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Strong PBT of € 186 mn in 9M/21 – full-year result 2021 expected at upper end or slightly above guidance of € 180-220 mn

Results Q3/9M 2021

Analyst Conference

12 November 2021

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Agenda

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Highlights Q3/9M 2021

pbb well on track – full-year result 2021 expected at upper end or slightly above guidance of € 180-220 mn

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Financials	▪ Strong **PBT** of € 72 mn in Q3/21 (Q3/20[1]: € 74 mn) results in € 186 mn in 9M/21 (9M/20[1]: € 104 mn) and reflects good operating performance – **NII + NCI** up >5% y-o-y (Q3/21: € 124 mn; 9M/21: € 375 mn) supported by continued low refinancing costs (incl. ECB refinancing facilities), floor income and slight increase in average REF financing volume at increased portfolio margin; prepayment fees stay on elevated level in Q3/21 (realisation income – Q3/21: € 17 mn; 9M/21: € 55 mn; 9M/20: € 20 mn) – **GAE** slightly up (Q3/21: € 49 mn; 9M/21: € 151 mn) mainly due to higher costs for regulatory and strategic projects – **Risk provisioning** of € -17 mn in Q3/21 (9M/21: € -50 mn) remains on moderate level and significantly below prior year (9M/20: € -84 mn); management overlay maintained and even slighty built up, given current sharp rise in COVID-19 infections (€ 48 mn)
New business[2]	▪ Solid **REF new business volume** at € 5.7 bn in 9M/21 (Q3/21: € 1.9 bn; 9M/20: € 4.3 bn) with low avg. LTV of 55% and stable avg. **gross interest margin** of ~170 bp in 9M/21 (6M/21: ~170 bp; 2020: ~180 bp)
Portfolio	▪ **REF financing volume** stable y-o-y (09/21: € 27.0 bn; 06/21: € 26.8 bn; 12/20: € 27.0 bn) ▪ **NPLs** slightly higher but still on low level (09/21: € 590 mn; 06/21: € 546 mn; 12/20: € 470 mn) with **NPL ratio** of 1.0% (06/21: 0.9%; 12/20: 0.8%)
Funding	▪ Total **new funding volume** of € 3.4 bn in 9M/21 (9M/20: € 3.4 bn) with focus on foreign currency – funding optimisation through TLTRO III ▪ **Liquidity buffer** remains comfortable
Capital	▪ **CET 1 ratio** solid at 14.9%[3] (06/21: 15.4%[4]; 12/20: 16.1%[4]), not yet including profit retention 2020 (after dividend payments) and year-to-date profit 2021; furthermore, build-up of risk provisions 2021 not yet accounted in regulatory capital
Dividend 2020	▪ pbb to propose **further dividend payment of € 0.32 per share for 2020 financial year** to the **EGM on 10 December 2021** ▪ Together with the dividend of € 0.26 per share already paid in May 2021, **total dividend payment for 2020** would amount to **€ 0.58** per share (**payout ratio of 75%**[5]), providing an attractive **dividend yield of more than 6.5%**[6]
Guidance 2021	▪ pbb expects **full-year result 2021** at upper end or slightly above guidance of € 180-220 mn while maintaining solid buffers for remaining potential COVID-19 risks

1 2020 figures retrospectively adjusted according to IAS 8.42 2Commitments, incl. extensions >1 year 3 Excl. interim result, 2020 result not included 4 After approved year-end accounts, 2020 result not included
5 Based on IFRS Group PAT after AT1 coupon 6 Based on Xetra year-end closing 2020 (€ 8,80)

Operating and financial overview

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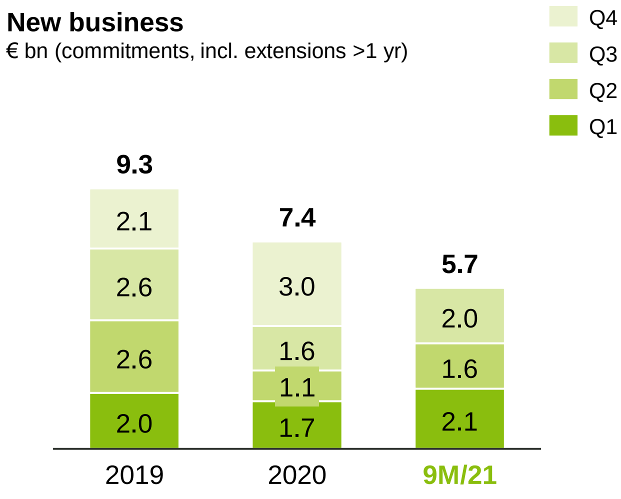
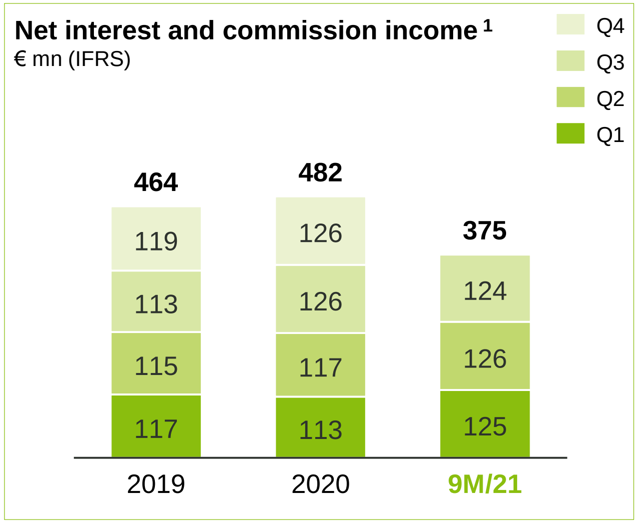
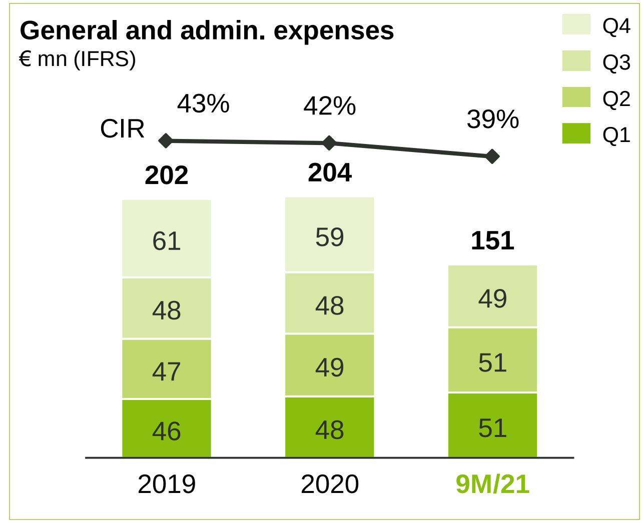
New business
€ bn (commitments, incl. extensions >1 yr)



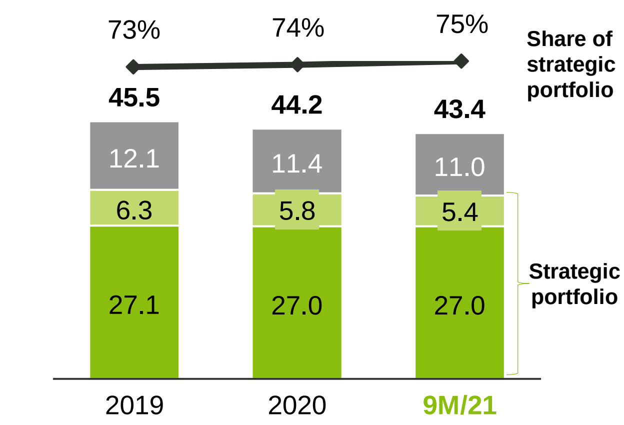
Net interest and commission income [1]
€ mn (IFRS)



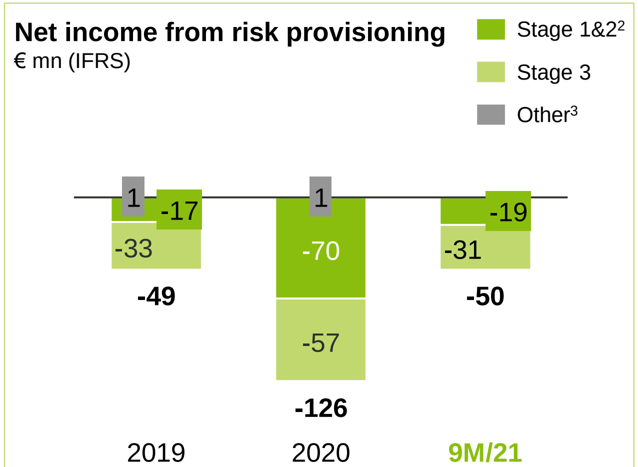
General and admin. expenses
€ mn (IFRS)



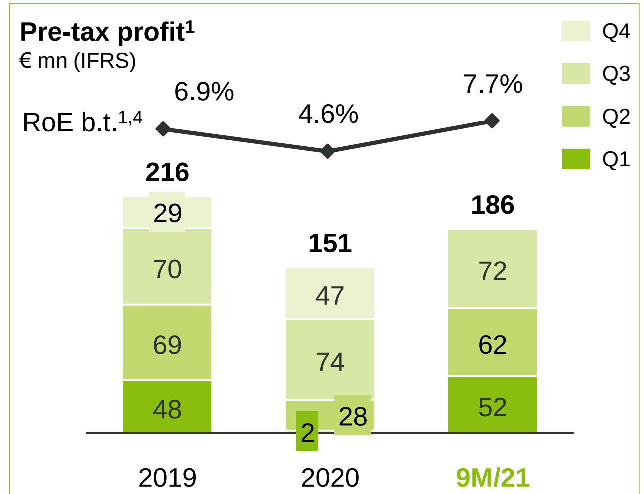
Portfolio
€ bn (financing volumes)



Net income from risk provisioning
€ mn (IFRS)



Pre-tax profit[1]
€ mn (IFRS)



Note: Figures may not add up due to rounding
1 2020 figures retrospectively adjusted according to IAS 8.42 2 Incl. provisions in off balance sheet lending business 3 Recoveries from written-off financial assets 4 After AT1 coupon (2019: € -17 mn; 2020: € -17 mn; 9M/21: pro-rata € -13 mn)

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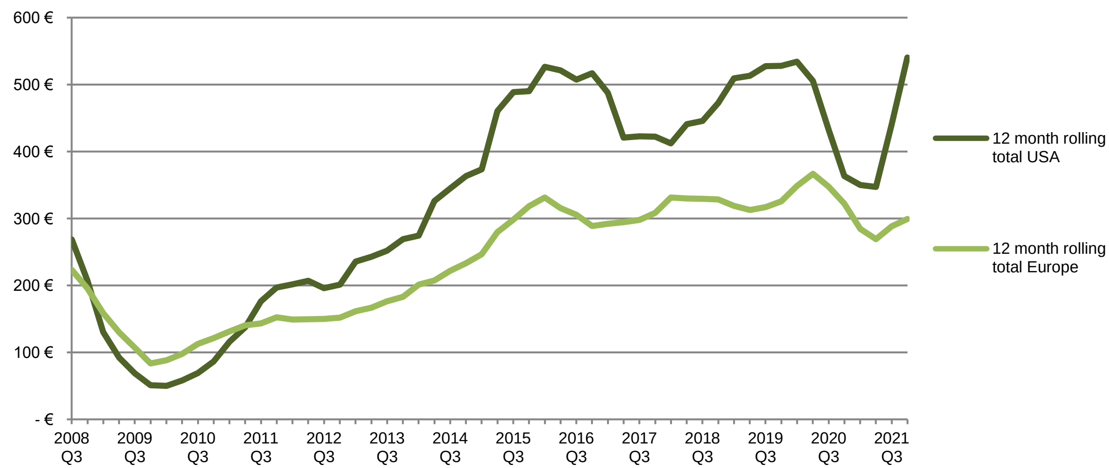
1. Highlights
2. Markets
3. Financials
4. New Business
5. Portfolio Profile
6. Funding
7. Capital
8. Summary & Outlook

