CRE product suite entailing** CRE equity investments and expand to debt investments

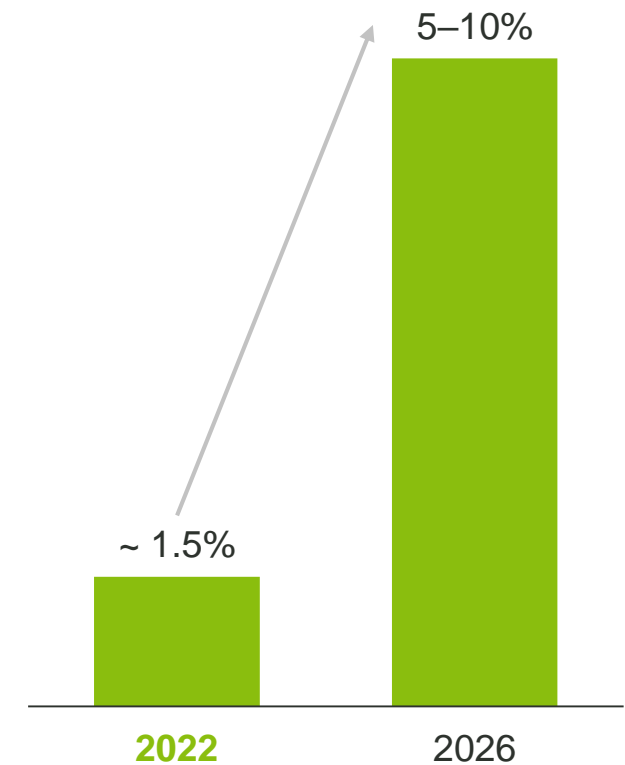


pbb Debt Products

- We expand and **intensify serving of our institutional investor** base understanding their investment needs
- We **leverage our extensive market access** to source their preferred RE debt types
- We broaden **our product offering** to provide exactly the required formats (e.g. debt fund)

KPIs

pbb Group: share of net fee and commission to operating income



¹ Starting as general manager / Generalbevollmächtigte at pbb, appointment to pbb's management board subject to pending ECB approval

4/5 Focus on core business and funding diversification

Diversify funding base to drive cost savings & optimise balance sheet for core business

4 Focus on core business

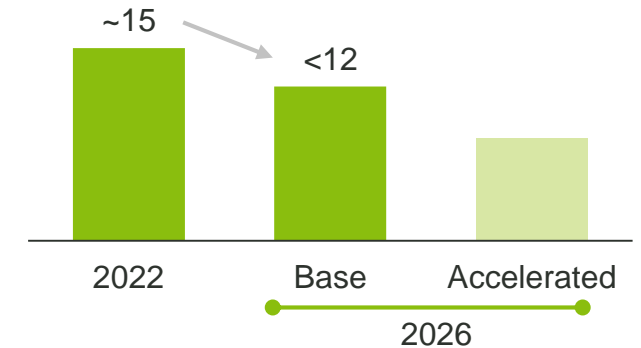
We optimise our balance sheet structure for our core business

Measures

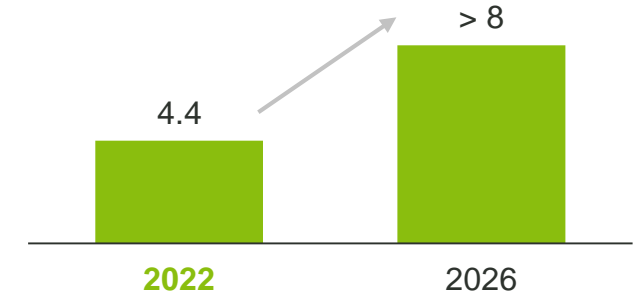
- We focus on our REF core business and merge our PIF & VP segments into one non-core unit
- In light of re-allocating resources to our core business we minimize overcollateralisation of public sector cover pool and thereby lower funding costs
- We follow a value-preserving approach considering opportunistic acceleration options

KPIs

Total assets PIF & VP (€ bn)



Retail deposits (€ bn)



5 Funding diversification

We further accelerate retail deposit growth for a diversified and cost-effective funding base

- Further strengthen pbb direkt channel building on strong growth in 2022 (+38% to € 4.4 bn) through brand building and online channel optimisation
- Diversify deposit sources and set up strategic partnerships (e.g., deposit brokerage platforms)

6 Digitalisation & operational revamp

Catalyze profitable growth through digital processes and steadfast cost discipline compensating for investments in strategic initiatives

Digitalisation

We continue our digitalisation efforts to drive quality, speed and efficiency

Measures

We further expedite the successful introduction of our digital customer portal & continue to reap the benefits

We continue on our path of process digitalisation (e.g., AI-assisted pipeline & resource allocation) to further

- > Reduce complexity
- > Increase customer loyalty & satisfaction
- > Create room for profitable growth

Cost control

We retain cost control and carefully allocate costs to value-creating activities

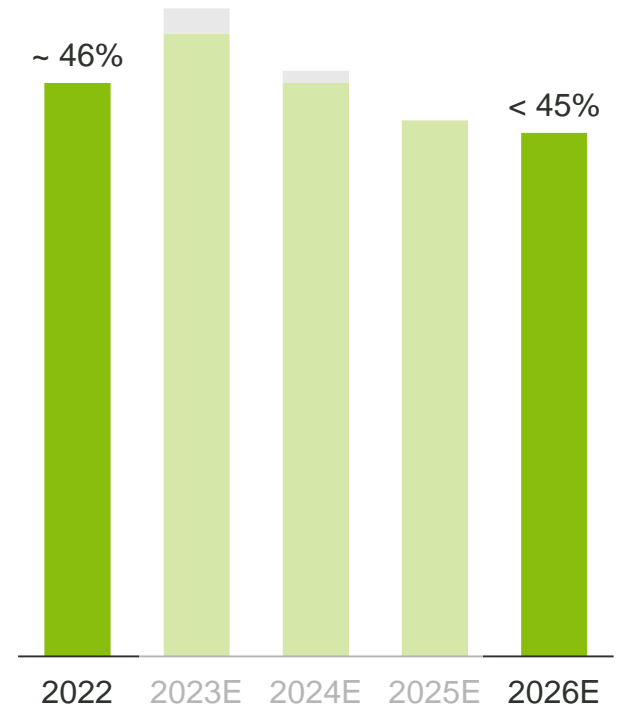
We leverage selective cost measures to finance investments in growth opportunities

We build on our strong record of maintaining cost discipline despite ongoing investments in strategic initiatives, digitalisation and pressures due to inflation

KPIs

CIR

■ Temporary investment add-ons



The road ahead

We aim to deliver our plan in three phases by 2026

2023

Invest into our business

Start investing to lay the foundation for the implementation of our plan and steer through difficult markets

2024 & 2025

Accelerate our performance

Harvest first benefits to lift our performance beyond past levels

2026 & beyond

Release our full potential

Further scale up our growth initiatives beyond 2026

We will continuously report progress towards our goal

Guidance 2023

In 2023, we invest in our business to lay the foundation for accelerated growth and a higher profitability level

| | 2022 | 2023 financial targets |
|-------------------------------|----------|--|
| REF new business ¹ | € 9.0 bn | € 9.0-10.0 bn |
| Pre-tax profit | € 213 mn | € 170-200 mn |
| NII + NCI | € 497 mn | > € 450 mn |
| Income from realisations | € 15 mn | € 20-25 mn |
| Risk provisioning | € 44 mn | Significantly less negative vs. 2022 – solid stock supports ongoing moderate level |
| General admin expenses | € 224 mn | < € 235 mn – some uplift from investment into strategic initiatives |
| Cost-income ratio | 45.6% | 50-55% |
| RoE after taxes ² | 6.0% | 4.5-5.0% |

¹ Incl. extensions > 1 year ² Based on CET1 capital

Guidance 2026

We release our full potential by 2026 and reach a higher profitability level with > 10% RoE b.t.

> 10%

RoE b.t.

(> 9% RoCET1 a.t.)

> € 300

Profit b.t.

