Analyst Presentation

Results 9M/2024

13 November 2024

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STRATEGY 2027

RE Finance Solutions

- → Diversify into growth assets
- → Focused portfolio increased profitability

RE Investment Solutions

- → ~10% fee income in pbb revenue mix
- → Originate & Cooperate as growth lever beyond pbb invest

Non-Core

- → Continued value-preserving run-down
- → Opportunistic asset sales and repurchases

Platform

- → Realization of committed cost reductions
- → Build a flexible, international and efficient platform (CIR <45%)

KEY MESSAGES

→ Solid pre-tax profit of € 87 mn in 9M/24 with Q3/24 at € 40 mn strongest quarter y-t-d

- → Robust operating income with increased **NII** (+3% y-o-y) and resilient **realisation income**
- → **Pre-provision profit** up 16% y-o-y (€ 227 mn)
- → **Risk provisioning** remains elevated, as expected (9M/24: € -140 mn) – however, Q3/24 down 34% q-o-q

→ Business focus on profitability in line with Strategy 2027

- → **New Business:** Strong increase of **gross interest margin** y-o-y to ~240 bp; **new business volume** of € 2.5 bn (Q3/24: € 0.6 bn) with focus on favourable risk/return profile
- → **REF financing volume** at € 29.1 bn with increased portfolio margin
- → Value preserving reduction of **Non-Core portfolio** ongoing – down € 1.6 bn to € 10.8 bn

→ Capitalisation remains solid, Basel IV F-IRBA approval granted

- → **CET 1 ratio** calibrated towards standardised risk parameters at 14.5% (+50 bp vs. 06/24); **RWA** down by € ~0.5 bn in Q3/24 (€ 20.4 bn)
- → **Pro-forma Basel IV F-IRBA CET 1 ratio** at 17.3%
- → **Basel IV F-IRBA** from 01.01.2025 onwards **approved**

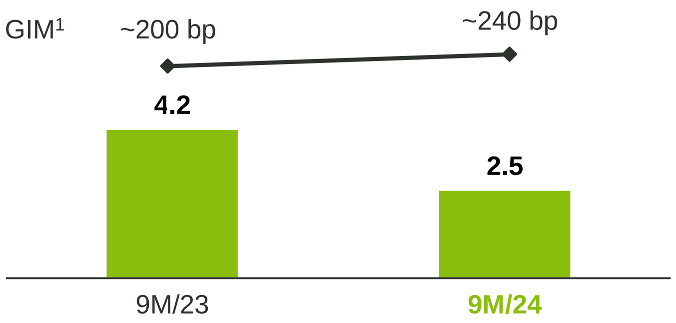
AGENDA

OPERATING & FINANCIAL OVERVIEW

Focus on profitability

REF new business

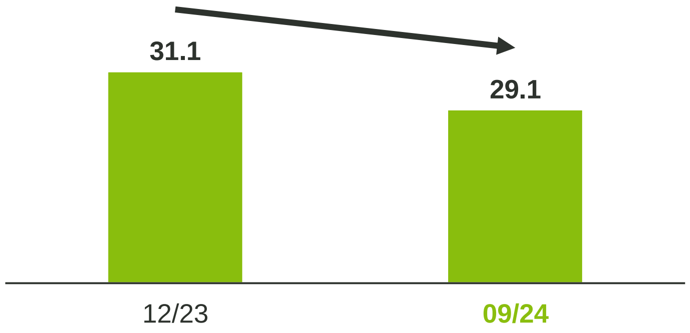
€ bn (commitments, incl. extensions > 1 yr.)



- New business with focus on favourable risk/return profile in line with Strategy 2027
- Strong uplift of gross interest margin y-o-y
- Strict focus on profitable business - full-year volume expected at € ~5.5 bn

REF portfolio

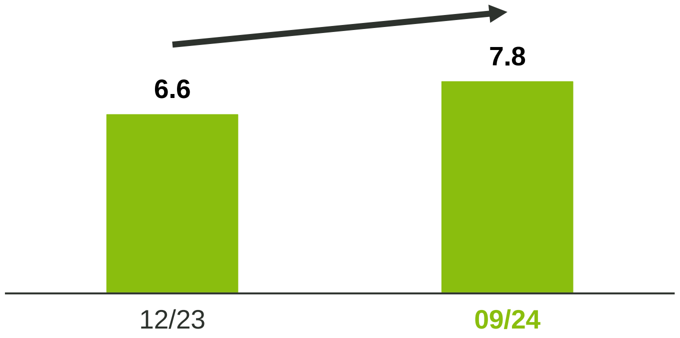
€ bn (financing volume)



- REF portfolio down y-o-y, reflecting portfolio transaction (Q2/24: € -0.9 bn) and focus on Strategy 2027
- Portfolio margin increased
- Portfolio volume expected slightly below € ~30 bn by year-end

Funding – retail deposits

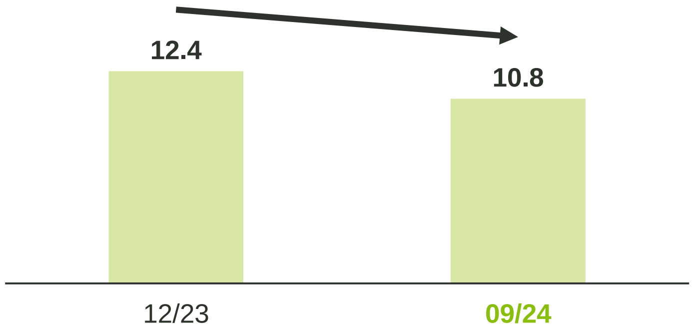
€ bn



- Retail deposits still higher than needed
- Focus on optimisation with expected volume of € ~7.5 bn by year-end

Non-Core portfolio

€ bn (financing volume)



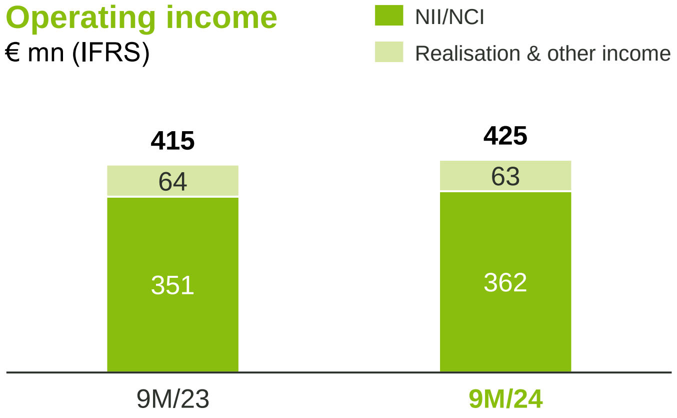
- Ongoing optimisation of Non-Core portfolio
- Accelerated and value preserving asset reduction through asset sales (€ 1.0 bn) and respective liability management

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

OPERATING & FINANCIAL OVERVIEW

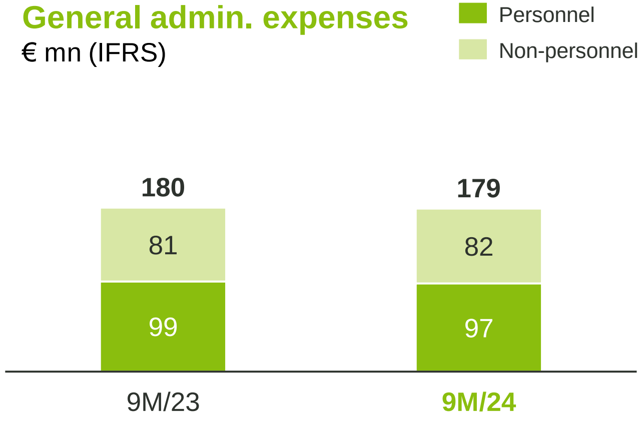
Robust operating income – risk costs down in Q3/24

Operating income
€ mn (IFRS)



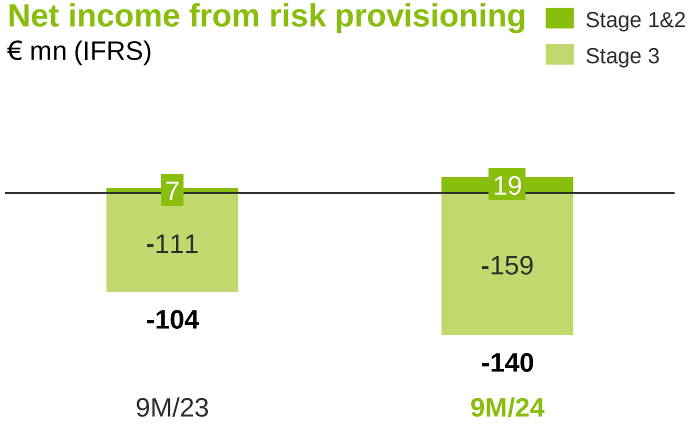
- NII up y-o-y, driven by slightly higher avg. REF financing volume and increased portfolio margin
- Resilient realisation and other income

General admin. expenses
€ mn (IFRS)



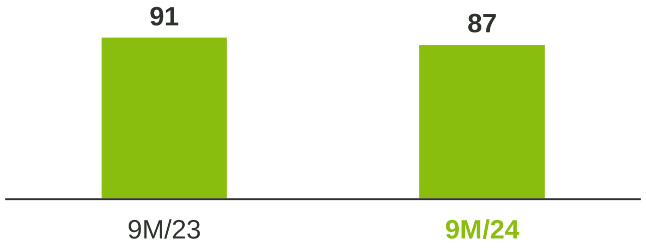
- GAE stable y-o-y – infla-tionary cost pressure and strategic investments successfully managed
- Cost uplift from IT/strategic investments still expected in Q4/24 as envisaged (FY/24e: CIR ~50%)

Net income from risk provisioning
€ mn (IFRS)



- LLPs up y-o-y, reflecting low level in H1/23
- Dominated by US loans and German developments
- In Q3/24, LLP down -34% q-o-q (€ -37 mn), supported by releases in stages 1&2

Pre-tax profit
€ mn (IFRS)



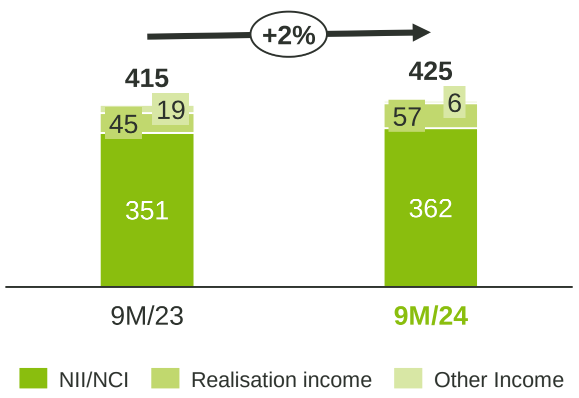
- Solid Q3/24 (€ 40 mn; strongest quarter y-t-d) lifts PBT for 9M/24 to prior year level
- PBT on track to reach full-year guidance

Note: Figures may not add up due to rounding

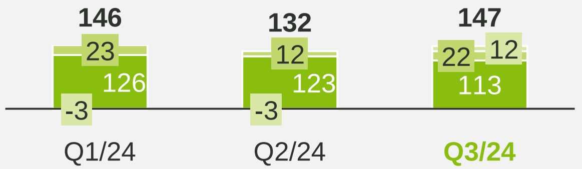
OPERATING INCOME

Pre-provision profit up by 16% y-o-y

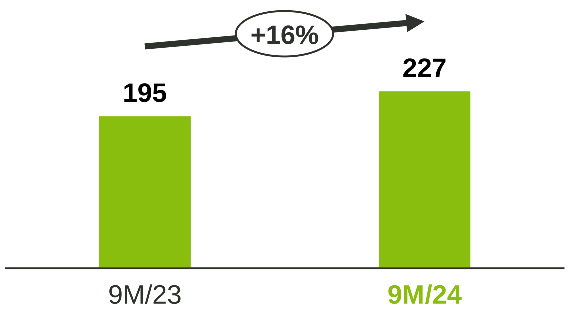
Operating income
€ mn (IFRS)

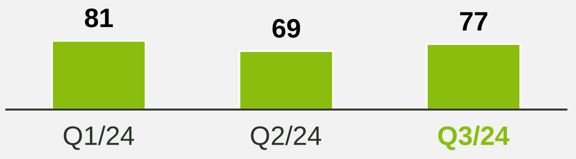


Quarterly view

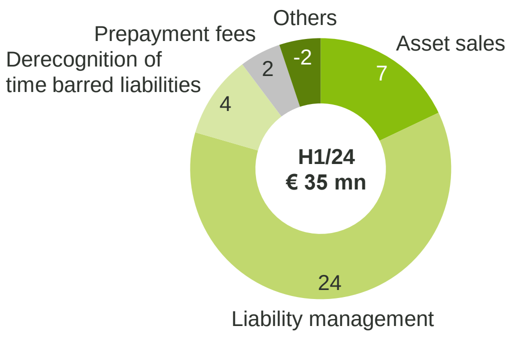


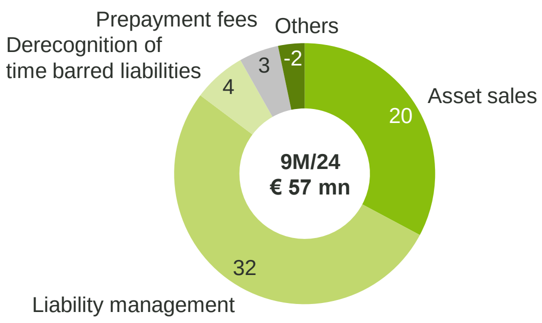
Pre-provision profit
€ mn (IFRS)





Realisation income
€ mn (IFRS)





- **Robust operating income**
  - **NII/NCI** up y-o-y (€ +11 mn; +3%), driven by slightly higher avg. REF financing volume (9M/24: € 30.3 bn; 9M/23: € 29.9 bn) and increased portfolio margin while Non-Core portfolio decreased and funding costs increased

    Q3/24 impacted by portfolio reduction (incl. impact from REF portfolio transaction in Q2/24) and higher funding costs
  - **Realisation income** up y-o-y (€ +12 mn), driven by active balance sheet management: ongoing Non-Core asset sales and liability buybacks (mainly public sector bonds)
  - **Other income** includes positive impact from sharply decreased interest rates in US Dollar and Euro in Q3/24
- Strong **pre-provision profit** supported by stable cost base and lower bank levy

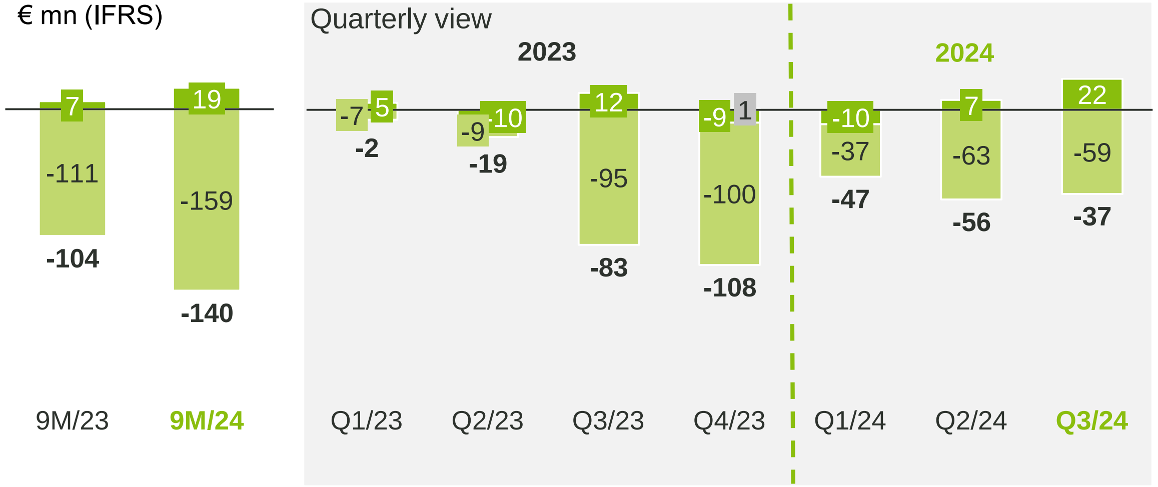
Note: Figures may not add up due to rounding

RISK COSTS

Improved macro-economic parameters in Q3/24

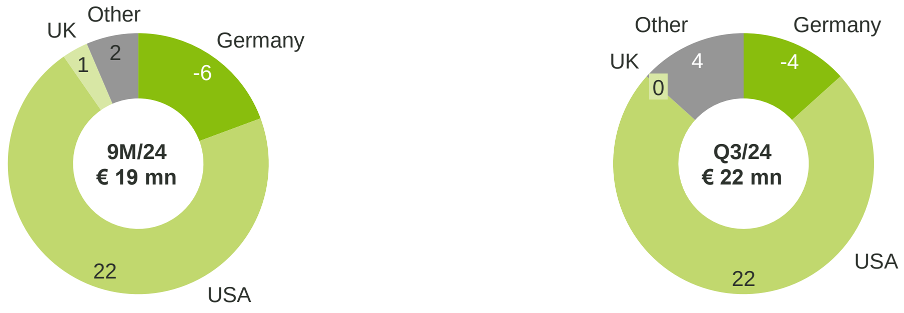
Net income from risk provisioning

€ mn (IFRS)



Stage 1&2

€ mn (IFRS)



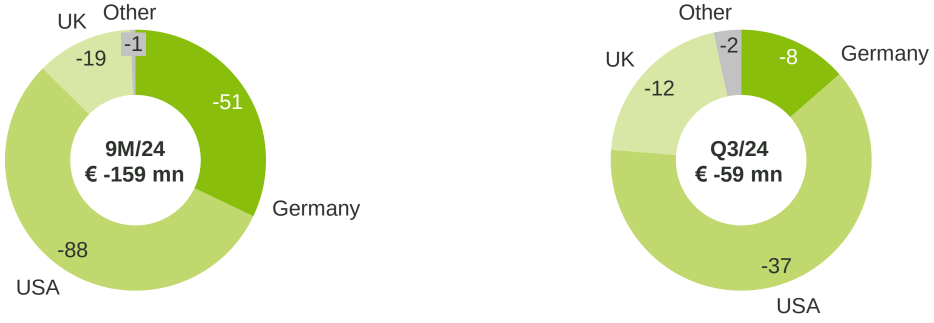
Challenging market environment reflected in elevated level of **LLP** since Q3/23 – LLP in 9M/24 up y-o-y, as expected

However, **Q3/24** down by 34% q-o-q:

- **Stage 1&2:** € +22 mn net releases
  - Model based release from improved macro-economic parameters
  - € 9 mn release of remaining **management overlay** due to materialisation of risks in US portfolio
- **Stage 3:** € -59 mn net additions continue to be driven by US office and German development loans as well as some further additions for UK

Stage 3

€ mn (IFRS)



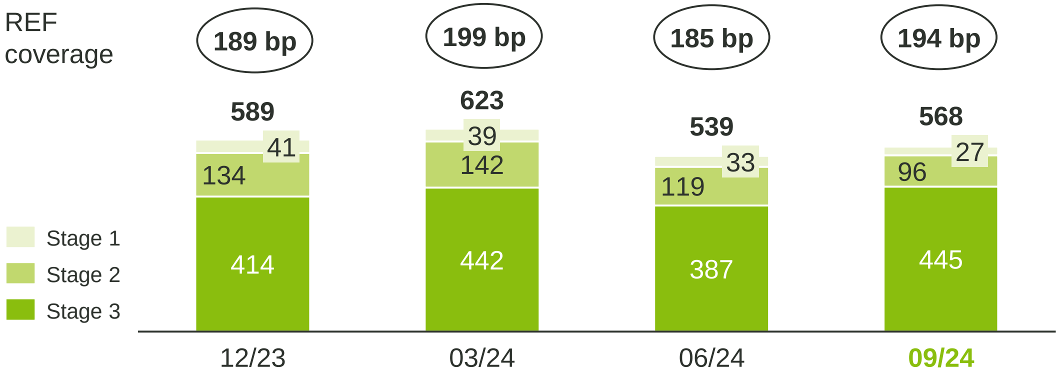
1. Incl. provisions in off balance sheet lending business 2. Recoveries from written-off financial assets

RISK COSTS

Loss allowances reduced by NPL management

Balance sheet – loss allowances

€ mn



Mgmt. overlay	31	22	9	0

- **Stages 1&2: 9M/24** net decrease mainly due to release/consumption of **management overlay** for US office loans (€ -31 mn) and model based releases driven by improved macro-economic parameters (€ -21 mn)

  Q3/24: € -29 mn decrease, driven by improved macro-economic parameters (€ -20 mn) and release of remaining management overlay (€ -9 mn)

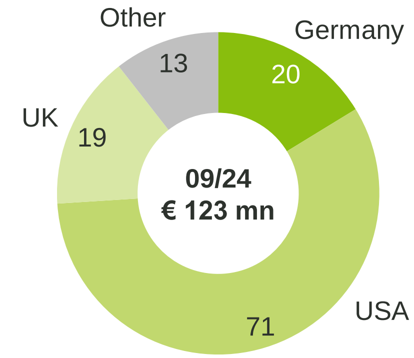
- **Stage 3: 9M/24 n**et increase mainly due to additions for US office (€ 41 mn; Q3/24: € 32 mn) and German development (€ 50 mn; Q3/24: € 8 mn) loans

  Q3/24: € 58 mn net increase mainly driven by US office (€ 32 mn), German development (€ 8 mn) and UK (€ 17 mn)

  REF NPL coverage ratio up to ~27% (06/24: ~24%)