Appendix
Contact details

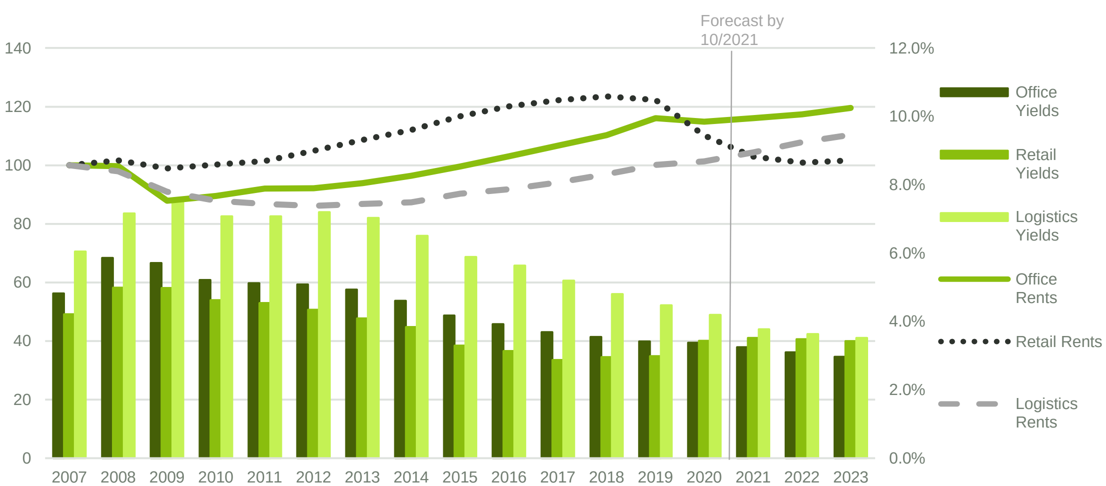
Markets

Overall positive trend is further emerging, investment volumes recover and are almost on pre-Covid-19 level again

European and US Investment volume[1]
(€ bn)



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



- European and US CRE **investment volumes** showing further signs of recovery also in Q3/21
  - Quarterly US figures were 29% above the pre-pandemic trend
  - First figures for Q3/21 suggest positive trend also for Europe
- Europe:
  - Decreasing market values so far focused on **retail and hotel** sectors
  - **Office** yields continue to compress over the short to medium term, but on the back of relatively low volumes
  - **UK office** yields are expected to be stable whereas **retail** yields are not expected to stabilize before 2022
  - **Logistic** and **residential** assets are stable so far or see even increasing prices
- Germany:
  - **Office** prime yields are expected to see a continued but very modest inward yield shift driven by continued low interest rates despite an increase in vacancy
  - Deal activity and investor sentiment focus on **logistics**, **residential** and food-based and big box **retail** assets
  - Yields expected to increase, most notably for **shopping centres**
- USA:
  - Overall still commercial property price growth
  - Weaker trends for the CBD **office** and **retail** sectors, counteracted by strength in the **industrial** and **apartment** sectors
  - Yields for **office** properties are expected to increase

1All property types. Based on independent reports of properties and portfolios over € 5 million (over $ 2.5 mn for US), USD to EUR = end years FX rates Source: Real Capital Analytics (RCA) 2 Source: pbb Property Market Analysis (PMA) as of October 2021

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Financials

Strong operating performance continued – risk provisioning remains on moderate level

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Income statement

€ mn

	Q3/20	Q3/21	9M/20	9M/21
Operating Income	**140**	**142**	**372**	**429**
Net interest income [1]	125	123	352	369
Net fee and commission income	1	1	4	6
Net income from fair value measurement	4	1	-12	3
Net income from realisations	4	17	20	55
Net income from hedge accounting	6	1	4	-2
Net other operating income	-	-1	4	-2
Net income from risk provisioning	-14	-17	-84	-50
General and administrative expenses	-48	-49	-145	-151
Expenses from bank levies and similar dues	-	1	-25	-28
Net income from write-downs and write-ups on non-financial assets	-4	-5	-14	-14
Pre-tax profit	**74**	**72**	**104**	**186**
Income taxes[1]	-23	-11	-31	-28
Net income	**51**	**61**	**73**	**158**

RoE before tax[2] (%)	9.7	8.9	4.3	7.7
RoE after tax[1,2] (%)	6.5	7.5	2.8	6.5
CIR[3] (%)	37.1	38.0	42.7	38.5
EpS[1,2] (€)	0.35	0.43	0.45	1.09

Key drivers Q3/9M 2021

- **NII** up y-o-y, supported by continued low refinancing costs (incl. pos. effect from TLTRO III), floor income and slight increase in average REF financing volume at increased portfolio margin
- **Fair value measurement** slightly positive – previous year mainly affected by credit spread driven valuation effects related to COVID-19 pandemic
- **Net income from realisations up** y-o-y, reflecting higher prepayment fees – no run-rate
- **Net income from hedge accounting** last year benefitted from positive one off effect from conversion of reference rates to €STR (€ 5 mn)
- **Net other operating income** burdened by FX effects – last year benefitted from the release of provisions
- **Risk provisioning significantly down** y-o-y – previous year strongly affected by COVID-19
- **GAE** up y-o-y mainly due to higher project costs
- **Income taxes** positively impacted by a deferred tax benefit due to changed accounting treatment; 2020 burdened by tax expenses for previous years from tax audits and not tax-deductible higher risk provision
- **RoE** and **EpS** taking into account pro-rata AT1 coupon[2]

1 2020 figures retrospectively adjusted according to IAS 8.42   2 After AT1 coupon (pro-rata Q3/9M 2021: € -4 mn / € -13 mn; Q3/9M 2020: € -4 mn / € -13 mn)   3 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income

Financials

NII+NCI up by >5% y-o-y, supported by continued low refinancing costs and slight increase in avg. REF volume at increased portfolio margin

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Income from lending business

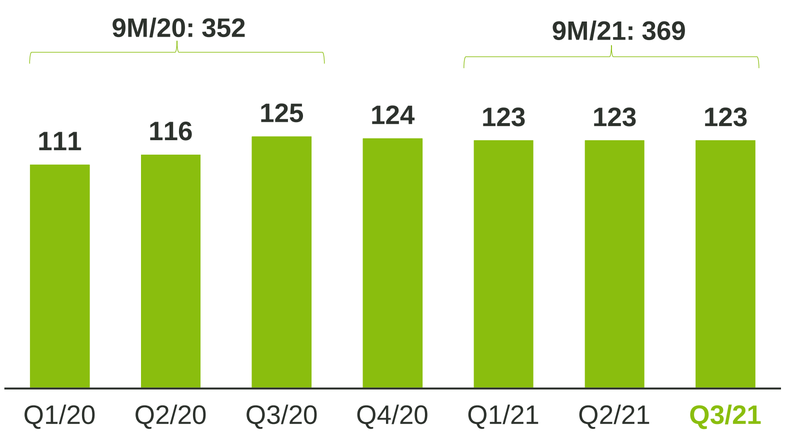
€ mn

	Q3/20	Q3/21	9M/20	9M/21
Net interest income[1]	125	123	352	369
Net fee and commission income	1	1	4	6

	Q3/20	Q3/21	9M/20	9M/21
Net income from realisations	4	17	20	55

Net interest income[1]

€ mn



1 2020 figures retrospectively adjusted according to IAS 8.42

Key drivers Q3/9M 2021

- **NII + NCI** up by >5% y-o-y, supported by
  - **continued low refinancing costs** (incl. positive effect from TLTRO III)
  - **improved floor income** from unchanged low interest environment
  - slight **increase in average REF financing volume** (9M/21: € 27.1bn; 9M/20: € 26.9 bn) at increased portfolio margin

  but continued downward pressure from
  - decreasing public sector portfolio (VP+PIF)
  - lower returns from equity and liquidity book
- **Net income from realisations up** y-o-y, mainly driven by higher prepayment fees
  - Prepayments driven by **individual considerations** of investors and are thus not predictable
  - Even though expecting a higher level also in Q4/21, elevated level in 2021 not be considered as run-rate

Financials

Risk provisioning stays on moderate level – solid buffer to cope with potential further impacts from COVID-19 pandemic

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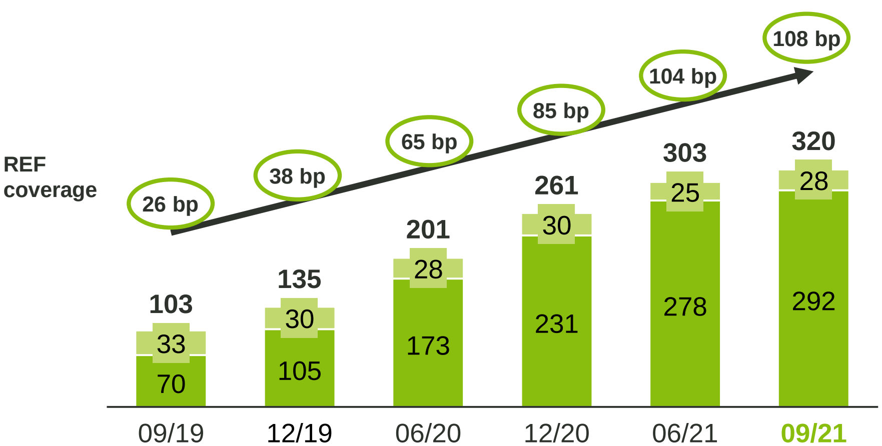
Net income from risk provisioning

€ mn

	Q3/20	Q3/21	9M/20	9M/21
Net income from risk provisioning	-14	-17	-84	-50
thereof				
stage 1	*4*	*1*	*-22*	*-8*
stage 2	*9*	*-2*	*-18*	*-12*
stage 3	*-31*	*-18*	*-43*	*-31*
Off balance sheet lending business	*4*	*2*	*-1*	*1*
Recoveries	*-*	*-*	*-*	*-*

Balance sheet – loss allowances

€ mn



Key drivers Q3/9M 2021

- **Net income from risk provisioning** of € -50 mn (9M/20: € -84 mn) – previous year strongly affected by COVID-19 pandemic
- **Stage 1&2: Net additions[1]** of € -19 mn (9M/20: € -41 mn) mainly driven by deteriorating PDs of selected business partners and new business, partially compensated by releases from improved parameters for a few deals (esp. LGDs), repayments and maturity effects