< 45%

Cost-income ratio

> 14%

CET1 ratio¹

> 30%

Green REF portfolio share²

50% + 25%

Payout ratio for 2023-25³

1. 1Calibrated towards anticipated Basel IV levels (fully-loaded) 2. Green assets according to pbb's green loan framework (Green loan eligible) 3. Dividend policy of 50% regular dividend plus 25% special dividend; based on consolidated PAT attributable to shareholders acc. to IFRS and after AT1 coupon

Agenda

1. Introduction
2. Operative highlights
3. Financial highlights
4. ESG
5. Strategic outlook
- 6. Summary**
7. Appendix

Summary

- ▶ Strong resilience, reliable operative performance and strong capital basis, pbb has the flexibility to further grow and deliver attractive shareholder returns across the cycle
- ▶ Building on this robust business model, pbb intends to achieve a RoE of > 10% (pre-tax) by 2026 by implementing its strategic initiatives
- ▶ pbb intends to grow strongly organically in its core business, expand its capital-efficient fee income and diversify its funding base to enhance profitability and return profile
- ▶ Sustainable Finance is a key pillar across all strategic initiatives as pbb aims to become a leading green CRE transformation financing partner in Europe
- ▶ pbb will continue to carefully balance its risk-return profile and keep cost discipline despite growth investments

Investment highlights

Delivering on its investment proposition lies in pbb's DNA

Real Estate is a decent inflation hedge and is expected to remain a resilient asset class with profitable growth opportunities

Focus on credit risks – hedge of further risks to maintain low interest rate sensitivity

With pbb direkt, pbb builds on a scalable platform to expand its access to cost-efficient and capital-market independent funding

As a dividend title with an attractive shareholder return, pbb combines strong resilience, predictable operative performance and adequate risk buffers

pbb has proven its ability to grow its strategic REF portfolio in difficult market environments

pbb aims to leverage its unique expertise and CRE network to expand its business model into capital-light businesses

Risk provisions provide for a solid risk buffer on moderate levels “throughout the cycle”

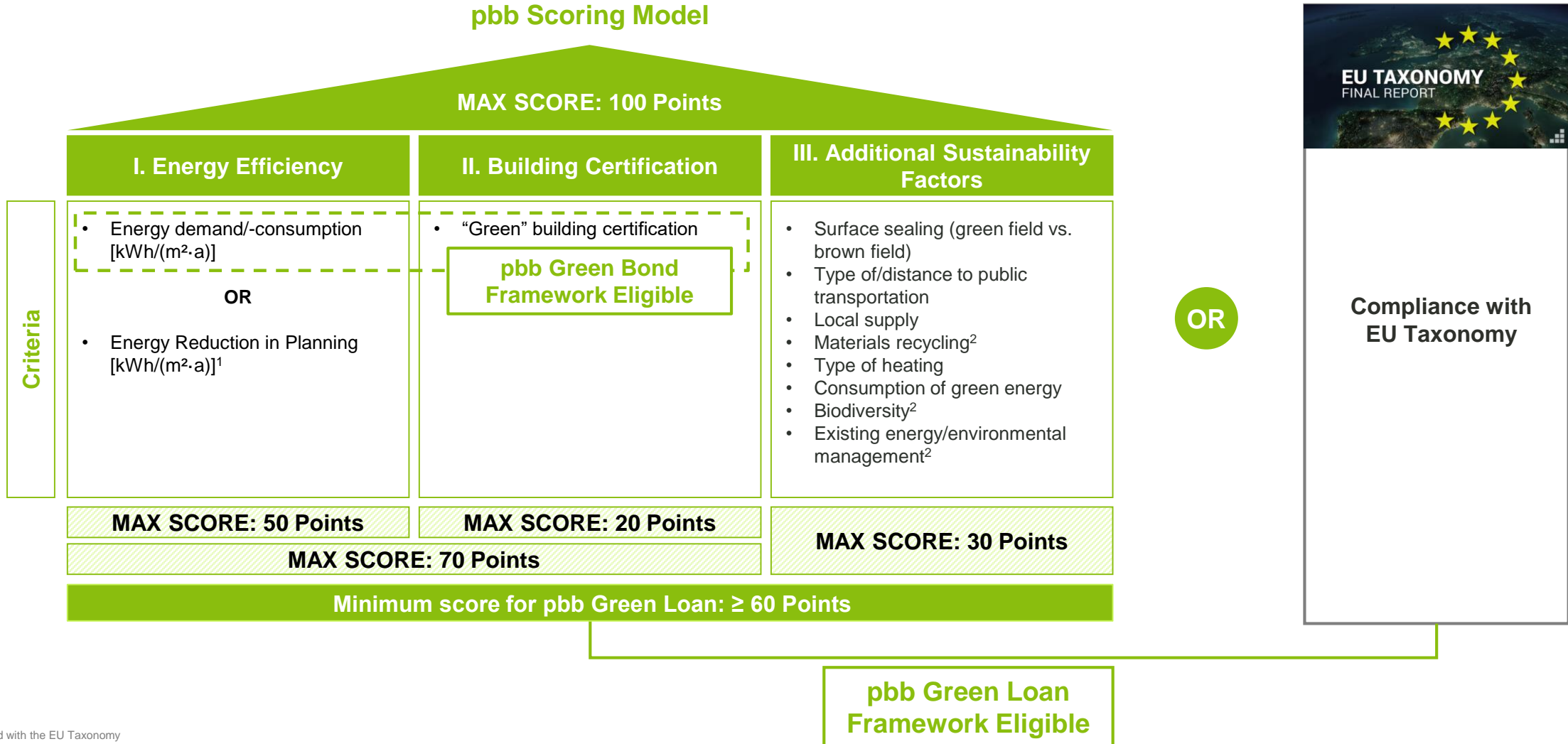
Appendix

- 1. ESG**
2. Dividend & Financials
3. Portfolio Profile
4. Funding & Ratings

Contact details

Green Loan

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



1. Aligned with the EU Taxonomy
 2. Do Not Significant Harm Principles according to EU Taxonomy

ESG Ratings

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

► pbb rating/score

| ISS ESG | MSCI | Moody's ESG Solutions |
|----------------------------|--------------------------|----------------------------|
| LAST UPDATE: November 2022 | LAST UPDATE: May 2022 | LAST UPDATE: February 2023 |
| A+ | AAA (8.571 – 10.0) | 80-100 |
| A | | |
| A- | AA (7.143 – 8.571) ► 7.9 | |
| B+ Prime | A (5.714 – 7.143) | 60-80 |
| B | | |
| B- | BBB (4.286 – 5.714) | 40-60 ► 50 |
| C+ | | |
| C ► 50.9 | BB (2.857 – 4.286) | |
| C- | | 20-40 |
| D+ | B (1.429 – 2.857) | |
| D | | |
| D- | CCC (0.0 - 1.429) | 0-20 |

- “Prime” Rating since initiation in 2012

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

- Score improved to 50 from 44 (scale of 100) in 02/23

- Continuous improvement of ESG organisational set-up, governance, strategy and operative integration reflected in above average ESG ratings
- Upgrade by MSCI from „A“ to „AA“ mainly reflects strongly increased Environmental score
- Recent upgrade from score increase at Moody's ESG Solutions from „Limited“ to „Robust“ (02/23)
- ISS ESG confirms „Very High“ transparency level
- No involvement in controversial activities identified by agencies depicted

Appendix

1. ESG
- 2. Dividend & Financials**
3. Portfolio Profile
4. Funding & Ratings

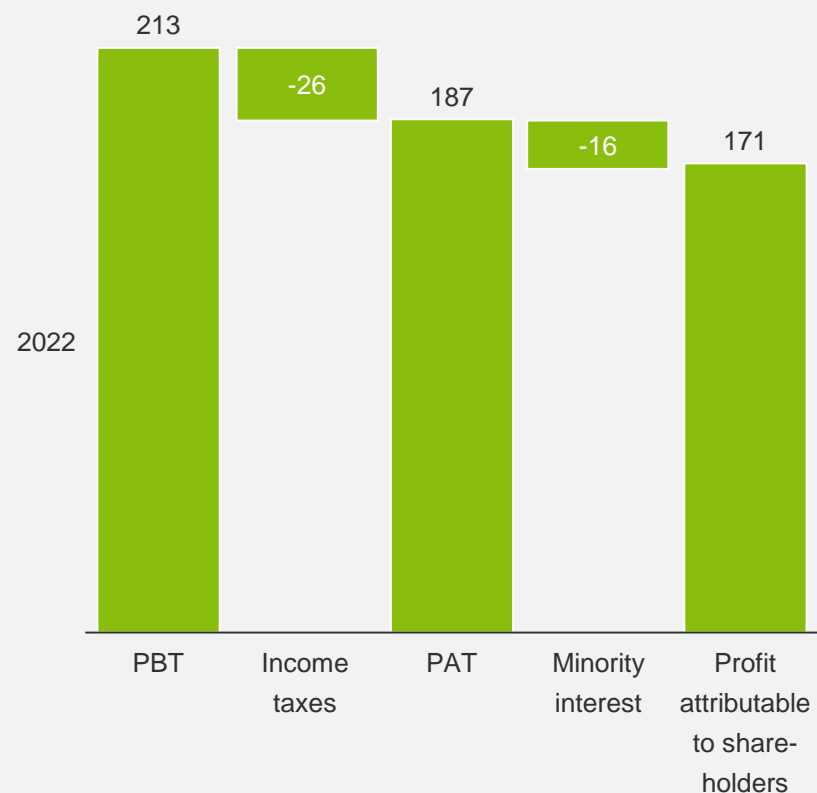
Contact details

Results 2022

pbb continues to deliver attractive shareholder return

Profit attributable to shareholders

€ mn (IFRS)



DPS (proposal)

€ 0.95

Dividend policy 2023–2025

Payout ratio (proposal)

75%¹

50%

regular dividend

+

25%

special dividend

- Payout ratio based on consolidated IFRS profit after taxes, AT coupon and minority interest
- Overall, pbb's distributions are subject to economic viability and take into account macroeconomic and sector-specific risks, regulatory requirements and potential changes and actions, future growth and investment measures as well as further potential risks, in particular ESG risks
- Especially against the background of current geopolitical, macroeconomic and sector-specific uncertainties, maintaining a CET1 ratio of at least 14% is considered as a sufficient reference level for special dividend distributions
- pbb continues to aim at a long-term stable payout ratio which will be reviewed on a regular basis in the light of the aforementioned topics