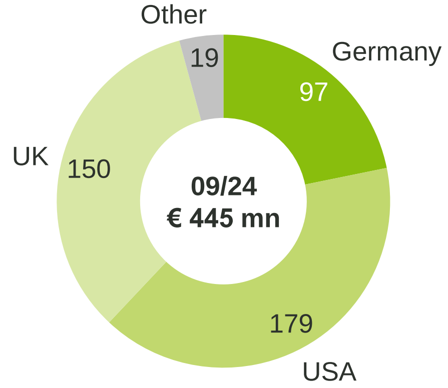
Stage 1&2

€ mn (IFRS)



Stage 3

€ mn (IFRS)

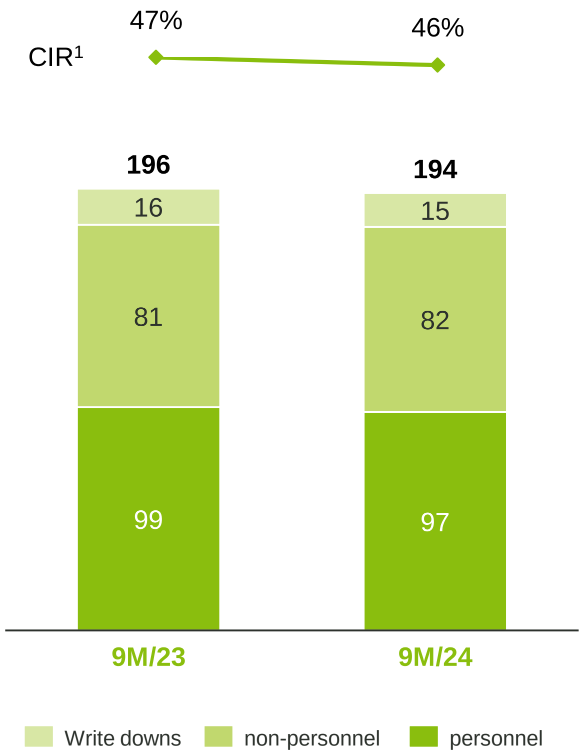


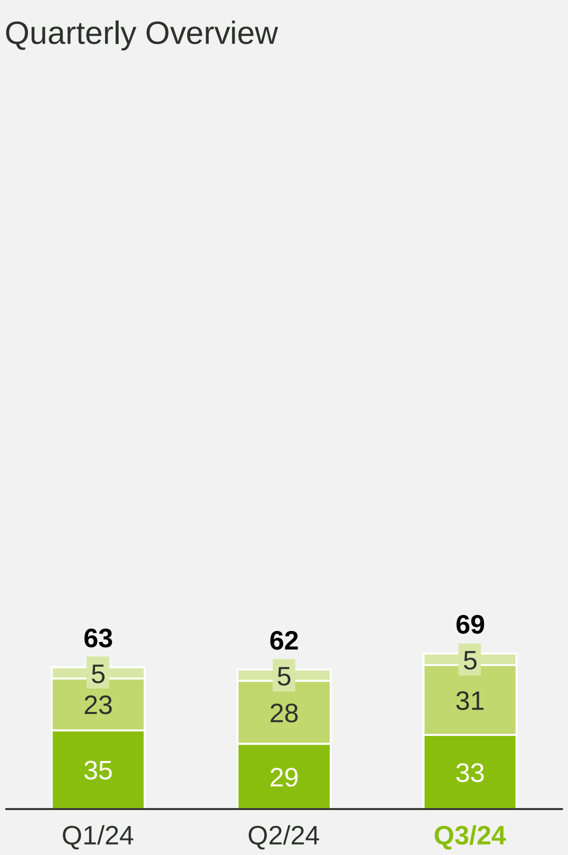
Note: Figures may not add up due to rounding   1) Incl. other changes

OPERATING EXPENSES

Strict focus on cost discipline

Operating expenses
€ mn (IFRS)





- **Operating expenses** stable y-o-y
  - Inflationary cost pressure managed
  - Cost uplift in Q3/24 driven by
    - normalization of personnel costs after provision release in Q2/24
    - increase of non-personnel costs (IT/strategic investments), as expected
  - As envisaged, further cost uplift expected for Q4/24 (FY/24e: CIR ~50%)

- **IT/digitalisation investments** mainly driven by
  - **IT transformation:** New IT landscape/servicing to provide for sustainable cost savings
    - Insourcing of IT infrastructure/personnel
    - Change of IT provider – parallel run in 2024 with peak cost uplift to materialise in Q4/24
  - **Digitalisation:** Increase of process efficiency (mainly completed in H1/24)
    - Further development of digital credit workplace to increase process efficiency

- **Strategic projects**
  - Adaptation of RE Finance Solutions business to new strategic focus (e.g. processes, expert teams, consulting)
  - Set-up of RE Investment business (pbb invest and Originate & Cooperate)

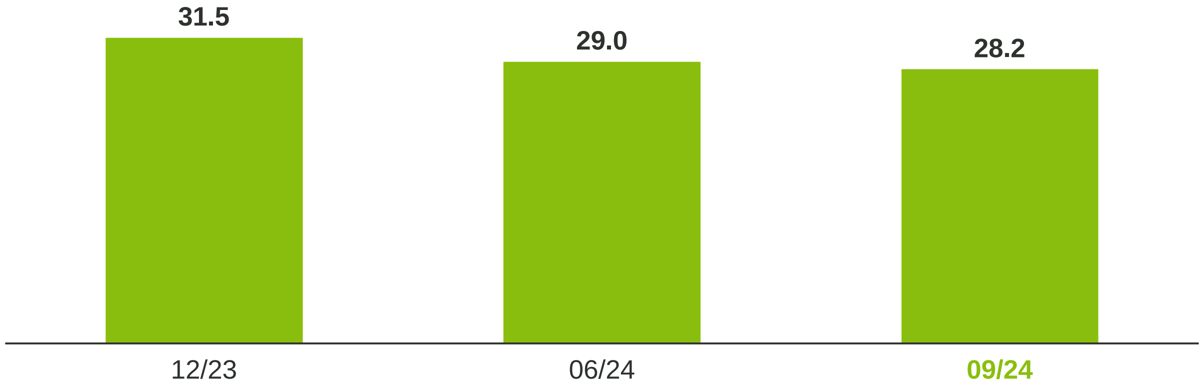
Note: Figures may not add up due to rounding 1. CIR = (General and administrative expenses + net income from write-downs and write-ups on non-financial assets)/operating income

AGENDA

REF PORTFOLIO PERFORMING

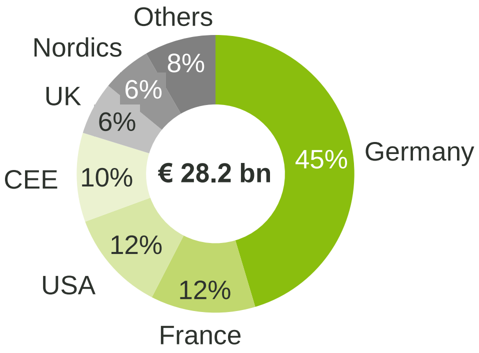
Portfolio quality remains solid

Performing Portfolio
€ bn (EaD, Basel III)

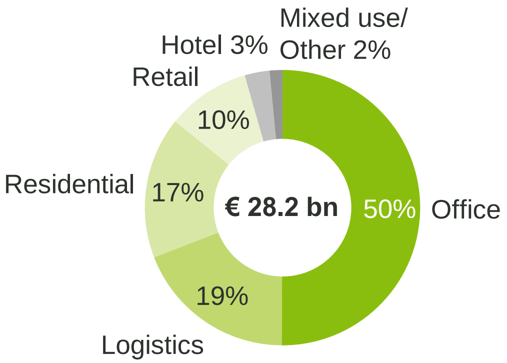


- **Performing REF portfolio** reduced by € 3.3 bn (Q3/24: € 0.8 bn)
  - Repayments & others (9M/24: € 1.8 bn; Q3/24: € 0.6 bn)
  - Transfer to NPL (9M/24: € 0.6 bn; Q3/24: € 0.2 bn)
  - Portfolio transaction (Q2/24: € 0.9 bn)
- **Portfolio quality** remains solid – focus on senior lending only
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -8%[1]
- **Strong senior lending profile –** ~87% of outstanding loan volume collateralised at LTV ≤50%
- **LTV-stress:**
  - **Exposure at risk:** ~2.0% of portfolio[2]
  - **Coverage ratio:** ~22% via existing stage 1&2 LLPs of € 121 mn

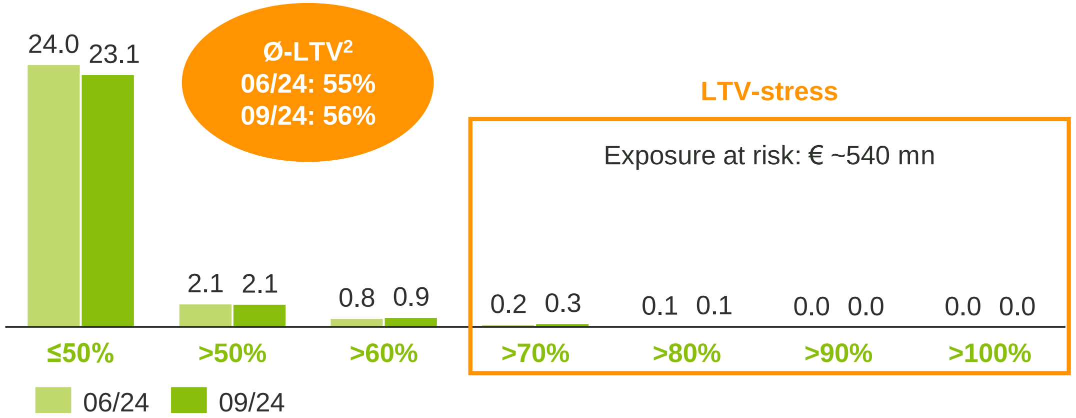
Regions
30/09/2024 (EaD, Basel III)



Property types
30/09/2024 (EaD, Basel III)



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



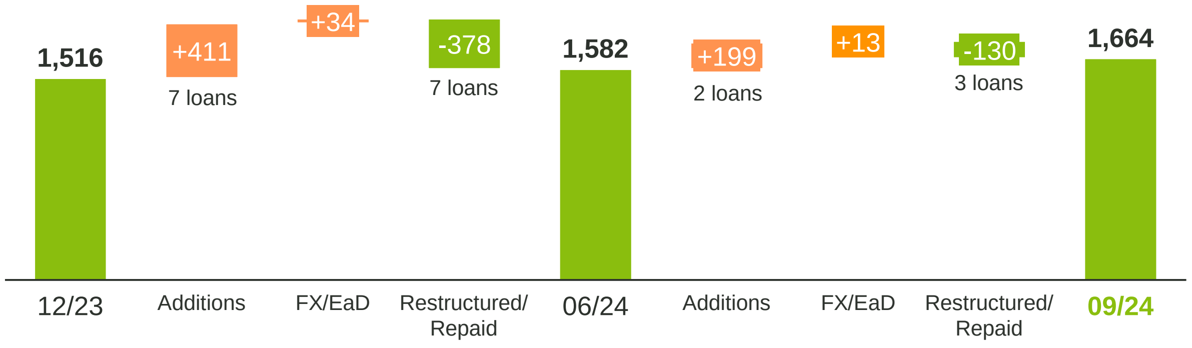
Note: Figures may not add up due to rounding 1. On the part, for which a revaluation was necessary
2. Performing investment loans, based on commitments

REF PORTFOLIO NPL

Driven by US loans and German developments

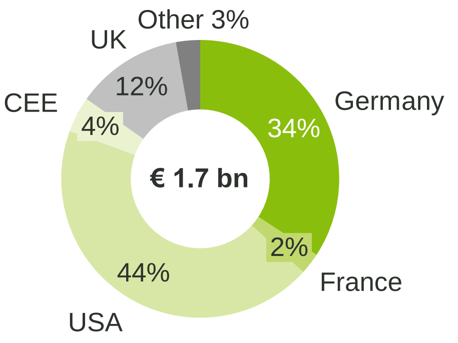
NPL Portfolio

€ mn (EaD, Basel III)



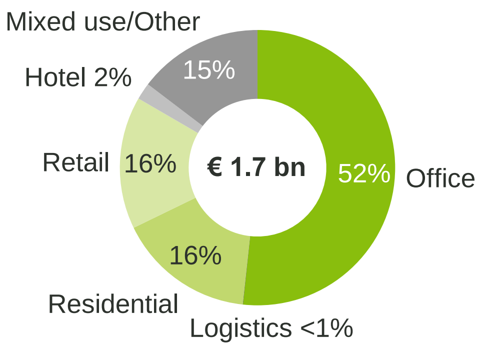
Regions

30/09/2024 (EaD, Basel III)



Property types

30/09/2024 (EaD, Basel III)



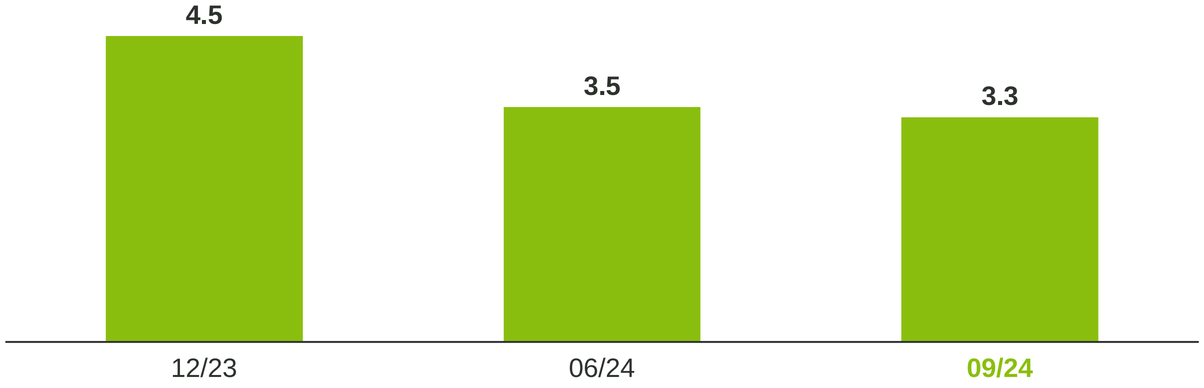
- Increase of **NPL portfolio** mainly driven by US loans and German developments – active **NPL management** ongoing
- **Q3/24** with number of cases managed down:
  - 3 reductions due to active NPL management
    - 1 loan (€ 75 mn) restructured (US office loan)
    - 2 loans (€ 55 mn) repaid (1 German development and 1 UK office loan)
  - 2 additions
    - € 91 mn US office loan
    - € 108 mn German development loan (land phase), no LLPs required
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -30%[1]
- **NPE[2] ratio 3.7**% - up in Q3/24 due to decrease of total portfolio
- **NPL coverage ratio** of ~27% via existing stage 3 LLPs of € 444 mn

Note: Figures may not add up due to rounding 1. On the portfolio part, for which a revaluation was necessary 2. Non-Performing Exposure ratio = Non-performing loans and bonds / total portfolio (EaD); NPL ratio (EBA definition) 09/24: 4.4%, 06/24: 4.1%, 03/24: 3.9% (NPL ratio = gross carrying amount of non-performing loans and Advances (incl. loans in forbearance cure-period) / total gross carrying amount of loans and advances)

FOCUS: USA PERFORMING

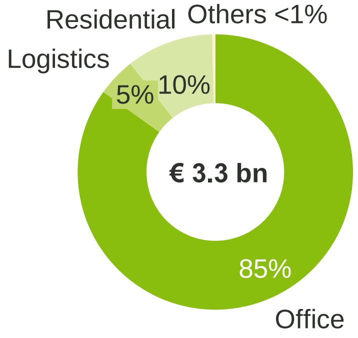
Portfolio further reduced to € 3.3 bn

Performing Portfolio
€ bn (EaD, Basel III)

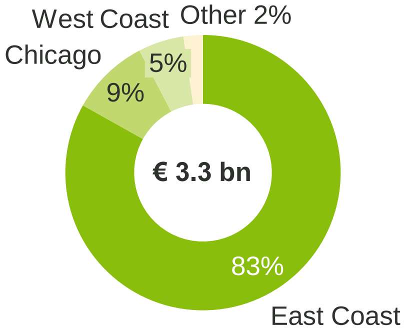


- **Performing US portfolio** reduced by € 1.2 bn (Q3/24: € 0.2 bn) through
  - repayments & others (9M/24: € 0.2 bn; Q3/24: € 0.1 bn)
  - transfer to NPL (9M/24: € 0.5 bn; Q3/24: € 0.1 bn)
  - portfolio transaction (Q2/24: € 0.5 bn)
- Full focus on **risk mitigation** in existing portfolio
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -19%[1]
- **LTV-stress:**
  - **Exposure at risk:** ~5.7% of portfolio[2]
  - **Coverage ratio:** ~43% via existing stage 1&2 LLPs of € 71 mn

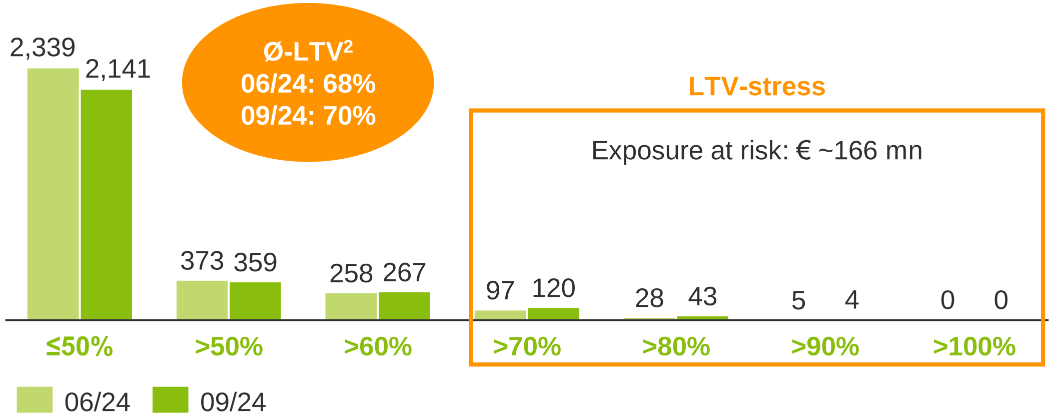
Property types
30/09/2024: (EaD, Basel III)



US Office – Regions
30/09/2024: (EaD, Basel III)



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

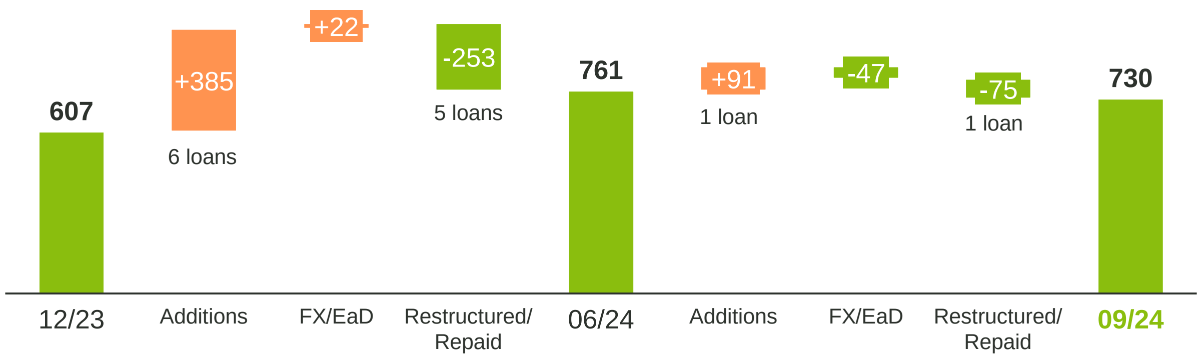


Note: Figures may not add up due to rounding
1. On the portfolio part, for which a revaluation was necessary 2. performing investment loans, based on commitments, 06/24 corrected from 66% (US total performing) to 68% (US Office performing)

FOCUS: USA NPL

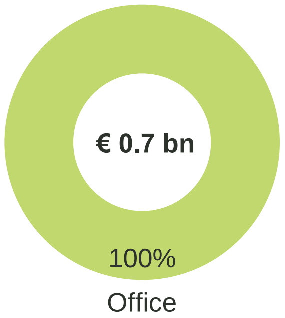
US NPL down 4% in Q3/24

Non-Performing Portfolio
€ mn (EaD, Basel III)

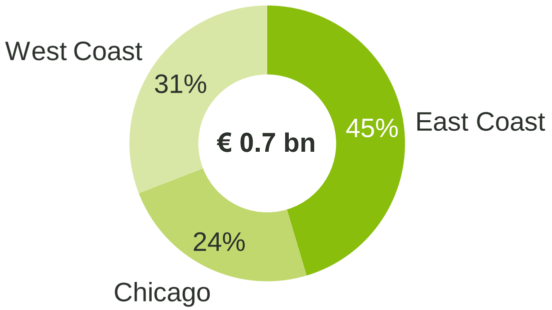


- Decrease of **US NPL portfolio** due to active **NPL management**
- **Q3/24**:
  - 1 reduction due to active NPL management
    - € 75 mn restructured (Chicago)
    - Repayments and restructuring at internal valuation marks
  - 1 addition:
    - € 91 mn office loan, East Coast
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -35%[1]
- **US NPE[2] ratio 18%**
- **NPL coverage ratio** of ~25% via existing stage 3 LLPs of € 179 mn