  Management overlay build up slightly by € 10 mn in Q3/21 taking account for potential delayed or newly arising effects from COVID-19 pandemic
  - Total management overlay now at € 48 mn
  - Overlay envisaged to be maintained at least until year-end, given current sharp rise in COVID-19 infections
- **Stage 3:** Net additions of € -31 mn (9M/20: € -43 mn); € -18 mn net additions in Q3 driven by
  - further increase of provisions for UK shopping centres (€ -11 mn)
  - transfer of one loan from stage 2 to stage 3 in Q3/21 – Office Park, Poland (€ -7 mn)
- Significant build up of **loss allowances on balance sheet** over the last quarters – **REF coverage** now at 108 bp
- **Coverage ratio:** Stage 3 coverage ratio[2] at 26% (06/21: 24%; 12/20: 25%; 12/19: 11%), additional collateral not taken into account

1 Incl. provisions in off balance sheet lending business 2 Coverage ratio = credit loss allowances on financial assets in stage 3 / gross book values in stage 3 (loans and securities)

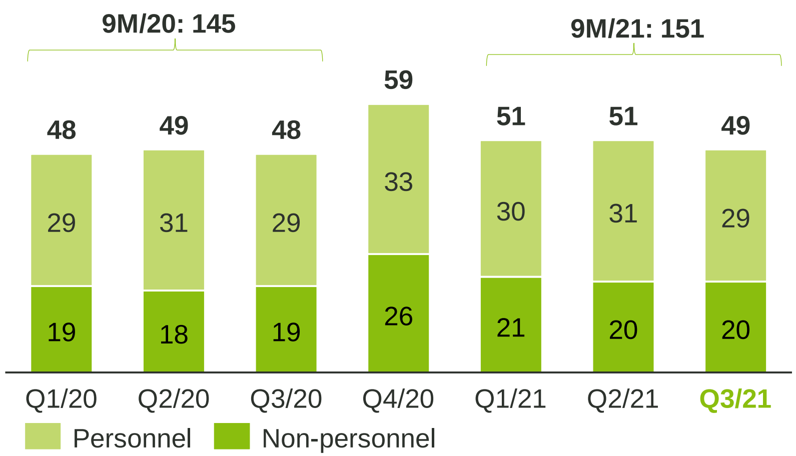
Financials

Operating costs under control – only moderate increase of GAE despite ongoing investments in strategic and regulatory projects

€ mn	Q3/20	Q3/21	9M/20	9M/21
General admin. expenses	-48	-49	-145	-151
Personnel	*-29*	*-29*	*-89*	*-90*
Non-personnel	*-19*	*-20*	*-56*	*-61*
Net income from write-downs and write-ups on non-financial assets	-4	-5	-14	-14
CIR (%)[1]	*37.1*	*38.0*	*42.7*	*38.5*

General admin. expenses

€ mn



Key drivers Q3/9M 2021

- **GAE** up y-o-y as expected – only moderate increase despite ongoing investments which are largely financed by efficiency measures:
  - **Personnel expenses:** increase of € 1 mn y-o-y reflects higher FTE number (09/21: 782; 09/20: 772), esp. driven by IT insourcing and ramp up of capacities for regulatory projects in 2020
  - **Non-personnel expenses: u**p € 5 mn y-o-y due to ongoing investments in strategic, regulatory and increasingly ESG projects
- **Net income from write-downs and write-ups** on non-financial assets driven by scheduled depreciations

1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income

Agenda

New business

Solid REF new business volume of € 5.7 bn with stable avg. gross interest margin of ~170 bp and avg. LTV of 55%

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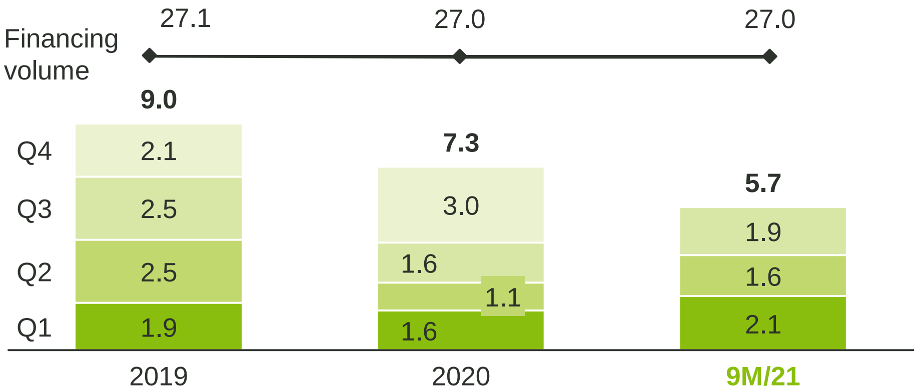
REF New business

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



Key drivers Q3/9M 2021

- **REF new business** on solid level of€ 5.7 bn and stable average gross interest margin despite continued selective approach and increased competition
  - **Avg. gross interest margin** stable at ~170 bp q-o-q (H1/21: ~170 bp; 2020: ~180 bp; 2019: ~155 bp)
  - Unchanged conservative risk positioning with **avg. LTV** of 55%[2]
  - In Q3/21, some more opportunities taken in the US again in line with sharp rise in overall investment volumes– US share up from 7% (H1/21) to 15% (9M/21) vs. portfolio share of 12%
  - **No new commitments** in property types Hotel and Retail Shopping Centres since March 2020– only extensions at conservative conditions
  - Good **deal pipeline** supports solid new business volume in Q4/21 at stable margin level

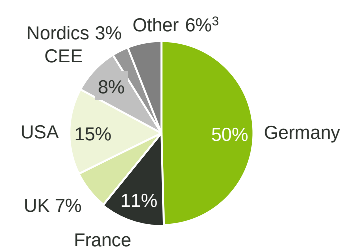
REF new business

	9M/20	FY20	9M/21
Total volume € bn)	4.3	7.3	5.7
thereof: *Extensions >1 year*	*1.4*	*2.6*	*1.7*
No. of deals	94	142	103
Avg. maturity (years)[1]	~4.0	~4.3	~4.7
Avg. LTV (%)[2]	53	54	55
Avg. gross interest margin (bp)	>180	~180	~170

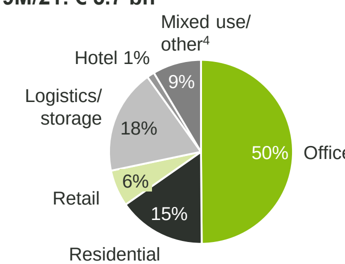
	Regions	Property types

New business (Commitments, incl. extensions > 1 year)

9M/21: € 5.7 bn

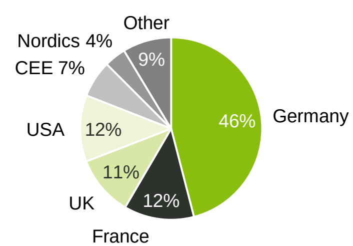


9M/21: € 5.7 bn

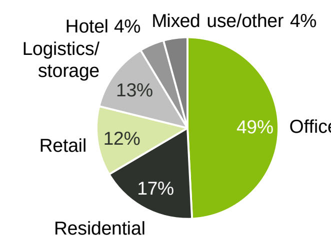


Portfolio (EaD, Basel III)

30/09/21: € 29.1 bn



30/09/21: € 29.1 bn



Note: Figures may not add up due to rounding 1 Legal maturities 2 New commitments; avg. LTV (extensions): 9M/21: 55%; 9M/20: 53% 3 Netherlands, Austria, Switzerland and Spain 4 Land (53%), mixed use (27%), special property (21%)

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Portfolio

Business approach reflected in stable risk parameters and low average LTV of 52%, which provides solid risk buffer

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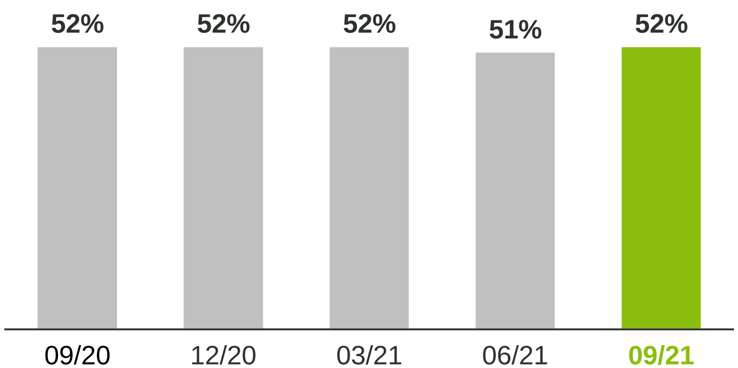
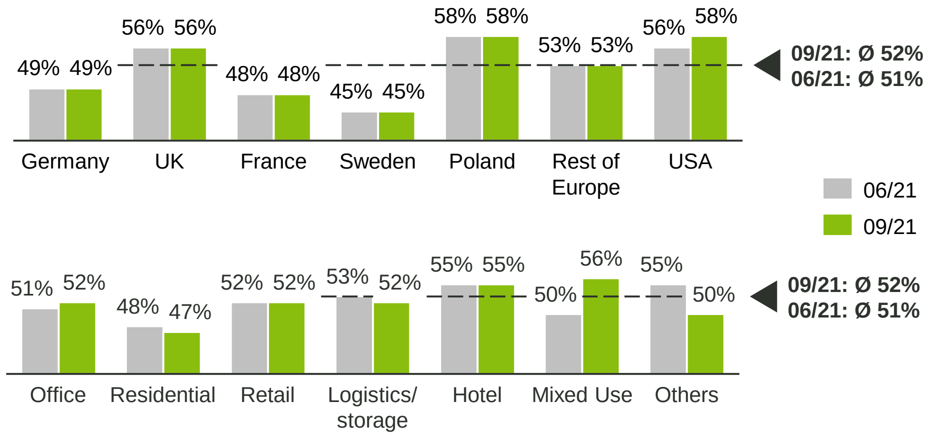
REF Portfolio: Avg. weighted LTVs

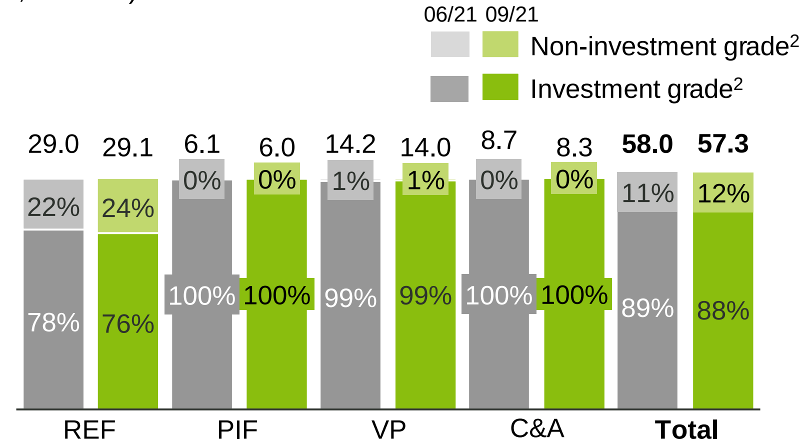
% (commitments)[1]





Total portfolio: Internal ratings (EL classes)

€ bn (EaD, Basel III)



Key messages

- **Avg. LTV** of 52% stable y-o-y, reflecting pbb s business approach – LTV changes in regions and loan types reflect structural portfolio changes due to repayments and new business
- Slight decrease of **internal ratings** q-o-q due to individual downgrades