1. 50% regular dividend + 25% special dividend

Key figures

pbb Group

| Income statement (€ mn) | 2020 | Q1/21 | Q2/21 | Q3/21 | Q4/21 | 2021 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | 2022 |
|---|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Net interest income | 476 ⁷ | 123 | 123 | 123 | 125 | 494 | 122 | 120 | 116 | 131 | 489 |
| Net fee and commission income | 6 | 2 | 3 | 1 | 2 | 8 | 2 | 1 | 1 | 4 | 8 |
| Net income from fair value measurement | -8 | 2 | - | 1 | 7 | 10 | 9 | 5 | 7 | -1 | 20 |
| Net income from realisations | 26 | 21 | 17 | 17 | 26 | 81 | 5 | 5 | - | 5 | 15 |
| Net income from hedge accounting | 4 | -1 | -2 | 1 | 2 | - | 1 | -2 | 8 | -7 | - |
| Net other operating income | 22 | -1 | - | -1 | - | -2 | 10 | -6 | -4 | -1 | -1 |
| Operating Income | 526 | 146 | 141 | 142 | 162 | 591 | 149 | 123 | 128 | 131 | 531 |
| Net income from risk provisioning | -126 | -10 | -23 | -17 | -31 | -81 | -18 | -1 | -19 | -6 | -44 |
| General and administrative expenses | -204 | -51 | -51 | -49 | -68 | -219 | -53 | -53 | -51 | -67 | -224 |
| Expenses from bank levies and similar dues | -26 | -28 | -1 | 1 | -1 | -29 | -31 | - | -1 | - | -32 |
| Net income from write-downs and write-ups on non-financial assets | -19 | -5 | -4 | -5 | -6 | -20 | -5 | -4 | -5 | -4 | -18 |
| Pre-tax profit | 151 | 52 | 62 | 72 | 56 | 242 | 42 | 65 | 52 | 54 | 213 |
| Income taxes | -30 ⁷ | -10 | -7 | -11 | 14 | -14 | -6 | -10 | -8 | -2 | -26 |
| Net income | 121 | 42 | 55 | 61 | 70 | 228 | 36 | 55 | 44 | 52 | 187 |

| Key ratios (%) | 2020 | Q1/21 | Q2/21 | Q3/21 | Q4/21 | 2021 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | 2022 |
|------------------|-------------------|-------|-------|-------|-------|------|-------|-------|-------|-------|------|
| CIR ¹ | 42.4 ⁷ | 38.4 | 39.0 | 38.0 | 45.7 | 40.4 | 38.9 | 46.3 | 43.8 | 54.2 | 45.6 |
| RoE before tax | 4.6 ⁷ | 6.4 | 7.8 | 8.9 | 6.7 | 7.5 | 4.8 | 7.9 | 6.1 | 6.3 | 6.3 |
| RoE after tax | 3.6 ⁷ | 5.1 | 6.9 | 7.5 | 8.5 | 7.0 | 4.1 | 6.7 | 5.1 | 6.0 | 5.5 |

| Balance sheet (€ bn) | 12/20 | 03/21 | 06/21 | 09/21 | 12/21 | 03/22 | 06/22 | 09/22 | 12/22 |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total assets | 58.9 | 58.1 | 59.0 | 58.8 | 58.4 | 56.3 | 55.1 | 55.9 | 53.0 |
| Equity | 3.3 | 3.3 | 3.3 | 3.4 | 3.4 | 3.4 | 3.3 | 3.4 | 3.4 |
| Financing volume | 44.2 | 44.6 | 43.4 | 43.4 | 43.7 | 43.8 | 43.3 | 44.3 | 43.7 |

| Regulatory capital ratios ² | 12/20 | 03/21 | 06/21 | 09/21 | 12/21 | 03/22 | 06/22 | 09/22 | 12/22 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|-------------------|--------------------|
| RWA (€ bn) | 17.7 | 18.3 | 18.0 | 18.1 | 16.8 | 16.7 | 16.5 | 17.3 | 17.0 |
| CET 1 ratio – phase in (%) | 16.1 ³ | 15.4 ⁴ | 15.4 ⁵ | 14.9 ⁵ | 17.1 ⁶ | 16.9 ⁸ | 17.2 ^{9,10} | 16.3 ⁹ | 16.7 ¹¹ |

| Personnel | 12/20 | 03/21 | 06/21 | 09/21 | 12/21 | 03/22 | 06/22 | 09/22 | 12/22 |
|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Employees (FTE) | 782 | 779 | 779 | 782 | 784 | 780 | 777 | 776 | 791 |

1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2. Basel III transition rules 3. After approved year-end accounts 4. Excl. Interim result, post proposed dividend 2020 5. Excl. Interim result 6. Incl. full-year result, post proposed dividend 2021 7. 2020 figures retrospectively adjusted according to IAS 8.42 8. Excl. Interim result, post proposed dividend 2021 9. Excl. Interim result 10. Retrospectively adjusted (previously, AT1 coupon was deducted from CET 1 capital) 11. Incl. full-year result, post proposed dividend 2022 Note: annual results audited, interim results Q1 2021/22 and Q3 2021/22 unaudited, interim results Q2 2021/22 unaudited, but reviewed

Key figures

Real Estate Finance (REF)

| Income statement (€ mn) | 2020 | Q1/21 | Q2/21 | Q3/21 | Q4/21 | 2021 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | 2022 |
|---|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Net interest income | 396 ³ | 104 | 104 | 103 | 106 | 417 | 104 | 103 | 101 | 112 | 420 |
| Net fee and commission income | 6 | 2 | 3 | 1 | 2 | 8 | 2 | 1 | 2 | 3 | 8 |
| Net income from fair value measurement | -6 | 1 | - | 1 | 4 | 6 | 6 | 4 | 4 | - | 14 |
| Net income from realisations | 24 | 21 | 17 | 17 | 26 | 81 | 5 | 5 | 1 | 5 | 16 |
| Net income from hedge accounting | 3 | -1 | -1 | 1 | 1 | - | 1 | -1 | 4 | -4 | - |
| Net other operating income | 19 | -1 | 1 | -1 | - | -1 | 8 | -4 | -2 | - | 2 |
| Operating Income | 442 | 126 | 124 | 122 | 139 | 511 | 126 | 108 | 110 | 116 | 460 |
| Net income from risk provisioning | -129 | -11 | -23 | -15 | -30 | -79 | -19 | -3 | -41 | -6 | -69 |
| General and administrative expenses | -175 | -44 | -44 | -43 | -58 | -189 | -46 | -47 | -45 | -58 | -196 |
| Expenses from bank levies and similar dues | -16 | -17 | -1 | 1 | -1 | -18 | -20 | - | - | -1 | -21 |
| Net income from write-downs and write-ups on non-financial assets | -16 | -4 | -4 | -4 | -5 | -17 | -4 | -4 | -4 | -4 | -16 |
| Pre-tax profit | 106 | 50 | 52 | 61 | 45 | 208 | 37 | 54 | 20 | 47 | 158 |

| Key ratios (%) | 2020 | Q1/21 | Q2/21 | Q3/21 | Q4/21 | 2021 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | 2022 |
|------------------|-------------------|-------|-------|-------|-------|------|-------|-------|-------|-------|------|
| CIR ¹ | 43.2 ³ | 38.1 | 38.7 | 38.5 | 45.3 | 40.3 | 39.7 | 47.2 | 44.5 | 53.4 | 46.1 |
| RoE before tax | 5.5 | 10.0 | 10.2 | 11.4 | 8.2 | 9.9 | 6.3 | 9.0 | 2.9 | 7.3 | 6.4 |

| Key figures (€ bn) | 12/20 | 03/21 | 06/21 | 09/21 | 12/21 | 03/22 | 06/22 | 09/22 | 12/22 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Equity ² | 1.9 | 1.9 | 2.1 | 2.1 | 2.1 | 2.0 | 2.3 | 2.3 | 2.4 |
| RWA | 16.0 | 16.6 | 16.2 | 16.4 | 15.1 | 15.1 | 15.1 | 15.9 | 15.5 |
| Financing volume | 27.0 | 27.5 | 26.8 | 27.0 | 27.6 | 28.0 | 28.4 | 29.5 | 29.3 |