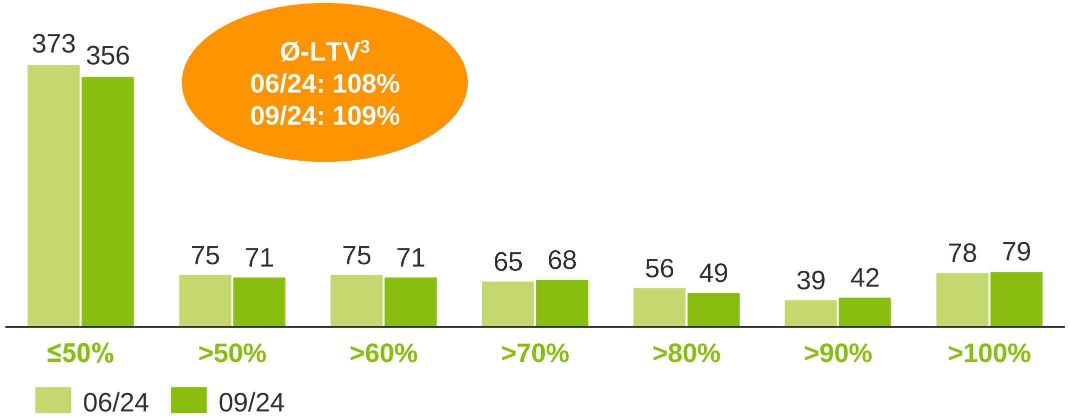
Property types
30/09/2024: (EaD, Basel III)



Office – Regions
30/09/2024: (EaD, Basel III)



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

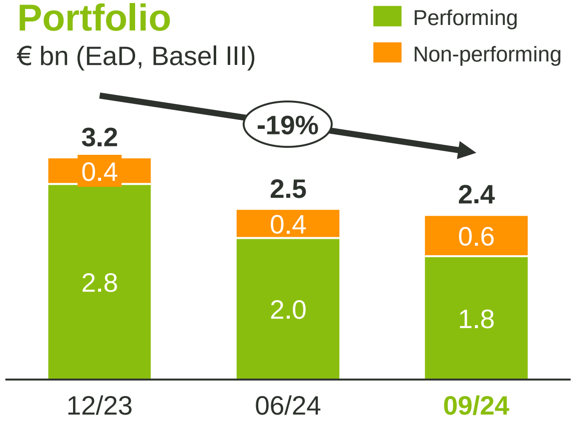


Note: Figures may not add up due to rounding 1. On the portfolio part, for which a revaluation was necessary
2. Non-Performing Exposure ratio = Non-performing loans and bonds / total US portfolio (EaD)
3. Non-performing investment loans, based on commitments

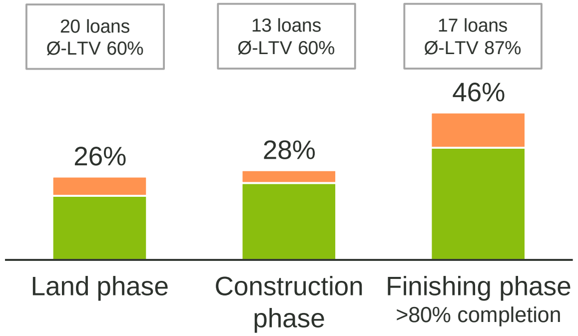
FOCUS: DEVELOPMENT PORTFOLIO

Portfolio reduced by € 0.8 bn (-25%)

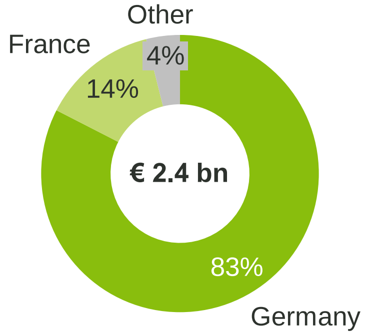
Portfolio
€ bn (EaD, Basel III)



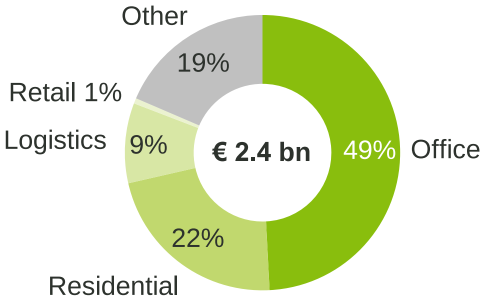
Phase
30/09/2024 (commitments, Basel III)



Regions
30/09/2024 (EaD, Basel III)



Property types
30/09/2024 (EaD, Basel III)



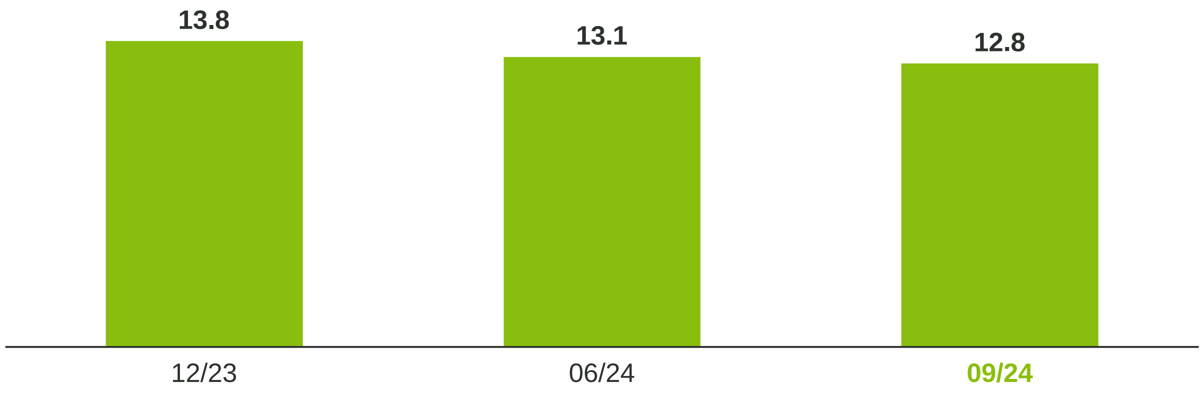
- **Portfolio** reduced by € 0.8 bn (Q3/24: € 0.1 bn)
  - 15 loans (Q3/24: 6) repaid/transferred to investment loans
  - Risk management **focus on loans in construction phase**
- Increase of **NPLs** by € 152 mn to € 565 mn in Q3/24 with coverage ratio of ~17% (06/24: ~22%; 12/23: ~12%)
  - **Q3/24:**
    - One new land phase case (€ 108 mn) with no LLPs required and changes on existing cases
    - One land phase NPL **repaid** (€ 26 mn) at internal valuation marks
  - Only German loans in very good inner city locations
  - 5 cases land phase + 2 cases construction phase (1 residential/1 retail)
- **Senior lending** only
  - No exposure in unsecured/subordinated instruments
  - Cooperation only with selective and well **experienced large developers** – more than 30 developers for 50 projects
  - Focus on **office, residential and logistics** in major urban locations (very good locations) in Germany (only big 7) and Europe

Note: Figures may not add up due to rounding

FOCUS: GERMANY PERFORMING

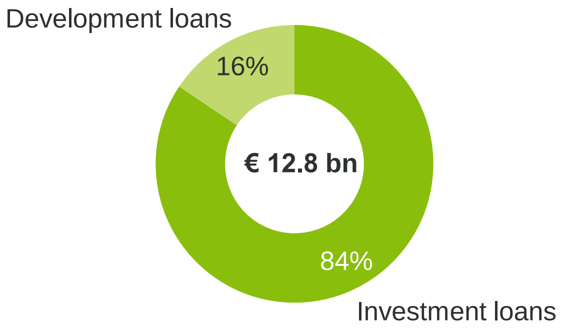
Well diversified, high quality portfolio

Performing Portfolio
€ bn (EaD, Basel III)

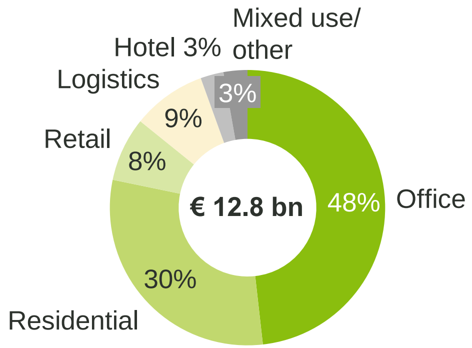


- **Performing German portfolio** reduced by € 1.0 bn (Q3/24: € 0.3 bn) through
  - Repayments & others (9M/24: € 0.9 bn; Q3/24: € 0.2 bn)
  - Transfer to NPL (9M/24: € 0.1 bn; Q3/24: € 0.1 bn)
- **German CRE portfolio** well diversified by region and property type with focus on big 5 cities
- 100% of the portfolio **reviewed/revalued** in last 12 months – avg. value change of -8%[1]
- **LTV-stress:**
  - **Exposure at risk:** ~2.6% of portfolio[2]
  - **Coverage ratio:** ~7% via existing stage 1&2 LLPs of € 20 mn
- **German NPLs** limited to development loans (see previous page)

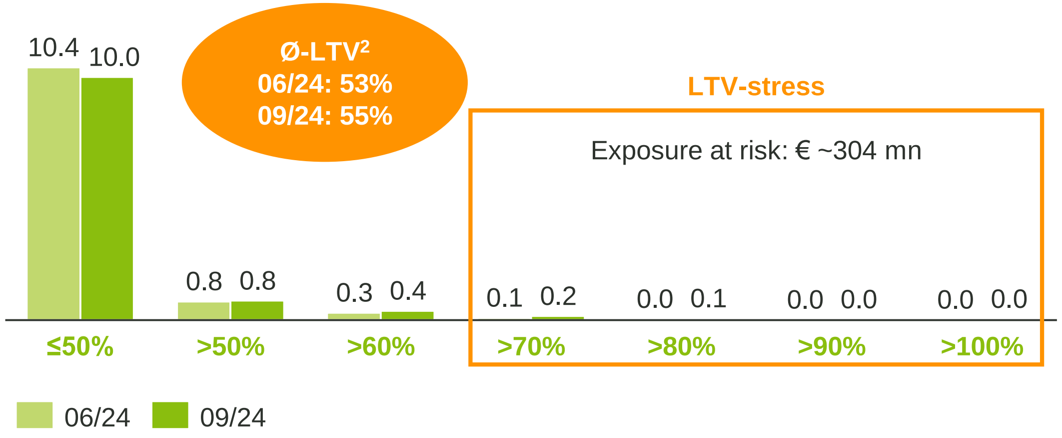
Product Class
30/09/2024: (EaD, Basel III)



Property types
30/09/2024: (EaD, Basel III)



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



Note: Figures may not add up due to rounding
1. On the portfolio part, for which a revaluation was necessary 2. Performing investment loans, based on commitments

AGENDA

1. Highlights 9M/24 and P&L
2. Portfolio Quality
   - Focus
     - USA
     - Development
     - Germany
3. Funding
4. Capital & Balance Sheet Management
5. Economic Outlook & Summary
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LIQUIDITY AND FUNDING

Strong and balanced position

LCR
>200%
(09/24)

NSFR
116%
(09/24)

Liquidity
€ 6.9 bn
(09/24)

Secured Funding
>50%
(09/24)

2024 funding requirements already met

- With more than € 2 bn **Pfandbrief** issuances y-t-d pbb already met its 2024 funding requirements
- **No Senior Unsecured** required
- **Retail deposits** at € 7.8 bn as of 09/24

  Focus in H2/24 on aligning retail term deposit volume with actual overall balance sheet funding needs, targeting € 7.5 bn by year-end

Funding outlook for 2025

- pbb will be a **regular issuer** of **Pfandbriefe** (benchmarks/ private placements in EUR, USD, GBP & SEK)
- **Green Senior Preferred** benchmark planned
- **Broad tool box** of short-term and long-term funding instruments available

Strong liquidity position

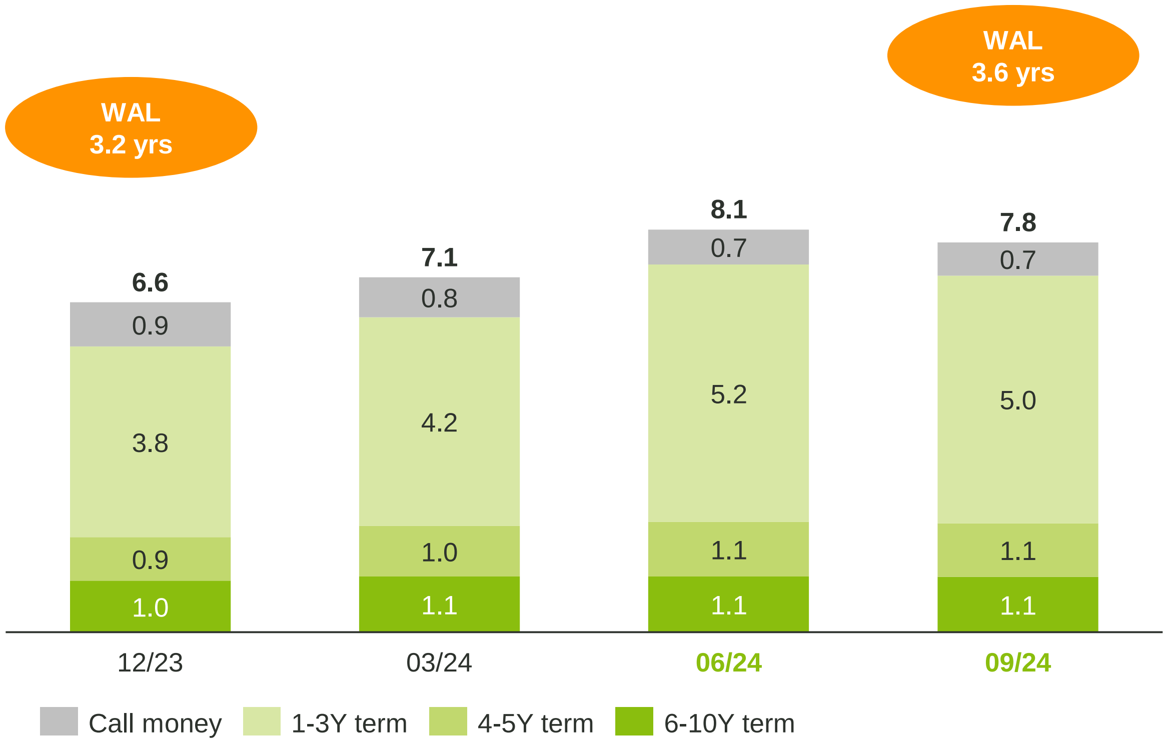
- **Liquidity position** of € 6.9 bn and regulatory ratios well above minimum requirements

RETAIL DEPOSITS

Retail deposits exceed needs

Retail deposits – development & maturity profile[1]

€ bn



pbb direkt[3]	12/23	03/24	06/24	09/24
Number of Clients	~91,900	~99,000	~107,500	~106,700
Avg. deposit amount per client (€)	~64,000	~61,000	~61,000	~59,000

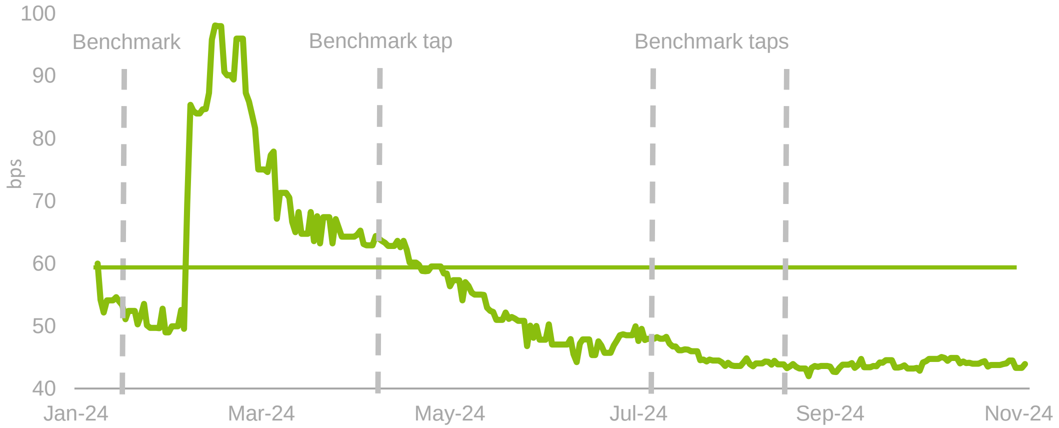
- Growth of **retail deposits** peaked at € 8.1 bn in H1/24
  - Current volume of € 7.8 bn (09/24) well exceeds needs
  - Continued focus on aligning deposit volume with actual overall balance sheet funding needs, **targeting € ~7.5 bn** by year-end
- **Attractive source** of unsecured funding
  - **Long-term, granular and deposit insured**
    - 91% term deposits, WAL stable at 3.6 yrs
    - € 59,000 average deposit (pbb direkt)
    - nearly 100% insured[2]
  - **Call money** only ~9% / € 0.7 bn well covered by liquidity reserves
  - **Cost efficient** – attractive funding costs around Euribor

Note: Figures may not add up due to rounding
1. Initial weighted average life of term deposits 3.6 years, remaining average time to maturity 2.4 years 2. Statutory deposit protection scheme in combination with the voluntary protection scheme of German Banks 3. Only pbb direkt clients without co-operations

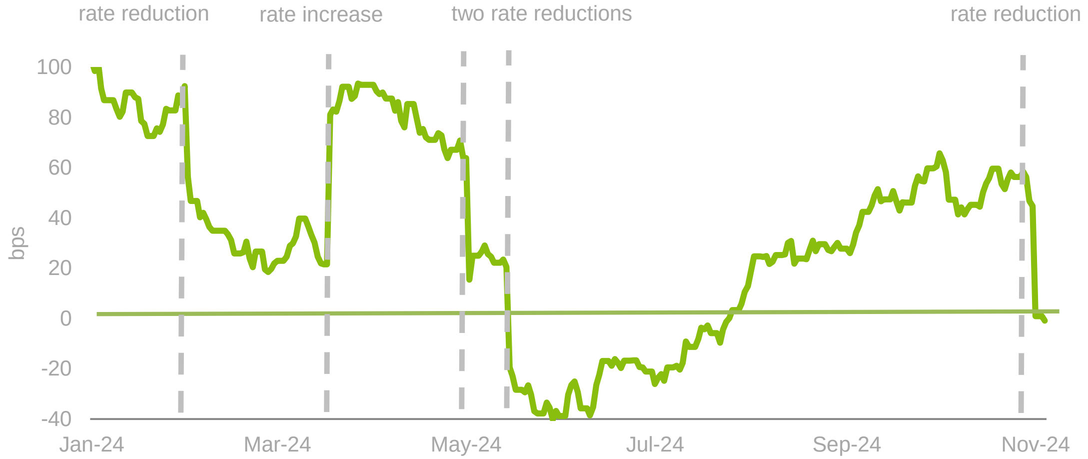
FUNDING AND LIQUIDITY

Focus on optimising funding costs

3Y Pfandbrief vs. Midswaps



3Y deposit vs. Midswaps



Source: Bloomberg, pbb

Pfandbrief

- Starting the year with **pre-funding**, including a new € 500 mn **benchmark in January**, pbb was in the position to avoid issuing during volatile February and March
- With a total of **€ 2 bn Mortgage Pfandbrief** issuances (€ 1.2 bn in H1/24 and € 0.8 bn in Q3/24), **pbb already met its 2024 funding requirements** amid stabilising markets

Retail deposits

- **Actively managed** in line with needs and year end targets
  - **Rate reduction** in January and February (in 2 steps) by overall -50 to -125 bps (for term deposits ≥2Y)
  - **Rate increase** in March by ~+50 bps (for term deposits ≥2Y) with strong inflow
  - **Rate reduction** in May (in 2 steps) by overall -75 to -100 bps for all term deposits and call money
  - **Further rate reduction** in November by ~-45 bps for all term deposits (except 10Y) and call money
- Maintaining **defensive pricing** aligned with volume targets

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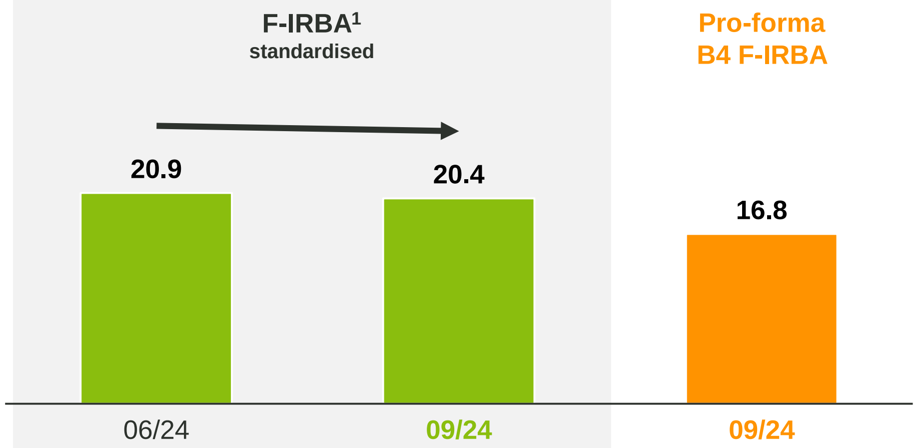
Basel IV F-IRBA approval granted

Basel III: capital and leverage ratios
(IFRS)

%	Transitional period: F-IRBA[1] standardised 06/24[2]	Transitional period: F-IRBA[1] standardised 09/24[2]	Pro-forma B4 F-IRBA 09/24[2]
CET 1	14.0	14.5	17.3
Own funds	17.0	17.4	20.7
Leverage ratio	7.1	7.2	

RWA
€ bn (IFRS)



