

Debt Investor Update

Results 9M/2024



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BUSINESS MODEL, MARKETS & PRODUCTS

Core Business

Funding

- Strong capital market presence: benchmark issuances and private placements
- Resilient **Pfandbrief** as main funding source complemented by unsecured bonds
- pbb one of most active senior unsecured **Green Bond** issuers
- EUR and foreign currencies

pbbdirekt

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

Specialized on-balance sheet lending ...



... based on stable, well diversified funding base

pbb

CRE Lending

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

USP

- **Leading specialized CRE bank** with conservative lending standards and **high-risk competence**
- **Strong franchise** with long-standing client relationships
- Local presence in core **Europe and the US**
- **Resilient Pfandbrief** as main funding source — in addition, **scalable retail deposit platform**

New Business Lines

RE Invest. Mgmt.

- Issuance of **open-ended real estate funds**
- **Capital-efficient** and **scalable** income source

pbb Debt

- Provide required formats to **institutional investors** (e.g. debt funds)
- Leverage our extensive **market access**

Green Consulting

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

Strategy Update

- Maintain a **conservative risk profile** and retain **strict cost discipline**
- **Increase of profitability** by **growth and capital light strategic initiatives**
- **Sustainable finance** as an **important contributor** for all **growth initiatives**



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

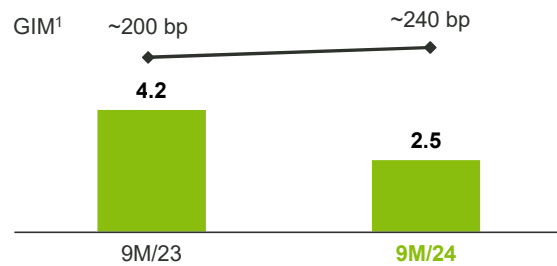
- **CET 1 ratio** calibrated towards standardised risk parameters at 14.5% (+50 bp vs. 06/24); **RWA** down by € ~0.5 bn in Q3/24 (€ 20.4 bn)
- **Pro-forma Basel IV F-IRBA CET 1 ratio** at 17.3%
- **Basel IV F-IRBA** from 01.01.2025 onwards **approved**

OPERATING & FINANCIAL OVERVIEW

Focus on profitability

REF new business

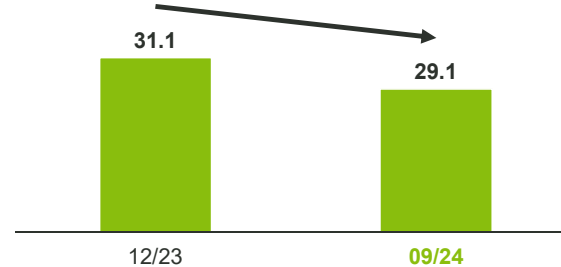
€ bn (commitments, incl. extensions > 1 yr.)



- 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

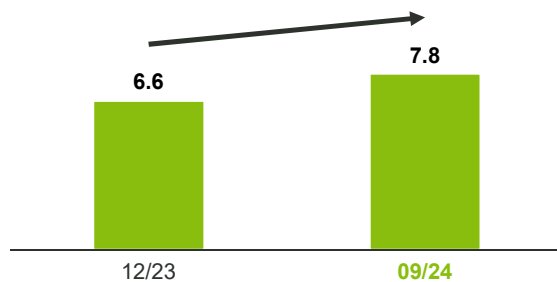
€ bn (financing volume)



- 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

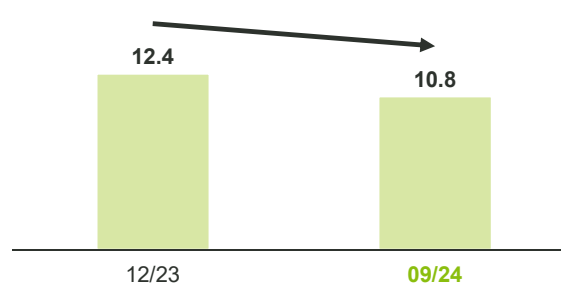
€ bn



- 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

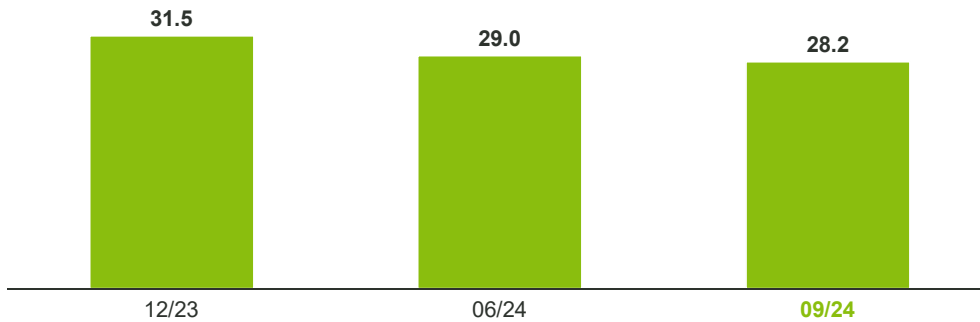
Results Q3/9M 2024 (IFRS, pbb Group, unaudited), 13 November 2024 / © Deutsche Pfandbriefbank AG

REF PORTFOLIO PERFORMING

Portfolio quality remains solid

Performing Portfolio

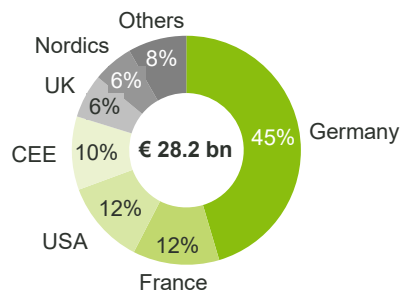
€ bn (EaD, Basel III)



- **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 portfolio²
 - **Coverage ratio:** ~22% via existing stage 1&2 LLPs of € 121 mn

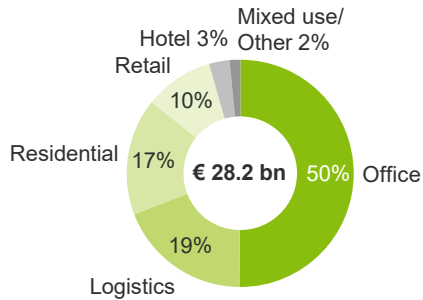
Regions

30/09/2024 (EaD, Basel III)



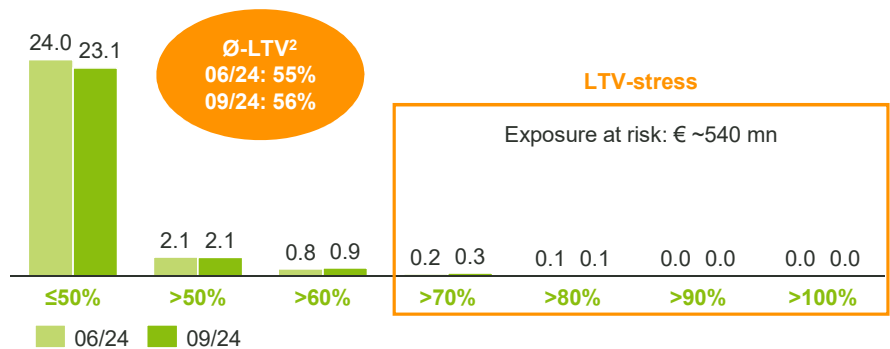
Property types

30/09/2024 (EaD, Basel III)



Layered LTV – based on performing investment loans only

(€ bn, commitments, Basel III)



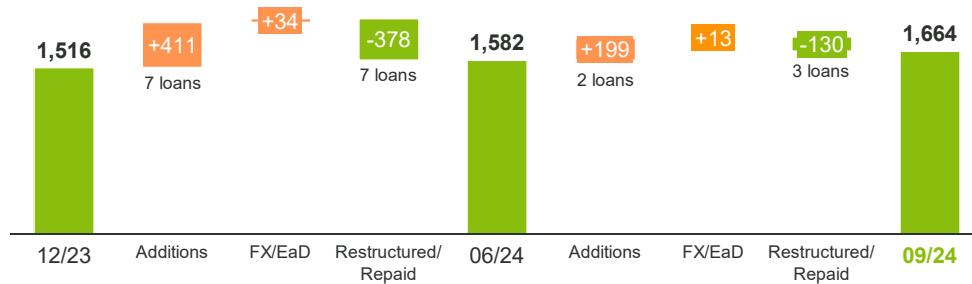
Note: Figures may not add up due to rounding. 1. On the part, for which a revaluation was necessary. 2. Performing investment loans, based on commitments

REF PORTFOLIO NPL

Driven by US loans and German developments

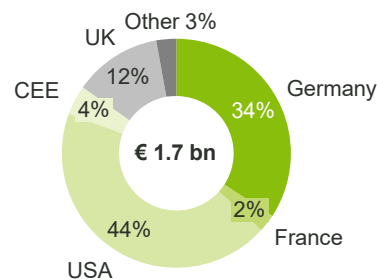
NPL Portfolio

€ mn (EaD, Basel III)



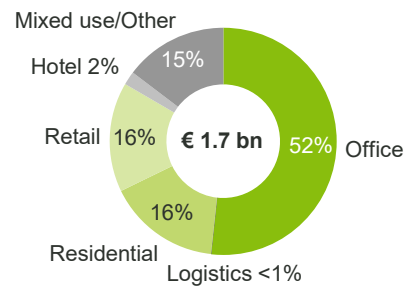
Regions

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
- **NPE² 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

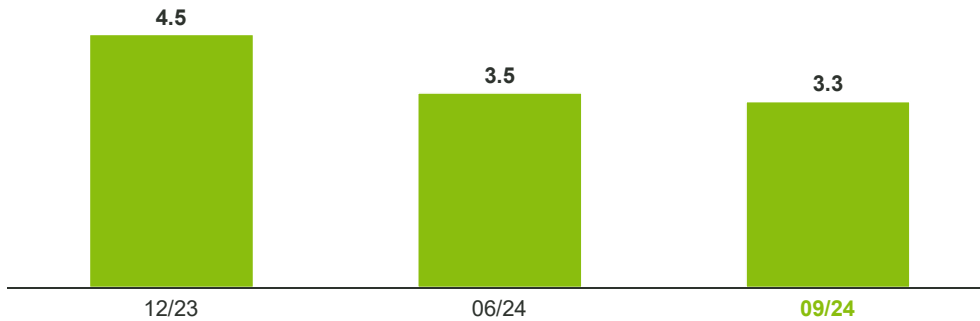
Note: Figures may not add up due to rounding 1. On the portfolio part, for which a revaluation was necessary 2. Non-Performing Exposure ratio = Non-performing loans and bonds / total portfolio (EaD); NPL ratio (EBA definition) 09/24: 4.4%, 06/24: 4.1%, 03/24: 3.9% (NPL ratio = gross carrying amount of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

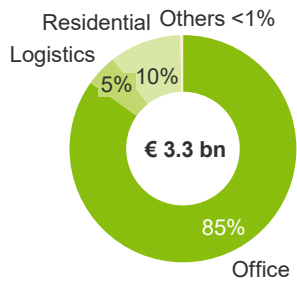
€ bn (EaD, Basel III)



- **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 portfolio²
 - **Coverage ratio:** ~43% via existing stage 1&2 LLPs of € 71 mn

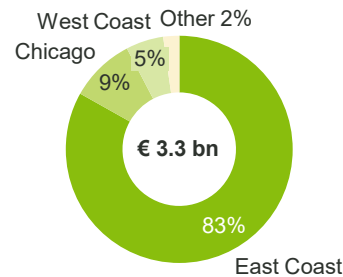
Property types

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



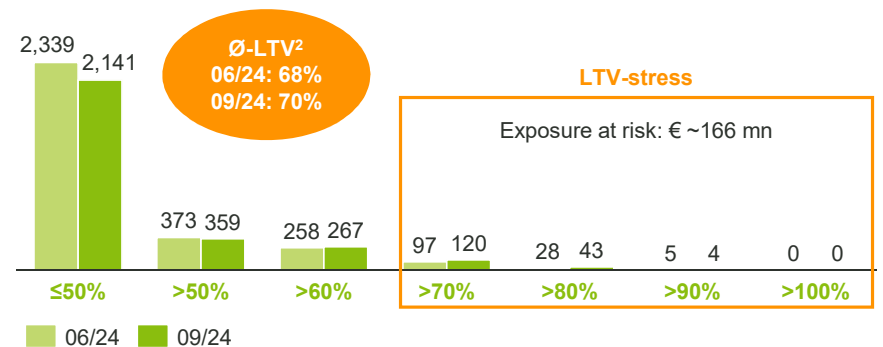
US Office – Regions

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)