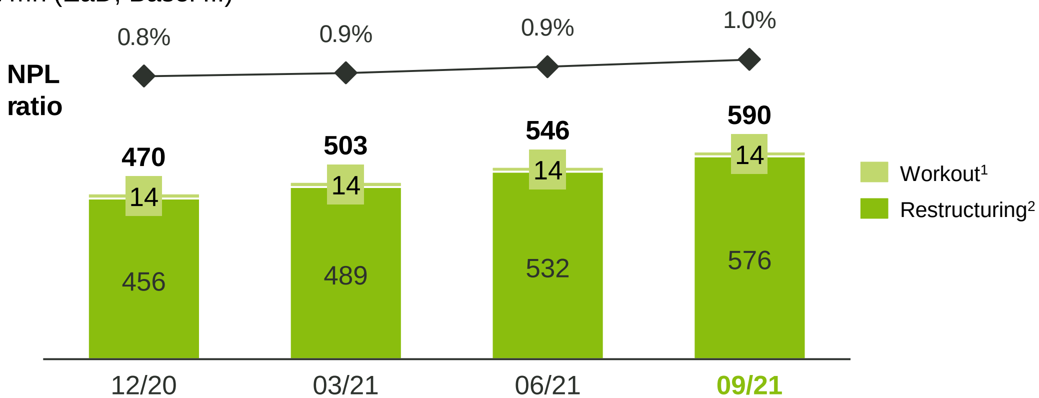
Note: Figures may not add up due to rounding 1 Based on performing investment loans only 2 EL classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade

Portfolio

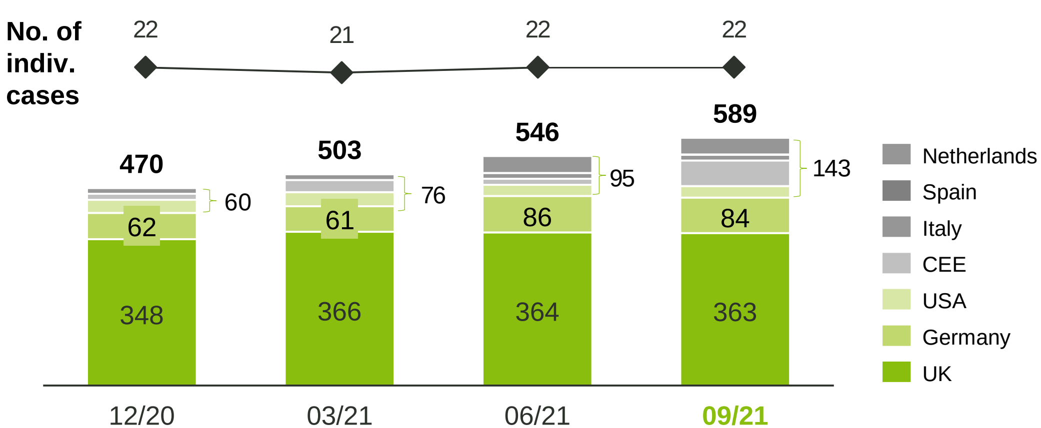
NPLs remain on low level

Non-performing loans

€ mn (EaD, Basel III)



Non-performing loans – regions



Key drivers Q3/9M 2021

- **Non-performing loans** (NPLs) up to € 590 mn (06/21: € 546 mn; 12/20: € 470 mn)
  - **Restructuring loans** up to € 576 mn (06/21: 532 mn; 12/20: € 456 mn)
    - € 47 mn transfer of 1 loan to stage 3 in Q3/21 – Office Park, Poland

    partially compensated by
    - € 3 mn decrease in Q3/21 mainly from repayments and FX-effects
  - **Workout loans** stable at only € 14 mn (06/21: € 14 mn; 03/21: € 14 mn; 12/20: € 14 mn)
- **NPL ratio**[3] of 1.0% remains on low level (06/21: 0.9%; 03/21: 0.9%; 12/20: 0.8%)

Note: Figures may not add up due to rounding
1 Internal PD class 30: No signs that the deal will recover soon, compulsory measures necessary 2 Internal PD class 28+29: Payments more than 90 days overdue or criteria acc. to respective policy apply 3 NPL ratio = NPL volume / total assets

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Funding

Solid funding activities focused on non-Euro Pfandbriefe and "Green" Senior Preferred – funding optimised with TLTRO III

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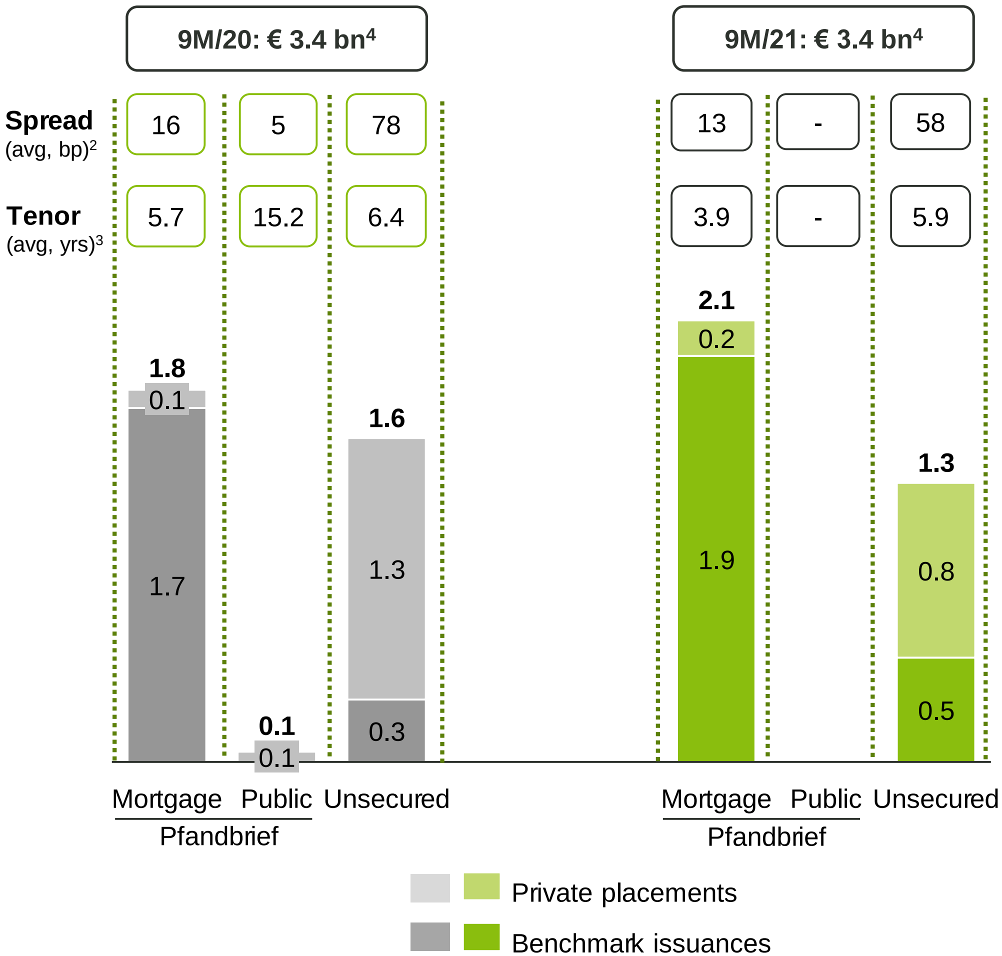
New long-term funding[1]
€ bn



Funding Q3/9M 2021

- **Solid Pfandbrief funding** with focus on foreign currencies
  - USD 750 mn Pfandbrief
  - GBP 500 mn Pfandbrief
  - EUR 500 mn Pfandbrief
  - Pfandbrief Private Placements in SEK
- € 500 mn **inaugural Green Senior Preferred Benchmark** in 01/21, followed by an equally successful **second € 500mn Green Senior Preferred Benchmark** in 10/21. With two green Benchmarks, pbb is one of the most active issuers in Green Senior funding
- With a **second USD 750 mn Pfandbrief** issued in 10/21, pbb became the **largest USD Covered Bond issuer** in the RegS market.
- **TLTRO III** participation increased by € 0.9 bn to € 8.4 bn in June 2021 to optimise funding costs – TLTRO III provides an attractive and flexible source of funding (€ 0.7 bn" own use" Pfandbriefe issued as collateral for upsizing TLTRO III).
- **Comfortable liquidity buffer** sufficient to cover internal stress tests.
- **Retail deposit** funding scalable – in Q3/21 pbb direkt deposits amounted to € 3.2 bn (Q3/20: € 3.1 bn).
- **ALM profile** and **liquidity position** remain comfortable (NSFR >100%; LCR >150%).

Note: Figures may not add up due to rounding 1 Excl. retail deposit business 2 vs. 3M Euribor 3 Initial weighted average maturity 4 Excl. "own use" Pfandbriefe issued as collateral for TLTRO III

Funding

Secondary performance generally in line with broader market

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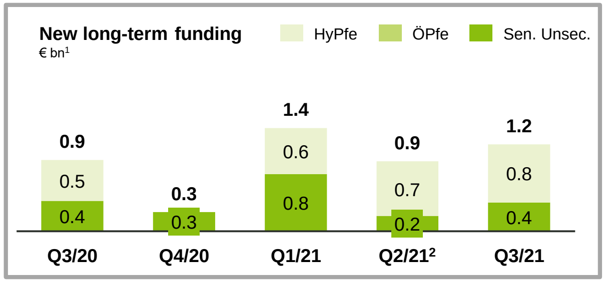
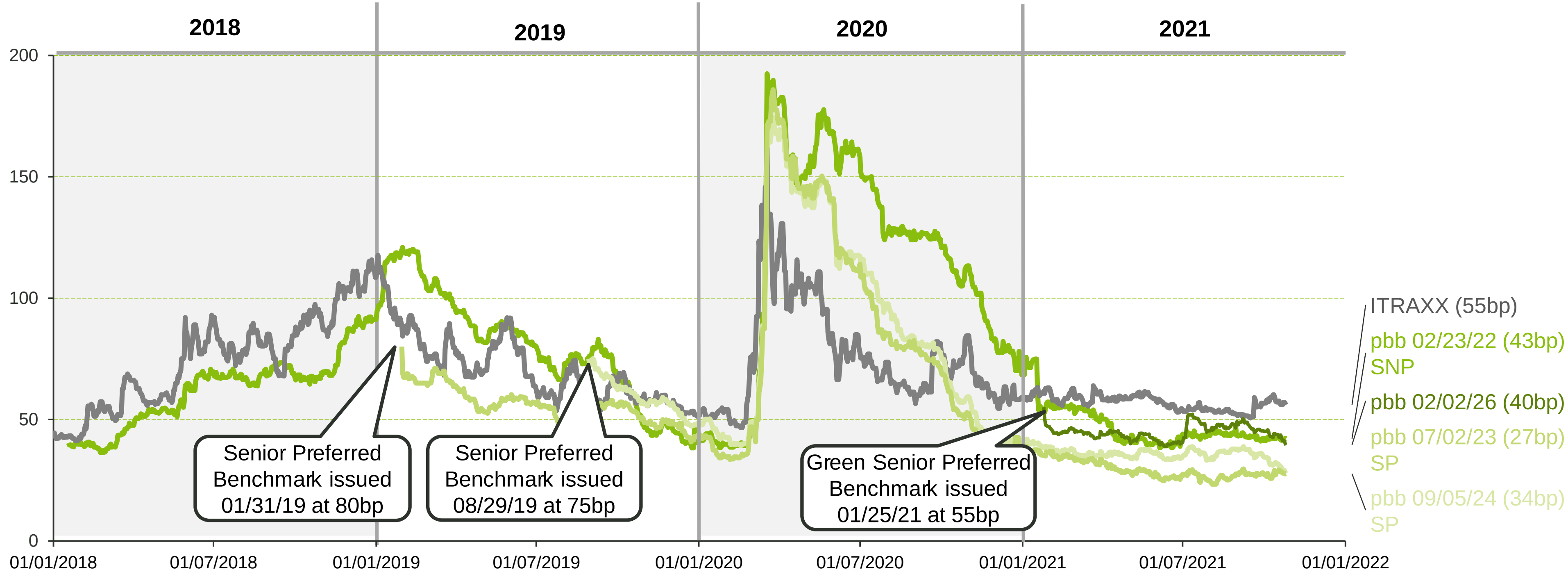