- Transition into targeted **Basel IV F-IRBA** regime started in Q2/24 – for transitional period, models calibrated towards **standardised risk parameters**
  - Temporary technical uplift of **RWA** mitigated by active balance sheet management and de-risking measures
  - **Capital** slightly increased due to non-deductible item “EL shortfall”
  - Ambition level for CET1 ratio of ≥14% delivered as guided
- As of 09/24, **CET 1 ratio** up by +50 bp to 14.5%
- CET 1 ratio remains more than 450 bp above **current regulatory requirement**
  - SREP requirement (incl. anticipated additional buffer)[3]:
    - CET 1 ratio 9.64%
    - Own Funds Ratio 14.45%
- Continued **active balance sheet management** and furthermore intention to optimise **capital structure**
- **Pro-forma Basel IV F-IRBA CET 1 ratio at 17.3%**
- **Basel IV F-IRBA approved** – applicable for the majority of pbb`s portfolio from 01.01.2025 onwards

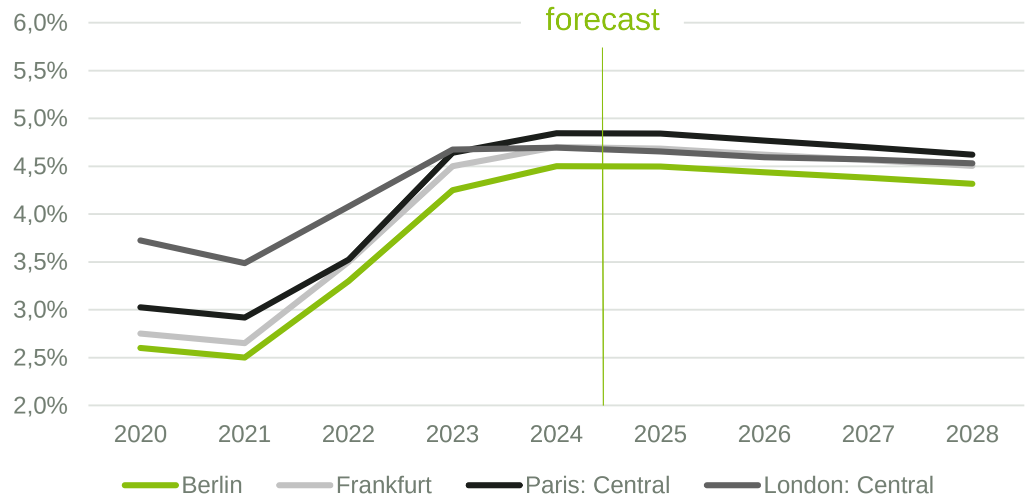
1. B3 F-IRBA calibrated to standardised risk parameters 2. Incl. interim result, Q3/24 excl. interim result 3. SREP requirement: 4.5% P1R + 1.69% P2R + 2.5% Capital Conservation Buffer + 0.95% anticipated additional buffer (CCyB + SyRB)
Note: Figures may not add up due to rounding

AGENDA

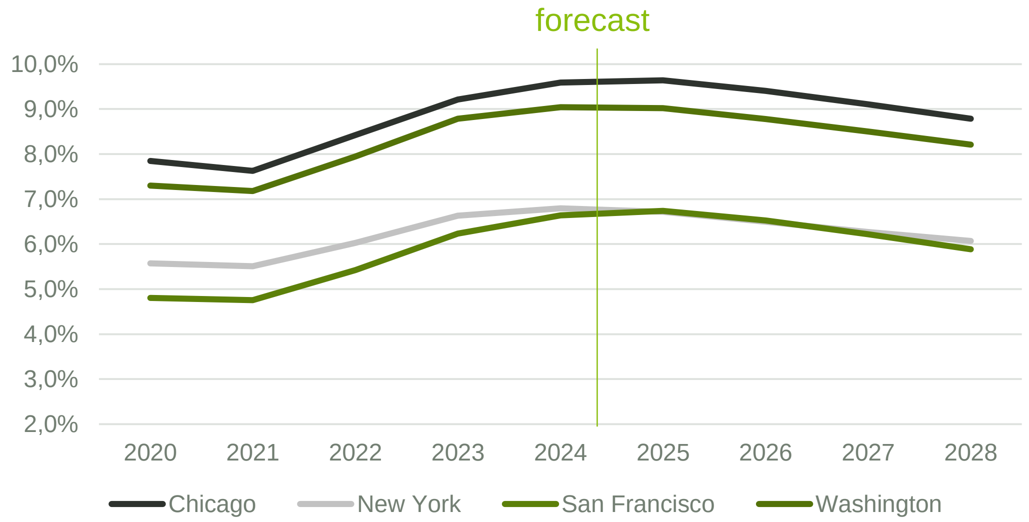
OFFICE MARKETS

Turning point in reach

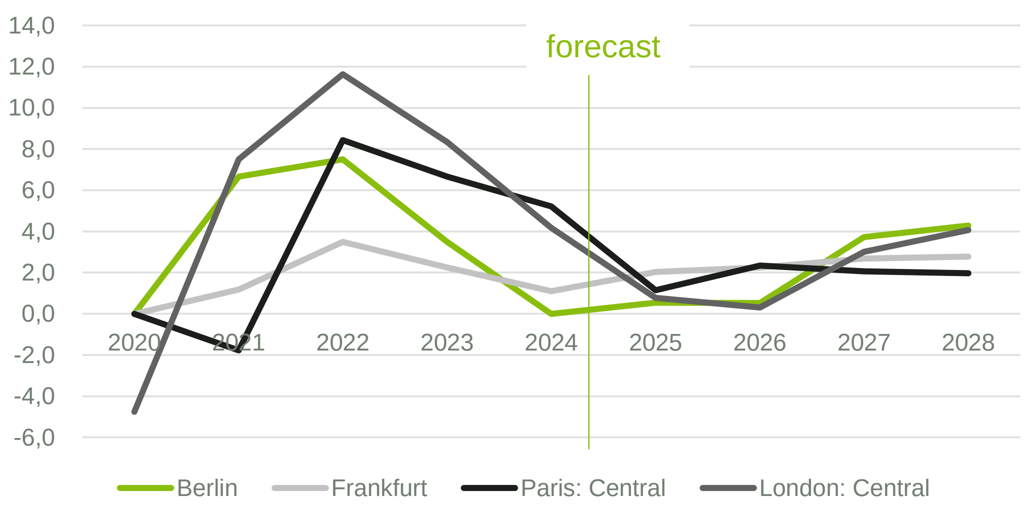
European Office market – prime yields



US Office market – cap rates

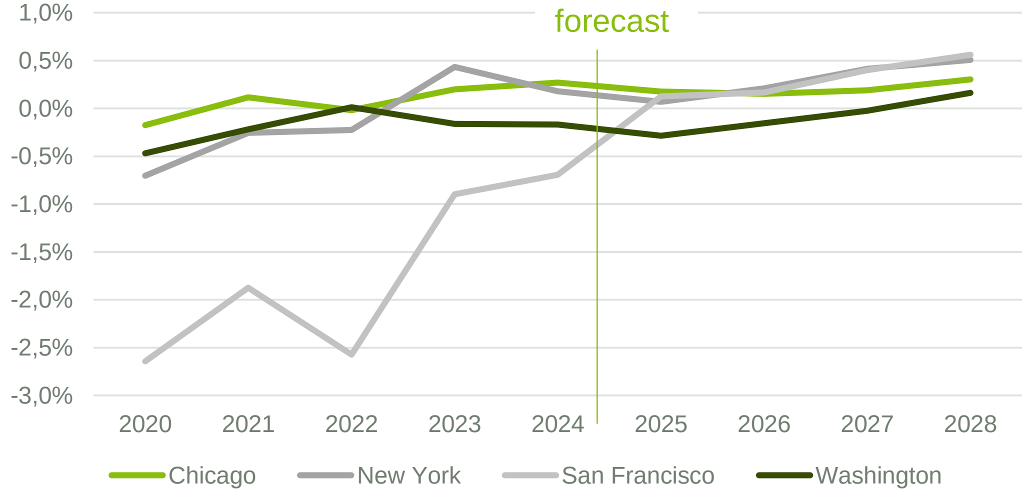


European Office market – prime rent growth



Source: PMA as of 10/2024

US Office market – market asking rent growth



Source: Costar as of 10/2024

GUIDANCE 2024

REF Portfolio	**New business** (incl. extensions > 1 year)	€ ~5.5 bn[1]
	Financing volume	slightly below € ~30 bn[1]
P&L	**Operating Income**	€ 525-550 mn
	thereof: NII + NCI	€ 475-500 mn
	LLPs	<< 2023
	CIR	~50%
Profitability	**Pre-tax profit**	>> 2023
	RoE/RoCET1 after taxes	>> 2023
Capitalisation	**CET 1 ratio**	≥ 14%

1. Initial guidance: new business: € 6-7 bn; financing volume: € 30-31 bn

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APPENDIX

FOCUS ON PROFITABILITY

CAPITAL MARKETS DAY 2024

10th of October 2024

Full presentation can be downloaded on our website
www.pfandbriefbank.com/investoren/capitalmarketsday

CMD STRATEGY UPDATE

Strategy 2027 builds on three key pillars

WHAT?

RE FINANCE SOLUTIONS	RE INVESTMENT SOLUTIONS	NON-CORE
Diversification and increase in profitability	pbb invest and Originate & Cooperate	Value preserving run-down of Non-Core portfolio

HOW?

Flexible, international and efficient platform

Flexible, international and efficient operating model using new technology as basis for growth beyond the core

Organic and inorganic growth

Use of existing capabilities and opportunistic acquisitions to expand and strengthen market positioning

European Bank

Enhanced focus on European market and pbb's regional strengths

CMD STRATEGY UPDATE

Key Performance Indicators for 2027

OPERATING INCOME	FEE INCOME	CIR
€ ~600 mn	~10%	<45%

RoTE[1]	CAPITAL DISTRIBUTION	CET-1 RATIO[3]
8%	≥50% (incl. share buybacks)[2]	>15.5%

Note: 1) Return on Tangible Equity (before tax); RoTE excl. deferred taxes, goodwill & other intangible assets 2) Distribution based on IFRS group profit after tax and AT1 coupon; share buybacks are subject to prior approval by the ECB
3) Management ambition level unchanged at ≥14% through the cycle

RoTE definition

	Return on Tangible Equity (RoTE)	9M/24	
RoTE before tax (IFRS)	Profit before tax[1)] minus AT1-coupon / IFRS equity[2)] minus AT1-capital[2)] minus goodwill and other intangible assets[2)] minus deferred tax income assets[2)]	€ 91 mn[1)] / € 2,905 mn[2)]	**3.1%**
RoTE after tax (IFRS)	Net income after tax attributable to shareholders[1)] minus AT1-coupon / IFRS equity[2)] minus AT1-capital and non-controlling interests[2)] minus goodwill and other intangible assets[2)]	€ 74 mn[1)] / € 3,033 mn[2)]	**2.4%**

	Return on Equity (RoE)	9M/24	
RoE before tax (IFRS)	Profit before tax[1)] minus AT1-coupon / IFRS equity[2)] minus AT1-capital[2)]	€ 91 mn[1)] / € 3,086 mn[2)]	**2.9%**
RoE after tax (IFRS)	Net income after tax attributable to shareholders[1)] minus AT1-coupon / IFRS equity[2)] minus AT1-capital and non-controlling interests[2)]	€ 74 mn[1)] / € 3,086 mn[2)]	**2.4%**

Please note: OCI and Cash Flow Hedge-Reserve are not deducted in the denominator

1) Annualized during the year. 2) Average is the arithmetic mean based on the amount at the beginning of the year and the amounts as disclosed at the quarterly reporting dates of the current financial year.

APPENDIX

KEY FIGURES

pbb Group

Income statement (€ mn)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	Q3/24	9M/24
Net interest income	489	106	110	132	134	482	125	121	113	359
Net fee and commission income	8	1	1	1	0	3	1	2	0	3
Net income from fair value measurement	20	1	-1	2	-2	0	-3	-1	8	4
Net income from realisations	15	14	28	3	40	85	23	12	22	57
Net income from hedge accounting	0	-2	-1	3	1	1	4	2	-2	4
Net other operating income	-1	-1	3	15	15	32	-4	-4	6	-2
Operating Income	**531**	**119**	**140**	**156**	**188**	**603**	**146**	**132**	**147**	**425**
Net income from risk provisioning	-44	-2	-19	-83	-108	-212	-47	-56	-37	-140
General and administrative expenses	-224	-58	-65	-57	-69	-249	-58	-57	-64	-179
Expenses from bank levies and similar dues	-32	-22	-2	0	-1	-25	-2	-1	-1	-4
Net income from write-downs and write-ups on non-financial assets	-18	-5	-5	-6	-11	-27	-5	-5	-5	-15
Pre-tax profit	**213**	**32**	**49**	**10**	**-1**	**90**	**34**	**13**	**40**	**87**
Income taxes	-26	-5	-7	-2	15	1	-5	-2	-6	-13
Net income	**187**	**27**	**42**	**8**	**14**	**91**	**29**	**11**	**34**	**74**
EpS[1]	**1.27**	**0.17**	**0.27**	**0.01**	**0.23**	**0.68**	**0.17**	**0.03**	**0.21**	**0.41**

Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	Q3/24	9M/24
CIR[2]	45.6	52.9	50.0	40.4	42.6	45.8	43.2	47.0	46.9	45.6
RoE before tax	6.3	3.3	5.5	0.5	-0.9	2.1	3.6	0.9	4.3	2.9
RoE after tax	5.5	2.7	4.6	0.3	1.1	2.2	2.9	0.6	3.5	2.4
RoCET1 after tax	6.0	3.0	5.2	0.3	1.2	2.4	3.2	0.7	3.8	2.5

Balance sheet (€ bn)	12/22	03/23	06/23	09/23	12/23	03/24	06/24	09/24
Total assets	53.0	53.7	49.8	48.2	50.9	48.9	46.0	45.2
Equity	3.4	3.5	3.3	3.4	3.4	3.4	3.4	3.4
Financing volume	43.7	43.5	43.3	43.4	43.5	42.8	41.0	39.9

Regulatory capital ratios[3]	12/22	03/23	06/23	09/23	12/23	03/24	06/24	09/24
RWA (€ bn)	17.0	17.1	17.3	17.8	18.5	18.8	20.9	20.4
CET 1 ratio – phase in (%)	16.7[4]	16.6[5]	16.0[6]	15.2[6]	15.7[7]	15.2[8]	14.0[8,9]	14.5[8,9]
Tier 1 ratio – phase in (%)	18.5[4]	18.3[5]	17.8[6]	16.8[6]	17.3[7]	16.7[8]	15.4[8,9]	15.9[8,9]

Personnel	12/22	03/23	06/23	09/23	12/23	03/24	06/24	09/24
Employees (FTE)	791	800	811	800	806	808	791	784

1. After AT1 coupon (2022: € -17 mn; Q1/23: pro-rata € -4 mn; Q2/23: pro-rata € -5 mn, Q3/Q4/23: pro-rata € -6 mn, 2023: € -23 mn, Q1/Q2/Q3/24: pro-rata € -6 mn) 2. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 3. Basel III transition rules 4. Incl. full-year result, post proposed dividend 2022 5. Excl. Interim result, post proposed dividend 2022 6. Excl. Interim result 7. Incl. full-year result 8. Incl. Interim result, Q3/24 excl. interim result 9. Models calibrated towards standardised risk parameters Note: annual results audited, interim results Q1 2023/24 and Q3 2023/24 unaudited, interim results H1 2023/24 unaudited, but reviewed

KEY FIGURES

Real Estate Finance (REF)

Income statement (€ mn)	2022	Q1/23[3]	Q2/23[3]	Q3/23[3]	Q4/23[3]	2023[3]	Q1/24	Q2/24	Q3/24	9M/24
Net interest income	420	97	101	118	121	437	116	113	107	336
Net fee and commission income	8	1	1	2	0	4	1	3	0	4
Net income from fair value measurement	14	0	-1	2	-1	0	-2	-1	5	2
Net income from realisations	16	4	16	-1	25	44	10	-11	7	6
Net income from hedge accounting	0	-1	-1	2	1	1	3	1	-1	3
Net other operating income	2	-1	4	15	10	28	-3	-3	5	-1
Operating Income	**460**	**100**	**120**	**138**	**156**	**514**	**125**	**102**	**123**	**350**
Net income from risk provisioning	-69	-2	-19	-84	-108	-213	-47	-56	-37	-140
General and administrative expenses	-196	-51	-56	-50	-62	-219	-55	-54	-60	-169
Expenses from bank levies and similar dues	-21	-15	-1	0	-1	-17	-1	-1	-1	-3
Net income from write-downs and write-ups on non-financial assets	-16	-4	-5	-5	-10	-24	-5	-4	-5	-14
Pre-tax profit	**158**	**28**	**39**	**-1**	**-25**	**41**	**17**	**-13**	**20**	**24**

Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	Q3/24	9M/24
CIR[1]	46.1	55.0	50.8	39.9	46.2	47.3	48.0	56.9	52.8	52.3
RoE before tax	6.4	3.1	4.7	-0.9	-4.1	0.7	1.5	-2.5	1.8	0.3

Key figures (€ bn)	12/22	03/23	06/23	09/23	12/23	03/24	06/24	09/24
Equity[2]	2.4	2.9	2.9	2.9	2.9	3.0	3.1	3.1
RWA	15.5	15.7	15.9	16.7	17.5	18.0	20.4	20.0
Financing volume	29.3	29.4	30.2	30.5	31.1	31.2	29.8	29.1

1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2. 2022: equity allocated according to going concern view, 2023/24: equity allocated according to RWA 3. Adjusted according to IFRS 8.29
Note: annual results audited, interim results Q1 2023/24 and Q3 2023/24 unaudited, interim results H1 2023/24 unaudited, but reviewed

KEY FIGURES

Non-Core (PIF & VP)

Income statement (€ mn)	2022	Q1/23[3]	Q2/23[3]	Q3/23[3]	Q4/23[3]	2023[3]	Q1/24	Q2/24	Q3/24	9M/24
Net interest income	67	9	9	14	13	45	9	8	6	23
Net fee and commission income	0	0	0	-1	0	-1	0	-1	0	-1
Net income from fair value measurement	6	1	0	0	-1	0	-1	0	3	2
Net income from realisations	-1	10	12	4	15	41	13	23	15	51
Net income from hedge accounting	0	-1	0	1	0	0	1	1	-1	1
Net other operating income	-3	0	-1	0	5	4	-1	-1	1	-1
Operating Income	**69**	**19**	**20**	**18**	**32**	**89**	**21**	**30**	**24**	**75**
Net income from risk provisioning	25	0	0	1	0	1	0	0	0	0
General and administrative expenses	-28	-7	-9	-7	-7	-30	-3	-3	-4	-10
Expenses from bank levies and similar dues	-11	-7	-1	0	0	-8	-1	0	0	-1
Net income from write-downs and write-ups on non-financial assets	-2	-1	0	-1	-1	-3	0	-1	0	-1
Pre-tax profit	**53**	**4**	**10**	**11**	**24**	**49**	**17**	**26**	**20**	**63**

Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	Q3/24	9M/24
CIR[1]	43.5	42.1	45.0	44.4	25.0	37.1	14.3	13.3	16.7	14.7
RoE before tax	10.5	10.0	28.5	37.8	91.1	38.6	72.5	>100.0	>100.0	>100.0

Key figures (€ bn)	12/22	03/23	06/23	09/23	12/23	03/24	06/24	09/24
Equity[2]	0.4	0.2	0.1	0.1	0.1	0.1	<0.1	0.0
RWA	0.8	0.8	0.7	0.6	0.6	0.5	0.2	0.2
Financing volume	14.4	14.1	13.1	12.9	12.4	11.6	11.2	10.8

1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2. 2022: equity allocated according to going concern view, 2023/24: equity allocated according to RWA 3. Adjusted according to IFRS 8.29
Note: annual results audited, interim results Q1 2023/24 and Q3 2023/24 unaudited, interim results H1 2023/24 unaudited, but reviewed

BALANCE SHEET

Balance sheet

IFRS, € bn

Assets	30/09/24	31/12/23
Financial assets at fair value through P&L	**1.1**	**0.9**
thereof		
Positive fair values of stand-alone derivatives	0.5	0.5
Debt securities	0.1	0.1
Loans and advances to customers	0.5	0.3
Financial assets at fair value through OCI	**1.0**	**1.5**
thereof		
Debt securities	1.0	1.4
Loans and advances to customers	0	0.1
Financial assets at amortised cost (after credit loss allowances)	**40.4**	**45.2**
thereof		
Debt securities	3.5	4.0
Loans and advances to other banks	1.4	2.5
Loans and advances to customers	35.9	39.2
Positive fair values of hedge accounting derivatives	**0.1**	**0.3**
Other assets	**2.6**	**3.0**
Total Assets	**45.2**	**50.9**

Liabilities & equity	30/09/24	31/12/23
Financial liabilities at fair value through P&L	**0.7**	**0.7**
thereof		
Negative fair values of stand-alone derivatives	0.7	0.7
Financial liabilities measured at amortised cost	**40.3**	**45.9**
thereof		
Liabilities to other banks (incl. central banks)	3.0	6.1
thereof		
Registered Mortgage Pfandbriefe	*0.3*	*0.4*
Registered Public Pfandbriefe	*0.4*	*0.9*
Liabilities to other customers	18.5	18.8
thereof		
Registered Mortgage Pfandbriefe	*3.4*	*3.2*
Registered Public Pfandbriefe	*4.5*	*5.1*
Bearer Bonds	18.2	20.4
thereof		
Mortgage Pfandbriefe	*11.4*	*12.4*
Public Pfandbriefe	*1.8*	*1.9*
Subordinated liabilities	0.6	0.6
Negative fair values of hedge accounting derivatives	**0.5**	**0.8**
Other liabilities	**0.3**	**0.1**
Equity (attributable to shareholders)	**3.1**	**3.1**
AT1-capital	**0.3**	**0.3**
Total liabilities & equity	**45.2**	**50.9**