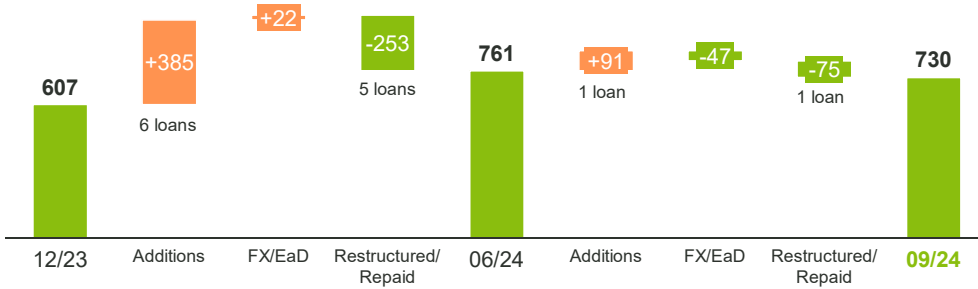
Results Q3/9M 2024 (IFRS, pbb Group, unaudited), 13 November 2024 / © Deutsche Pfandbriefbank AG

FOCUS: USA NPL

US NPL down 4% in Q3/24

Non-Performing Portfolio

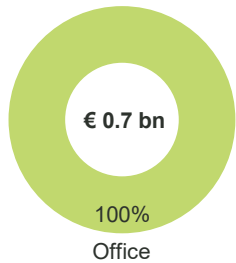
€ mn (EaD, Basel III)



- 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 NPE² ratio 18%**
- **NPL coverage ratio** of ~25% via existing stage 3 LLPs of € 179 mn

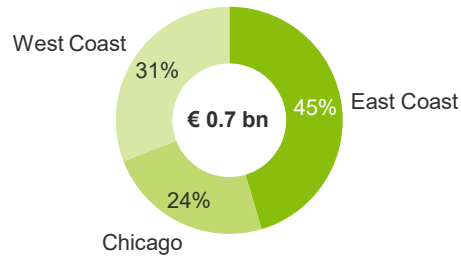
Property types

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



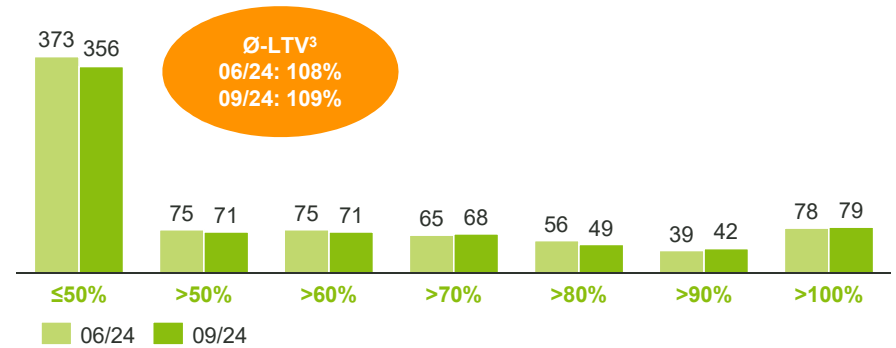
Office – Regions

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

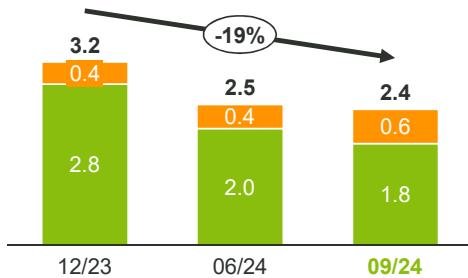
FOCUS: DEVELOPMENT PORTFOLIO

Portfolio reduced by € 0.8 bn (-25%)

Portfolio

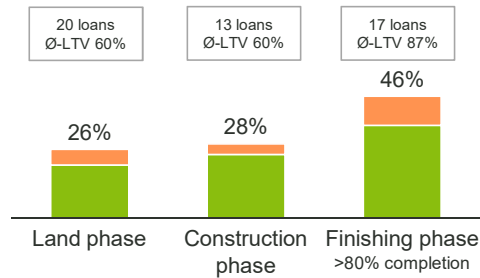
€ bn (EaD, Basel III)

■ Performing
■ Non-performing



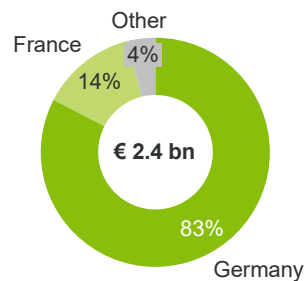
Phase

30/09/2024 (commitments, Basel III)



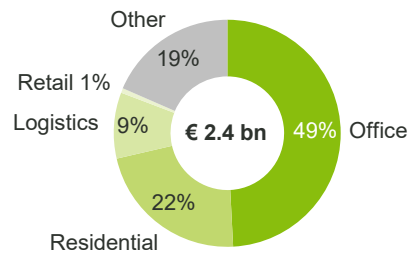
Regions

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

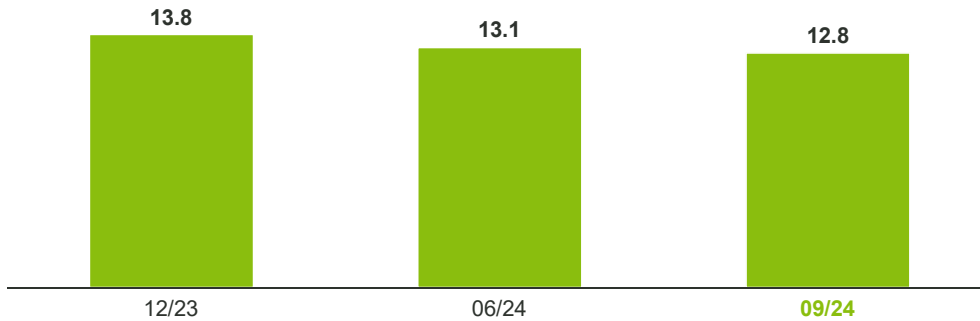
Note: Figures may not add up due to rounding

FOCUS: GERMANY PERFORMING

Well diversified, high quality portfolio

Performing Portfolio

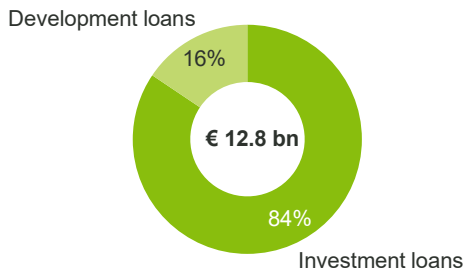
€ bn (EaD, Basel III)



- **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 portfolio²
 - **Coverage ratio:** ~32% via existing stage 1&2 LLPs of € 97 mn
- **German NPLs** limited to development loans (see previous page)

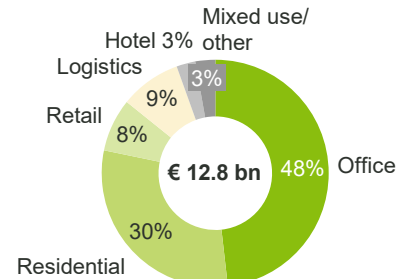
Product Class

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



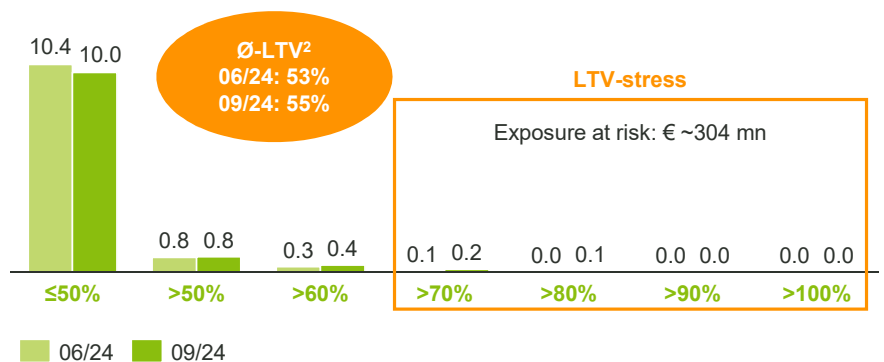
Property types

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

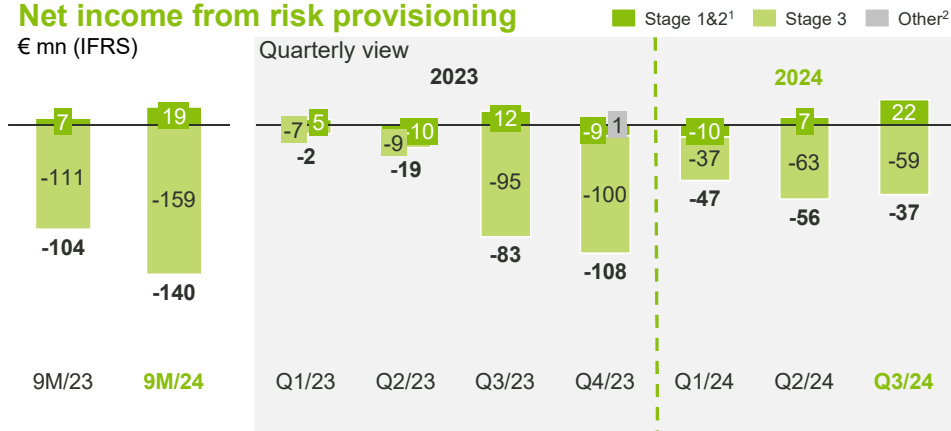
1. On the portfolio part, for which a revaluation was necessary 2. Performing investment loans, based on commitments

RISK COSTS

Improved macro-economic parameters in Q3/24

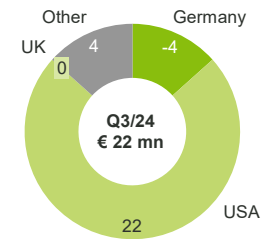
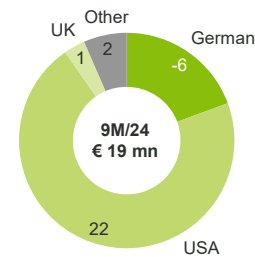
Net income from risk provisioning

€ mn (IFRS)



Stage 1&2

€ mn (IFRS)



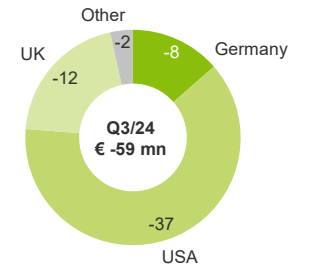
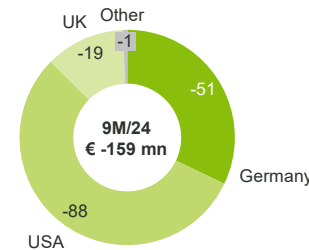
Challenging market environment reflected in elevated level of **LLP** since Q3/23 – LLP in 9M/24 up y-o-y, as expected

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)



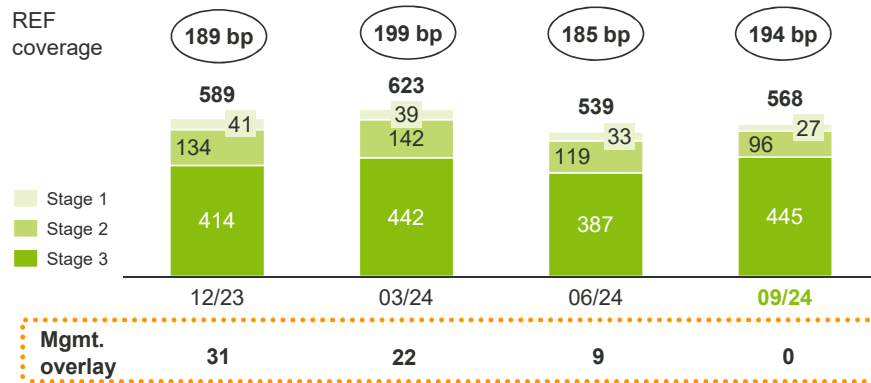
1. Incl. provisions in off balance sheet lending business 2. Recoveries from written-off financial assets