Spread development of pbb Senior Benchmarks vs iTraxx Bank Senior

(Spread in bp vs. 6m Euribor)



Source: Bloomberg 1 Excl. money market and deposit business 2 Excl. "own use" Pfandbriefe issued as collateral for TLTRO III

Agenda

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Capital
Capitalisation remains strong

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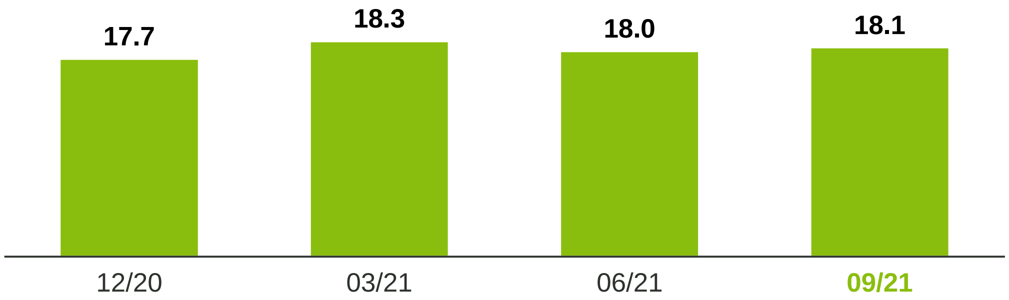
Basel III: RWA
€ bn (IFRS)



Basel III: Equity and capital ratios
(IFRS)

Capital in € bn	12/20[1]	06/21[2]	09/21[2]
CET 1	2.9	2.8	2.7
AT 1	0.3	0.3	0.3
Tier 2	0.6	0.6	0.6
Total Equity	**3.8**	**3.7**	**3.6**

Capital ratios in %	12/20[1]	06/21[2]	09/21[2]
CET 1	16.1	15.4	14.9
Tier 1	17.8	17.1	16.6
Own funds	21.4	20.5	19.8
Leverage ratio	6.0	5.9	5.7

RWA development Q3/9M 2021

- RWA up q-o-q due to various effects
  - mainly as a result from increase in REF portfolio
  - partly compensated by maturity effects and technical adjustments
  - no material RWA effect from individual rating deteriorations in the light of COVID-19
- No significant systematic deterioration in the portfolio

Capital ratios

- CET 1 ratio of 14.9%[2] down (12/20: 16.1%[1]; 06/21: 15.4%[2]) reflecting only slight increase in RWA and decrease in regulatory capital
- Decrease in regulatory capital mainly resulting from EL shortfall and methodical reductions (e.g. income from pension commitments in Q2/21)
- Profit retention 2020 (after dividend payment) year-to-date profits 2021 and build-up of risk provisions 2021 not yet included in regulatory capital

SREP requirements

- SREP requirements (excl. anticipated countercyclical buffer of 45 bp):
  - CET 1 ratio: 9.5%
  - Tier 1 ratio: 11.0%
  - Own funds ratio: 13.0%
- ECB s Banking Supervisory Committee lowered requirements due to COVID-19 as of 12.03.2020 with 1.09%-pts CET1-relief for pbb – temporarily adjusted CET1 requirement at 8.86% (incl. anticipated countercyclical buffer)

Note: Figures may not add up due to rounding 1 After approved year-end accounts, 2020 result not included 2 Excl. interim result, 2020 result not included

Agenda

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Summary & Outlook

pbb well on track – full-year result 2021 expected at upper end or slightly above guidance of € 180-220 mn

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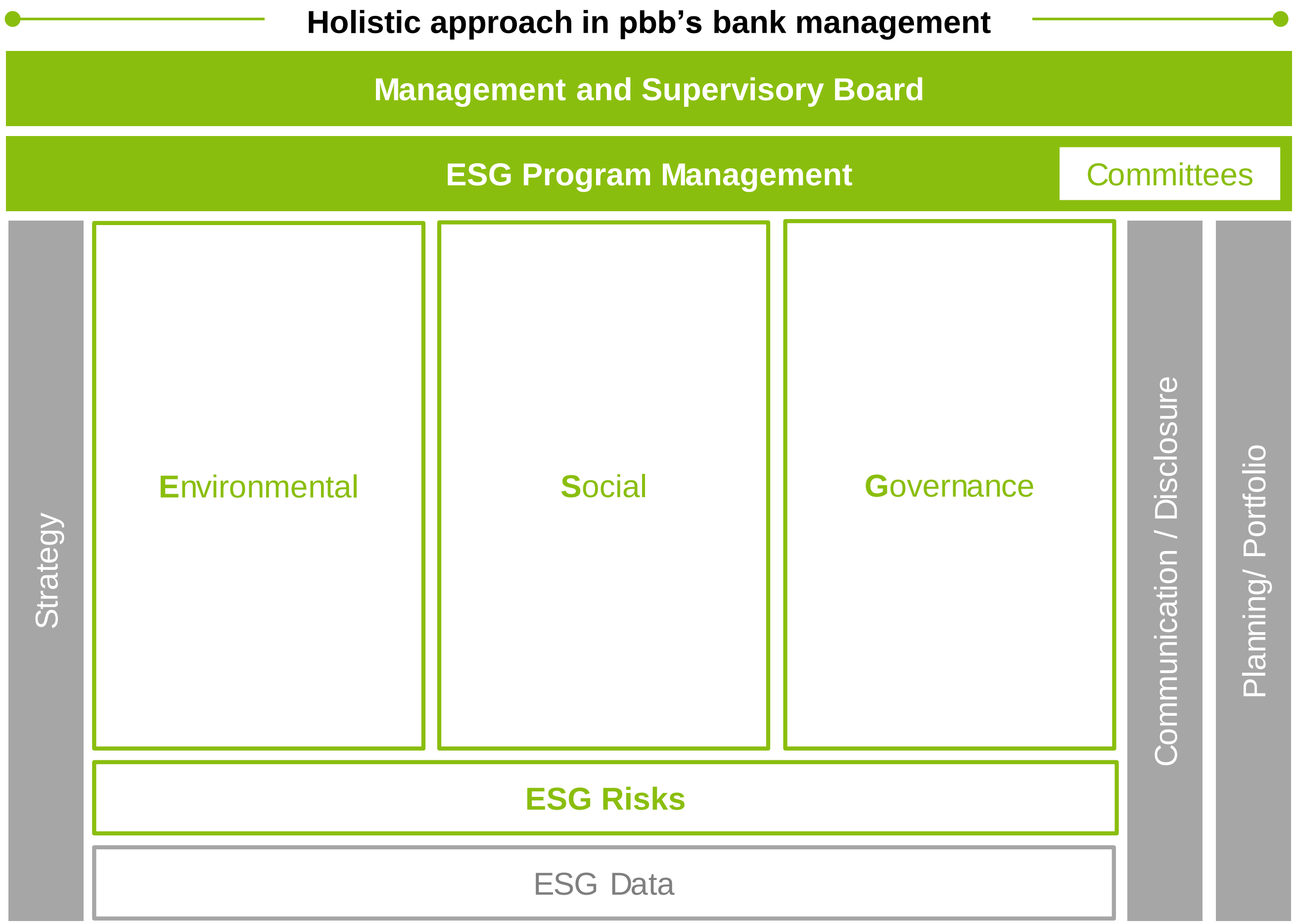
Strategic Initiatives	➢ **Digitalisation** initiatives on track with current focus on client interfaces and processes ➢ Comprehensive **ESG program** in place: Sound governance structure with Board responsibility, covering all ESG dimensions ➢ **Sustainable finance** as one key element of pbb s ESG strategy – 2nd **Green Bond** in unsecured benchmark format successfully issued in October 2021 – **Green Loan** as new credit product in place since October 2021 ➢ **ESG risks** structurally integrated in Risk Management landscape and overall business strategy– current focus on climate risk (physical/transitional risks)
9M/21	➢ **Strong 9M/21 result with PBT of€ 186 mn** – **NII** remains on high level plus some support from prepayment fees– stable REF portfolio margin – **GAE** slightly up as expected– costs under control – **Risk provisions** on moderate level– underlines conservative risk profile of our portfolio – **New business** at solid volume, stable margins and low avg. LTV– continuing our selective approach – **Liquidity and capitalisation** stay comfortable
Outlook	➢ **pbb expects full-year result 2021 at upper end or slightly above guidance of€ 180-220 mn** – NII is expected to stay stable, higher level of prepayment fees also expected in Q4/21 – GAE up in Q4/21 as usual – Risk provisioning expected to stay on moderate level while maintaining solid buffers for remaining potential COVID-19 risks ➢ **Optimistic outlook for 2022**– concrete guidance will be provided with publication of preliminary full-year results 2021 on 9 March 2022

Appendix

ESG Program

ESG Program provides for holistic approach in pbb's bank management – all ESG dimensions covered with clearly assigned responsibilities



Green Loan

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

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

pbb Green Bond

Minimum score for pbb Green Loan: ≥ 60 Points

* Aligned with the EU Taxonomy
* **D**o **N**ot **S**ignificant **H**arm Principles according to EU Taxonomy

OR

Compliance with EU Taxonomy

pbb Green Loan

Key figures
pbb Group

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Income statement (€ mn)	2018	2019	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	9M/21
Net interest income	450	458	111	116[9]	125[9]	124[9]	476[9]	123	123	123	369
Net fee and commission income	6	6	2	1	1	2	6	2	3	1	6
Net income from fair value measurement	-9	-7	-17	1	4	4	-8	2	0	1	3
Net income from realisations	32	48	14	2	4	6	26	21	17	17	55
Net income from hedge accounting	-1	-2	-1	-1	6	-	4	-1	-2	1	-2
Net other operating income	-7	3	1	3	-	18	22	-1	-	-1	-2
Operating Income	**471**	**506**	**110**	**122**	**140**	**154**	**526**	**146**	**141**	**142**	**429**
Net income from risk provisioning	-14	-49	-34	-36	-14	-42	-126	-10	-23	-17	-50
General and administrative expenses	-193	-202	-48	-49	-48	-59	-204	-51	-51	-49	-151
Expenses from bank levies and similar dues	-25	-24	-21	-4	-	-1	-26	-28	-1	1	-28
Net income from write-downs and write-ups on non-financial assets	-15	-18	-5	-5	-4	-5	-19	-5	-4	-5	-14
Net income from restructuring	-9	3	-	-	-	-	-	-	-	-	-
Pre-tax profit	**215**	**216**	**2**	**28**	**74**	**47**	**151**	**52**	**62**	**72**	**186**
Income taxes	-36	-37	-	-8	-23[9]	1[9]	-30[9]	-10	-7	-11	-28
Net income	**179**	**179**	**2**	**20**	**51**	**48**	**121**	**42**	**55**	**61**	**158**