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

Key figures

Public Investment Finance (PIF)

| Income statement (€ mn) | 2020 | Q1/21 | Q2/21 | Q3/21 | Q4/21 | 2021 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | 2022 |
|---|-----------|----------|----------|-----------|-----------|-----------|-----------|----------|----------|----------|-----------|
| Net interest income | 38 | 9 | 9 | 10 | 9 | 37 | 8 | 8 | 8 | 8 | 32 |
| Net fee and commission income | - | - | - | - | - | - | - | - | - | - | - |
| Net income from fair value measurement | -1 | - | - | - | 1 | 1 | 1 | - | 1 | -1 | 1 |
| Net income from realisations | 1 | - | - | 1 | 1 | 2 | - | - | - | - | - |
| Net income from hedge accounting | - | - | - | - | - | - | - | - | 1 | -1 | - |
| Net other operating income | 3 | - | - | -1 | 1 | - | 1 | -1 | -1 | - | -1 |
| Operating Income | 41 | 9 | 9 | 10 | 12 | 40 | 10 | 7 | 9 | 6 | 32 |
| Net income from risk provisioning | -1 | - | - | - | - | - | -2 | 1 | - | - | -1 |
| General and administrative expenses | -19 | -4 | -5 | -4 | -6 | -19 | -4 | -4 | -4 | -5 | -17 |
| Expenses from bank levies and similar dues | -3 | -4 | - | - | - | -4 | -4 | 1 | -1 | - | -4 |
| Net income from write-downs and write-ups on non-financial assets | -2 | -1 | - | - | -1 | -2 | -1 | - | - | - | -1 |
| Pre-tax profit | 16 | - | 4 | 6 | 5 | 15 | -1 | 5 | 4 | 1 | 9 |

| Key ratios (%) | 2020 | Q1/21 | Q2/21 | Q3/21 | Q4/21 | 2021 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | 2022 |
|------------------|------|-------|-------|-------|-------|------|-------|-------|-------|-------|------|
| CIR ¹ | 51.2 | 55.6 | 55.6 | 40.0 | 58.3 | 52.5 | 50.0 | 57.1 | 44.4 | 83.3 | 56.3 |
| RoE before tax | 8.0 | -0.6 | 11.7 | 14.0 | 11.5 | 9.1 | -3.0 | 15.4 | 11.6 | 2.7 | 6.6 |

| Key figures (€ bn) | 12/20 | 03/21 | 06/21 | 09/21 | 12/21 | 03/22 | 06/22 | 09/22 | 12/22 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Equity ² | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| RWA | 0.8 | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 |
| Financing volume | 5.8 | 5.7 | 5.5 | 5.4 | 5.2 | 5.0 | 4.9 | 4.8 | 4.5 |

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

Key figures

Value Portfolio (VP)

| Income statement (€ mn) | 2020 | Q1/21 | Q2/21 | Q3/21 | Q4/21 | 2021 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | 2022 |
|---|-----------|-----------|----------|----------|-----------|-----------|-----------|----------|-----------|----------|-----------|
| Net interest income | 38 | 9 | 10 | 9 | 10 | 38 | 9 | 9 | 7 | 10 | 35 |
| Net fee and commission income | - | - | - | - | - | - | - | - | -1 | 1 | - |
| Net income from fair value measurement | -1 | 1 | - | - | 2 | 3 | 2 | 1 | 2 | - | 5 |
| Net income from realisations | 1 | - | - | -1 | -1 | -2 | - | - | -1 | - | -1 |
| Net income from hedge accounting | 1 | - | -1 | - | 1 | - | - | -1 | 2 | -2 | - |
| Net other operating income | - | - | -1 | 1 | 1 | -1 | 1 | -1 | -1 | -1 | -2 |
| Operating Income | 39 | 10 | 8 | 9 | 11 | 38 | 12 | 8 | 9 | 8 | 37 |
| Net income from risk provisioning | 4 | 1 | - | -2 | -1 | -2 | 3 | 1 | 22 | - | 26 |
| General and administrative expenses | -10 | -3 | -2 | -2 | -4 | -11 | -3 | -2 | -2 | -4 | -11 |
| Expenses from bank levies and similar dues | -7 | -7 | - | - | - | -7 | -7 | -1 | - | 1 | -7 |
| Net income from write-downs and write-ups on non-financial assets | -1 | - | - | -1 | - | -1 | - | - | -1 | - | -1 |
| Pre-tax profit | 25 | 1 | 6 | 4 | 6 | 17 | 5 | 6 | 28 | 5 | 44 |

| Key ratios (%) | 2020 | Q1/21 | Q2/21 | Q3/21 | Q4/21 | 2021 | Q1/22 | Q2/22 | Q3/22 | Q4/22 | 2022 |
|------------------|------|-------|-------|-------|-------|------|-------|-------|-------|-------|------|
| CIR ¹ | 28.2 | 30.0 | 25.0 | 33.3 | 36.4 | 31.6 | 25.0 | 25.0 | 33.3 | 50.0 | 32.4 |
| RoE before tax | 3.9 | 0.3 | 5.0 | 3.1 | 4.9 | 3.3 | 4.3 | 5.8 | 34.9 | 6.3 | 12.1 |

| Key figures (€ bn) | 12/20 | 03/21 | 06/21 | 09/21 | 12/21 | 03/22 | 06/22 | 09/22 | 12/22 |
|---------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Equity ² | 0.5 | 0.4 | 0.4 | 0.4 | 0.4 | 0.5 | 0.4 | 0.3 | 0.3 |
| RWA | 0.4 | 0.4 | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.2 | 0.2 |
| Financing volume | 11.4 | 11.4 | 11.1 | 11.0 | 10.9 | 10.8 | 10.0 | 10.0 | 9.9 |

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

Balance sheet

Specialist lender with attractive German Pfandbrief as major funding instrument

Balance sheet

IFRS, € bn

| Assets | 31/12/22 | 31/12/21 | Liabilities & equity | 31/12/22 | 31/12/21 |
|--|-------------|-------------|---|-------------|-------------|
| Financial assets at fair value through P&L | 1.1 | 1.2 | Financial liabilities at fair value through P&L | 0.7 | 0.6 |
| thereof | | | thereof | | |
| Positive fair values of stand-alone derivatives | 0.6 | 0.5 | Negative fair values of stand-alone derivatives | 0.7 | 0.6 |
| Debt securities | 0.1 | 0.1 | Financial liabilities measured at amortised cost | 47.7 | 52.7 |
| Loans and advances to customers | 0.4 | 0.5 | thereof | | |
| Financial assets at fair value through OCI | 1.7 | 1.3 | Liabilities to other banks (incl. central banks) | 7.5 | 10.6 |
| thereof | | | thereof | | |
| Debt securities | 1.4 | 0.9 | <i>Registered Mortgage Pfandbriefe</i> | 0.4 | 0.3 |
| Loans and advances to customers | 0.3 | 0.3 | <i>Registered Public Pfandbriefe</i> | 0.5 | 0.5 |
| Financial assets at amortised cost (after credit loss allowances) | 48.7 | 48.1 | Liabilities to other customers | 17.9 | 20.1 |
| thereof | | | thereof | | |
| Debt securities | 5.4 | 6.9 | <i>Registered Mortgage Pfandbriefe</i> | 3.0 | 3.7 |
| Loans and advances to other banks | 5.8 | 2.6 | <i>Registered Public Pfandbriefe</i> | 5.9 | 7.9 |
| Loans and advances to customers | 37.6 | 38.4 | Bearer Bonds | 21.6 | 21.3 |
| Positive fair values of hedge accounting derivatives | 0.3 | 1.0 | thereof | | |
| Other assets | 1.2 | 6.8 | <i>Mortgage Pfandbriefe</i> | 12.0 | 12.3 |
| | | | <i>Public Pfandbriefe</i> | 2.0 | 2.2 |
| | | | Subordinated liabilities | 0.6 | 0.7 |
| | | | Negative fair values of hedge accounting derivatives | 1.1 | 1.4 |
| | | | Other liabilities | 0.1 | 0.3 |
| | | | | | |
| | | | Equity (attributable to shareholders) | 3.1 | 3.1 |
| | | | AT1-capital | 0.3 | 0.3 |
| Total Assets | 53.0 | 58.4 | Total liabilities & equity | 53.0 | 58.4 |

Share
of Pfandbriefe
of refinancing
liabilities

50%/51%

Note: Figures may not add up due to rounding

Annual Results 2022 (IFRS, pbb Group, audited, approval from the Supervisory Board pending), 09 March 2023