RISK COSTS

Loss allowances reduced by NPL management

Balance sheet – loss allowances

€ mn



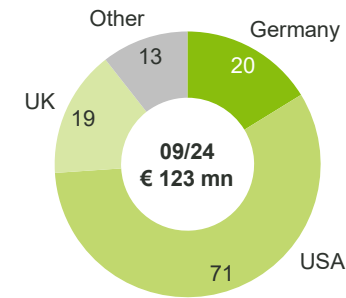
- **Stages 1&2: 9M/24** net decrease mainly due to release/consumption of **management overlay** for US office loans (€ -31 mn) and model based releases driven by improved macro-economic parameters (€ -21 mn)
Q3/24: € -29 mn decrease, driven by improved macro-economic parameters (€ -20 mn) and release of remaining management overlay (€ -9 mn)
 - **Stage 3: 9M/24** net 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%)

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

Results Q3/9M 2024 (IFRS, pbb Group, unaudited), 13 November 2024 / © Deutsche Pfandbriefbank AG

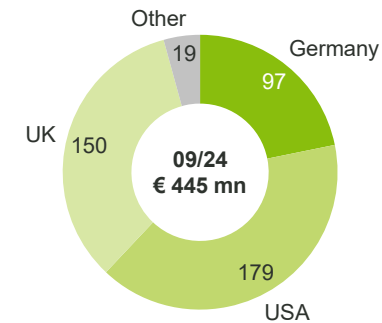
Stage 1&2

€ mn (IFRS)



Stage 3

€ mn (IFRS)



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

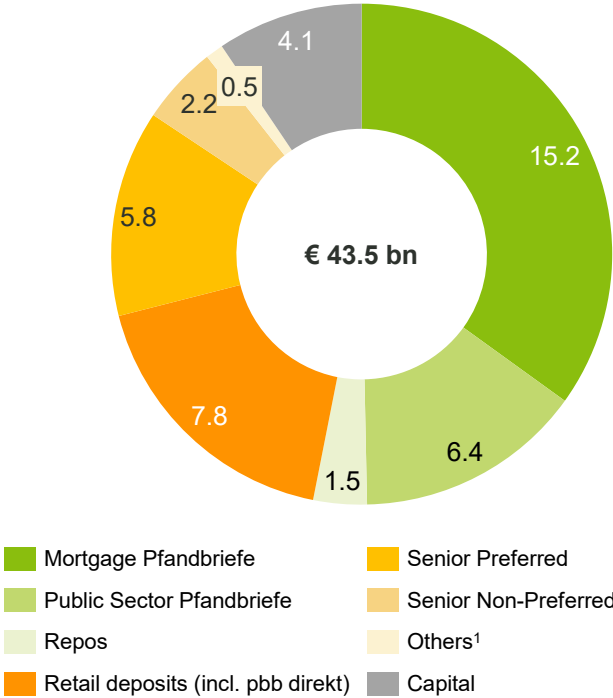
- **Liquidity position** of € 6.9 bn and regulatory ratios well above minimum requirements

FUNDING AND LIQUIDITY

Diversified funding base

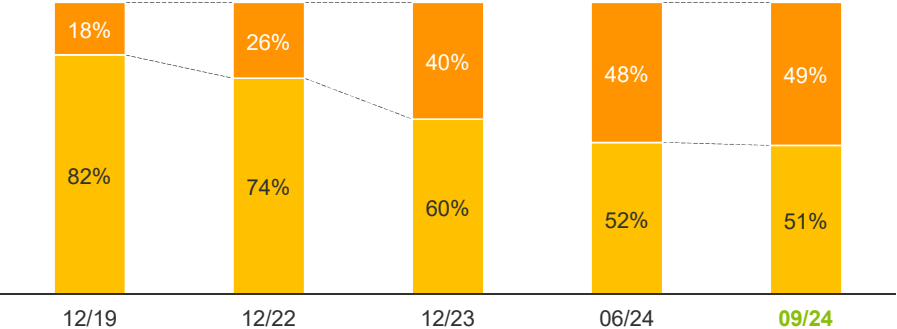
Diversified Funding Base

30/09/2024: € bn, nominal values



Unsecured Funding

■ Retail Deposits
■ Wholesale Unsecured



- 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

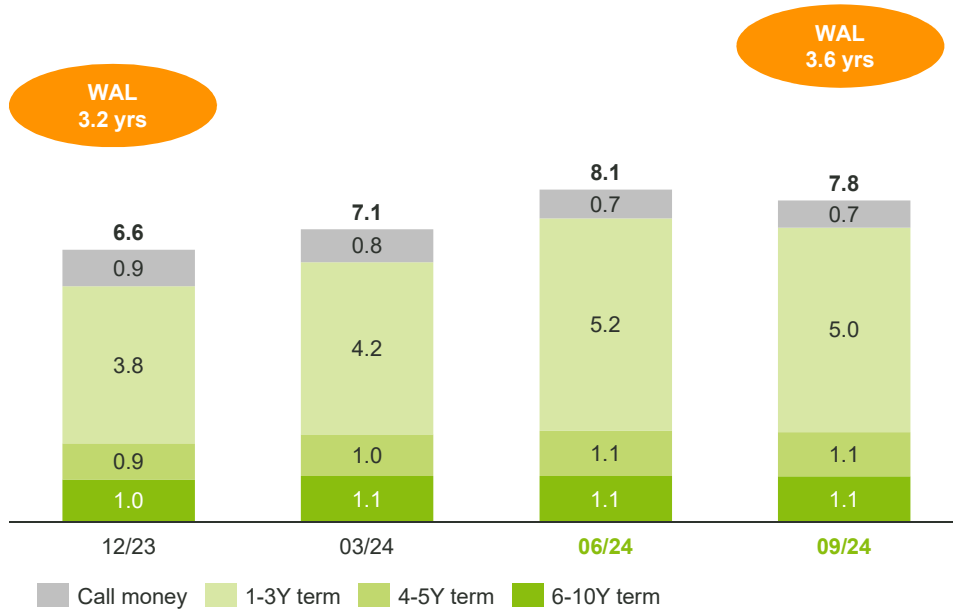
1. Others: e.g. institutional deposits and cash collateral 2. Pfandbriefe and Repos 3. includes EUR 0.7 bn overnight deposits as per 30/09/2024

RETAIL DEPOSITS

Retail deposits exceed needs

Retail deposits – development & maturity profile¹

€ 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

Note: Figures may not add up due to rounding

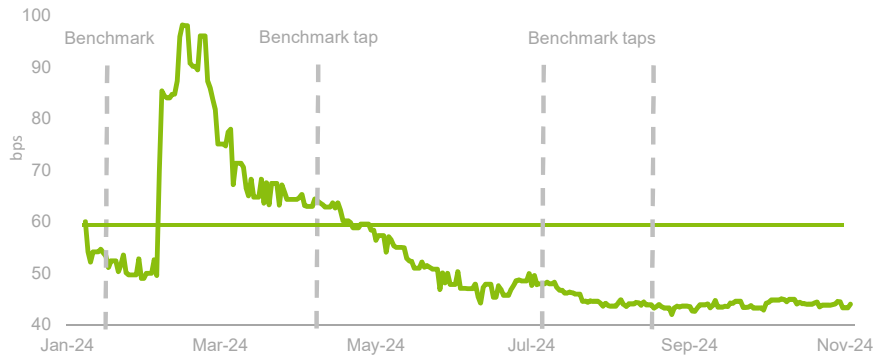
1. Initial weighted average life of term deposits 3.6 years, remaining average time to maturity 2.4 years 2. Statutory deposit protection scheme in combination with the voluntary protection scheme of German Banks 3. Only pbb direkt clients without co-operations

- 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% insured²
 - **Call money** only ~9% / € 0.7 bn well covered by liquidity reserves
 - **Cost efficient** – attractive funding costs around Euribor

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

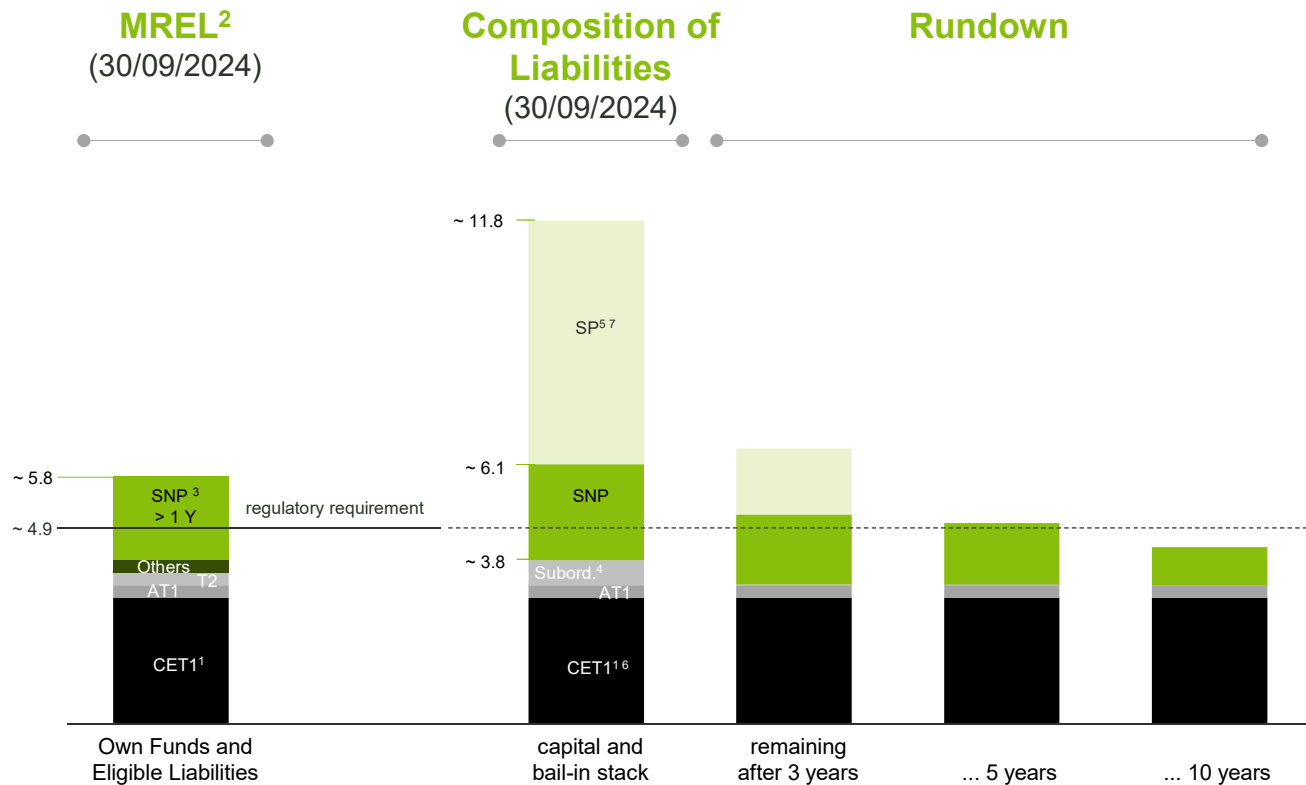
Retail deposits

- **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 $\geq 2Y$)
 - **Rate increase** in March by $\sim +50$ bps (for term deposits $\geq 2Y$) 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