Key ratios (%)	2018	2019	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	9M/21
CIR[1]	44.2	43.5	48.2	44.3[9]	37.1[9]	41.6[9]	42.4[9]	38.4	39.0	38.0	38.5
RoE before tax	7.1	6.9	-0.3	3.3	9.7[9]	5.9[9]	4.6[9]	6.4	7.8	8.9	7.7
RoE after tax	5.9	5.7	-0.3	2.2	6.5[9]	6.0[9]	3.6[9]	5.1	6.9	7.5	6.5

Balance sheet (€ bn)	12/18	12/19	03/20	06/20	09/20	12/20	12/20	03/21	06/21	09/21
Total assets	57.8	56.8	56.6	60.7	60.2	58.9	58.9	58.1	59.0	58.8
Equity	3.3	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.4
Financing volume	46.4	45.5	45.0	44.5	44.4	44.2	44.2	44.6	43.4	43.4

Regulatory capital ratios[2]	12/18	12/19	03/20	06/20	09/20	12/20	12/20	03/21	06/21	09/21
RWA (€ bn)	14.6	17.7	17.3	17.4	17.8	17.7	17.7	18.3	18.0	18.1
CET 1 ratio – phase in (%)	18.5[3]	15.9[4]	16.3[5]	15.8[5]	15.3[5]	16.1[6]	16.1[6]	15.4[7]	15.4[8]	14.9[8]

Personnel	12/18	12/19	03/20	06/20	09/20	12/20	12/20	03/21	06/21	09/21
Employees (FTE)	750	752	749	763	772	782	782	779	779	782

Note: annual results audited, interim results Q1 2020/21 and Q3 2020/21 unaudited, interim results Q2 2020/21 unaudited, but reviewed 1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Basel III transition rules 3 Incl. full-year result, post dividend 4 Adjusted, incl. full-year result 2019, based on resolution of AGM to allocate the distributable profit 2019 to other revenue reserves on 28 May 2020 5 Excl. interim result, incl. full-year result 2019 6 After approved year-end accounts 7 Excl. Interim result, post proposed dividend 2020 8 Excl. Interim result 9 2020 figures retrospectively adjusted according to IAS 8.42

Segment reporting

Segment performance reflects impact from COVID-19 pandemic

	REF				PIF				Value Portfolio			
Income statement (IFRS, € mn)	**Q3/20**	**Q3/21**	**9M/20**	**9M/21**	**Q3/20**	**Q3/21**	**9M/20**	**9M/21**	**Q3/20**	**Q3/21**	**9M/20**	**9M/21**
Operating income	110	122	317	372	11	10	31	28	18	9	21	27
thereof: Net interest income [1]	*104*	*103*	*292*	311	10	10	29	28	10	9	28	28
Net income from realisations	*4*	*17*	*17*	55	-	1	1	1	-	-1	2	-1
Net income from risk provisioning	-13	-15	-85	-49	-1	-	-1	-	-	-2	2	-1
General administrative expenses	-41	-43	-124	-131	-5	-4	-14	-13	-2	-2	-7	-7
Net other revenues/expenses	-4	-3	-27	-29	-	-	-4	-5	-	-1	-8	-8
Pre-tax profit	**52**	**61**	**81**	**163**	**5**	**6**	**12**	**10**	**16**	**4**	**8**	**11**
Key indicators	**Q3/20**	**Q3/21**	**9M/20**	**9M/21**	**Q3/20**	**Q3/21**	**9M/20**	**9M/21**	**Q3/20**	**Q3/21**	**9M/20**	**9M/21**
CIR (%)[2]	40.9	38.5	42.9	38.4	45.5	40.0	48.4	50.0	11.1	33.3	38.1	29.6
RoE before tax (%)	11.4	11.8	5.7	10.6	9.9	13.5	7.8	8.2	11.1	2.7	1.3	2.4
Financing volume (€ bn)	26.8	27.0	26.8	27.0	5.9	5.4	5.9	5.4	11.7	11.0	11.7	11.0

Key drivers Q3/9M 2021

REF

- Financial **segment performance** benefitted from increased NII, net income from realisations and lower risk provisioning y-o-y
- **NII** up y-o-y– supported by lower refinancing costs incl. TLTRO and floor income
- Net income from realisations driven by higher prepayment fees
- **Risk provisioning** down y-o-y– additions in stage 1&2 due to individual deteriorations of PDs and high new business and in stage 3 mainly for revaluations of already provisioned UK shopping centres
- **GAE** up y-o-y, incl. higher project costs
- **Financing volume** slightly up y-o-y

PIF

- Financial **segment performance** supported by allocation effects
- **Operating income** down y-o-y, mainly affected by a slight decrease in net interest income
- **Financing volume** down due to maturities

Value Portfolio

- Financial **segment performance** supported by allocation effects
- Last year, financial **segment performance** was mainly affected by credit spread driven **valuation** effects related to COVID-19 pandemic
- **Financing volume** further down in line with strategy due to maturities

Note: Figures may not add up due to rounding 1 2020 REF figures retrospectively adjusted according to IAS 8.42 2 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income

Key figures

pbb Group 9M/20 vs. 9M/21

Income statement (€ mn)	REF		PIF		VP		C&A		pbb Group	
	9M/20	9M/21	9M/20	9M/21	9M/20	9M/21	9M/20	9M/21	9M/20	9M/21
Net interest income	292[1]	311	29	28	28	28	3	2	352[1]	369
Net fee and commission income	4	6	-	-	-	-	-	-	4	6
Net income from fair value measurement	-5	2	-1	-	-6	1	-	-	-12	3
Net income from realisations	17	55	1	1	2	-1	-	-	20	55
Net income from hedge accounting	2	-1	1	-	1	-1	-	-	4	-2
Net other operating income	7	-1	1	-1	-4	-	-	-	4	-2
Operating Income	**317**	**372**	**31**	**28**	**21**	**27**	**3**	**2**	**372**	**429**
Net income from risk provisioning	-85	-49	-1	-	2	-1	-	-	-84	-50
General and administrative expenses	-124	-131	-14	-13	-7	-7	-	-	-145	-151
Expenses from bank levies and similar dues	-15	-17	-3	-4	-7	-7	-	-	-25	-28
Net income from write-downs and write-ups on non-financial assets	-12	-12	-1	-1	-1	-1	-	-	-14	-14
Pre-tax profit	**81**	**163**	**12**	**10**	**8**	**11**	**3**	**2**	**104**	**186**

1 2020 figures retrospectively adjusted according to IAS 8.42

Key figures

Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2018	2019[3]	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	9M/21
Net interest income	372	388	93	95[4]	104[4]	104[4]	396[4]	104	104	103	311
Net fee and commission income	6	7	2	1	1	2	6	2	3	1	6
Net income from fair value measurement	-8	-8	-4	1	-2	-1	-6	1	-	1	2
Net income from realisations	27	48	11	2	4	7	24	21	17	17	55
Net income from hedge accounting	-1	-1	-1	-	3	1	3	-1	-1	1	-1
Net other operating income	-5	2	2	5	-	12	19	-1	1	-1	-1
Operating Income	**391**	**436**	**103**	**104**	**110**	**125**	**442**	**126**	**124**	**122**	**372**
Net income from risk provisioning	-22	-57	-33	-39	-13	-44	-129	-11	-23	-15	-49
General and administrative expenses	-154	-164	-41	-42	-41	-51	-175	-44	-44	-43	-131
Expenses from bank levies and similar dues	-14	-14	-12	-3	-	-1	-16	-17	-1	1	-17
Net income from write-downs and write-ups on non-financial assets	-12	-15	-4	-4	-4	-4	-16	-4	-4	-4	-12
Net income from restructuring	-7	3	-	-	-	-	-	-	-	-	-
Pre-tax profit	**182**	**189**	**13**	**16**	**52**	**25**	**106**	**50**	**52**	**61**	**163**

Key ratios (%)	2018	2019	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	9M/21
CIR[1]	42.5	41.1	43.7	44.2[4]	40.9[4]	44.0[4]	43.2[4]	38.1	38.7	38.5	38.4
RoE before tax	12.9	11.3	2.5	3.2	11.4	4.9	5.5	9.9	10.1	11.8	10.6

Key figures (€ bn)	12/18	12/19	03/20	06/20	09/20	12/20	12/20	03/21	06/21	09/21
Equity[2]	1.4	1.7	1.7	1.7	1.8	1.9	1.9	1.9	1.9	2.0
RWA	8.3	15.8	15.4	15.5	16.1	16.0	16.0	16.6	16.2	16.4
Financing volume	26.8	27.1	26.8	26.7	26.8	27.0	27.0	27.5	26.8	27.0

Note: annual results 2018, 2019 and 2020 audited, interim results Q1 2020/21 and Q3 2020/21 unaudited, interim results Q2 2020/21 unaudited, but reviewed

1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Equity now allocated according to going concern view instead of liquidation approach

3 Segment allocation of net interest income and equity retrospectively adjusted 4 2020 figures retrospectively adjusted according to IAS 8.42

Key figures

Public Investment Finance (PIF)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2018	2019[3]	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	9M/21
Net interest income	34	37	9	10	10	9	38	9	9	10	28
Net fee and commission income	1	-	-	-	-	-	-	-	-	-	-
Net income from fair value measurement	-2	-2	-1	-	-	-	-1	-	-	-	-
Net income from realisations	5	1	1	-	-	-	1	-	-	1	1
Net income from hedge accounting	-	-	-	-	1	-1	-	-	-	-	-
Net other operating income	-	-	-	1	-	2	3	-	-	-1	-1
Operating Income	**38**	**36**	**9**	**11**	**11**	**10**	**41**	**9**	**9**	**10**	**28**
Net income from risk provisioning	4	-	-	-	-1	-	-1	-	-	-	-
General and administrative expenses	-27	-25	-4	-5	-5	-5	-19	-4	-5	-4	-13
Expenses from bank levies and similar dues	-4	-3	-3	-	-	-	-3	-4	-	-	-4
Net income from write-downs and write-ups on non-financial assets	-2	-2	-1	-	-	-1	-2	-1	-	-	-1
Net income from restructuring	-1	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**8**	**6**	**1**	**6**	**5**	**4**	**16**	**-**	**4**	**6**	**10**

Key ratios (%)	2018	2019	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	9M/21
CIR[1]	76.3	75.0	55.6	45.5	45.5	60.0	51.2	55.6	55.6	40.0	50.0
RoE before tax	5.4	2.7	1.5	11.4	9.9	8.5	8.0	-0.6	11.6	13.5	8.2

Key figures (€ bn)	12/18	12/19	03/20	06/20	09/20	12/20	12/20	03/21	06/21	09/21
Equity[2]	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
RWA	1.4	0.8	0.8	0.8	0.8	0.8	0.8	0.7	0.7	0.7
Financing volume	6.4	6.3	6.3	6.0	5.9	5.8	5.8	5.7	5.5	5.4