Share of Pfandbriefe of refinancing liabilities

54%/52%

Note: Figures may not add up due to rounding

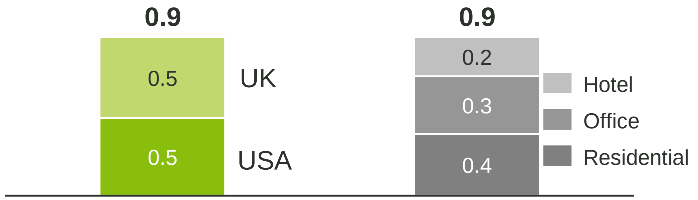
BALANCE SHEET

Pro-active management of pbb’s balance sheet

Active REF Portfolio Management

- Portfolio transaction in May 2024 – sale of € 0.9 bn performing loan portfolio, RWA relief of € 0.7 bn
- Transaction targets to improve REF portfolio RoE and to support capital trajectory
- Further sales of performing/non-performing loans in consideration

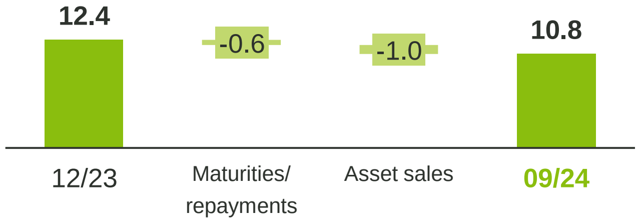
Portfolio transaction (05/24)
(€ bn, financing volume)



Management of Non-Core Portfolio

- Non-strategic portfolio in run-down – acceleration through sale of assets
- € 1.0 bn asset sales in 9M/24 (Q3/24: € 0.3 bn) – mainly public sector bonds from Austria, Japan and Germany

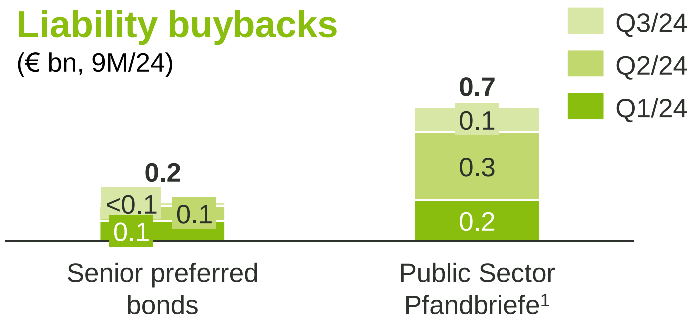
Non-core Portfolio
(€ bn, financing volume)



Liability Management

- Pro-active liability management aims to optimise asset/liability profile
- Liability buybacks common instrument of pbb’s tool box
- € 0.9 bn buybacks (mainly public sector Pfandbriefe) in 9M/24 (Q3/24: € 0.1 bn)

Liability buybacks
(€ bn, 9M/24)



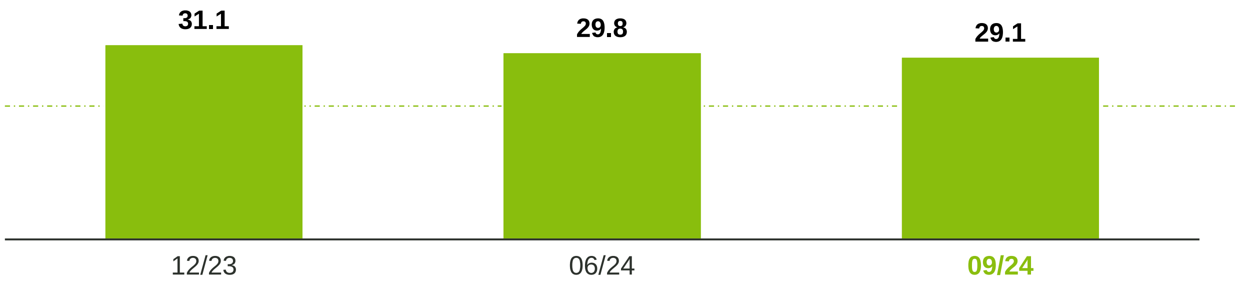
Note: Figures may not add up due to rounding 1 In addition, € 11 mn mortgage Pfandbriefe

APPENDIX

REF NEW BUSINESS

Selective new business volume with margins on elevated level

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



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

- **Strategic REF portfolio** down y-t-d and q-o-q, in line with Strategy 2027
- **Avg. portfolio margin** further up
- **Selective new business** volume of € 2.5 bn with focus on extensions
- **Gross interest margin** further on strong level
- Focus on **balanced risk/return ratio**, avoiding higher risk profile at the expense of higher volume or higher margin

New Business	9M/23	9M/24
Share of extension > 1 year (%)	40	70
Ø Gross interest margin (bp)[2]	~200	~240
Ø LTV[1] (%)	54	55
Ø Maturity[3] (yrs.)	~3.9	~3.0
No. of Deals	69	55

1. New commitments; avg. LTV (extensions): 9M/24: 60%, 9M/23: 54% 2. Net of FX-effects; gross revenue margin: 9M/24: ~270 bp, 9M/23: ~220 bp 3. Legal maturities

REF NEW BUSINESS

Diversification supports management of the cycle

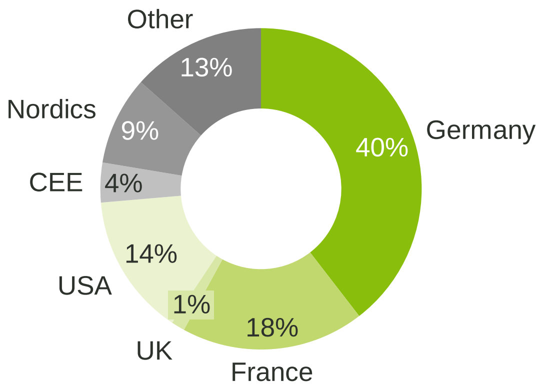
As of 30/09/24

€ 2.5 bn

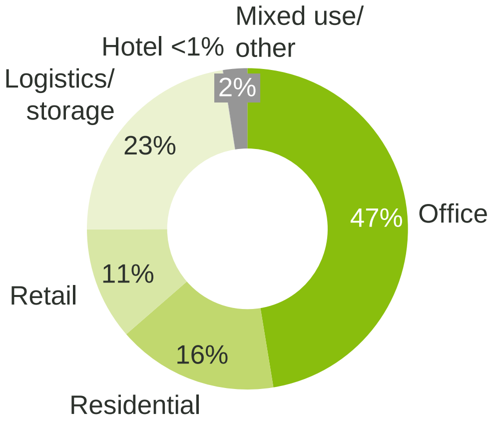
New business

(commitments, incl. extensions > 1 year)

Regions



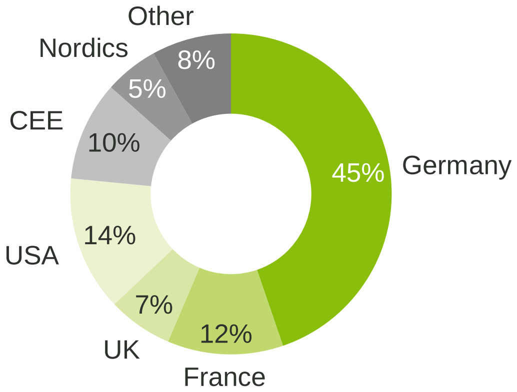
Property types

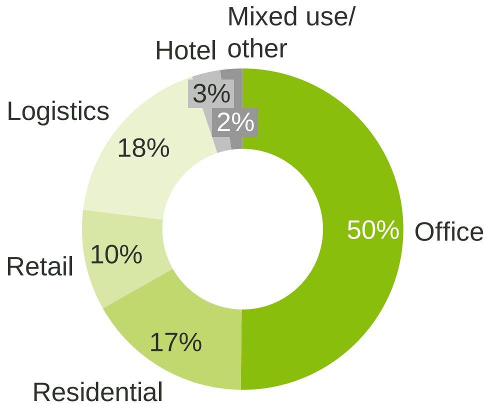


€ 29.9 bn

Portfolio

(EaD, Basel III)





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

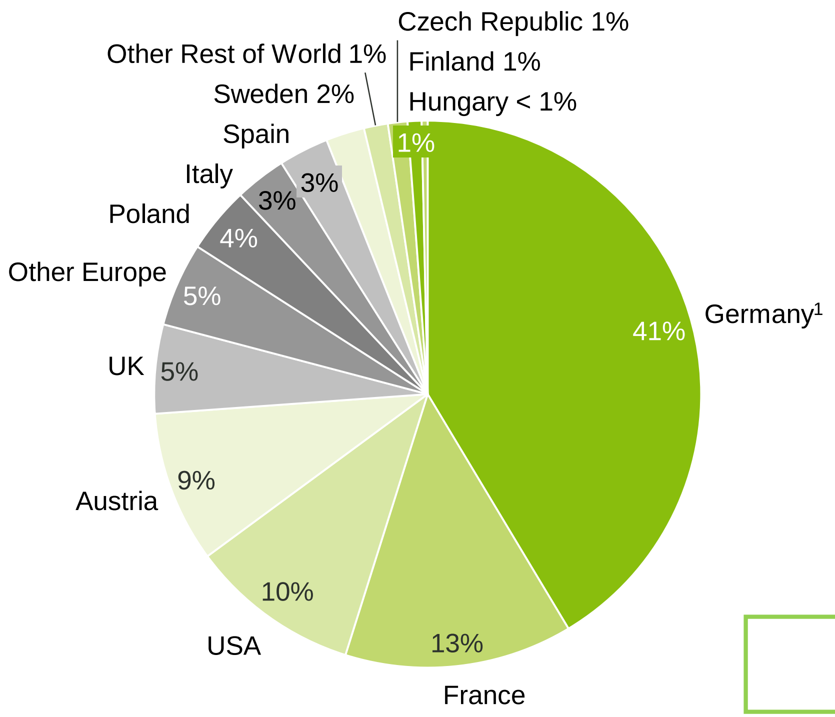
APPENDIX

PORTFOLIO

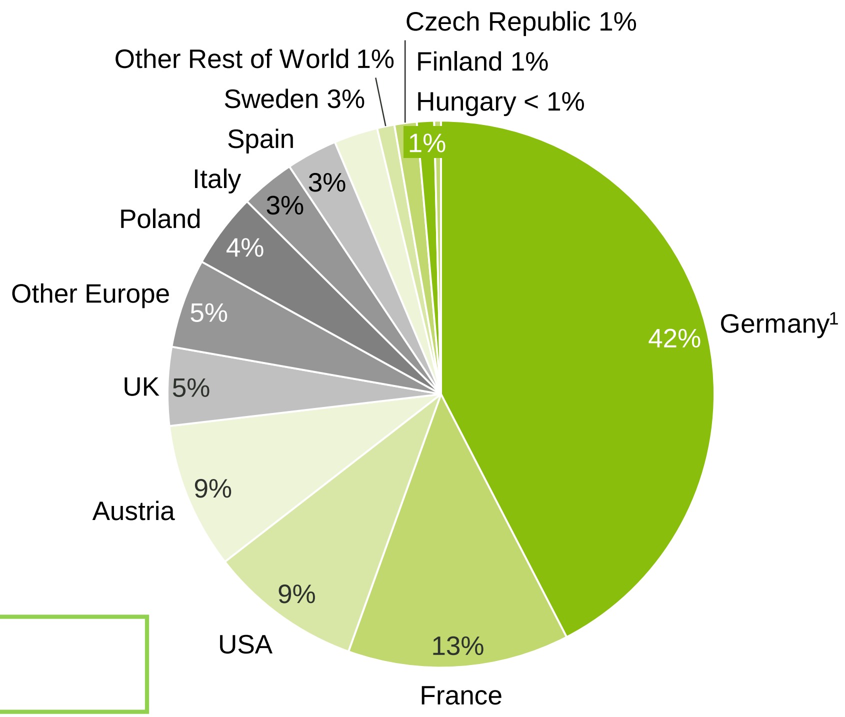
Total portfolio

Regions
(EaD, Basel III)

31/12/2023 / Total: € 51.3 bn



30/09/2024 / Total: € 45.4 bn



No direct exposure in/to Ukraine, Russia and Belarus

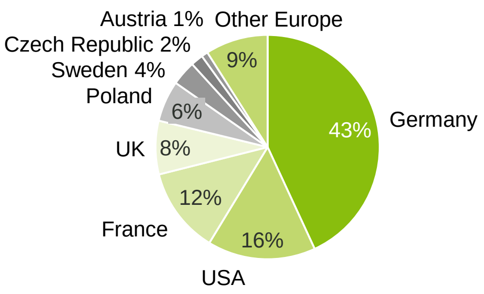
1. Incl. Bundesbank accounts (09/24: € 2.3 bn; 12/23: € 2.7 bn) 2. EaD, Basel III Note: Figures may not add up due to rounding

PORTFOLIO

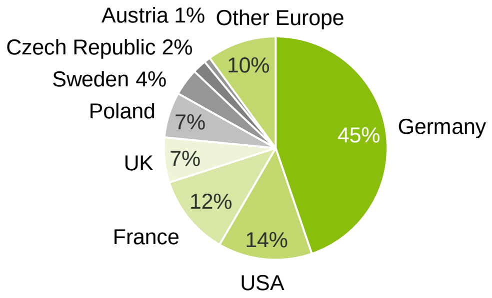
Real Estate Finance (REF)

Regions

31/12/2023: € 33.0 bn

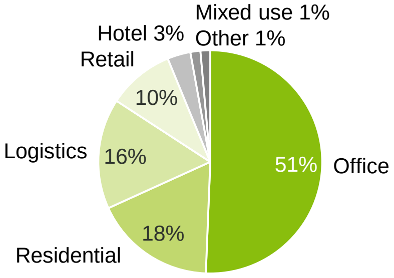


30/09/2024: € 29.9 bn

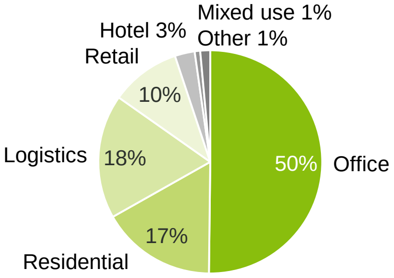


Property types

31/12/2023: € 33.0 bn

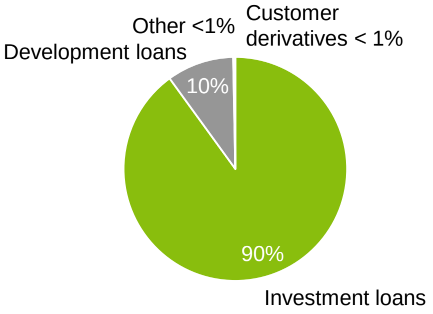


30/09/2024: € 29.9 bn

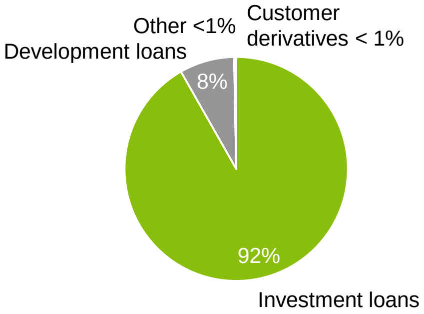


Product class

31/12/2023: € 33.0 bn

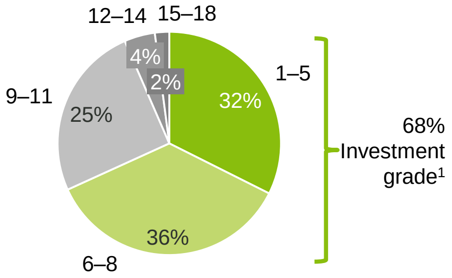


30/09/2024: € 29.9 bn

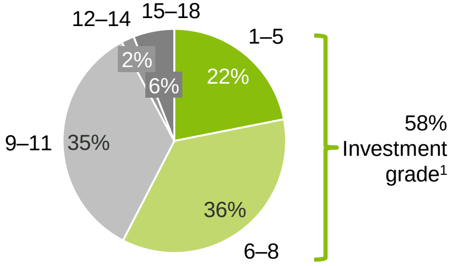


Internal ratings (EL classes)

31/12/2023: € 33.0 bn



30/09/2024: € 29.9 bn



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

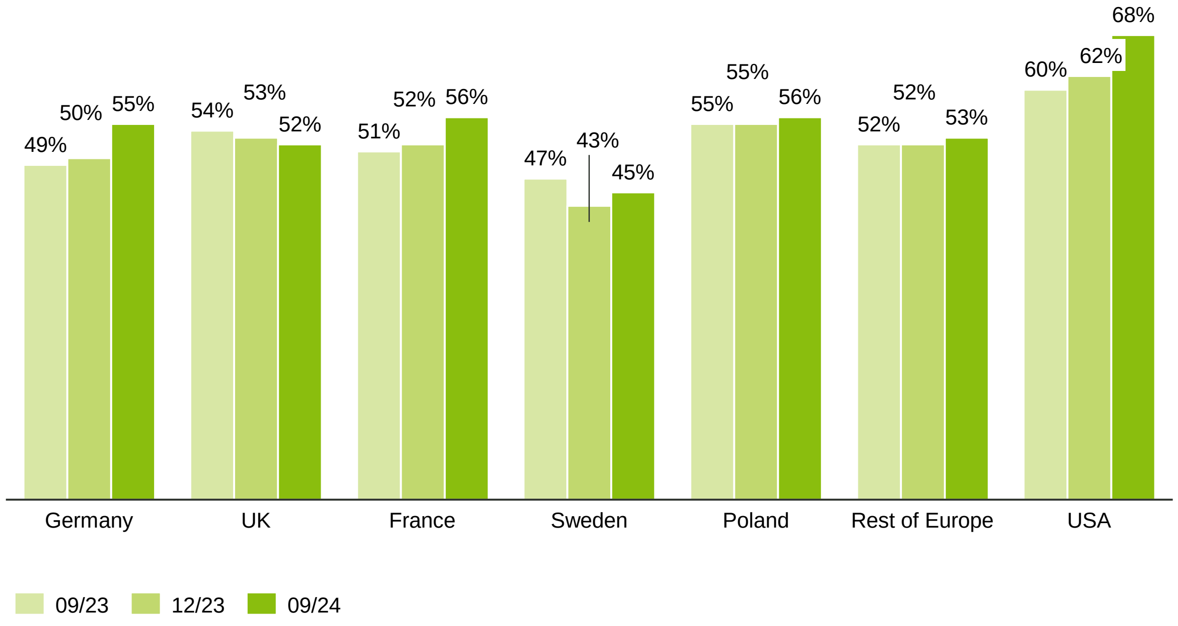
Note: Figures may not add up due to rounding, EaD, Basel III

REF PORTFOLIO

LTV development reflects market environment

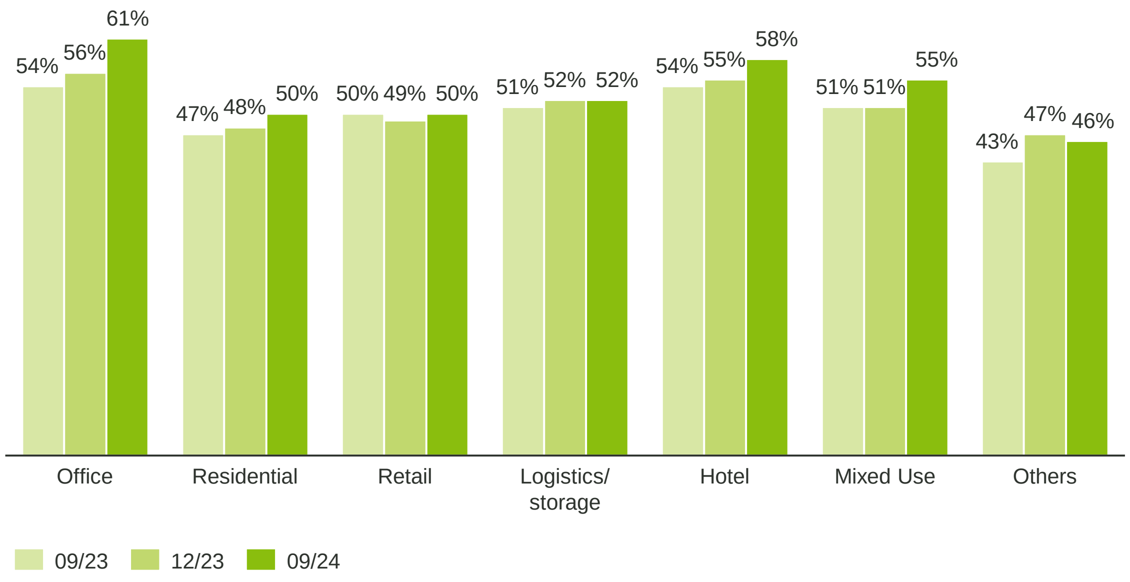
LTV – Regions
(€ bn, commitments, Basel III)[1]

Avg. LTV
09/23: 52% / 12/23: 53% / 09/24: 56%



LTV – Property types
(€ bn, commitments, Basel III)[1]