FUNDING

Own Funds and Eligible Liabilities exceed regulatory requirements

€ bn



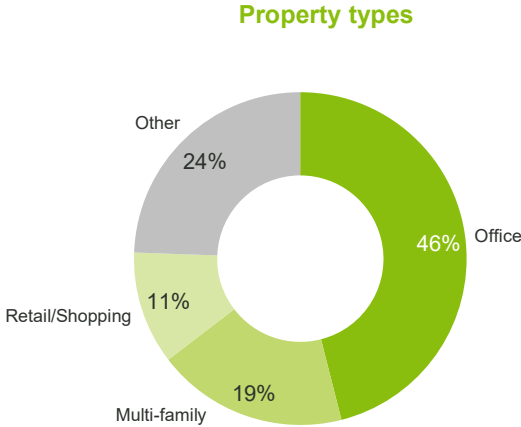
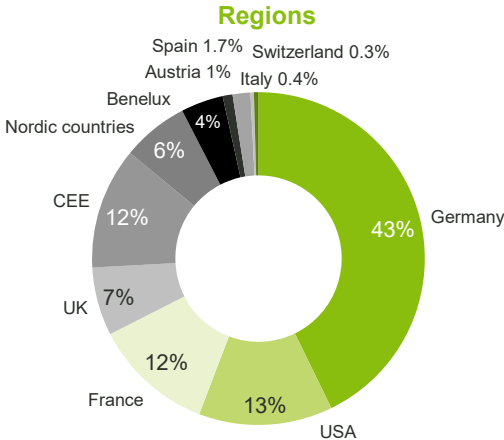
- Buffer for Senior Preferred (SP) investors due to high volume of capital instruments and Senior Non-Preferred (SNP) liabilities
- Existing Senior Non-Preferred liabilities with long remaining terms
- SP currently predominant senior product, but SNP to remain a key element of pbb's funding strategy
- 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

MORTGAGE COVER POOL

Diversification by countries and property types

Mortgage Cover Pool

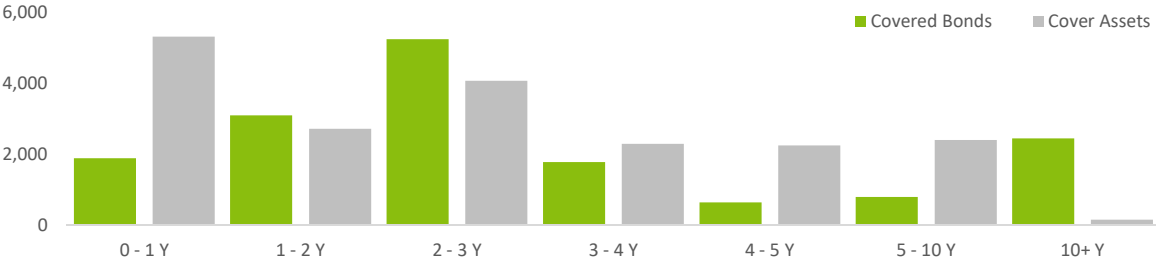


Key metrics

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)



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+	
		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”

CAPITAL

Basel IV F-IRBA approval granted

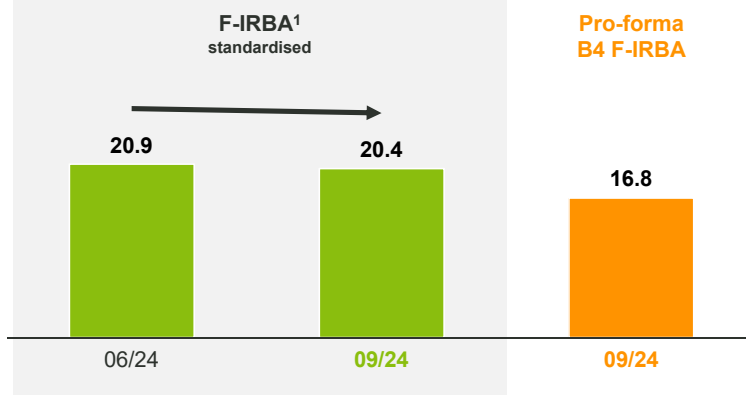
Basel III: capital and leverage ratios

(IFRS)

%	Transitional period		Pro-forma B4 F-IRBA
	F-IRBA ¹ standardised	F-IRBA ¹ standardised	
	06/24 ²	09/24 ²	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 $\geq 14\%$ 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

GUIDANCE 2024

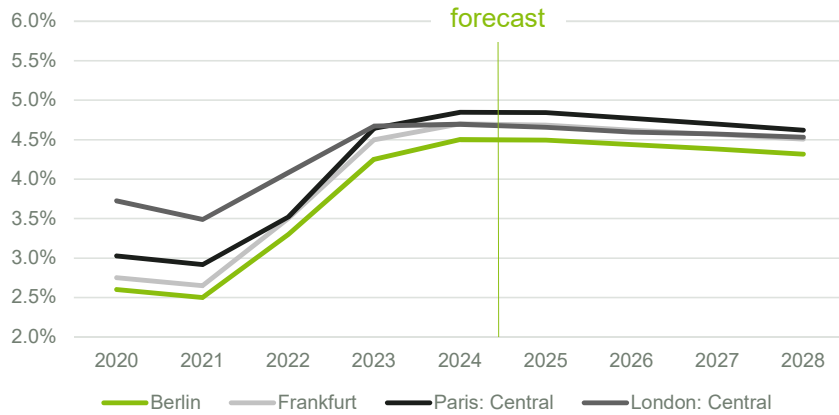
REF Portfolio	New business (incl. extensions > 1 year) Financing volume	€ ~5.5 bn ¹ slightly below € ~30 bn ¹
P&L	Operating Income thereof: NII + NCI LLPs CIR	€ 525-550 mn € 475-500 mn << 2023 ~50%
Profitability	Pre-tax profit RoE/RoCET1 after taxes	>> 2023 >> 2023
Capitalisation	CET 1 ratio	≥ 14%

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

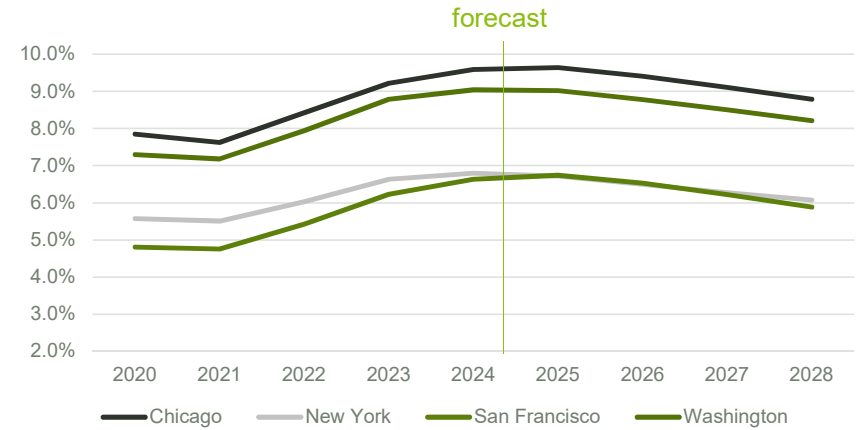
OFFICE MARKETS

Turning point in reach

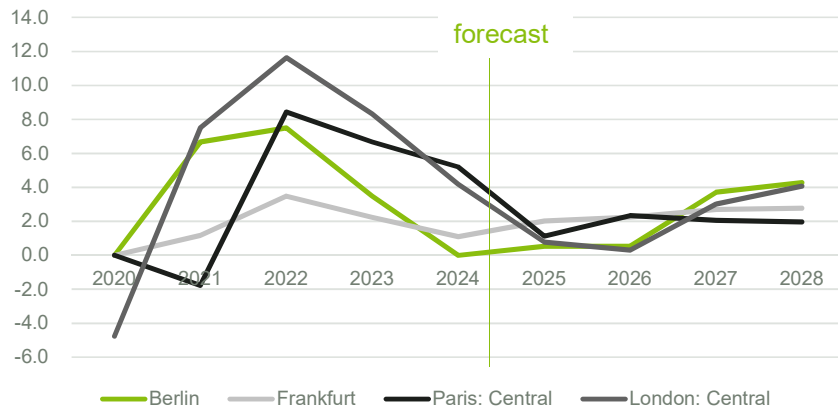
European Office market – prime yields



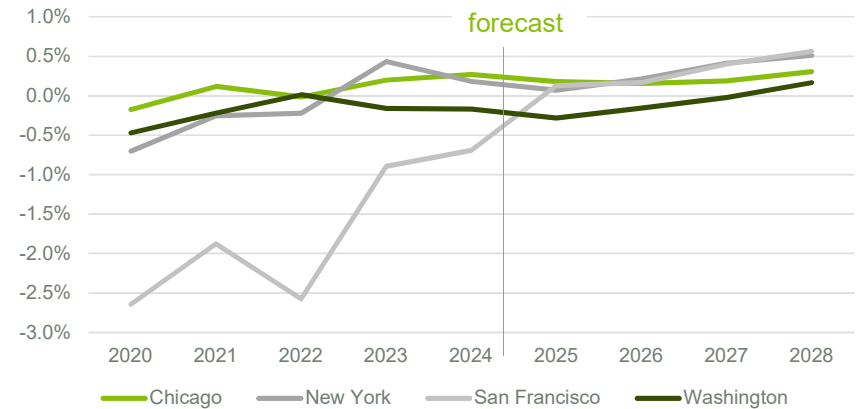
US Office market – cap rates



European Office market – prime rent growth



US Office market – market asking rent growth



Source: PMA as of 10/2024
Results Q3/9M 2024 (IFRS, pbb Group, unaudited), 13 November 2024 / © Deutsche Pfandbriefbank AG

Source: Costar as of 10/2024

APPENDIX

CMD STRATEGY UPDATE

Strategy 2027 builds on three key pillars



CMD STRATEGY UPDATE

Key Performance Indicators for 2027

OPERATING INCOME	FEE INCOME	CIR
€ ~600 mn	~10%	<45%
RoTE¹	CAPITAL DISTRIBUTION	CET-1 RATIO³
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)	$\frac{\text{Profit before tax}^{1)} \text{ minus AT1-coupon}}{\text{IFRS equity}^{2)} \text{ minus AT1-capital}^{2)} \text{ minus goodwill and other intangible assets}^{2)} \text{ minus deferred tax income assets}^{2)}$	$\frac{€ 91 \text{ mn}^{1)}}{€ 2,905 \text{ mn}^{2)}}$	3.1%
RoTE after tax (IFRS)	$\frac{\text{Net income after tax attributable to shareholders}^{1)} \text{ minus AT1-coupon}}{\text{IFRS equity}^{2)} \text{ minus AT1-capital and non-controlling interests}^{2)} \text{ minus goodwill and other intangible assets}^{2)}$	$\frac{€ 74 \text{ mn}^{1)}}{€ 3,033 \text{ mn}^{2)}}$	2.4%
Return on Equity (RoE)		9M/24	
RoE before tax (IFRS)	$\frac{\text{Profit before tax}^{1)} \text{ minus AT1-coupon}}{\text{IFRS equity}^{2)} \text{ minus AT1-capital}^{2)}$	$\frac{€ 91 \text{ mn}^{1)}}{€ 3,086 \text{ mn}^{2)}}$	2.9%
RoE after tax (IFRS)	$\frac{\text{Net income after tax attributable to shareholders}^{1)} \text{ minus AT1-coupon}}{\text{IFRS equity}^{2)} \text{ minus AT1-capital and non-controlling interests}^{2)}$	$\frac{€ 74 \text{ mn}^{1)}}{€ 3,086 \text{ mn}^{2)}}$	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.