Note: annual results 2018, 2019 and 2020 audited, interim results Q1 2020/21 and Q3 2020/21 unaudited, interim results Q2 2020/21 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income
2 Equity now allocated according to going concern view instead of liquidation approach
3 Segment allocation of net interest income and equity retrospectively adjusted

Key figures

Value Portfolio (VP)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2018	2019[3]	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	9M/21
Net interest income	39	29	8	10	10	10	38	9	10	9	28
Net fee and commission income	-1	-1	-	-	-	-	-	-	-	-	-
Net income from fair value measurement	1	3	-12	-	6	5	-1	1	-	-	1
Net income from realisations	-	-1	2	-	-	-1	1	-	-	-1	-1
Net income from hedge accounting	-	-1	-	-1	2	-	1	-	-1	-	-1
Net other operating income	-2	1	-1	-3	-	4	-	-	-1	1	-
Operating Income	**37**	**30**	**-3**	**6**	**18**	**18**	**39**	**10**	**8**	**9**	**27**
Net income from risk provisioning	4	8	-1	3	-	2	4	1	-	-2	-1
General and administrative expenses	-12	-13	-3	-2	-2	-3	-10	-3	-2	-2	-7
Expenses from bank levies and similar dues	-7	-7	-6	-1	-	-	-7	-7	-	-	-7
Net income from write-downs and write-ups on non-financial assets	-1	-1	-	-1	-	-	-1	-	-	-1	-1
Net income from restructuring	-1	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**20**	**17**	**-13**	**5**	**16**	**17**	**25**	**1**	**6**	**4**	**11**

Key ratios (%)	2018	2019	Q1/20	Q2/20	Q3/20	Q4/20	2020	Q1/21	Q2/21	Q3/21	9M/21
CIR[1]	35.1	46.7	n/a	50.0	11.1	16.7	28.2	30.0	25.0	33.3	29.6
RoE before tax	1.4	1.7	-9.2	2.8	11.1	12.9	3.9	0.3	4.4	2.7	2.4

Key figures (€ bn)	12/18	12/19	03/20	06/20	09/20	12/20	12/20	03/21	06/21	09/21
Equity[2]	1.1	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5
RWA	4.0	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.3
Financing volume	13.2	12.1	11.9	11.8	11.7	11.4	11.4	11.4	11.1	11.0

Note: annual results 2018, 2019 and 2020 audited, interim results Q1 2020/21 and Q3 2020/21 unaudited, interim results Q2 2020/21 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Equity now allocated according to going concern view instead of liquidation approach
3 Segment allocation of net interest income and equity retrospectively adjusted

Balance sheet

Specialist lender with attractive German Pfandbrief as major funding instrument

DEUTSCHE PFANDBRIEFBANK

Balance sheet

IFRS, € bn

Assets	30/09/21	31/12/20
Financial assets at fair value through P&L	**1.4**	**1.4**
thereof		
Positive fair values of stand-alone derivatives	0.6	0.7
Debt securities	0.1	0.1
Loans and advances to customers	0.7	0.5
Financial assets at fair value through OCI	**1.3**	**1.5**
thereof		
Debt securities	1.0	1.4
Loans and advances to customers	0.3	0.1
Financial assets at amortised cost (after credit loss allowances)	**48.1**	**48.7**
thereof		
Debt securities	7.0	7.5
Loans and advances to other banks	3.0	1.9
Loans and advances to customers	38.1	39.3
Positive fair values of hedge accounting derivatives	**1.1**	**1.7**
Other assets	**6.9**	**5.6**
Total Assets	**58.8**	**58.9**

Liabilities & equity	30/09/21	31/12/20
Financial liabilities at fair value through P&L	**0.6**	**0.6**
thereof		
Negative fair values of stand-alone derivatives	0.6	0.6
Financial liabilities measured at amortised cost	**53.0**	**52.6**
thereof		
Liabilities to other banks (incl. central banks)	10.7	9.8
thereof		
Registered Mortgage Pfandbriefe	*0.3*	*0.3*
Registered Public Pfandbriefe	*0.5*	*0.5*
Liabilities to other customers	20.6	22.6
thereof		
Registered Mortgage Pfandbriefe	*3.7*	*4.3*
Registered Public Pfandbriefe	*8.4*	*9.1*
Bearer Bonds	21.1	19.5
thereof		
Mortgage Pfandbriefe	*12.2*	*10.7*
Public Pfandbriefe	*2.3*	*2.3*
Subordinated liabilities	0.7	0.7
Negative fair values of hedge accounting derivatives	**1.4**	**1.9**
Other liabilities	**0.4**	**0.5**
Equity (attributable to shareholders)	**3.1**	**3.0**
AT1-capital	**0.3**	**0.3**
Total liabilities & equity	**58.8**	**58.9**

Share of Pfandbriefe of refinancing liabilities

52% / 52%

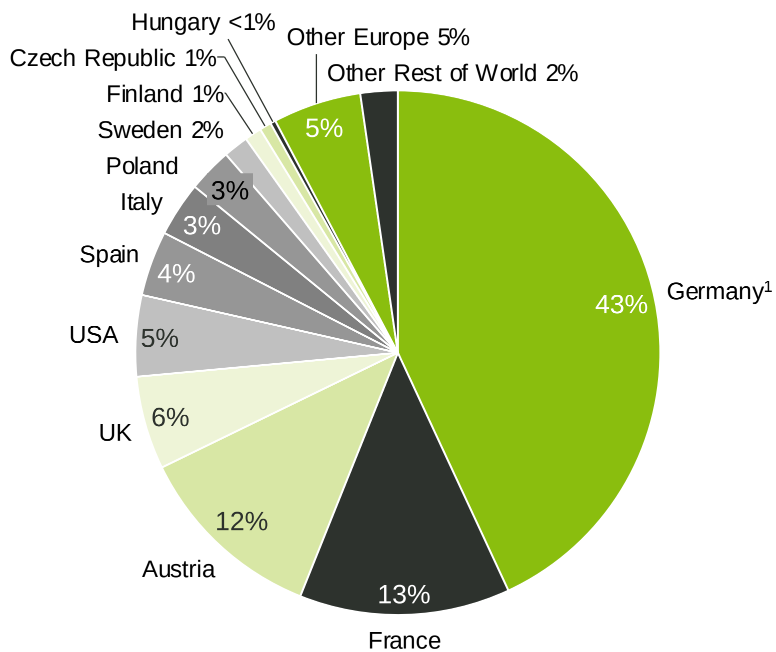
Note: Figures may not add up due to rounding

Portfolio
Total portfolio

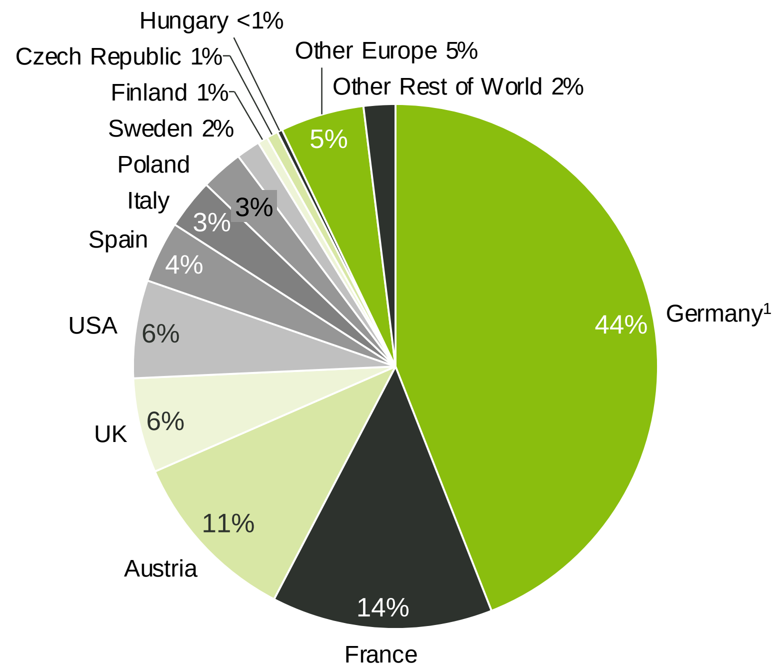
€ bn (EaD, Basel III)

Regions

31/12/2020 / Total: € 58.0 bn



30/09/2021 / Total: € 57.3 bn



Note: Figures may not add up due to rounding 1 Incl. Bundesbank accounts (12/20: € 5.4 bn; 09/21: € 6.6 bn)

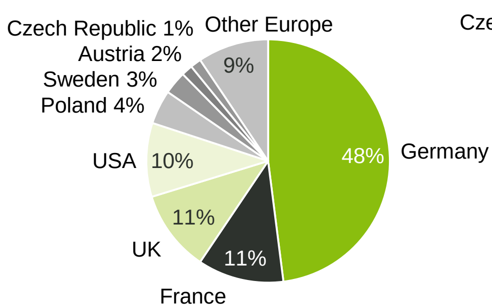
Portfolio
Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

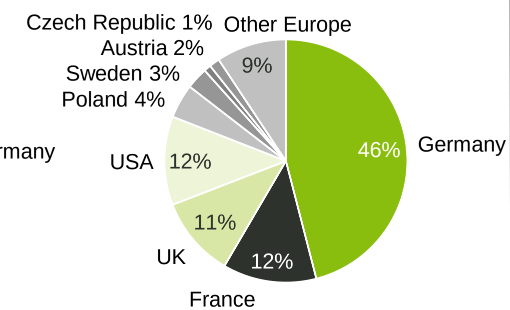
€ bn (EaD, Basel III)

Regions

31/12/2020: € 29.3 bn

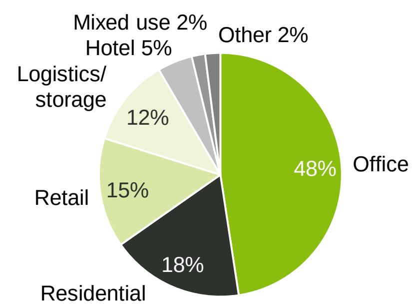


30/09/2021: € 29.1 bn

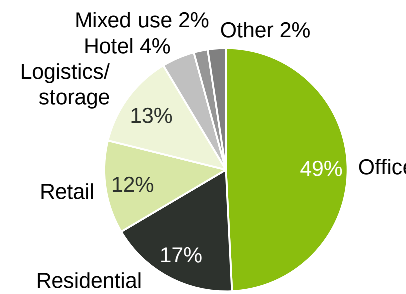


Property types

31/12/2020: € 29.3 bn

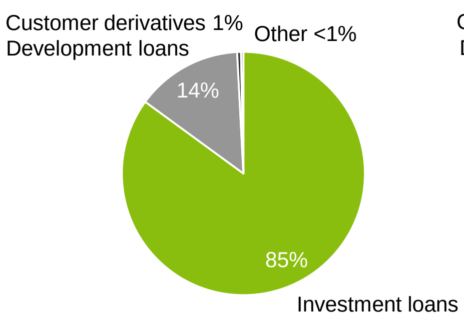


30/09/2021: € 29.1 bn

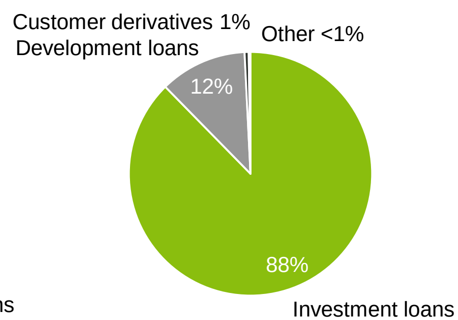


Loan types

31/12/2020: € 29.3 bn

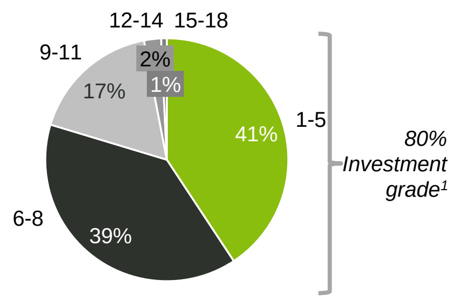


30/09/2021: € 29.1 bn

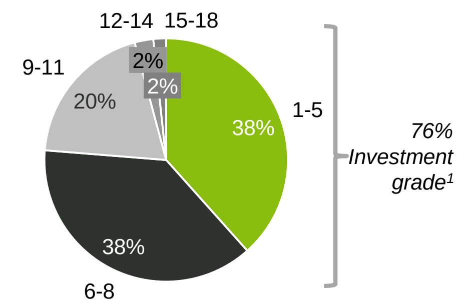


Internal ratings (EL classes)