Avg. LTV
09/23: 52% / 12/23: 53% / 09/24: 56%



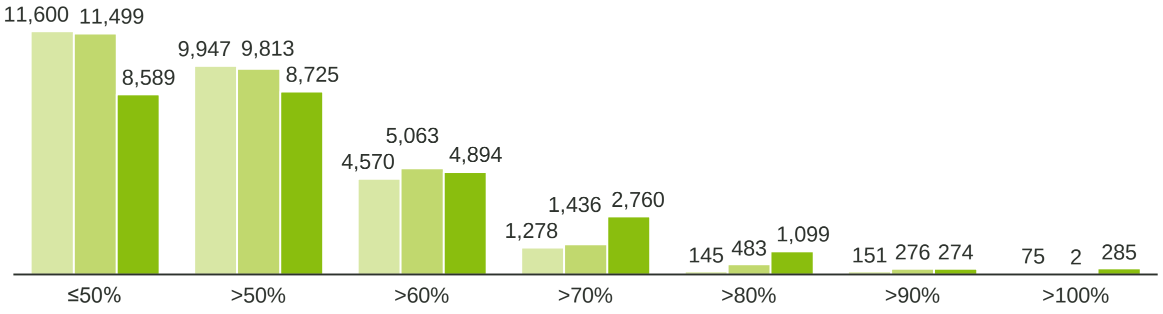
1. Based on performing investment loans only Note: Figures may not add up due to rounding

REF PORTFOLIO – LTV CLUSTER[1]

LTV development reflects market environment

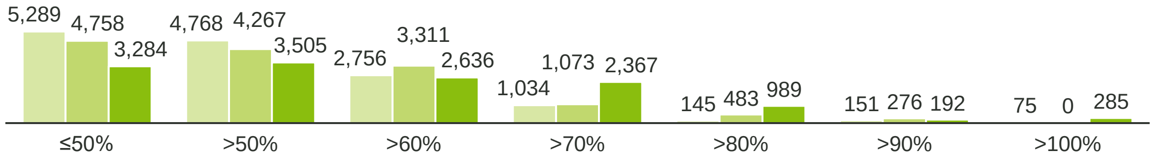
Total REF portfolio
(€ mn, commitments, Basel III)

Avg. LTV[1]: 09/23: 52% / 12/23: 53% / 09/24: 56%
Volume € bn: 09/23: 27.8 / 12/23: 28.6 / 09/24: 26.6



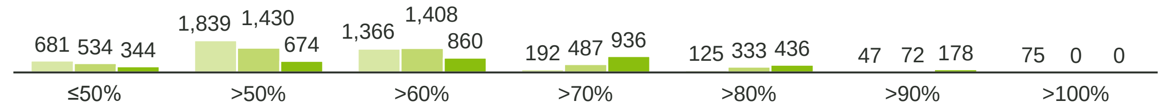
Office
(€ mn, commitments, Basel III)

Avg. LTV[1]: 09/23: 54% / 12/23: 56% / 09/24: 61%
Volume € bn: 09/23: 14.2 / 12/23: 14.2 / 09/24: 13.3



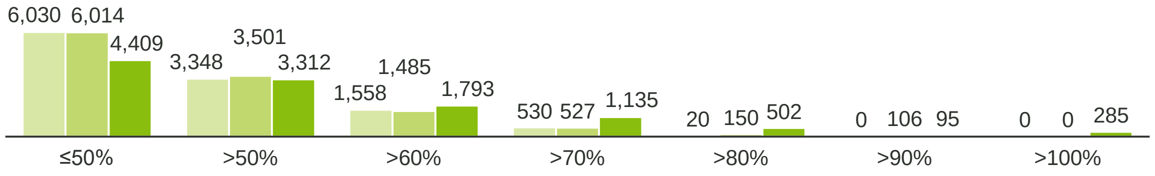
USA
(€ mn, commitments, Basel III)

Avg. LTV[1]: 09/23: 60% / 12/23: 62% / 09/24: 68%
Volume € bn: 09/23: 4.3 / 12/23: 4.3 / 09/24: 3.4



Germany
(€ mn, commitments, Basel III)

Avg. LTV[1]: 09/23: 49% / 12/23: 50% / 09/24: 55%
Volume € bn: 09/23: 11.5 / 12/23: 11.8 / 09/24: 11.5



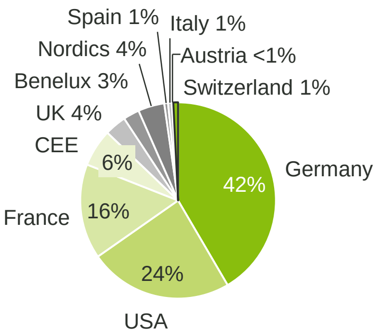
09/23 12/23 09/24

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

REF PORTFOLIO

Sub-segments

Property	Regions	Evaluation of current situation	Challenges	Risk positioning

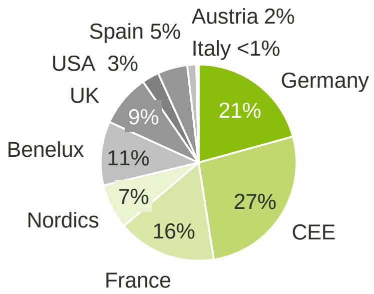
Office
 	
€ 15.0 bn
(50%)
		- Office demand in Europe is still weak as a result of both a weak economy and space savings. The Flight to quality remains as demand is focused on modern, flexible and ESG-conform properties in good locations while demand for secondary locations is limited.
		- Despite muted take up, vacancies, although risen in the last years, are still under control and are not expected to increase to historical highs. This is due to a more modest development activity over the past years and the fact that older space is withdrawn or repurposed.
		- Whilst a big slump in rents has been avoided, the rental forecast is subdued with just marginal nominal rent growth. Prime rents are expected to outperform the average market even stronger.
		- In the US, vacancies are higher than in Europe and are expected to stay elevated. However, total net absorption turned positive for the first time in years. Buildings of the very highest quality have seen consistently positive net absorption and prime assets in Live-Work-Shop submarkets are expected to continue to benefit from the flight-to-quality trend. But much of this has come at the expense of lower-quality buildings which are expected to suffer from further rental decline.
			- Cooling of tenant market due to overall economic situation, shift of demand towards modern, green, centrally located properties as well as sustained/extended home office practices lead to reletting / extension risks with pressure on rental level in particular on secondary/older buildings.
			- Good locations remain competitive and “Green” having become a very core element in competition.
			- Increased interest level in combination with competitive disadvantage for B-properties / B-locations has increased pressure on value in particular for these properties.
			- Some former A-locations have, due to structural changes, downgraded to B-locations.
			- Structural changes, cooled letting market and increased interest level have put pressure on cash flow for, in particular, class-B-properties.
			- However, recently positive signals prevail:
			  – reduction of interest rates by ECB, FED and BoE
			  – an increasing letting demand
			  – increasing interest from investors and
			  – in some markets increasing pressure for physical office presence of employees
				- Focus on good locations in main European and US urban locations.
				- Avg. LTV of 61%[1] provides good buffer and supports commitment of investors / sponsors.
				- Well diversified portfolio, focus on Germany, main cities in the US (e.g. New York, Boston, Washington) and France (almost completely Paris / Isle de France region).
				- Detailed analysis of “green profile” of properties including associated risk conducted in new business and on occasions of (annual) credit reports transactions.
				- Due to focus on existing business and exits from risk positions via active portfolio management (loan sales, exits from NPL) in particular in the US total amount as compared to year end 2023 decreased by € 1.7 bn or ca. 10%. Further reductions planned.

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

REF PORTFOLIO

Sub-segments

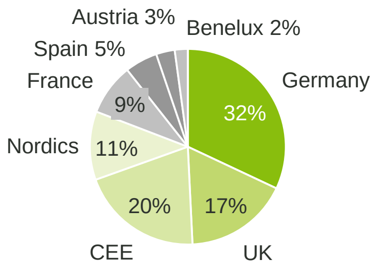
<table>
<tr><th>Property</th><th>Regions</th><th>Evaluation of current situation</th><th>Challenges</th><th>Risk positioning</th></tr>
<tr><td>Logistics

€ 5.4 bn
(18%)</td><td></td><td>▪ E-commerce and the need for more resilient supply chains is still driving occupier demand, although the effect is expected to be already more or less priced in and therefore somewhat weakened. Overall demand for logistics is back to average pre-Covid levels and due to the macroeconomic uncertainty vacancy increased. Marketing periods are expected to become longer and tenants are incentivised again.
▪ Alongside softer occupier demand, developers have responded to increasing financing costs and construction cost inflation. Overall, space under construction has decreased and this rebalancing is expected to see vacancy rates stabilize. However, development activity should remain strong when compared to long-run averages.
▪ Rental growth is expected to moderate from the exceptional years of 2021/22 but is expected to remain higher than pre-Covid rates in the near term.</td><td>▪ Monoline logistics centres depending on particular clients seen sceptical.
▪ Due to partially overheated prices, market correction on investment side seen.
▪ Rents still stable / partially further increasing.</td><td>▪ Strategic approach; expert team since 2014; share increase since 2013 from 8% to 18%, further increase expected.
▪ Focus on locations: good infrastructure, connection to a variety of different transportation routes.
▪ Avg. LTV of 52%[1] provides good buffer and supports commitment of investors / sponsors.
▪ Well diversified portfolio.
▪ High quality of sponsors.</td></tr>
</table>

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

REF PORTFOLIO

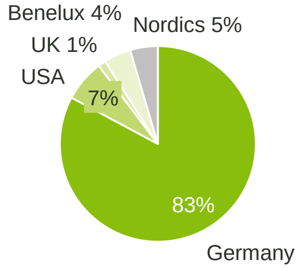
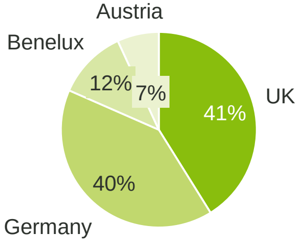
Sub-segments

Property	Regions	Evaluation of current situation	Challenges	Risk positioning
Retail € 3.0 bn (10%)		▪ Lower inflation and improving real earnings help mitigating declines in sales volumes although consumer confidence and domestic demand are expected to remain soft in coming years. Rents in the prime locations are stable, but there is a further decline in space (primarily at the edges of the prime locations and on the upper floors). ▪ Occupier demand is expected to be focused on prime locations, with retailers focusing on larger format, flagship stores in the best locations and potentially rationalising stores in secondary locations. Vacancy is improving for high streets but remains high for shopping centers. Most of Europe's luxury pitches have lower vacancy rates than their city centres. ▪ General retail property market trading conditions remain challenging and retailers continue to retrench their physical store estates. But reduced expectations for online diversion is expected to benefit in-store retail spending while food spending remain predominantly store-based. High streets are expected to outperform other retail sectors across Europe.	▪ Short Term: threats to income stability as well as decreasing consumer spendings / consumer confidence due to inflation and modest economic development in many countries. Professionally managed (and therefore well performing) assets stable. ▪ Mid Term: structural changes (online sale, change of high street / shopping centre retail structure towards more leisure) leading to continued pressure on rents and to partial oversupply of space in particular outside A-locations.	▪ Selective approach with consequent reduction of retail portfolio by ~58% or ca. € 4 bn since 2016 (09/24: € 3 bn; 12/16: € 7.1 bn). ▪ Only investment loans, almost no development loans. ▪ Avg. LTV of 50%[1] provides good buffer and supports commitment of investors/ sponsors. ▪ Well diversified portfolio. ▪ For new business selective approach with moderate LTVs.

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

REF PORTFOLIO

Sub-segments

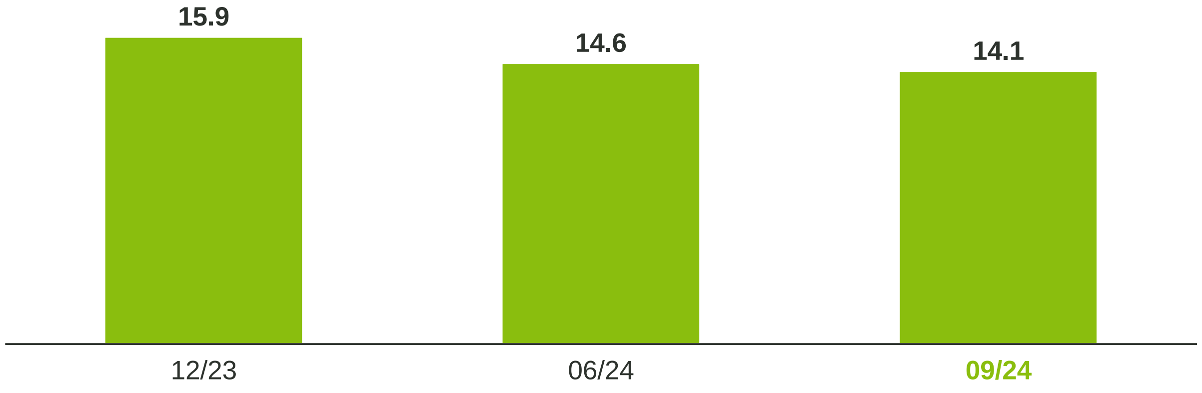
Property	Regions	Evaluation of current situation	Challenges	Risk positioning
Residential € 5.0 bn (17%)		▪ The market of owner-occupied properties is expected to recover further as inflation and interest rates are expected to decline. ▪ For multifamily properties rising rents mitigated the impact on values. Multifamily rental growth is expected to continue although at a far more modest pace than in recent years as landlords adjust to new market conditions. ▪ Rental regulation and renovation requirements are key risks and are expected to reduce the NOI for multifamily owners especially in the lower price segment.	▪ Increased interest level puts pressure on value, however still more moderate than in other (sub-) asset classes. ▪ Cash flow under pressure for many reasons: interest rates, energy costs, investment requirements - partially counterbalanced by increasing rents. ▪ In particular, capital-market oriented investors often with challenging refinancing situations for non traditional bank loans. ▪ Transaction market in Germany for portfolios gaining momentum again.	▪ Portfolio volume of € 5.0 bn with avg. LTV of 50%[1] provides good buffer and supports commitment of investors/sponsors. ▪ Well diversified portfolio with strong focus on Germany.
Hotel (Business Hotels only) € 0.9 bn (3%)		▪ The travel recovery continues in 2024 with stronger European air travel than pre-pandemic levels and increasing RevPAR. Particular leisure-led demand recovery has driven stronger performance in parts of southern Europe. While occupancy has still not fully recovered, room rates are the key driver of RevPAR gains with both KPI's clearly above pre-Covid levels. ▪ With consumers prioritising travel and continued recovery in APAC and business demand further demand growth to come. As room supply growth continues to be subdued compared to pre-Covid, further RevPAR growth can be expected. ▪ Current challenges are high staff expenses, ESG and the ongoing conversion to different concepts like longstay and coliving. Softer than expected demand forecasts as well as subdued international demand due to global economic weakness represent key risks	▪ Recovery mostly achieved with many locations close or even above to pre-Covid-levels in terms of occupancy and room rates. ▪ Recovery of business hotels focus on central locations, fringe locations lagging behind. ▪ Shortage of qualified personnel in parts of the industry, further increasing operating costs squeeze margins and compensate part of the recovery trend.	▪ Selective approach and strict adherence to underwriting standards in particular during the hot phase of hotel investment market in 2018/19 resulting in a relatively small portfolio volume of slightly less than € 1 bn. ▪ Focus on prime locations secures base value of properties. ▪ Avg. LTV of 58%[1] provides good buffer and supports commitment of investors/ sponsors. ▪ Focus on business hotels in main European capitals/business locations in combination with strong brands and professional sponsors.

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

FOCUS: OFFICE PERFORMING

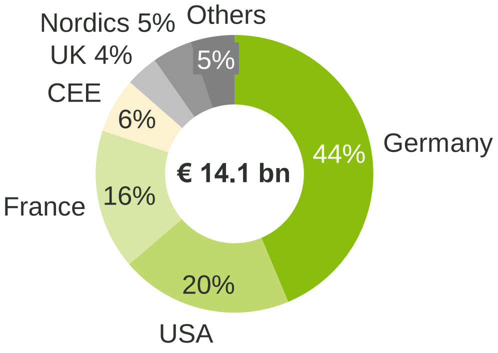
Office portfolio well diversified by regions with US share of 20%

Portfolio
€ bn (EaD, Basel III)

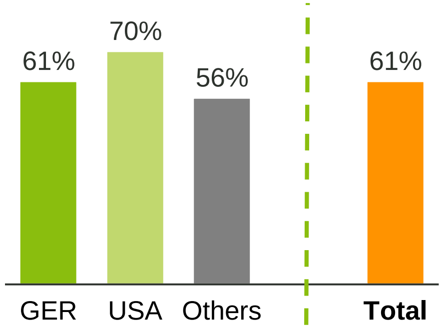


- **Performing Office portfolio** reduced by € 1.8 bn (Q3/24: € 0.5 bn) through
  - Repayments & others (9M/24: € 1.0 bn; Q3/24: € 0.1 bn)
  - Transfer to NPL (9M/24: € 0.5 bn; Q3/24: € 0.1 bn)
  - Portfolio transaction (Q2/24: € 0.3 bn)
- **European office structure** is different from US office. Flight to quality trend remains intact, different home office behavior, different sponsor behavior, lower vacancies and less sensitive to short-term interest rate changes
- Focus on **prime properties** in core inner-city locations and strict risk parameters
- 100% of the portfolio **reviewed/revalued** in last 12 months – avg. value change of -12%[1]
- **LTV-stress:**
  - **Exposure at risk:** ~3.6% of portfolio[2]
  - **Coverage ratio:** ~19% via existing stage 1&2 LLPs of € 91 mn

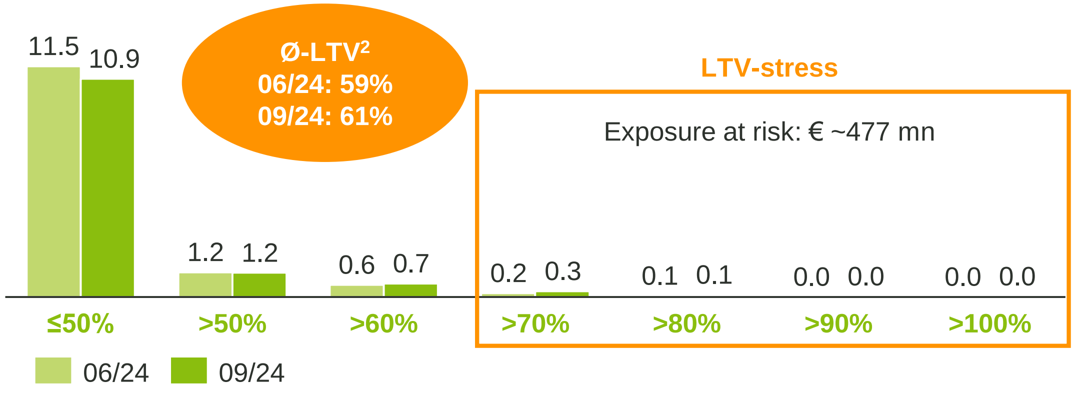
Regions
30/09/2024 (EaD, Basel III)



Avg. LTV[2]
30/09/2024 (Commitment, Basel III)



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



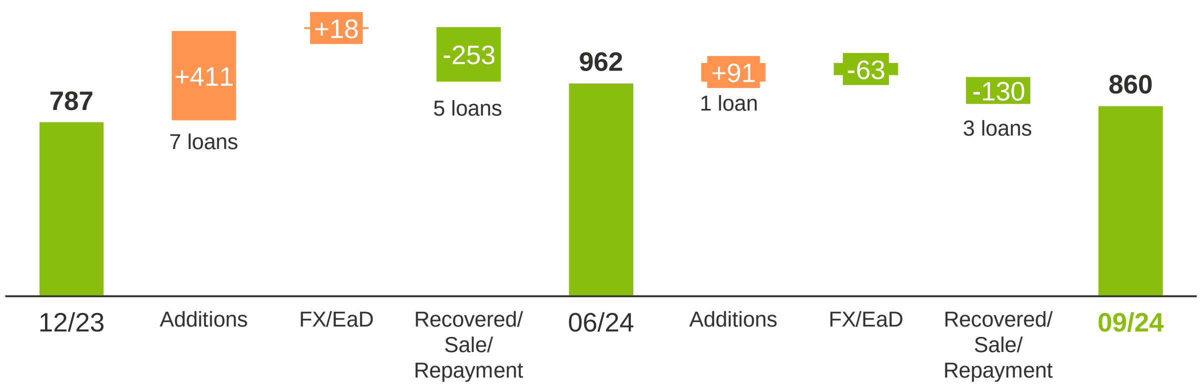
Note: Figures may not add up due to rounding 1. On the portfolio part, for wich a revaluation was necessary
2. performing investment loans, based on commitments

FOCUS: OFFICE NPL

Pressure on office NPL portfolio only from US loans

Non-Performing Portfolio

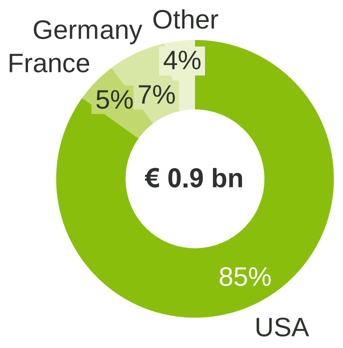
€ mn (EaD, Basel III)



- Decrease of **Office NPL portfolio** due to active **NPL management**
- **Q3/24:**
  - 3 reductions due to active NPL management
    - 1 loan (€ 75 mn) restructured (US loan)
    - 2 loans (€ 55 mn) repaid (1 German development and 1 UK loan)
    - Repayments and restructuring at internal valuation marks
  - 1 addition:
    - € 91 mn US loan, East Coast
  - In addition, EaD-effect mainly from partial repayment of 2 office loans (USA € -23 mn, France € -17 mn)
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -35%[1]
- **Office NPE[2] ratio** 5.7%
- **Coverage ratio** of ~23% via existing stage 3 LLPs of € 202 mn