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 ratios³	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

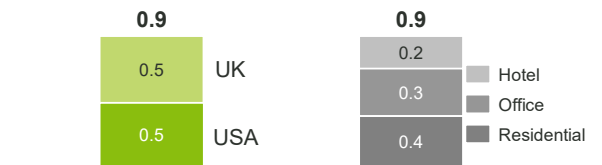
BALANCE SHEET

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

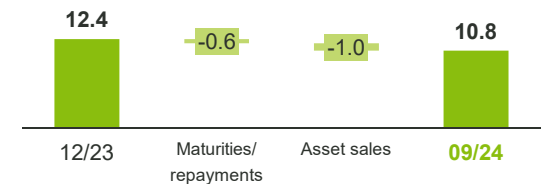
Portfolio transaction (05/24) (€ bn, financing volume)



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

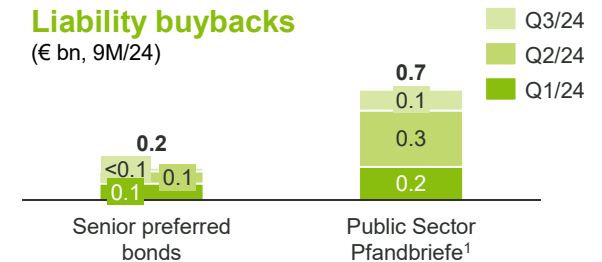
Non-core Portfolio (€ bn, financing volume)



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)

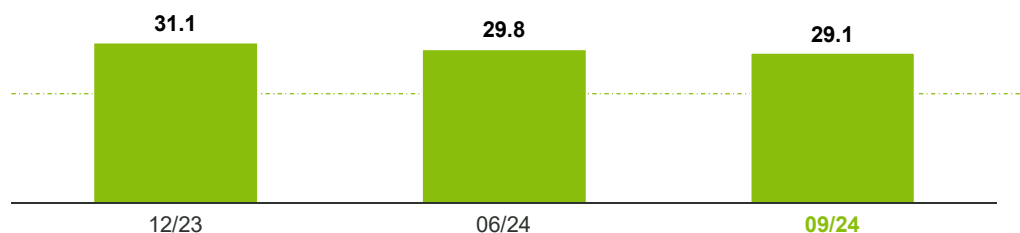


Note: Figures may not add up due to rounding ¹ In addition, € 11 mn mortgage Pfandbriefe

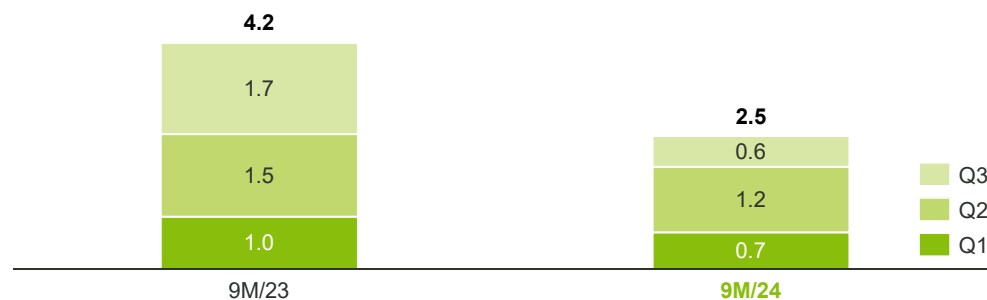
REF NEW BUSINESS

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

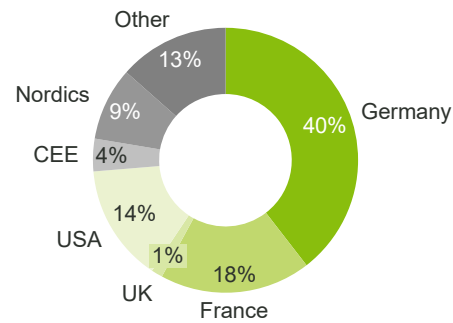
As of 30/09/24

€ 2.5 bn

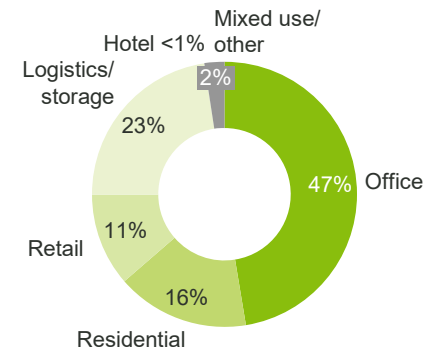
New business

(commitments, incl. extensions > 1 year)

Regions



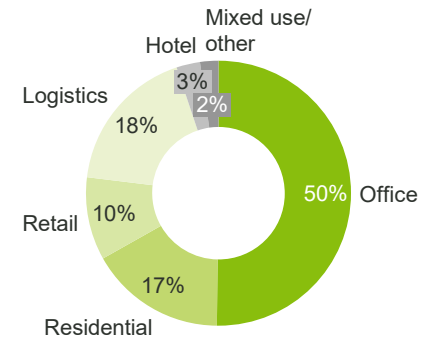
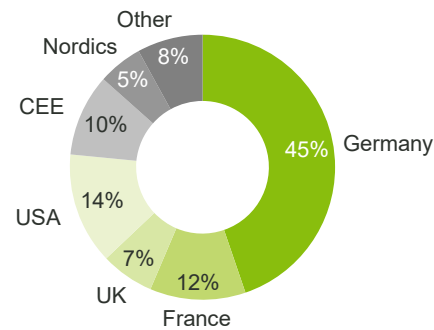
Property types



€ 29.9 bn

Portfolio

(EaD, Basel III)



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

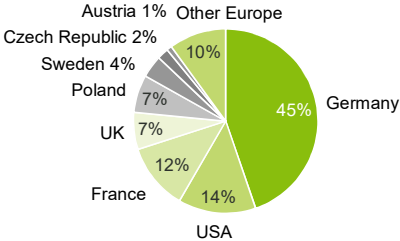
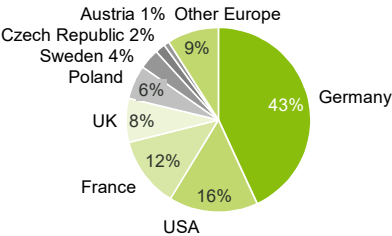
PORTFOLIO

Real Estate Finance (REF)

Regions

31/12/2023: € 33.0 bn

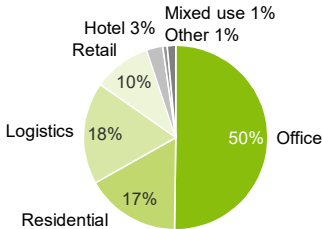
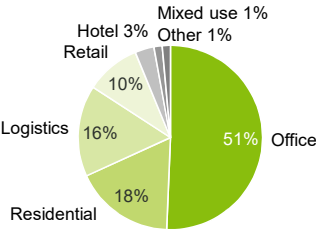
30/09/2024: € 29.9 bn



Property types

31/12/2023: € 33.0 bn

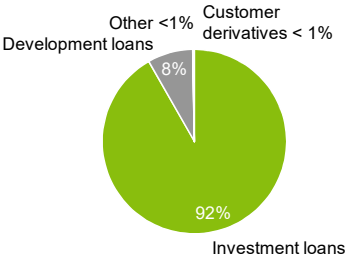
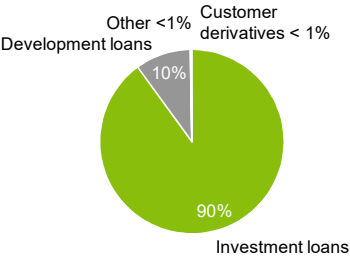
30/09/2024: € 29.9 bn



Product class

31/12/2023: € 33.0 bn

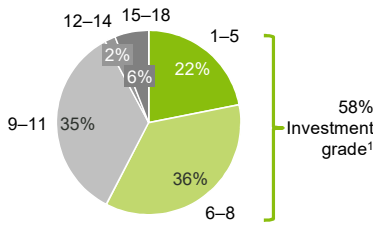
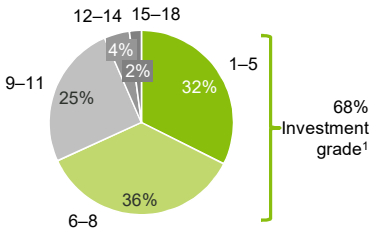
30/09/2024: € 29.9 bn



Internal ratings (EL classes)

31/12/2023: € 33.0 bn

30/09/2024: € 29.9 bn



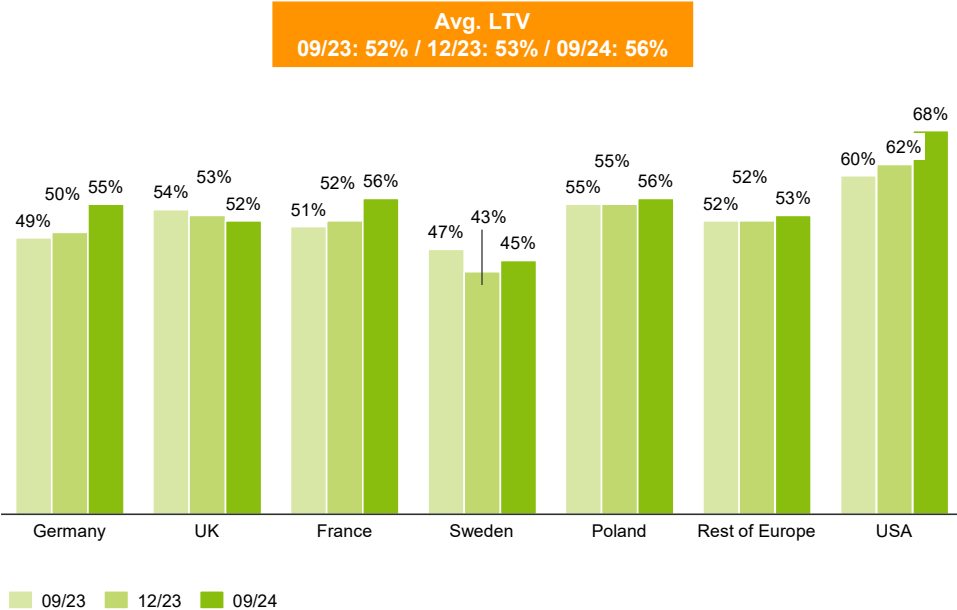
1. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade Note: Figures may not add up due to rounding, EaD, Basel III

REF PORTFOLIO

LTV development reflects market environment

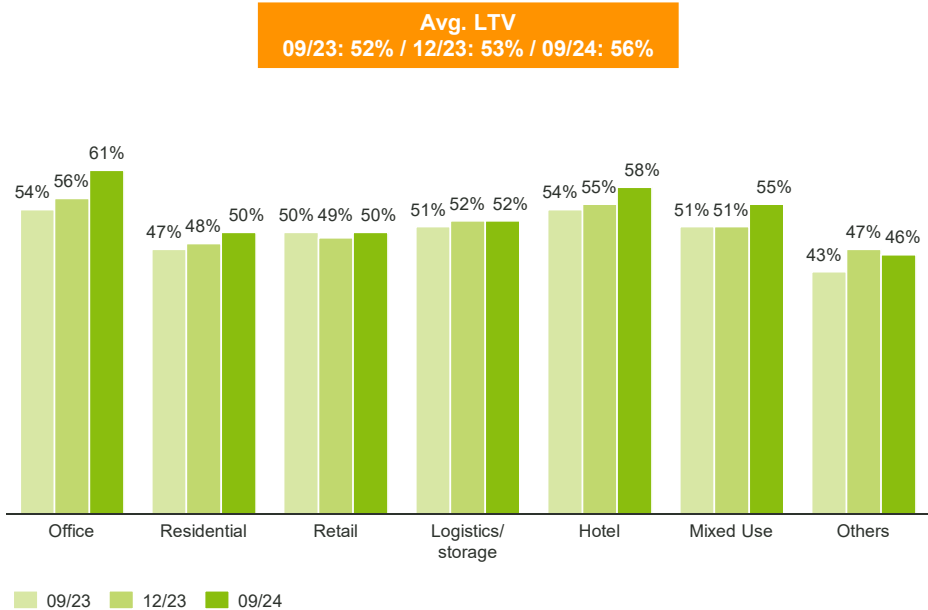
LTV – Regions

(€ bn, commitments, Basel III)¹



LTV – Property types

(€ bn, commitments, Basel III)¹



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

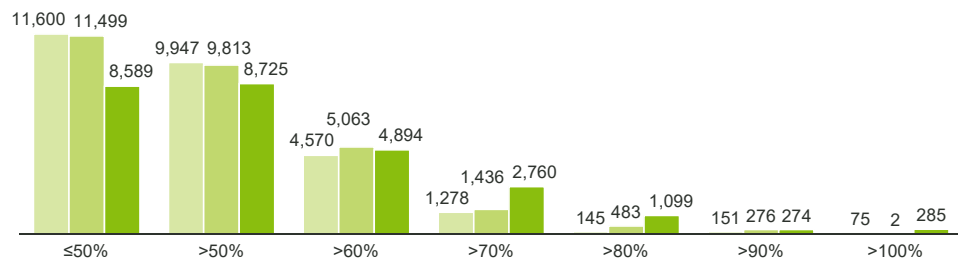
REF PORTFOLIO – LTV CLUSTER¹

LTV development reflects market environment

Total REF portfolio

(€ mn, commitments, Basel III)