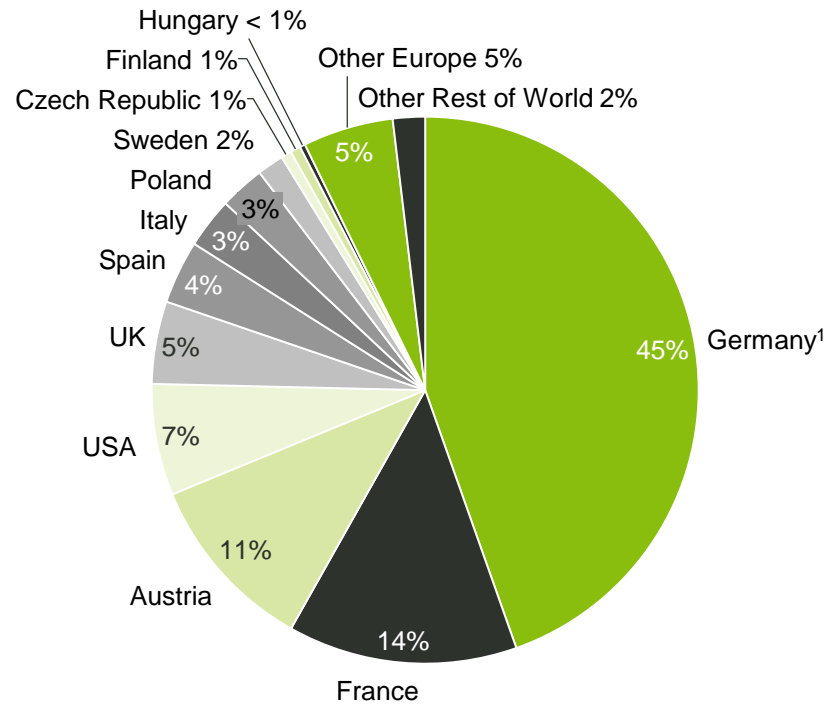
Appendix

1. ESG
2. Dividend & Financials
- 3. Portfolio Profile**
4. Funding & Ratings

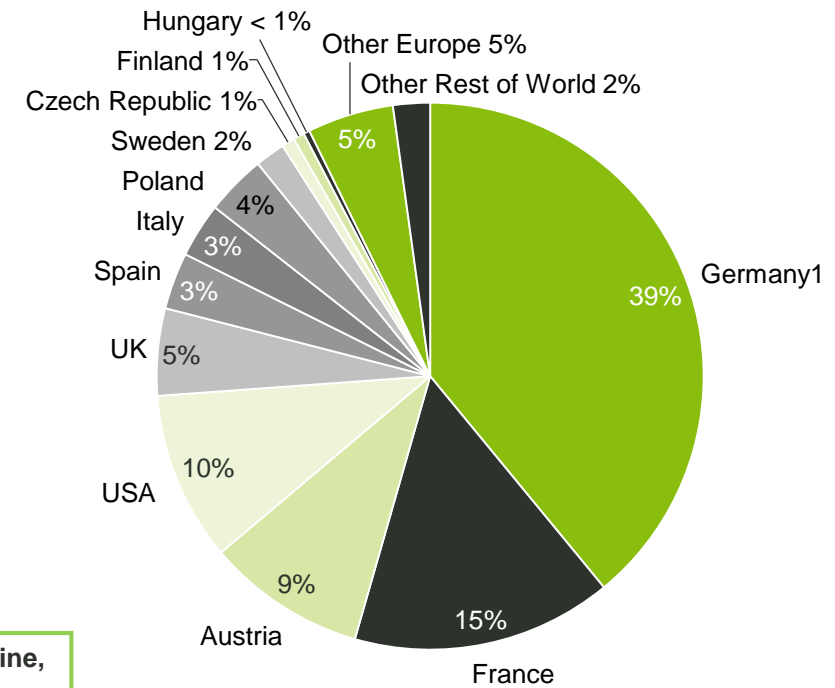
Contact details

Regions € bn²

31/12/2021 / Total: € 57.5 bn



31/12/2022 / Total: € 50.0 bn



No direct exposure in/to Ukraine, Russia and Belarus

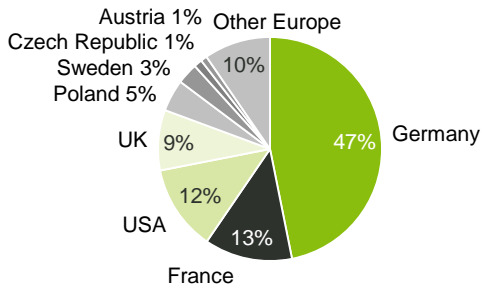
1. Incl. Bundesbank accounts (12/21: € 6.6 bn; 12/22: € 1.0 bn) 2. EaD, Basel III
 Note: Figures may not add up due to rounding

Portfolio

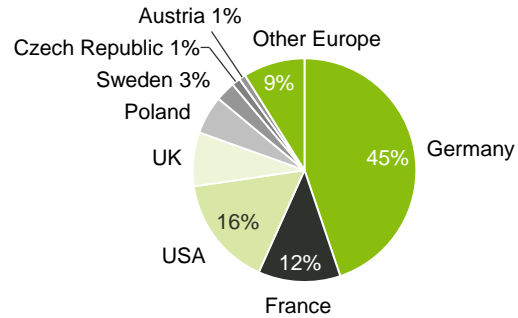
Real Estate Finance (REF)

€ bn² Regions

31/12/2021: € 29.7 bn

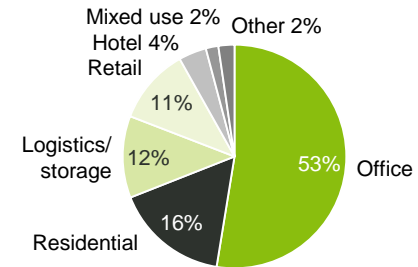


31/12/2022: € 31.0 bn

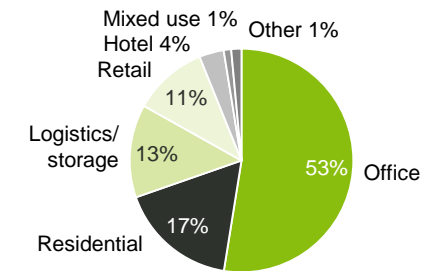


Property types

31/12/2021: € 29.7 bn

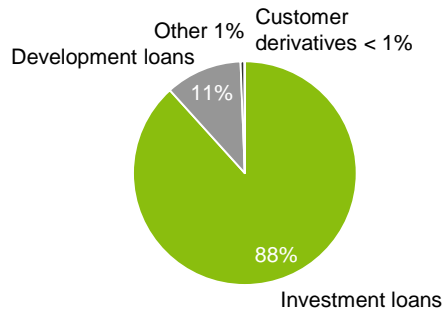


31/12/2022: € 31.0 bn

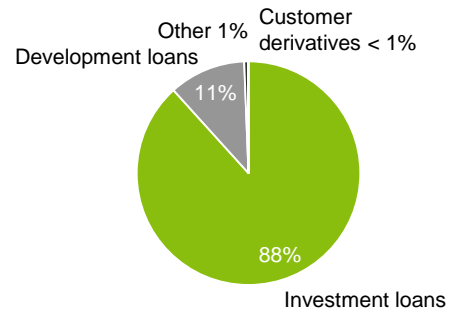


Product class

31/12/2021: € 29.7 bn

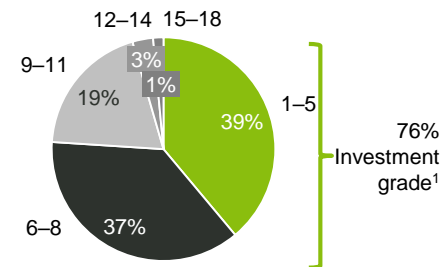


31/12/2022: € 31.0 bn

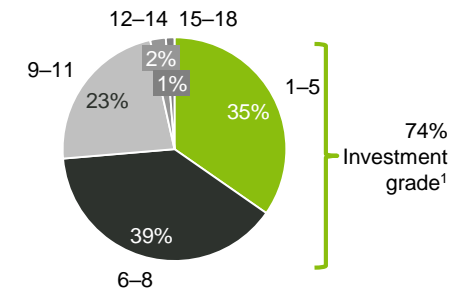


Internal ratings (EL classes)

31/12/2021: € 29.7 bn



31/12/2022: € 31.0 bn

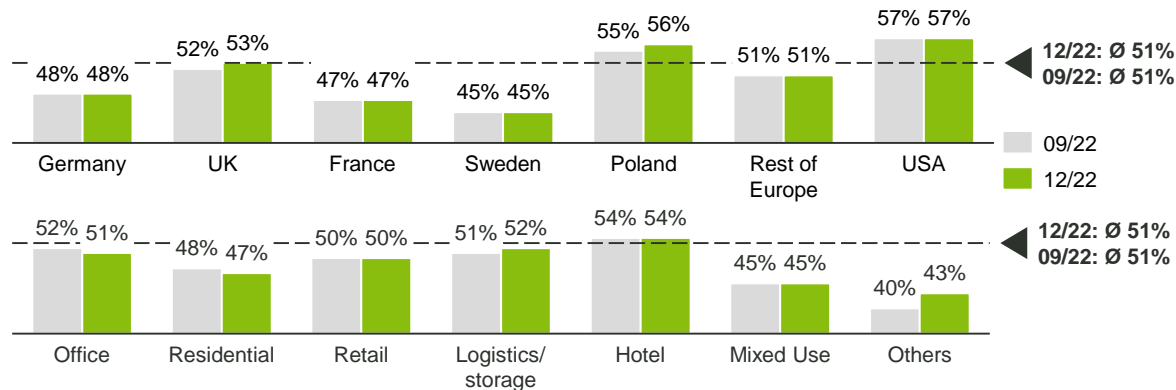
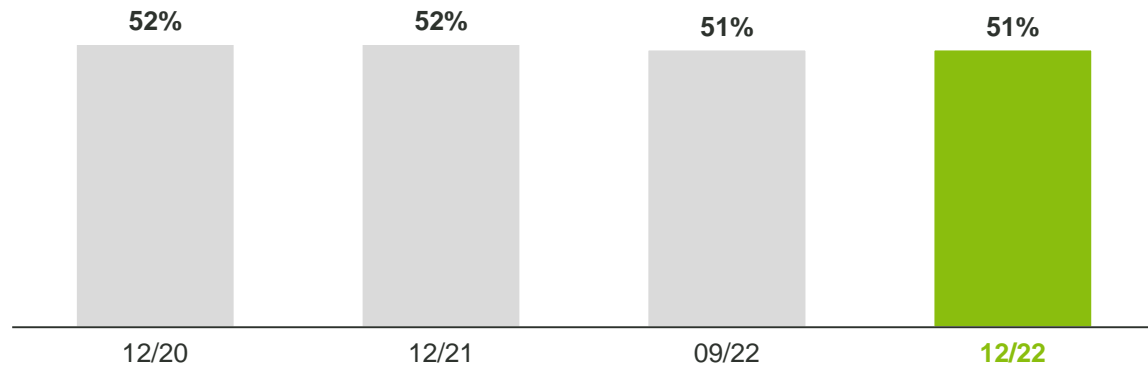


1. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade 2. EaD, Basel III
Note: Figures may not add up due to rounding

REF new business & portfolio

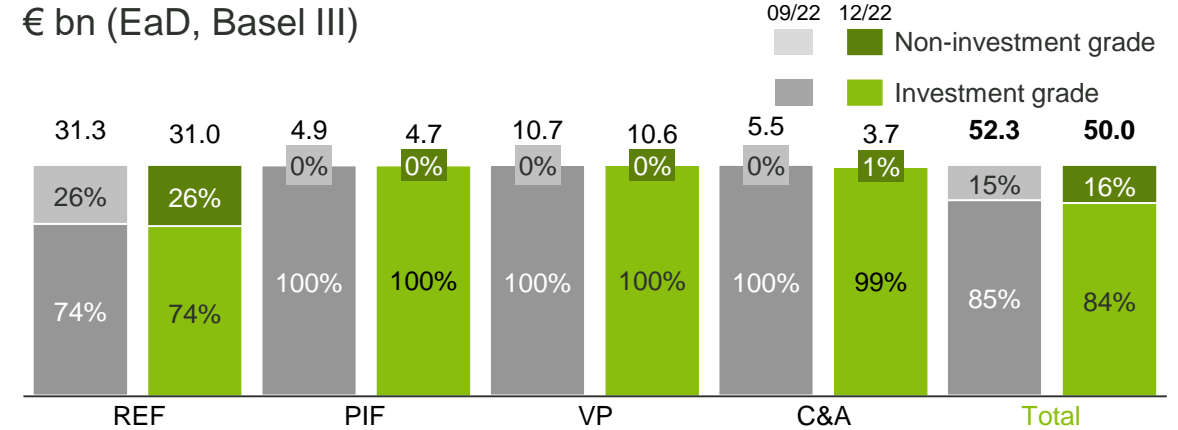
Business approach reflected in stable risk parameters and continued low average LTV of 51%, providing solid risk buffer

REF Portfolio: Avg. weighted LTVs (commitments)¹



Total portfolio: Internal ratings (EL classes)

€ bn (EaD, Basel III)



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

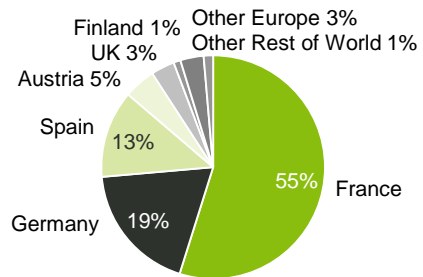
¹ Based on performing investment loans only ² EL classes 1–8 = Investment grade; EL classes 9–18 = Non-investment grade
Note: Figures may not add up due to rounding

Portfolio

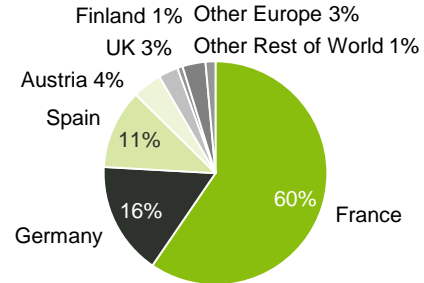
Public Investment Finance (PIF)

€ bn³ Regions

31/12/2021: € 5.7 bn

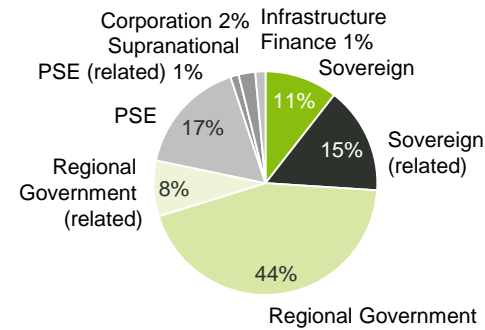


31/12/2022: € 4.7 bn

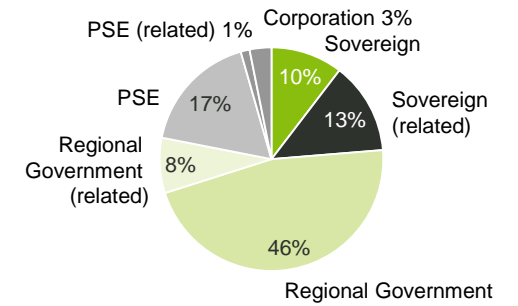


Borrower classification¹

31/12/2021: € 5.7 bn

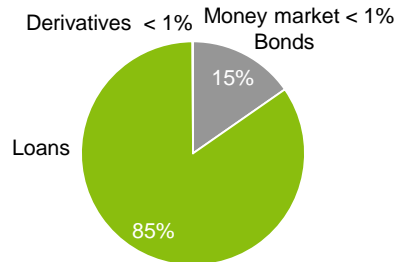


31/12/2022: € 4.7 bn

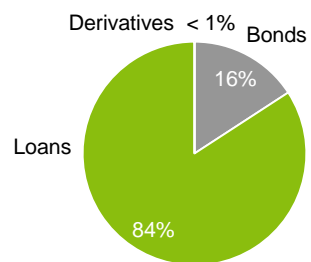


Product class

31/12/2021: € 5.7 bn

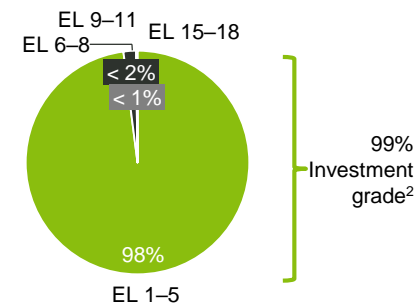


31/12/2022: € 4.7 bn

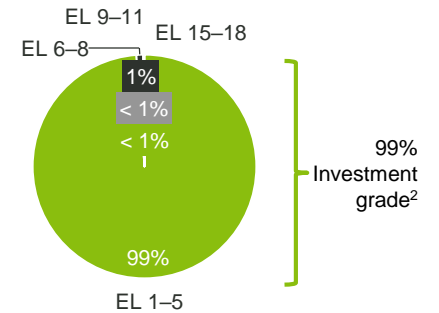


Internal ratings (EL classes)

31/12/2021: € 5.7 bn



31/12/2022: € 4.7 bn



1. See appendix for definition of borrower classification 2. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade 3. EaD, Basel III Note: Figures may not add up due to rounding

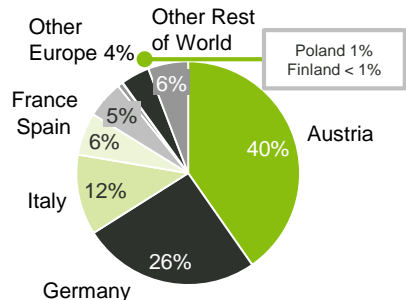
Portfolio

Value Portfolio (VP)

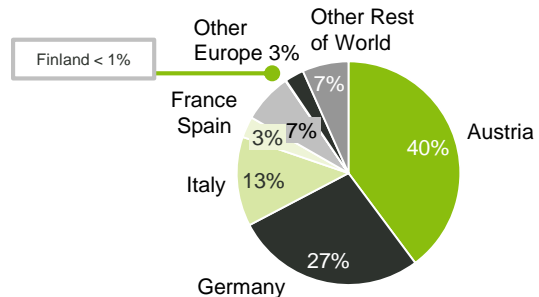
€ bn³

Regions

31/12/2021: € 13.8 bn

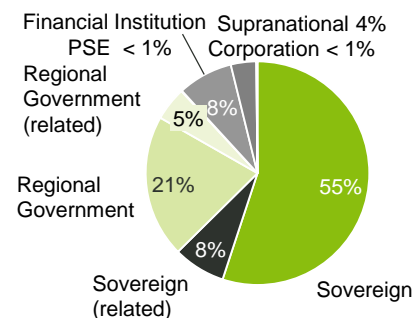


31/12/2022: € 10.6 bn

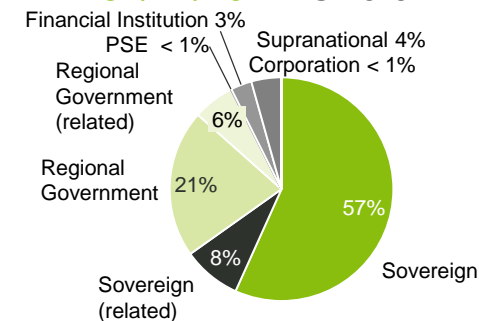


Borrower classification¹

31/12/2021: € 13.8 bn

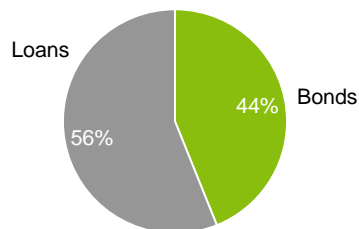


31/12/2022: € 10.6 bn

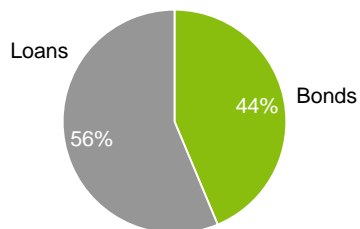


Product class

31/12/2021: € 13.8 bn

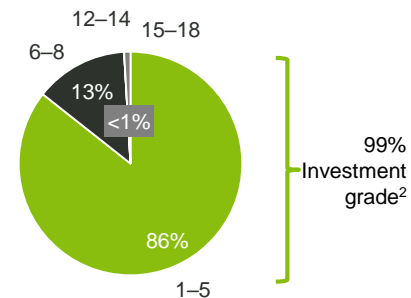


31/12/2022: € 10.6 bn

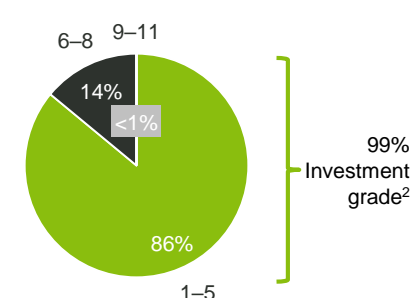


Internal ratings (EL classes)