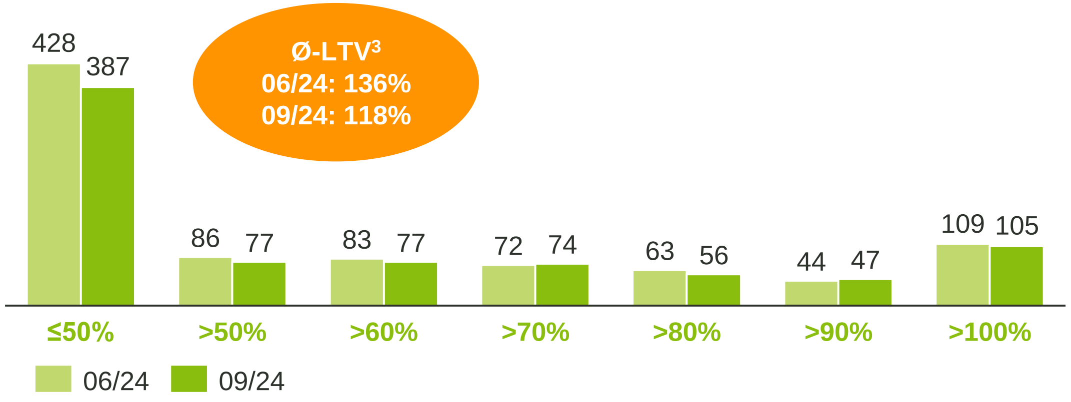
Regions

30/09/2024 (EaD, Basel III)



Layered LTV – based on investment loans only

(€ mn, commitments, Basel III)



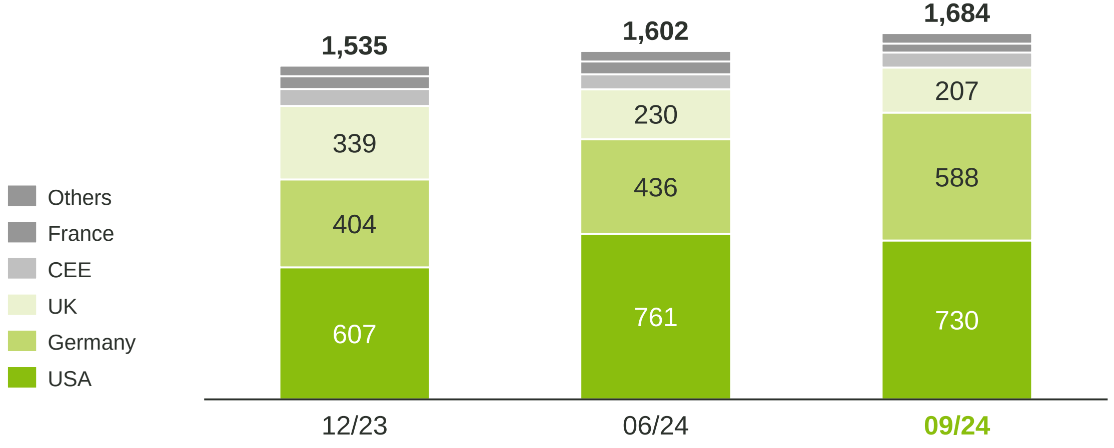
Note: Figures may not add up due to rounding 1. On the portfolio part, for which a revaluation was necessary
2. Non-Performing Exposure ratio = Non-performing loans and bonds / total Office portfolio (EaD)
3. Non-performing investment loans, based on commitments

NPL PORTFOLIO

Active restructuring/work-out ongoing

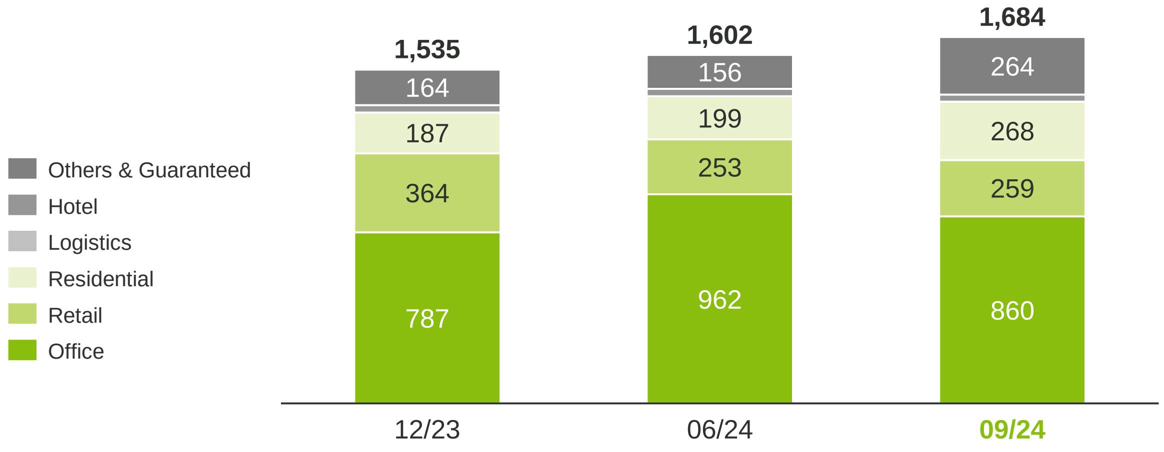
Geographical breakdown

€ mn (EaD, Basel III)



Breakdown by property type

€ mn (EaD, Basel III)



Development

- **USA:** Increase y-t-d driven by new NPLs, mitigated by successful restructuring/workout; reduction in Q3/24 (mainly through 1 restructuring/workout and 1 partial repayment; 1 new addition)
- **Germany:** Only development loans; one new land phase case with no LLPs and increase from EaD changes on existing cases; 1 restructuring/ workout in Q3/24
- **UK:** Decrease y-t-d from workout of shopping centres; Q3/24 repayment of 1 office loan

Development

- **Office:** Increase y-t-d mainly from US, reduction of NPLs in Q3/24 due to active NPL management
- **Retail:** Decrease y-t-d from workout of UK shopping centres
- **Residential:** Increase from EaD changes on existing cases in Q3/24
- **Others:** Increase mainly resulting form one new German land phase case in Q3/24, but with no LLPs

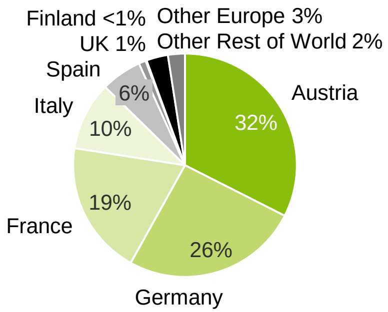
Note: Figures may not add up due to rounding 1. Based on investment loans only

PORTFOLIO

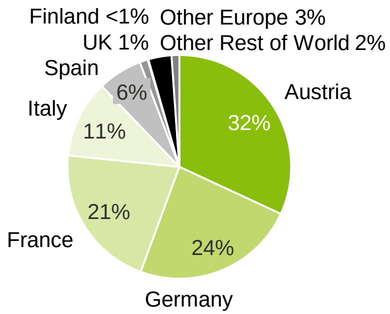
Non-Core Unit (PIF & VP)

Regions

31/12/2023: € 13.2 bn

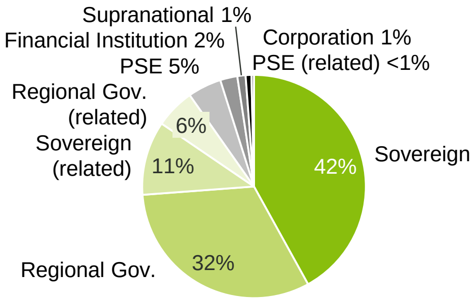


30/09/2024: € 11.4 bn

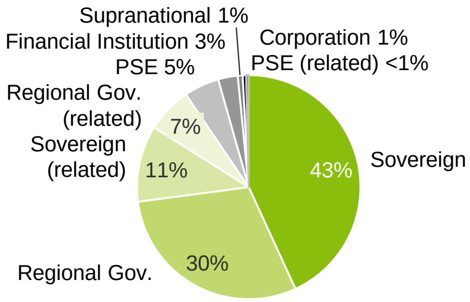


Borrower classification[1]

31/12/2023: € 13.2 bn

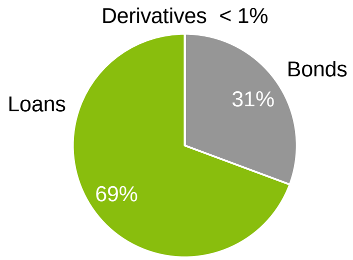


30/09/2024: € 11.4 bn

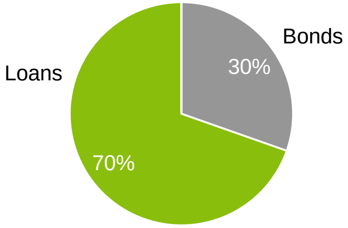


Product class

31/12/2023: € 13.2 bn

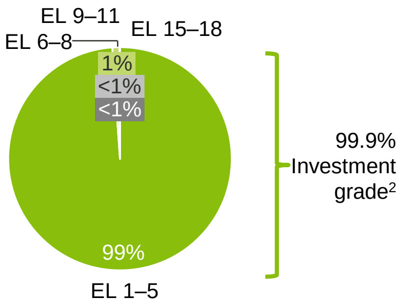


30/09/2024: € 11.4 bn

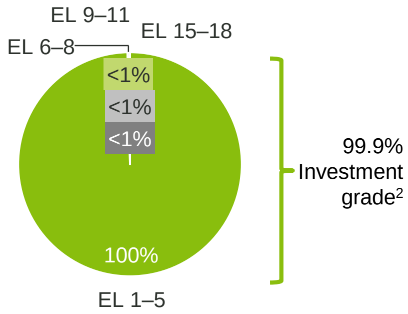


Internal ratings (EL classes)

31/12/2023: € 13.2 bn



30/09/2024: € 11.4 bn



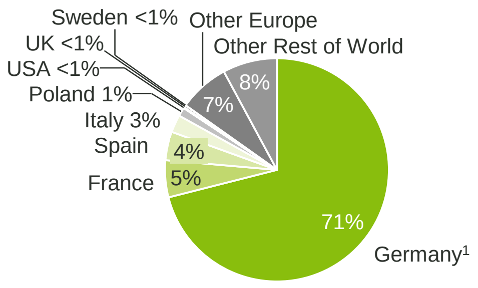
1. See appendix for definition of borrower classification 2. Internal EL Classes 1–8 = Investment grade; Internal EL classes 9–18 = Non-investment grade Note: Figures may not add up due to rounding, EaD, Basel III

PORTFOLIO

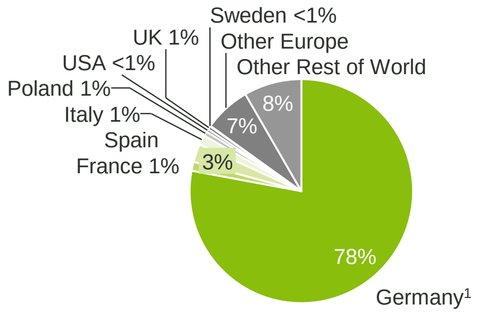
Consolidation and Adjustments (C&A)

Regions

31/12/2023: € 5.1 bn

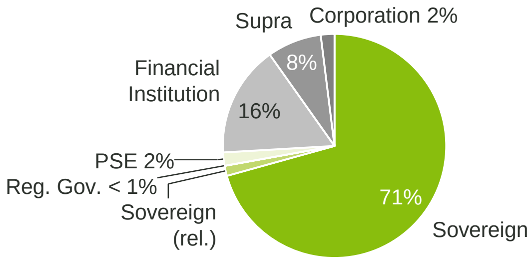


30/09/2024: € 4.0 bn

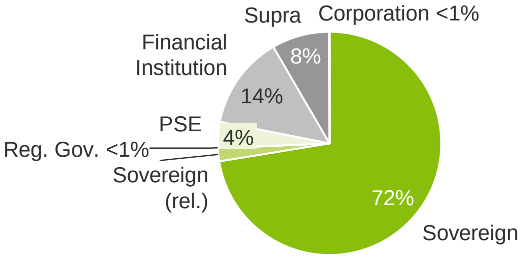


Borrower classification[2]

31/12/2023: € 5.1 bn

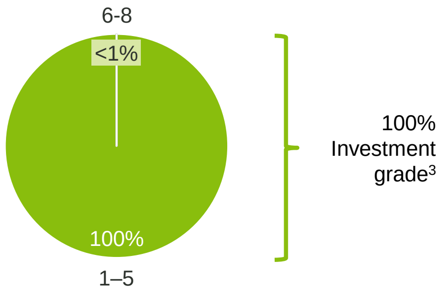


30/09/2024: € 4.0 bn

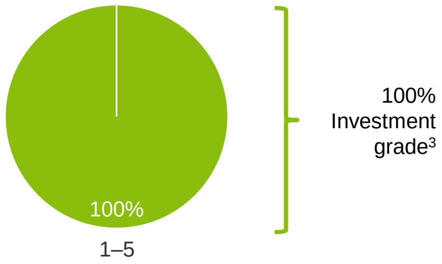


Internal ratings (EL classes)

31/12/2023: € 5.1 bn



30/09/2024: € 4.0 bn



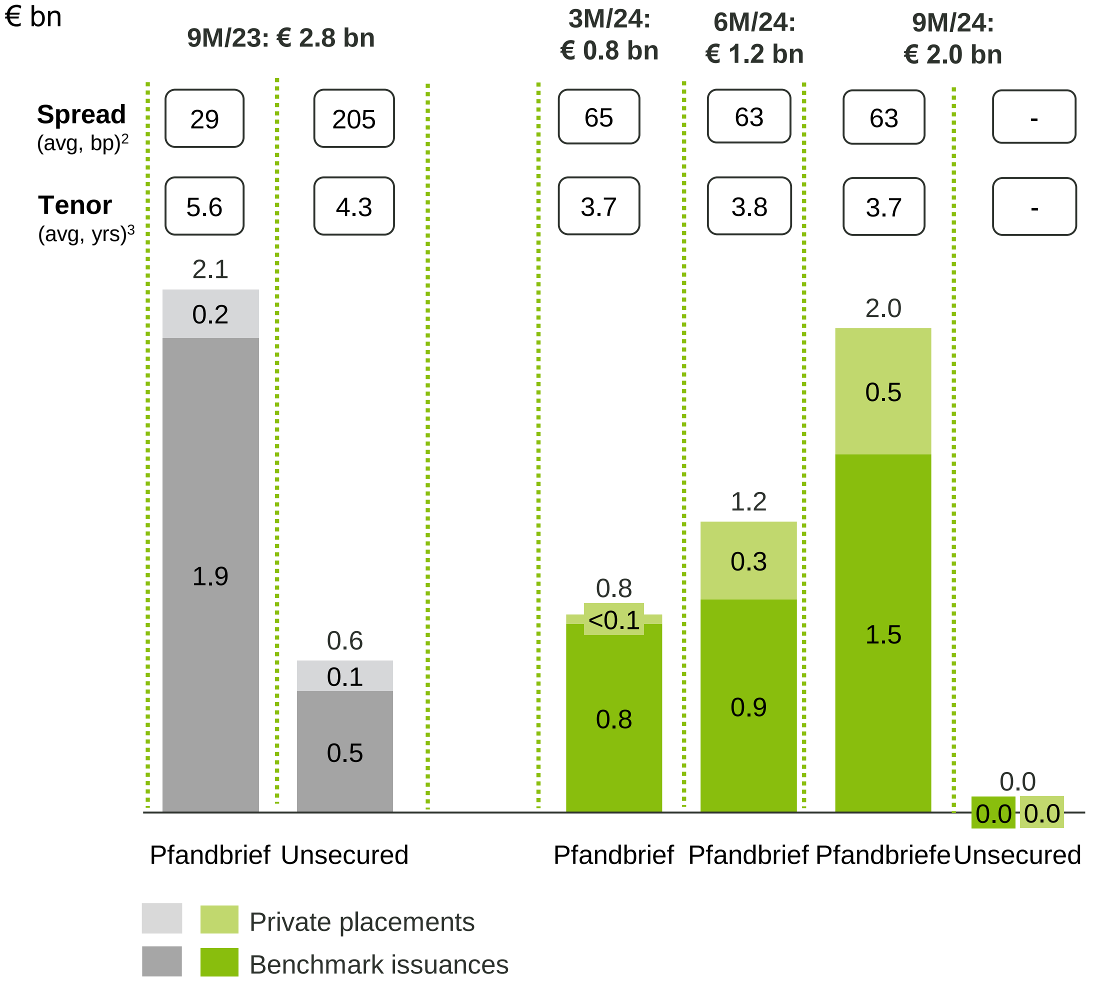
1. Incl. Bundesbank accounts (09/24: € 2.3 bn; 12/23: € 2.7 bn) 2. See appendix for definition of borrower classification 3. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade
Note: Figures may not add up due to rounding, EaD, Basel III

APPENDIX

FUNDING AND LIQUIDITY

Capital market funding focused on Pfandbrief

New long-term funding[1]
€ bn



- **Pfandbrief funding** well ahead of 2024 needs
  - Markets open for public issues and private placements – € 450 mn taps of EUR Benchmarks since Q1/24 in addition to an € 250 mn FRN
  - Strong activity in SEK, issuing a total of SEK 5.9 bn (€ 518 mn)
  - Funding exceeds 2024 needs; any further issuance is pre-funding for next year
- **Unsecured wholesale** largely replaced by stable and competitive retail deposits
  - Last Senior Unsecured benchmark in early 2023
  - No Senior Unsecured benchmark planned in 2024
- Remaining **TLTRO** tranche of € 0.9 bn repaid in June 2024

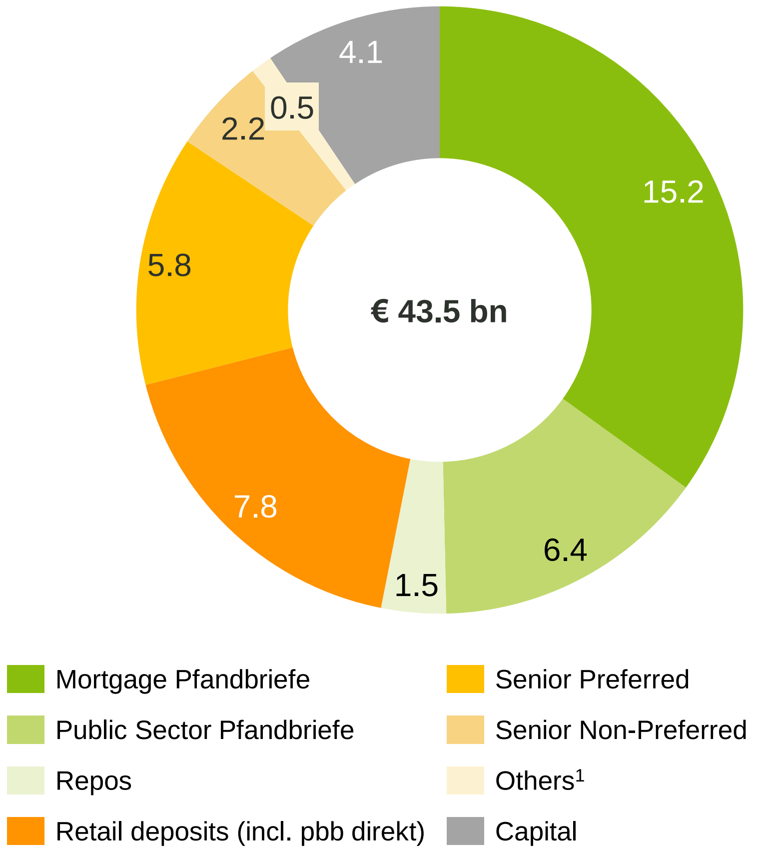
1. Excl. retail deposit business and "own-use" Pfandbriefe 2. vs. 3M Euribor 3. Initial weighted average maturity Note: Figures may not add up due to rounding

FUNDING AND LIQUIDITY

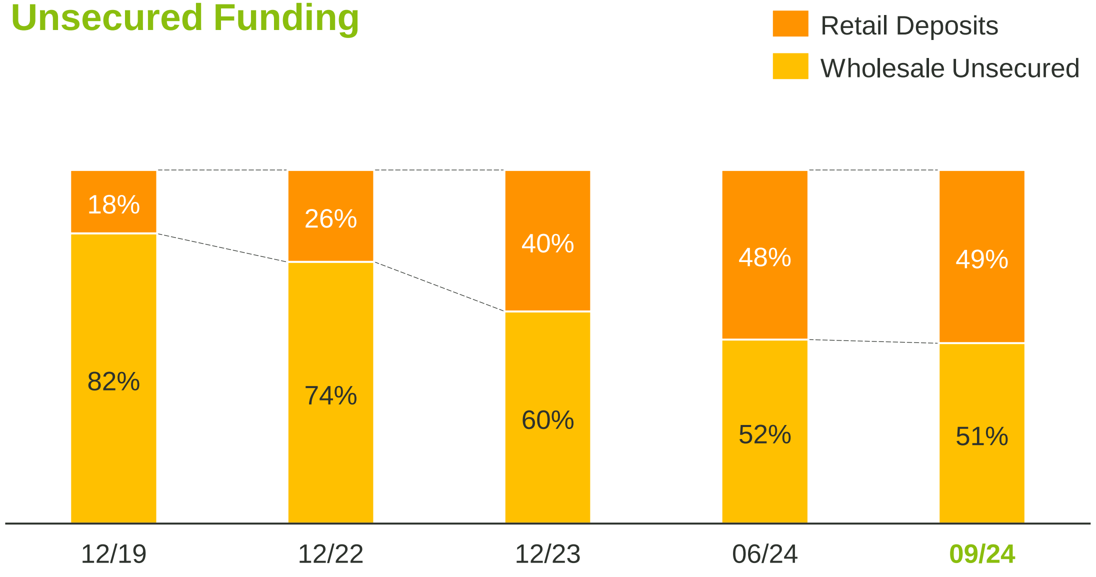
Diversified funding base

Diversified Funding Base

30/09/2024: € bn, nominal values



Unsecured Funding



- Over 50% resilient **secured funding[2]**
- **Broad toolbox** for both, secured and unsecured funding
- Capital market **unsecured funding substituted with retail term deposits[3]** in 2024