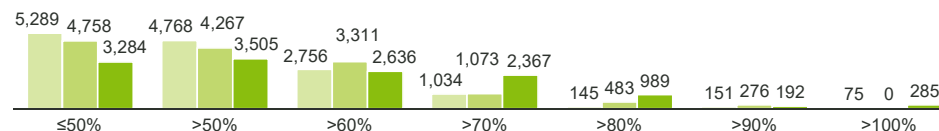
Avg. LTV¹: 09/23: 52% / 12/23: 53% / 09/24: 56%
Volume € bn: 09/23: 27.8 / 12/23: 28.6 / 09/24: 26.6



Office

(€ mn, commitments, Basel III)

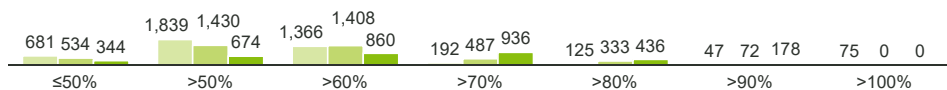
Avg. LTV¹: 09/23: 54% / 12/23: 56% / 09/24: 61%
Volume € bn: 09/23: 14.2 / 12/23: 14.2 / 09/24: 13.3



USA

(€ mn, commitments, Basel III)

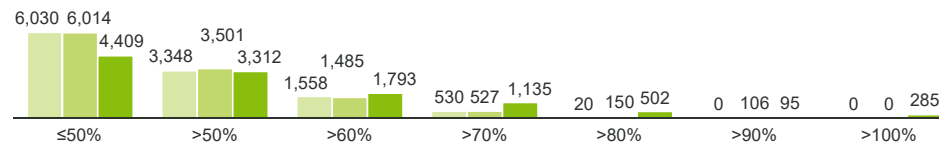
Avg. LTV¹: 09/23: 60% / 12/23: 62% / 09/24: 68%
Volume € bn: 09/23: 4.3 / 12/23: 4.3 / 09/24: 3.4



Germany

(€ mn, commitments, Basel III)

Avg. LTV¹: 09/23: 49% / 12/23: 50% / 09/24: 55%
Volume € bn: 09/23: 11.5 / 12/23: 11.8 / 09/24: 11.5

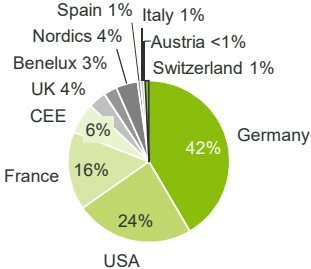


09/23 12/23 09/24

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																								
<p>Office</p> <p>€ 15.0 bn (50%)</p>	 <table border="1"> <caption>Regional Distribution of Office Portfolio</caption> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Germany</td> <td>42%</td> </tr> <tr> <td>USA</td> <td>24%</td> </tr> <tr> <td>France</td> <td>16%</td> </tr> <tr> <td>CEE</td> <td>6%</td> </tr> <tr> <td>Nordics</td> <td>4%</td> </tr> <tr> <td>UK</td> <td>4%</td> </tr> <tr> <td>Benelux</td> <td>3%</td> </tr> <tr> <td>Spain</td> <td>1%</td> </tr> <tr> <td>Italy</td> <td>1%</td> </tr> <tr> <td>Switzerland</td> <td>1%</td> </tr> <tr> <td>Austria</td> <td><1%</td> </tr> </tbody> </table>	Region	Percentage	Germany	42%	USA	24%	France	16%	CEE	6%	Nordics	4%	UK	4%	Benelux	3%	Spain	1%	Italy	1%	Switzerland	1%	Austria	<1%	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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.
Region	Percentage																											
Germany	42%																											
USA	24%																											
France	16%																											
CEE	6%																											
Nordics	4%																											
UK	4%																											
Benelux	3%																											
Spain	1%																											
Italy	1%																											
Switzerland	1%																											
Austria	<1%																											

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REF PORTFOLIO

Sub-segments

Property	Regions	Evaluation of current situation	Challenges	Risk positioning																				
<p>Logistics</p> <p>€ 5.4 bn (18%)</p>	<table border="1"> <caption>Regional Distribution of Logistics Portfolio</caption> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>CEE</td> <td>27%</td> </tr> <tr> <td>Germany</td> <td>21%</td> </tr> <tr> <td>France</td> <td>16%</td> </tr> <tr> <td>Benelux</td> <td>11%</td> </tr> <tr> <td>UK</td> <td>9%</td> </tr> <tr> <td>USA</td> <td>3%</td> </tr> <tr> <td>Spain</td> <td>5%</td> </tr> <tr> <td>Austria</td> <td>2%</td> </tr> <tr> <td>Italy</td> <td><1%</td> </tr> </tbody> </table>	Region	Percentage	CEE	27%	Germany	21%	France	16%	Benelux	11%	UK	9%	USA	3%	Spain	5%	Austria	2%	Italy	<1%	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
Region	Percentage																							
CEE	27%																							
Germany	21%																							
France	16%																							
Benelux	11%																							
UK	9%																							
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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																		
<p>Retail</p> <p>€ 3.0 bn (10%)</p>	<table border="1"> <caption>Regional Distribution of Retail Portfolio</caption> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Germany</td> <td>32%</td> </tr> <tr> <td>Nordics</td> <td>11%</td> </tr> <tr> <td>CEE</td> <td>20%</td> </tr> <tr> <td>UK</td> <td>17%</td> </tr> <tr> <td>France</td> <td>9%</td> </tr> <tr> <td>Spain</td> <td>5%</td> </tr> <tr> <td>Austria</td> <td>3%</td> </tr> <tr> <td>Benelux</td> <td>2%</td> </tr> </tbody> </table>	Region	Percentage	Germany	32%	Nordics	11%	CEE	20%	UK	17%	France	9%	Spain	5%	Austria	3%	Benelux	2%	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
Region	Percentage																					
Germany	32%																					
Nordics	11%																					
CEE	20%																					
UK	17%																					
France	9%																					
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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%)	<table border="1"> <caption>Residential Regional Distribution</caption> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Germany</td> <td>83%</td> </tr> <tr> <td>USA</td> <td>7%</td> </tr> <tr> <td>Nordics</td> <td>5%</td> </tr> <tr> <td>Benelux</td> <td>4%</td> </tr> <tr> <td>UK</td> <td>1%</td> </tr> </tbody> </table>	Region	Percentage	Germany	83%	USA	7%	Nordics	5%	Benelux	4%	UK	1%	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
Region	Percentage															
Germany	83%															
USA	7%															
Nordics	5%															
Benelux	4%															
UK	1%															
Hotel (Business Hotels only) € 0.9 bn (3%)	<table border="1"> <caption>Hotel Regional Distribution</caption> <thead> <tr> <th>Region</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>UK</td> <td>41%</td> </tr> <tr> <td>Germany</td> <td>40%</td> </tr> <tr> <td>Austria</td> <td>7%</td> </tr> <tr> <td>Benelux</td> <td>12%</td> </tr> </tbody> </table>	Region	Percentage	UK	41%	Germany	40%	Austria	7%	Benelux	12%	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 		
Region	Percentage															
UK	41%															
Germany	40%															
Austria	7%															
Benelux	12%															

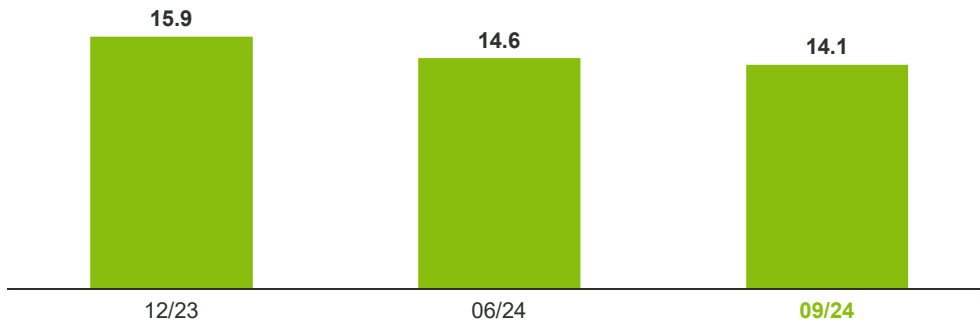
1. Based on performing investment loans only Note: Figures may not add up due to rounding, EaD, Basel III

FOCUS: OFFICE PERFORMING

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

Portfolio

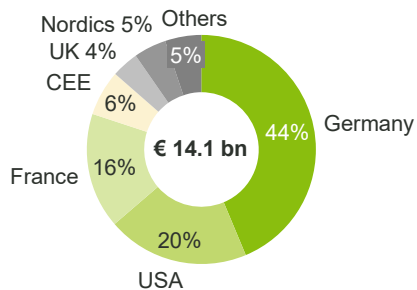
€ bn (EaD, Basel III)



- **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 portfolio²
 - **Coverage ratio:** ~19% via existing stage 1&2 LLPs of € 91 mn

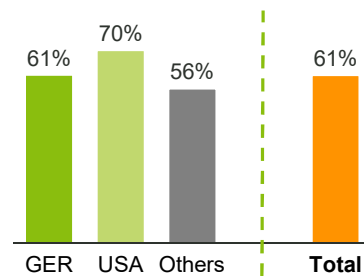
Regions

30/09/2024 (EaD, Basel III)



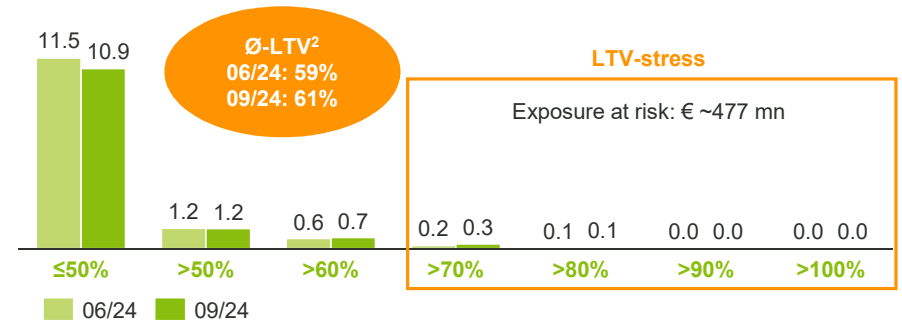
Avg. LTV²

30/09/2024 (Commitment, Basel III)



Layered LTV – based on performing investment loans only

(€ bn, commitments, Basel III)



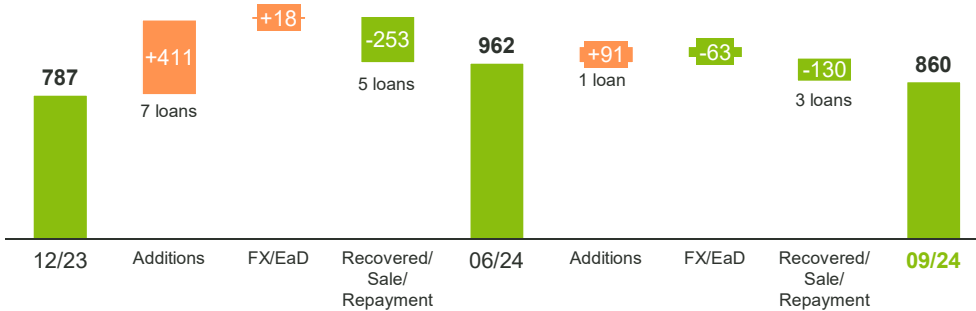
Note: Figures may not add up due to rounding 1. On the portfolio part, for which a revaluation was necessary
2. performing investment loans, based on commitments

FOCUS: OFFICE NPL

Pressure on office NPL portfolio only from US loans

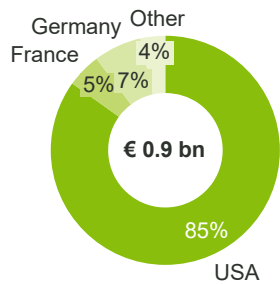
Non-Performing Portfolio

€ mn (EaD, Basel III)