31/12/2021: € 13.8 bn



31/12/2022: € 10.6 bn



1. See appendix for definition of borrower classification 2. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade 3. EaD, Basel III Note: Figures may not add up due to rounding

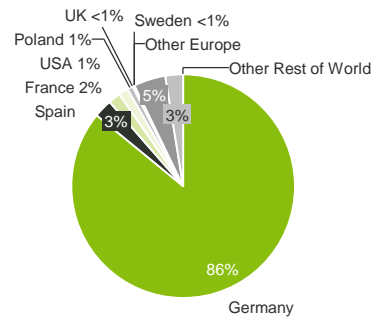
Portfolio

Consolidation & Adjustments (C&A)

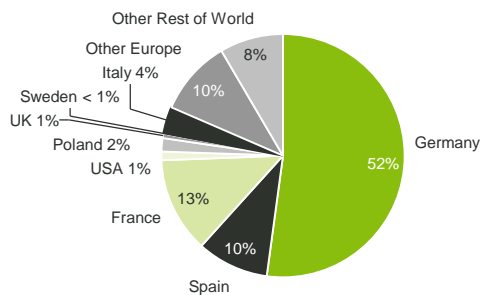
€ bn⁴

Regions

31/12/2021: € 8.3 bn

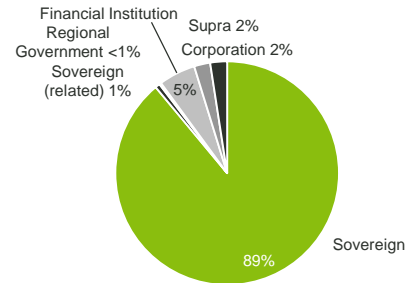


31/12/2022: € 3.7 bn

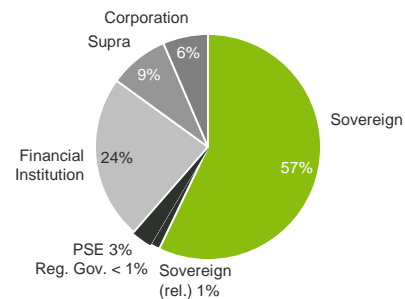


Borrower classification²

31/12/2021: € 8.3 bn

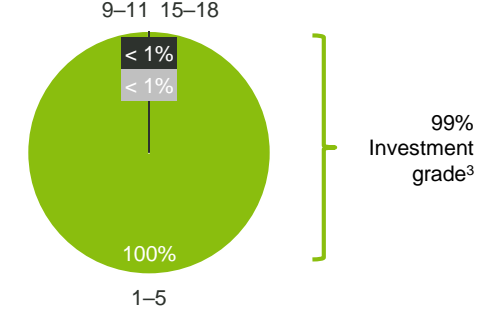


31/12/2022: € 3.7 bn

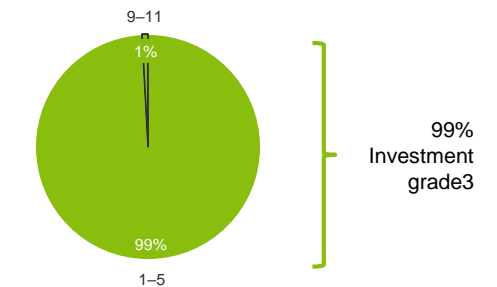


Internal ratings (EL classes)

31/12/2021: € 8.3 bn



31/12/2022: € 3.7 bn



1. Incl. Bundesbank accounts (12/21: € 6.6 bn; 12/22: € 1.0 bn) 2. See appendix for definition of borrower classification 3. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade 4. EaD, Basel III Note: Figures may not add up due to rounding

Appendix

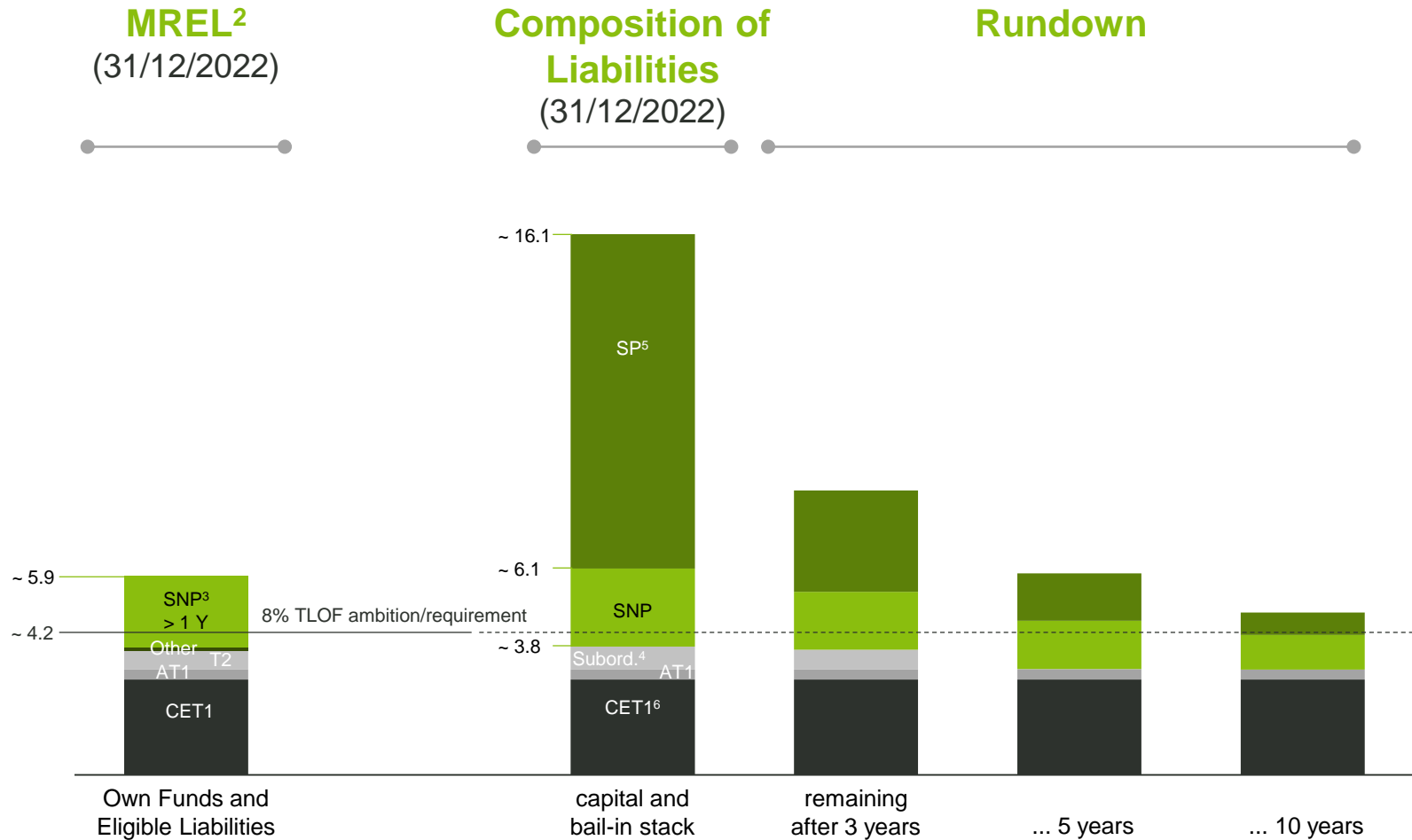
1. ESG
2. Dividend & Financials
3. Portfolio Profile
- 4. Funding & Ratings**

Contact details

Funding

Own Funds and Eligible Liabilities significantly exceed 8% TLOF

(in € bn as of 31/12/2022)¹



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

1. After confirmation of the 2022 financial statements, less the proposed dividend 2. pbb has set its ambition level at 8% TLOF with 100% subordination (i.e. Own Funds and Senior Non-Preferred), which is the currently binding regulatory target. As of 31 December 2022, MREL eligible items amounted to ~ 11.3% TLOF (without approved scope from the General Prior Permissions) ~ 34.8% RWA/~ 11.1% Leverage Exposure 3. MREL-eligible Senior Non-Preferred Debt > 1Y according to legal maturities; without prior approval volumes for early termination of investments 4. Nominal amount of Tier 2 instruments; the capital stack includes € 300 mn AT1 issuance callable in 2023 5. Senior Preferred, structured unsecured and corporate deposits (excl. protected deposits) 6. CET1 assumed to be constant