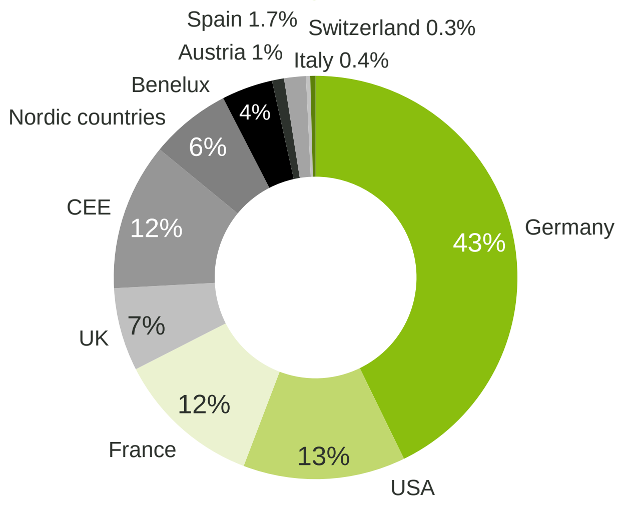
1. Others: e.g. institutional deposits and cash collateral 2. Pfandbriefe and Repos 3. includes EUR 0.7 bn overnight deposits as per 30/09/2024

MORTGAGE COVER POOL

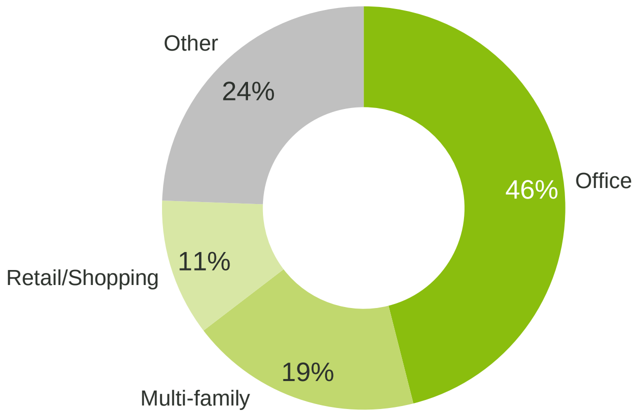
Diversification by countries and property types

Mortgage Cover Pool

Regions



Property types

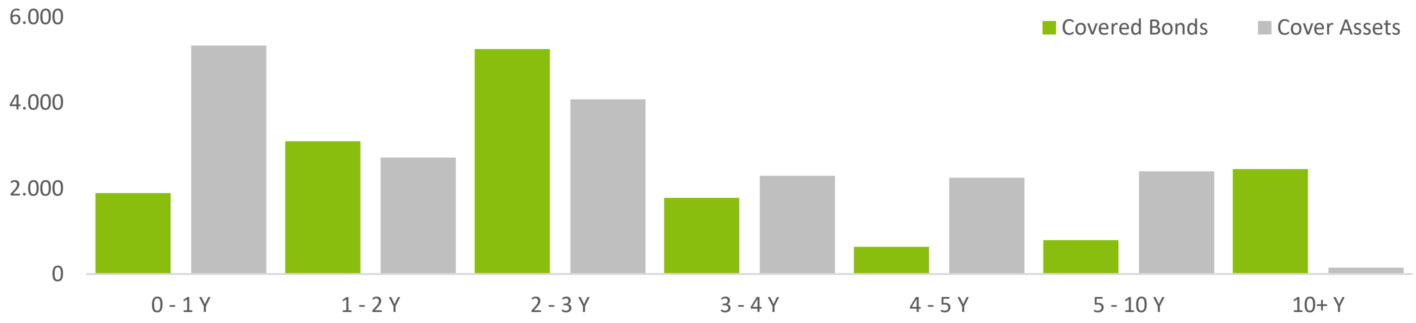


Key metrics

Mortgage cover pool (nominal)	30/09/2024
Pfandbriefe outstanding	€ 15.9 bn
Cover funds	€ 19.2 bn
Over-collateralisation (Nominal/NPV)	20.7% / 21.9%
No. of loans	1,374
No. of properties	3,225
Payments ≥ 90 days overdue	€ 0mn
Weighted average LTV (based on market value)	36.3%

Maturity Profile

(nominal values, € mn)



PFANDBRIEF COVER POOL

ISC and the effect of the Mortgage Lending Value – very simplified example!

Interest Service Cover

(explanatory calculation for existing loans)

€ 4.0 mn rent p.a. at 4% property yield results in a market value of € 100 mn

minus

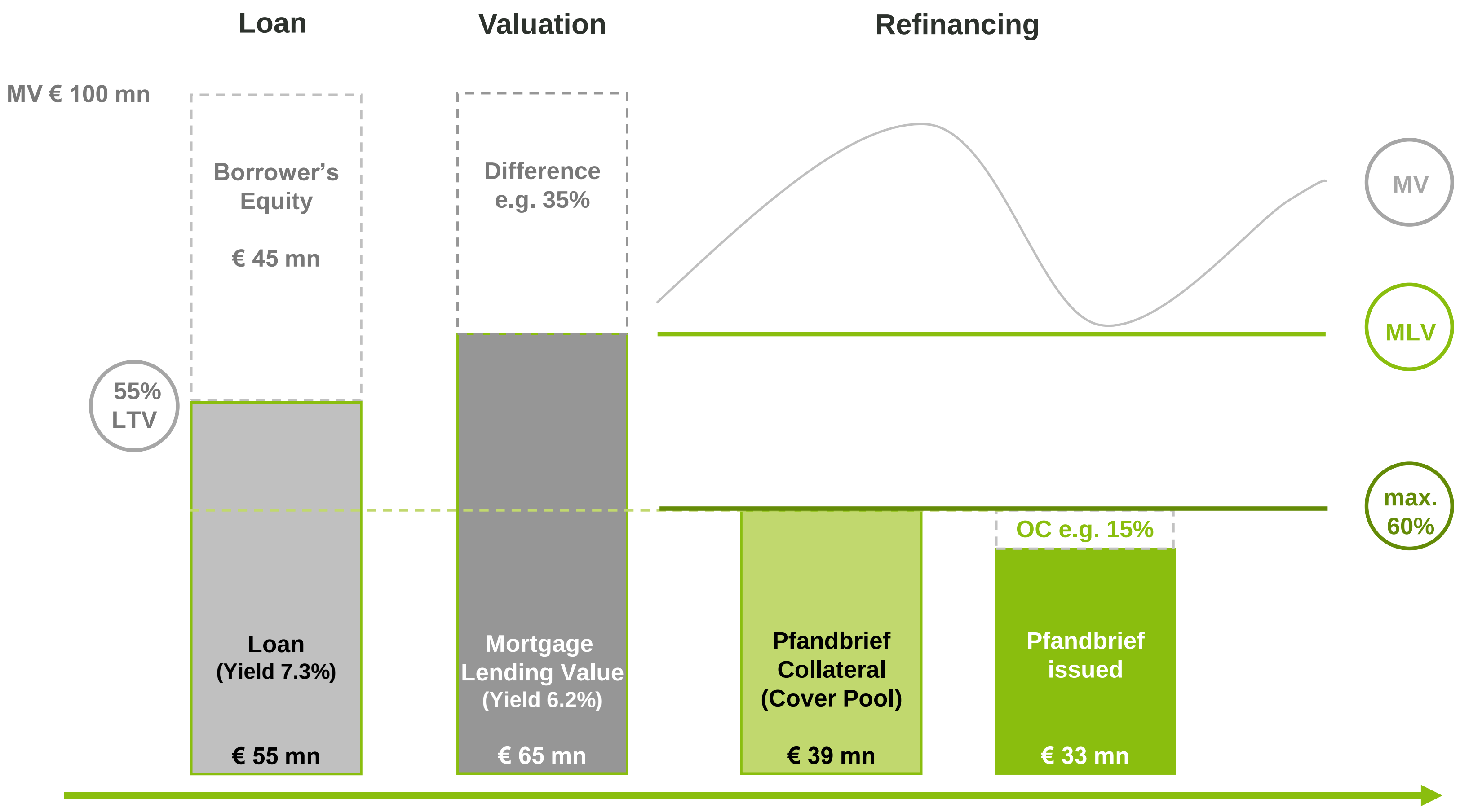
€ 1.1 mn interest payment p.a. for a € 55 mn loan at 2% interest rate

€ 2.9 mn excess cash

$$\frac{€\ 4.0\text{ mn rent}}{€\ 1.1\text{ mn interest}} = \sim 360\%\text{ ISC}$$

[at current interest rates of approx. 5 % the ISC drops to ~ 150%]

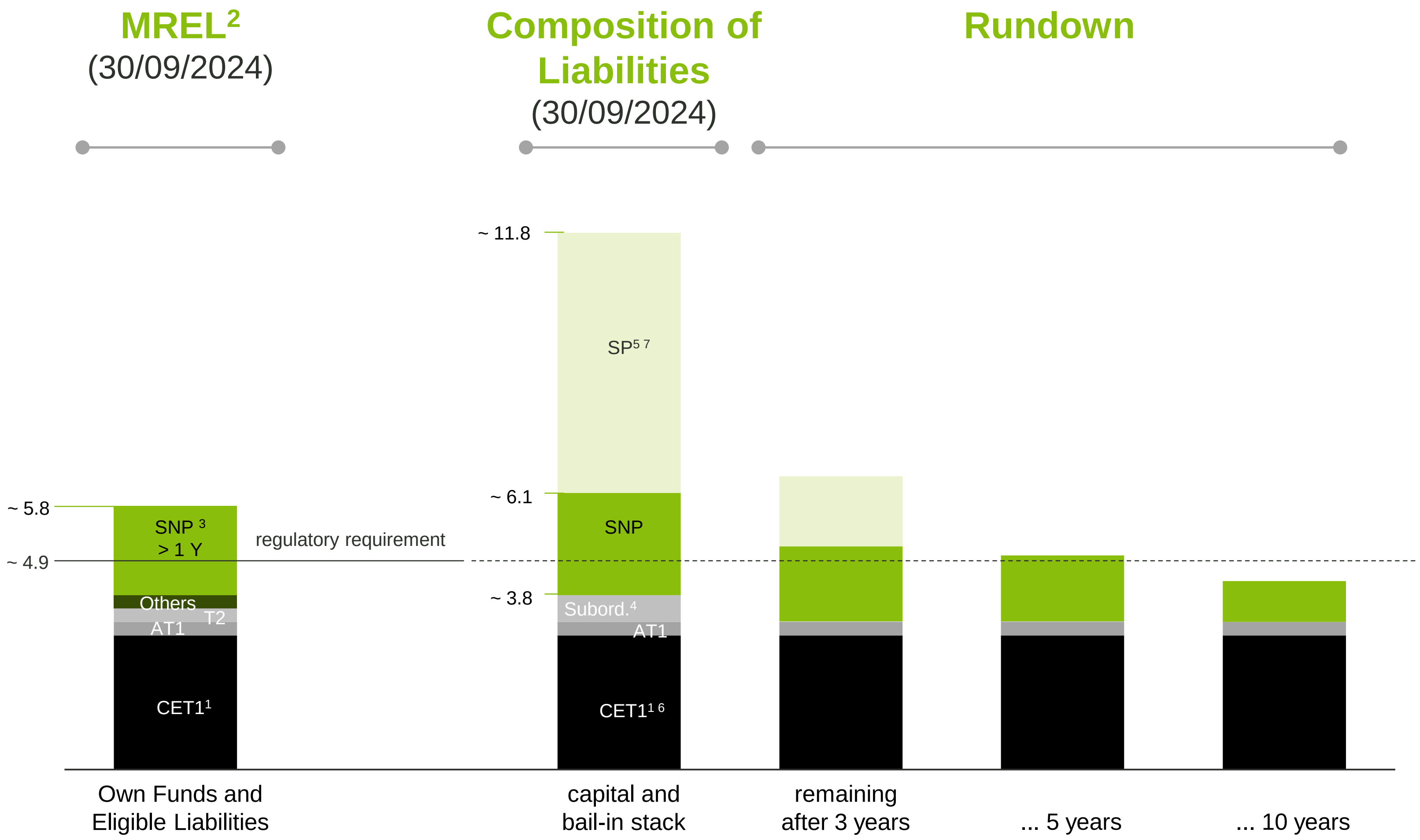
Loan-to-Value Ratio



FUNDING

Own Funds and Eligible Liabilities exceed regulatory requirements

€ bn



- Buffer for Senior Preferred (SP) investors due to high volume of capital instruments and Senior Non-Preferred (SNP) liabilities
- Existing Senior Non-Preferred liabilities with long remaining terms
- SP currently predominant senior product, but SNP to remain a key element of pbb’s funding strategy
- Regulatory requirements (SREP, MREL etc.) are met

1. Incl. interim profit until Q2.2024 2. Requirement set by SRB for 2024 (higher value of the requirement in relation to the Total Risk Exposure Amount (TREA) and in relation to the Leverage Ratio Exposure (LRE); replaces former TLOF measure. As of 30 September 2024, MREL capacity (subordinated only) amounts to ~28.4% TREA / ~12.9% LRE 3. MREL eligible Senior Non-Preferred Debt > 1Y according to legal maturities 4. Nominal amount of Tier 2 instruments 5. Senior Preferred, structured unsecured and corporate deposits (excl. protected deposits) 6. CET1 assumed to be constant

MANDATED RATINGS

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

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

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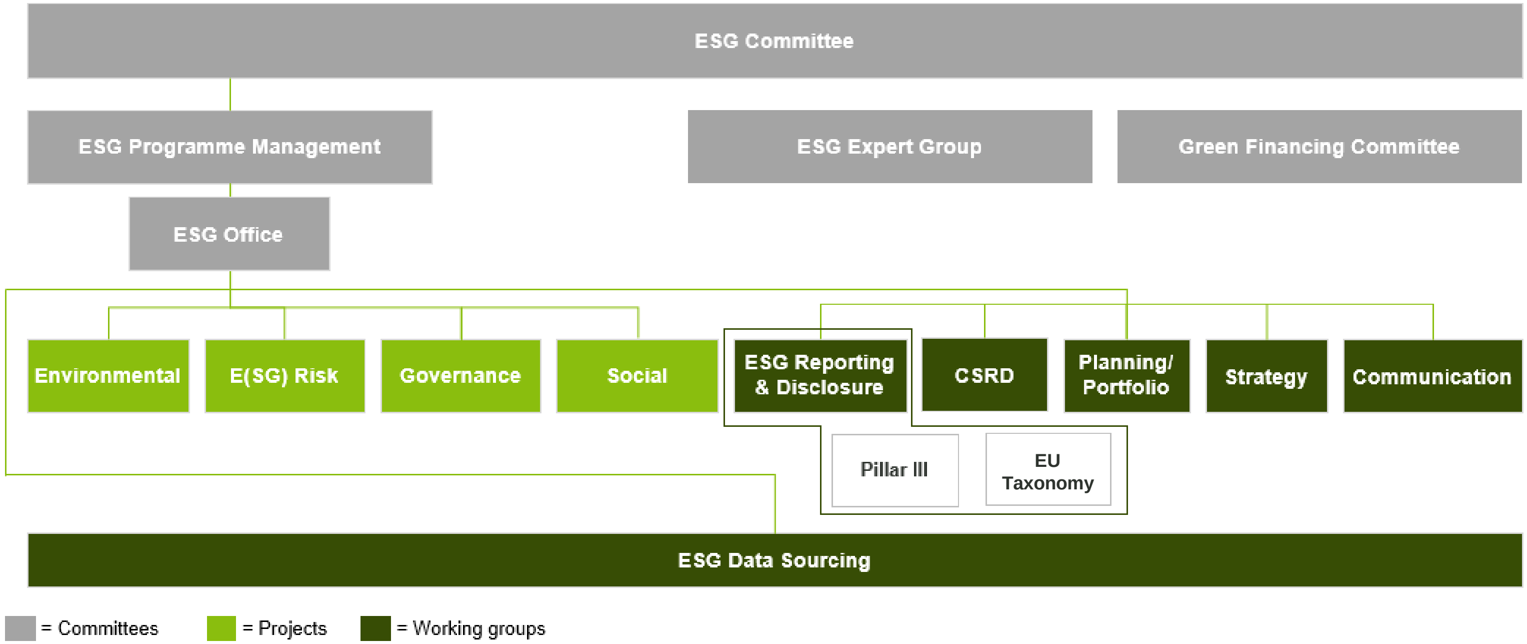
1. S&P: Stand-alone credit profile 2. S&P: “Senior Unsecured Debt” 3. S&P: “Senior Subordinated Debt”

APPENDIX

ESG Programme provides for holistic approach

ESG Programme



	2022	2023	09/2024
ISS ESG	C Prime	C Prime	C Prime
MSCI	AA	AAA	AAA
Moody's ESG Solutions	Score 44	Score 50	Score 50

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

ESG

pbb continues to execute on its strategy

2017:
1st Non-financial Report (NFRD)

2020:
Introduction of Green Bond Framework

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

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

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

2024:
Refinement of ESG KPIs regarding inclusion of decarbonization path

2025:
1st Non-financial Report (CSRD)

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

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

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

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

pbb Scoring Model

MAX SCORE: 100 Points

Criteria

I. Energy Efficiency	II. Building Certification	III. Additional Sustainability Factors
▪ Energy demand/-consumption [kWh/(m²·a)] ▪ **OR** ▪ Energy Reduction in Planning [kWh/(m²·a)][1] **pbb Green Bond Framework Eligible[2]**	▪ "Green" building certification	▪ Surface sealing (green field vs. brown field) ▪ Type of/distance to public transportation ▪ Local supply ▪ Materials recycling[3] ▪ Type of heating ▪ Consumption of green energy ▪ Biodiversity[3] ▪ Existing energy/environmental management[3]
MAX SCORE: 50 Points	**MAX SCORE: 20 Points**	**MAX SCORE: 30 Points**
MAX SCORE: 70 Points		

Minimum score for pbb Green Loan: ≥ 60 Points

OR

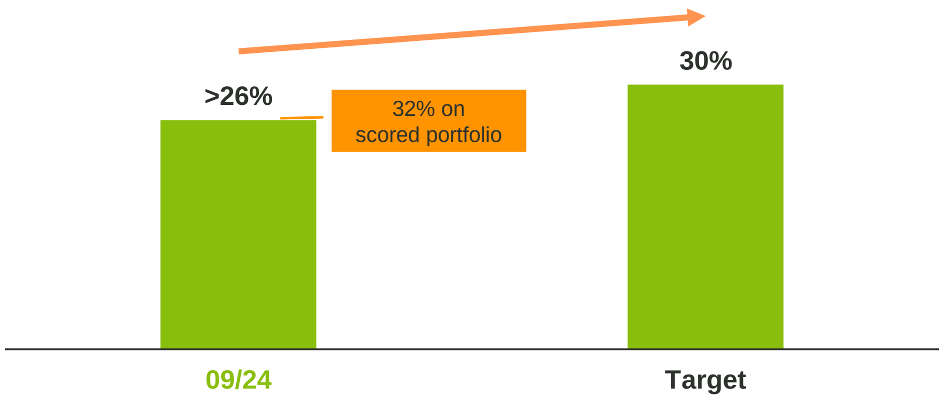
Compliance with EU Taxonomy

pbb Green Loan Framework Eligible

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

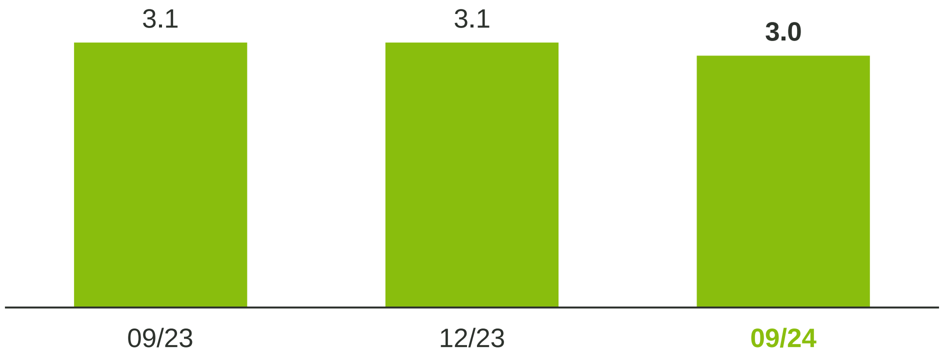
Continued progress in sustainable finance activities

Green share of REF portfolio[1]
(commitments, green loan eligible assets, %)



- 80% of REF portfolio scored – scoring of remaining portfolio ongoing
- Green share of total REF portfolio currently at 26% resp. € 7.6 bn (32% based on scored portfolio of 80%) vs. target of >30%

Green Bonds
(nominal volume, € bn)



- pbb is a leading issuer of senior preferred green bonds in the European market
- Current headroom between green bond eligible loans and green bonds outstanding allows further green finance activities

1. Based on total REF portfolio; 32% based on scored REF portfolio of 80% as of 30 September 2024 / Green assets according to pbb's green loan framework (Green loan eligible)

DEFINITION OF BORROWER CLASSIFICATIONS

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

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