Regions

30/09/2024 (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)

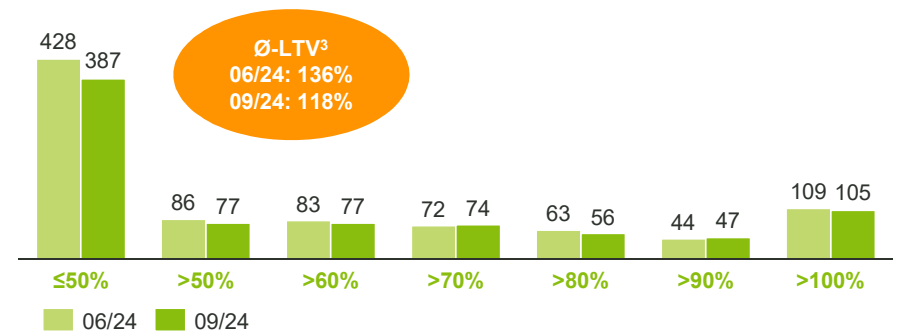
➤ **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -35%¹

➤ **Office NPE² ratio 5.7%**

➤ **Coverage ratio** of ~23% via existing stage 3 LLPs of € 202 mn

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)

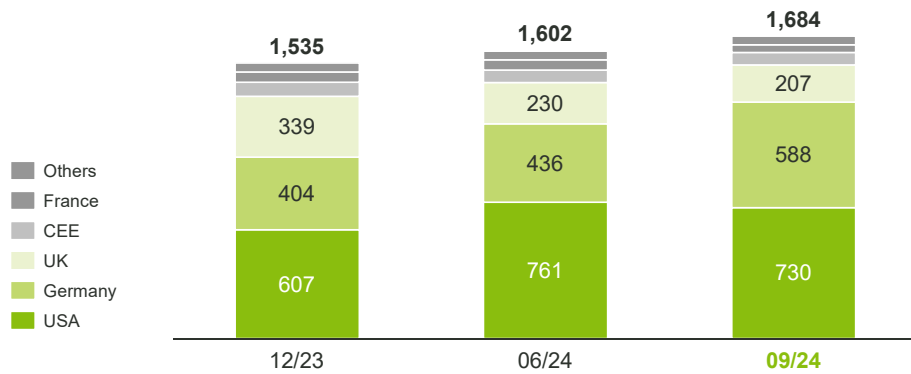
3. Non-performing investment loans, based on commitments

NPL PORTFOLIO

Active restructuring/work-out ongoing

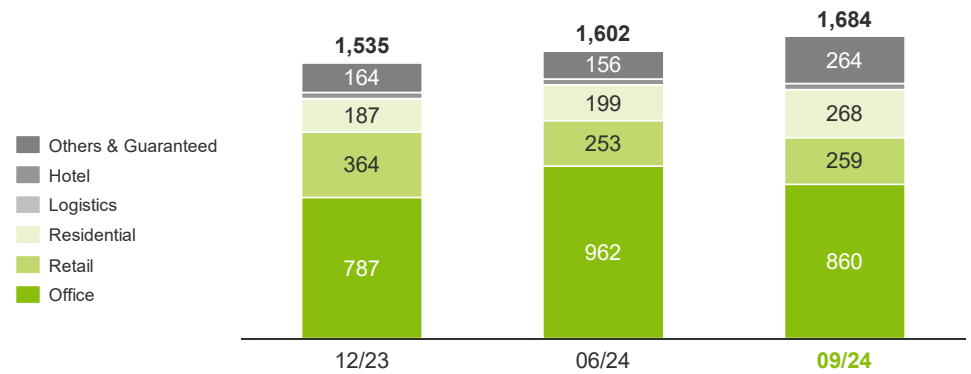
Geographical breakdown

€ 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

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

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 from one new German land phase case in Q3/24, but with no LLPs

PORTFOLIO

Non-Core Unit (PIF & VP)

Regions

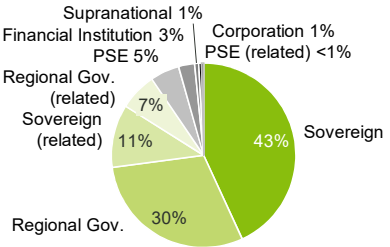
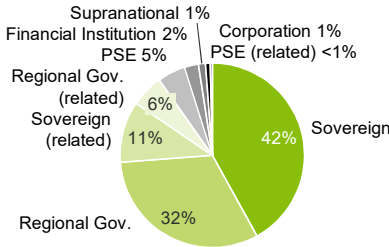
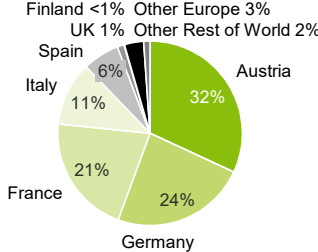
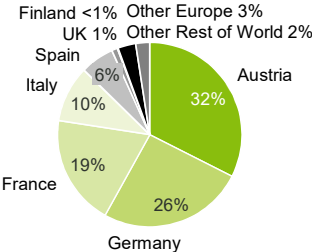
Borrower classification¹

31/12/2023: € 13.2 bn

30/09/2024: € 11.4 bn

31/12/2023: € 13.2 bn

30/09/2024: € 11.4 bn



Product class

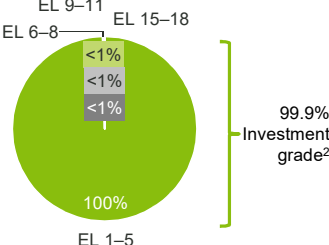
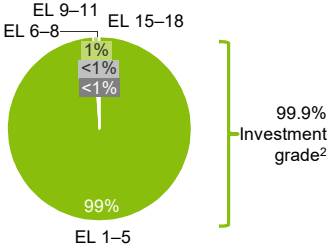
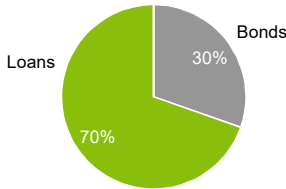
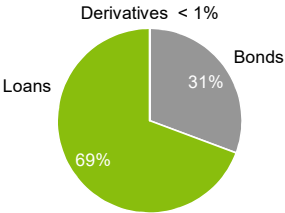
Internal ratings (EL classes)

31/12/2023: € 13.2 bn

30/09/2024: € 11.4 bn

31/12/2023: € 13.2 bn

30/09/2024: € 11.4 bn

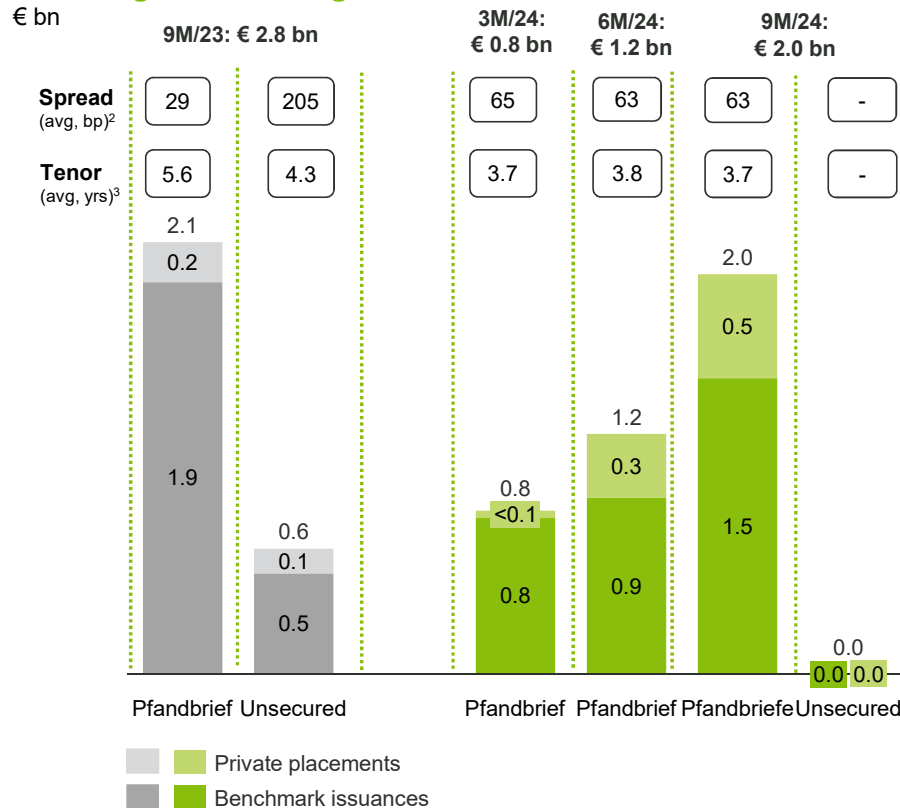


1. See appendix for definition of borrower classification 2. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade Note: Figures may not add up due to rounding, EaD, Basel III

FUNDING AND LIQUIDITY

Capital market funding focused on Pfandbrief

New long-term funding¹



■ 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

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

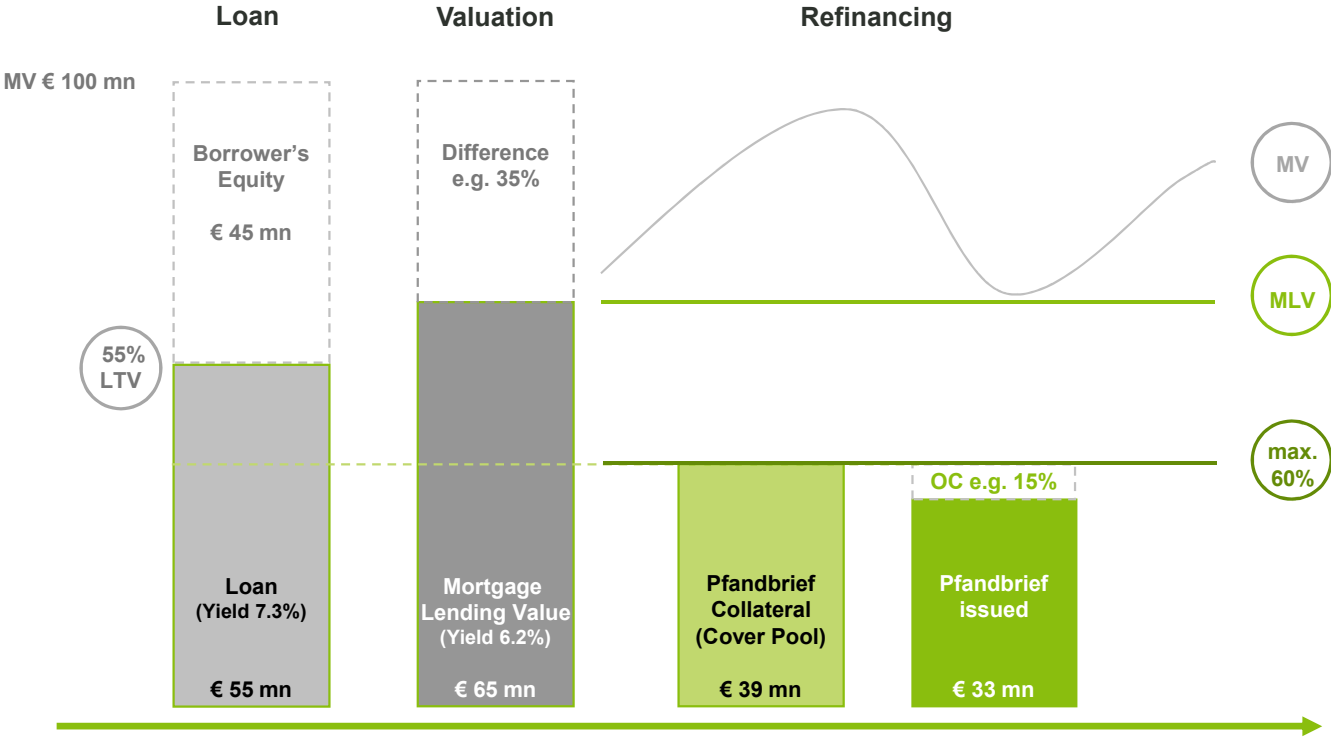
€ 1.1 mn interest payment p.a.
for a € 55 mn loan
at 2% interest rate