Funding

Public benchmark issuances since 2019

| Types | WKN | Launch Date | mnaturity Date | Size | Spread ¹ | Coupon | Issue/Reoffer Price |
|--|--------------|-------------|----------------|------------|----------------------|-----------------|---------------------|
| mnortgage Pfandbrief | A2LQNP | 21.01.2019 | 29.01.2024 | € 500 mn | +8 bp | 0.25% | 99.812% |
| Senior Preferred | A2LQNP | 31.01.2019 | 07.02.2023 | € 500 mn | +80 bp | 0.75% | 99.679% |
| mnortgage Pfandbrief (1 st Tap) | A13SWE | 31.01.2019 | 01.03.2022 | € 100 mn | +2 bp | 0.20% | 100.74% |
| Public Sector Pfandbrief (1 st Tap) | A13SWG | 05.02.2019 | 20.04.2035 | € 100 mn | +17 bp | 1.25% | 99.476% |
| mnortgage Pfandbrief (1 st Tap) | A2GSSL | 07.02.2019 | 22.05.2024 | € 100 mn | -9 bp | 0.50% | 101.638% |
| mnortgage Pfandbrief (2 nd Tap) | A13SWE | 04.03.2019 | 01.03.2022 | € 100 mn | -3 bp | 0.20% | 100.81% |
| Public Sector Pfandbrief (2 nd Tap) | A13SWG | 04.03.2019 | 20.04.2035 | € 150 mn | +14 bp | 1.25% | 100.057% |
| Senior Preferred (1 st Tap) | A2LQNP | 06.03.2019 | 07.02.2023 | € 250 mn | +72 bp | 0.75% | 100.004% |
| Senior Preferred | CH0419041246 | 15.05.2019 | 05.06.2023 | CHF 125 mn | +65 bp ⁴ | 0.125% | 100.12% |
| mnortgage Pfandbrief | A2NB7 | 22.05.2019 | 31.05.2022 | USD 600 mn | +32 bp ³ | 2.50% | 99.851% |
| mnortgage Pfandbrief (1 st Tap) | A2GSLV | 12.06.2019 | 30.08.2027 | € 100 mn | 0 bp | 0.625% | 104.138% |
| Senior Preferred | A2NBKK | 29.08.2019 | 05.09.2024 | € 500 mn | +75 bp | 0.125% | 99.498% |
| mnortgage Pfandbrief (3 rd Tap) | A13SWE | 10.09.2019 | 01.03.2022 | € 50 mn | -0.5 bp | 0.20% | 101.795% |
| mnortgage Pfandbrief (1 st Tap) | A2YNVK | 25.09.2019 | 31.05.2022 | USD 50 mn | 32 bp ³ | 2.50% | 101.919% |
| mnortgage Pfandbrief | A2YNVmn | 09.10.2019 | 16.10.2025 | € 500 mn | +5 bp | 0.01% | 101.984% |
| Senior Preferred | A2YNVU | 13.11.2019 | 21.11.2022 | GBP 250 mn | +114 bp ² | 1.75% | 99.849% |
| mnortgage Pfandbrief (1 st Tap) | A1X3LT | 19.11.2019 | 21.01.2022 | € 100 mn | 0 bp | 1.875% | 104.77% |
| mnortgage Pfandbrief | A2YNVY | 14.01.2020 | 21.01.2028 | € 750 mn | +5 bp | 0.10% | 99.992% |
| mnortgage Pfandbrief (2 nd Tap) | A1X3LT | 15.01.2020 | 21.01.2022 | € 150 mn | 0 bp | 1.875% | 104.36% |
| mnortgage Pfandbrief (1 st Tap) | A2LQNP | 22.01.2020 | 29.01.2024 | € 250 mn | +1 bp | 0.25% | 101.919% |
| Senior Preferred | A2YNV3 | 23.01.2020 | 28.07.2023 | € 300 mn | +55 bp | 3mn-Eibor+90 bp | 101.237% |
| Public Sector Pfandbrief (3 rd Tap) | A13SWG | 18.02.2020 | 20.04.2035 | € 50 mn | +0 bp | 1.25% | 116.16% |
| mnortgage Pfandbrief | A289PQ | 24.09.2020 | 29.09.2023 | GBP 500 mn | +38 bp ⁶ | SONIA +100 bp | 101.844% |
| mnortgage Pfandbrief | A3H2ZW | 13.01.2021 | 20.01.2023 | USD 750 mn | +23 bp ³ | 0.50% | 99.93% |
| Senior Preferred (Green) | A3H2ZX | 25.01.2021 | 02.02.2026 | € 500 mn | +55 bp | 0.10% | 100.00% |
| mnortgage Pfandbrief | A3H2Z8 | 20.04.2021 | 27.04.2024 | GBP 500 mn | +27 bp ⁶ | SONIA +100 bp | 102.178% |
| mnortgage Pfandbrief | A3E5K7 | 25.08.2021 | 20.08.2026 | € 500 mn | +0 bp | 0.01% | 101.747% |
| mnortgage Pfandbrief (2 nd Tap) | A2GSLV | 26.08.2021 | 30.08.2027 | € 50 mn | -1 bp | 0.625% | 105.890% |
| mnortgage Pfandbrief (1 nd Tap) | A2YNVmn | 26.08.2021 | 16.10.2025 | € 50 mn | -1,9 bp | 0.01% | 101.880% |
| mnortgage Pfandbrief (2 nd Tap) | A2YNVmn | 16.09.2021 | 16.10.2025 | € 50 mn | -2 bp | 0.01% | 101.540% |
| mnortgage Pfandbrief (3 rd Tap) | A2YNVmn | 21.09.2021 | 16.10.2025 | € 100 mn | -2 bp | 0.01% | 101.490% |
| mnortgage Pfandbrief | A3E5KY5 | 14.10.2021 | 11.10.2024 | USD 750 mn | +20 bp ³ | 0.875% | 99.778% |
| Senior Preferred (Green) | A3TOX22 | 20.10.2021 | 27.10.2025 | € 500 mn | +48 bp | 0.25% | 99.754% |
| Senior Preferred (Green) | A3TOX97 | 12.01.2022 | 17.01.2025 | € 750 mn | +42 bp | 0.25% | 99.798% |
| mnortgage Pfandbrief | A3TOYD | 09.02.2022 | 14.02.2025 | USD 750 mn | +43 bp ⁷ | 1.875% | 99.767% |
| mnortgage Pfandbrief (1 st Tap) | A3E5K7 | 17.02.2022 | 20.08.2026 | € 50 mn | -3 bp | 0.01% | 98.70% |
| mnortgage Pfandbrief | A3TOYH | 06.04.2022 | 13.04.2026 | € 750 mn | +1 bp | 1.00% | 99.727% |
| mnortgage Pfandbrief (2 nd Tap) | A3E5K7 | 07.04.2022 | 20.08.2026 | € 50mn mn | -2 bp | 0.01% | 98.35% |
| Senior Preferred (Green) (1 st Tap) | A3TOX22 | 11.04.2022 | 27.10.2025 | € 200 mn | +55 bp | 0.25% | 95.045% |
| mnortgage Pfandbrief | A30WVU | 19.07.2022 | 26.07.2027 | € 750 mn | +6 bp | 1.75% | 99.872% |
| Senior Preferred (Green) | A30WVU | 22.08.2022 | 28.08.2026 | € 500 mn | +250 bp | 4.375% | 99.921% |
| mnortgage Pfandbrief | A30WF2 | 17.10.2022 | 25.01.2027 | € 500 mn | +3 bp | 3.00% | 99.682% |
| Senior Preferred (Green) | A30WF4 | 01.12.2022 | 08.12.2025 | GBP 350 mn | +434 bp ⁸ | 7.625% | 99.959% |
| mnortgage Pfandbrief | A30WF6 | 12.01.2023 | 19.01.2029 | € 500 mn | +16 bp | 2.875% | 99.777% |
| Senior Preferred (Green) | A30WF8 | 30.01.2023 | 05.02.2027 | € 500 mn | +215 bp | 5.00% | 99.428% |

1. Vs. muid-swap 2. Vs. 3mn GBP-Libor 3. Vs. 3mn USD-Libor 4. Vs. 6mn CHF-Libor 5. Vs 3mn Euribor 6. Vs SONIA 7. Vs SOFR 8. Vs UK Treasuries (Gilts)

Mandated Ratings

| | |
|--|----------------|
| Bank ratings | S&P |
| Long-term | BBB+ |
| Outlook/Trend | Stable |
| Short-term | A-2 |
| Stand-alone rating ¹ | bbb |
| Long Term Debt Ratings | |
| “Preferred” senior unsecured Debt ² | BBB+ |
| “Non-preferred” senior unsecured Debt ³ | BBB- |
| Subordinated Debt | BB+ |
| Pfandbrief ratings | Moody’s |
| Public Sector Pfandbrief | Aa1 |
| Mortgage Pfandbrief | Aa1 |

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

Definition of borrower classifications

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

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