€ 2.9 mn excess cash

€ 4.0 mn rent
€ 1.1 mn interest
= ~ 360% ISC

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

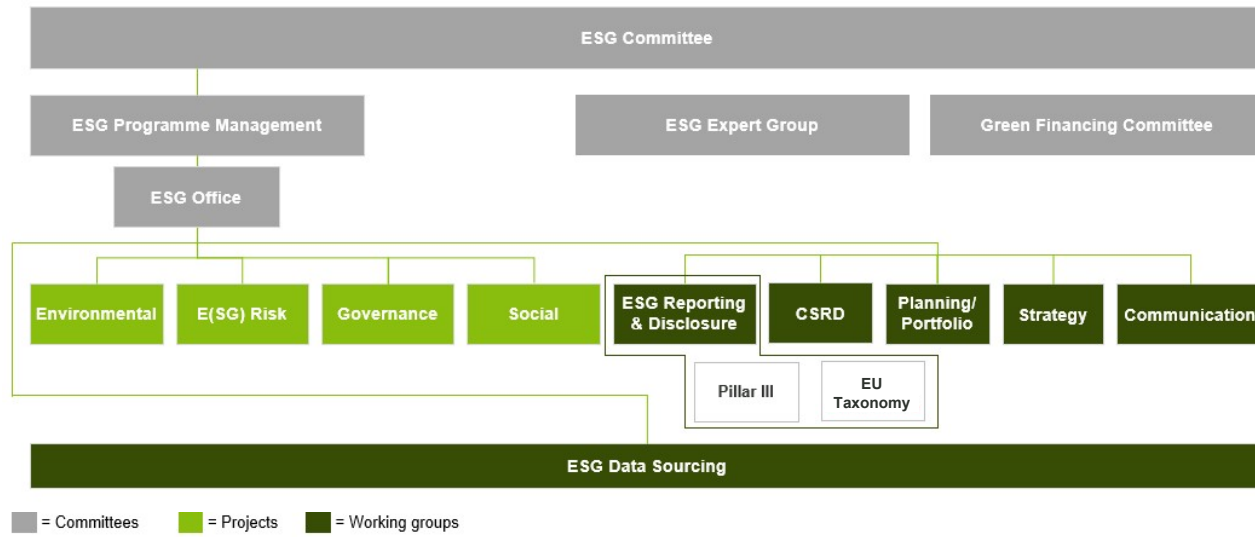
Loan-to-Value Ratio



ESG

ESG Programme provides for holistic approach

ESG Programme

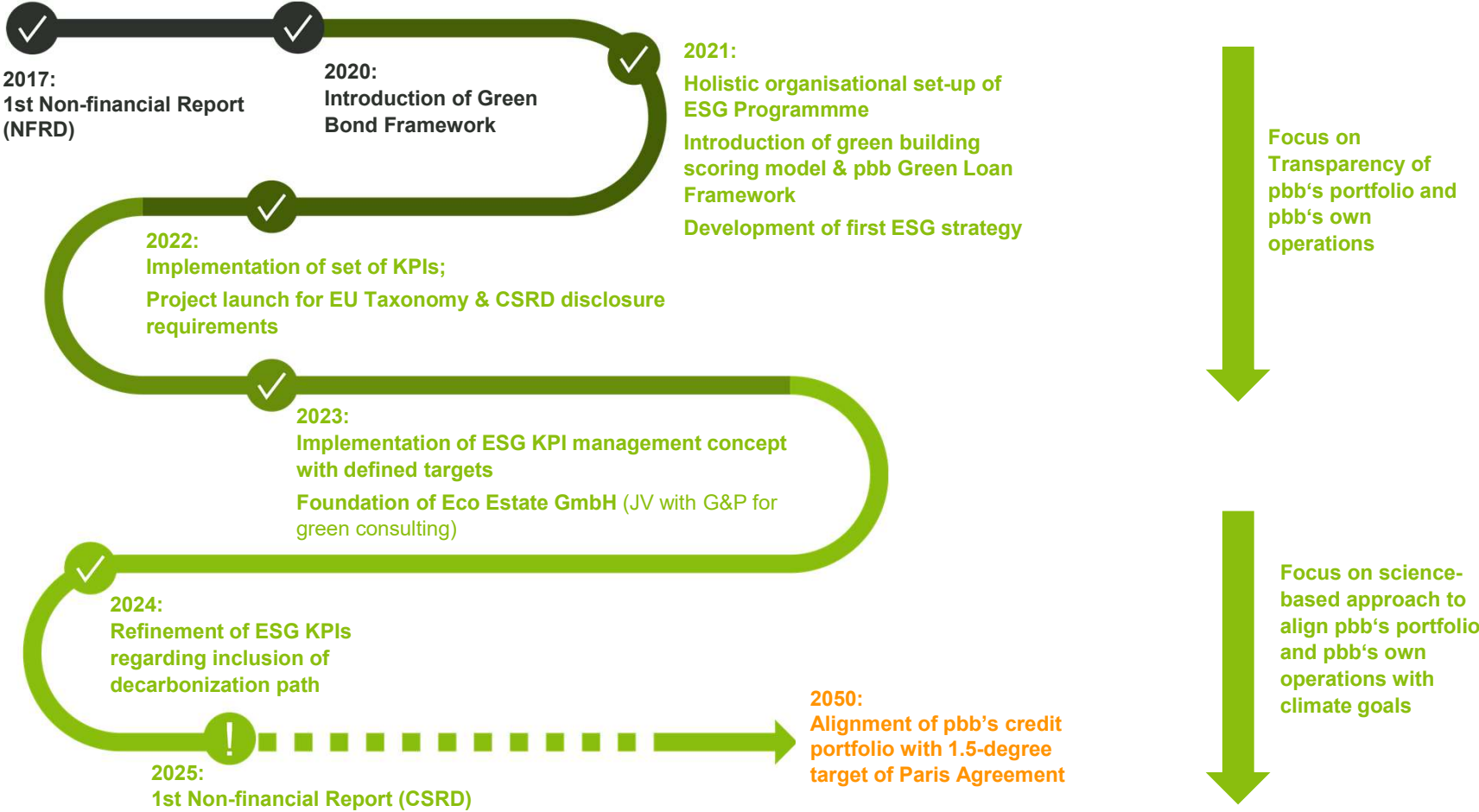


	2022	2023	09/2024
ISS ESG	C Prime	C Prime	C Prime
MSCI	AA	AAA	AAA
Moody's ESG Solutions	Score 44	Score 50	Score 50

- ESG at core of pbb's strategy:
 - pbb can help to reduce the real estate sector's significant CO₂ 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

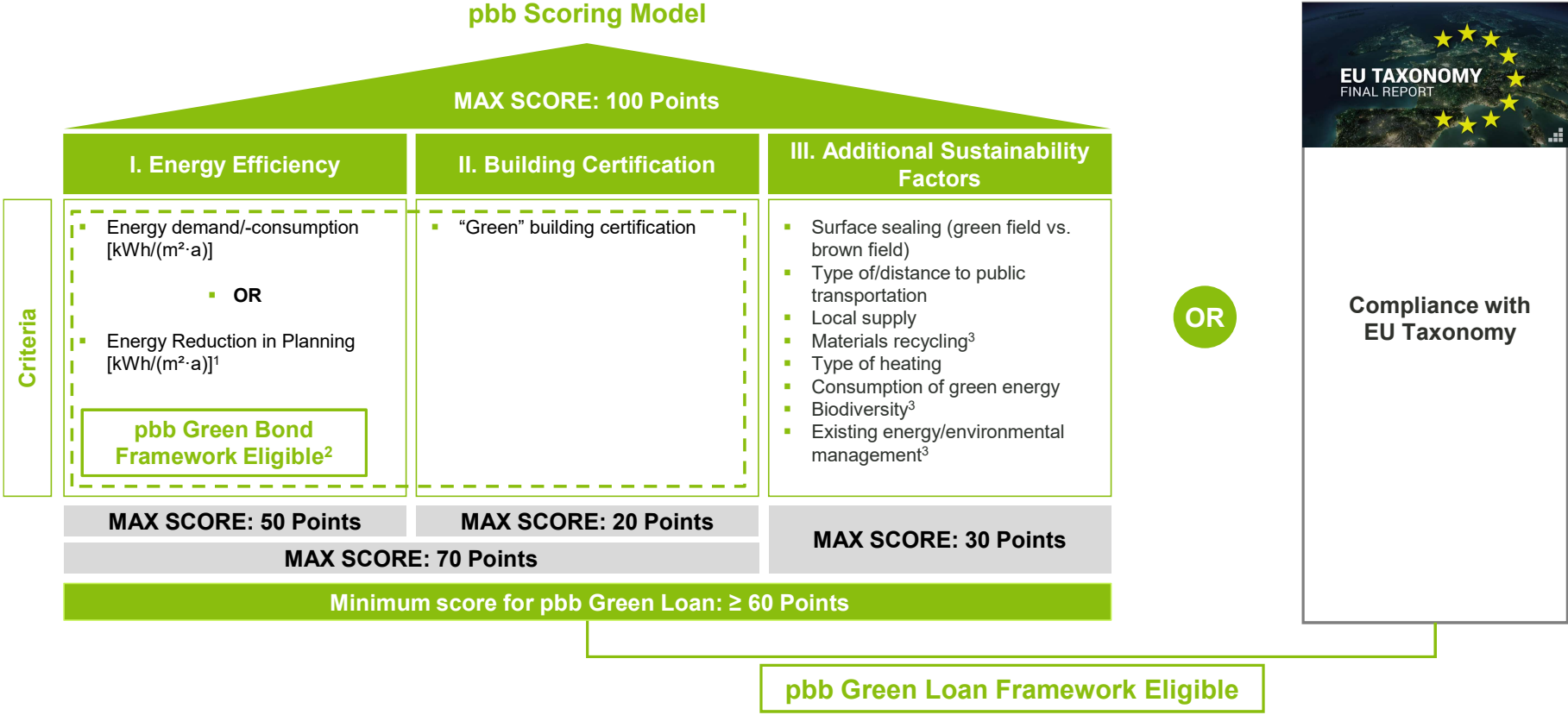
ESG

pbb continues to execute on its strategy



GREEN LOAN

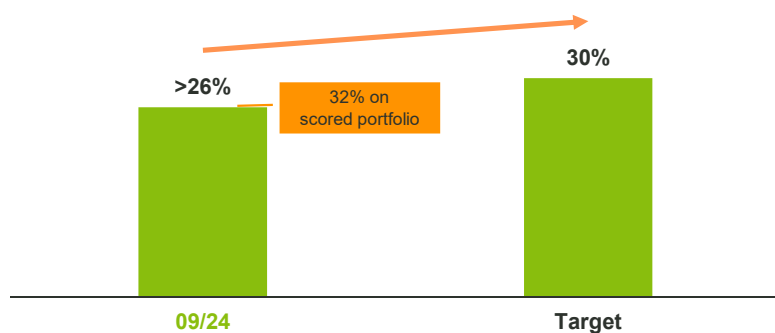
pbb Green Loan Framework aligned with current regulatory and market developments – specific metrics defined for each criterion



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

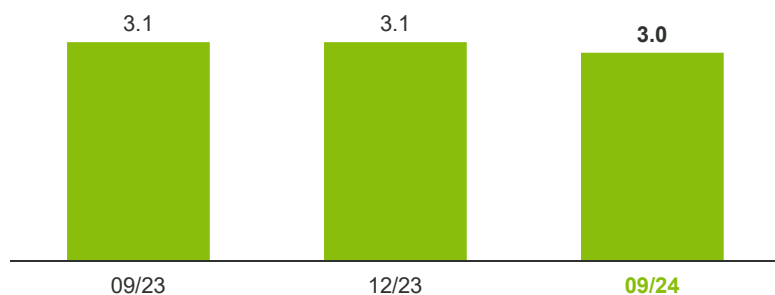
Green share of REF portfolio¹

(commitments, green loan eligible assets, %)



Green Bonds

(nominal volume, € bn)



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)

- 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%

- 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

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