31/12/2020: € 29.3 bn



30/09/2021: € 29.1 bn

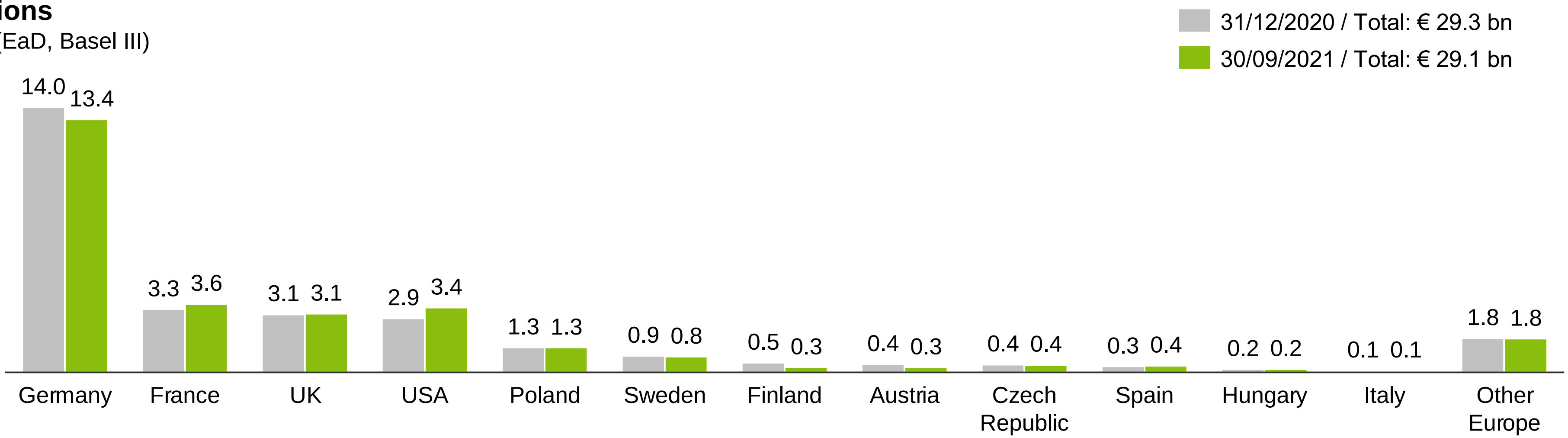


Note: Figures may not add up due to rounding 1 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

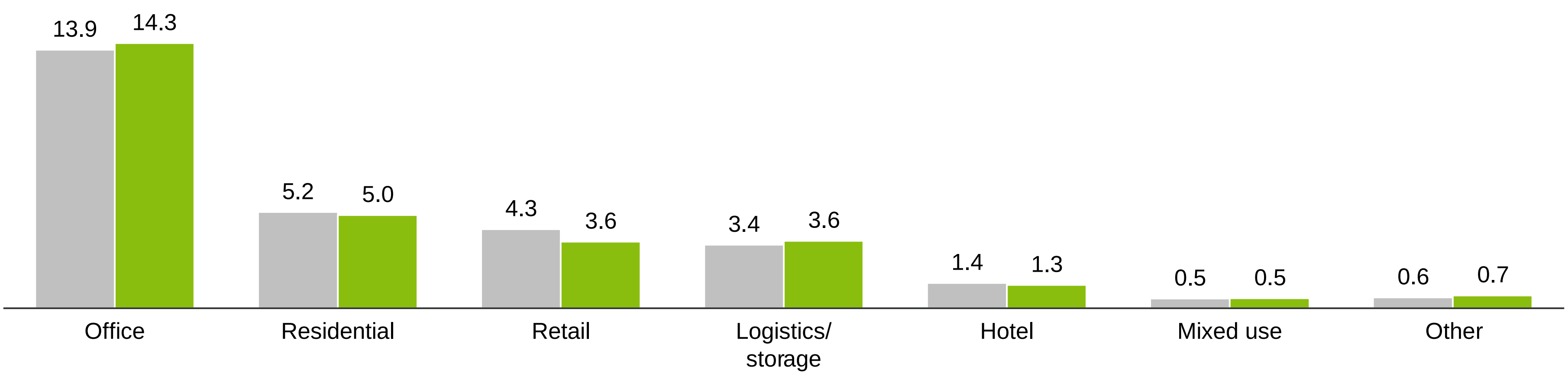
Portfolio
Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

Regions
€ bn (EaD, Basel III)

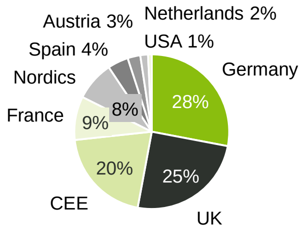
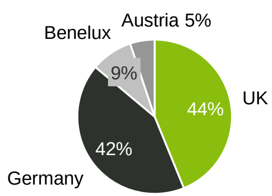


Property types
€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding

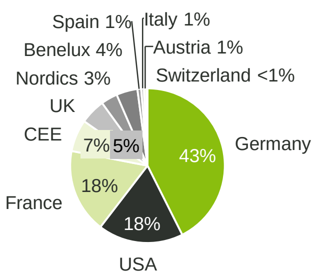
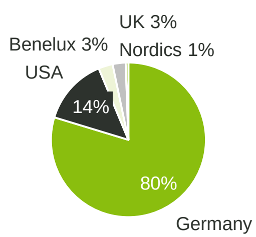
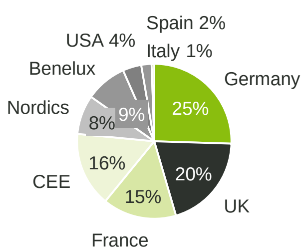
Markets
Sub-segments

Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Retail € 3.6 bn (12%)		▪ Shopping centres: increased pressure, fashion dominated shopping centres most impacted (decline in rents, shorter lease terms, etc.) ▪ Retail-parks/discounter with strong local demand: largely stable ▪ High street properties: declines in rents and slight rise in yields ▪ Downward trend in secondary locations and smaller cities expected to intensify ▪ Further development very much dependent on further development of COVID-19 pandemic	▪ Short Term: supply chain challenges could increase pressure on tenants in particular in upcoming Christmas sale period ▪ Short Term: threads to income stability in some countries could hamper post COVID-19 pandemic recovery of retail markets in non-food sectors ▪ Mid Term: structural changes (online sale, change of high street retailer structure from smaller regional chains/owner occupied shops towards national/international chains and brands) leading to continued pressure on rents and to substantial oversupply of space in particular outside A-locations	▪ Selective approach with foresighted reduction of retail portfolio by ~51% or € 3.5 bn since 2016 (09/21: € 3.6 bn; 12/16: € 7.1 bn). ▪ Only investment loans, almost no development loans ▪ Conservative risk positioning: avg. LTV of 52%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio ▪ Current strategy is no new commitments for shopping centres
Hotel (Business Hotels only) € 1.3 bn (4%)		▪ Due to ongoing restrictions for travel and events only minor catch-up effect ▪ Operators with a wide variety of measures to cut costs/use downtime meaningful (e.g. renovations)/tap into additional capital/liquidity sources ▪ Rising competition leads to insolvencies for small operators ▪ Present increased vaccination activity fosters expectation of a recovery ▪ Hotels dependent on international tourist and business travelers not expected to substantially recover in short-/mid-term ▪ Leisure hotels focused on domestic guests with good accessibility expected to recover faster	▪ Recovery of performance to pre-Corona-levels not before 2023/24 ▪ Airport/Fair hotels being late in recovery cycle due to continuing travel restrictions. ▪ Recovery of business hotels expected to focus first on central locations, fringe locations expected to be late in recovery, too. ▪ Shortage of qualified personnel in parts of the industry	▪ Selective approach and strict adherence to conservative underwriting standards in particular during the hot phase of hotel investment market in 2018/19 resulting in a relatively small portfolio volume of € 1.3 bn ▪ Focus on prime location secures base value of properties ▪ Conservative risk positioning: avg. LTV of 55%[1] provides good buffer and supports commitment of investors/sponsors ▪ Focus on strong sponsors with ability to inject more equity ▪ Currently, strategy is no new commitments

1 Based on performing investment loans only

Markets
Sub-segments

DEUTSCHE PFANDBRIEFBANK

Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Office € 14.3 bn (49%)		▪ Slight rise in vacancies ▪ No strategic disinvestments, but in long term context relatively low investors demand. Yields moved out in a handful of markets and some further yield softening can be expected. ▪ Investors are increasingly turning to high quality prime properties and thus a strong separation between prime and other locations is occurring in the market.	▪ Financial difficulties of tenants / insolvencies expected to increase ▪ Increased reletting/extension risks with pressure on rental level ▪ Good locations expected to remain stable ▪ Structural changes – Work from home – Hygiene/social distancing standards – Focus on green buildings expected to negativly affect older buildings in weaker locations mid/long term	▪ Focus on good locations ▪ Conservative risk positioning: avg. LTV of 52%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio with focus in Germany ▪ In new business transactions detailed analysis of "green profile" of properties including associated risk
Residential € 5.0 bn (17%)		▪ At present, markets are relatively stable, especially in countries with strong social welfare programs ▪ Negative impact on occupancy ratios in US and UK ▪ Growth in rental and sales prices seen so far expected to soften in future ▪ Stabilising element: investors tend to classify residential as solid asset class with partially increasing demand	▪ Call for/imposed increased rent regulation could impact value and cash flow ▪ Hike in vacancy rates in UK and USA during Lock Down have lead to decreased rental levels, situation however recovering at present.	▪ Conservative risk positioning ▪ Portfolio volume of € 5.0 bn with conservative avg. LTV of 47%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio with strong focus on Germany
Logistics € 3.6 bn (13%)		▪ Logistic properties are very popular for investors ▪ Prices have decoupled from overall trend and increased in last years ▪ Benefitting from increasing focus on e-commerce and the need of more resilient supply chains ▪ Possible, further price increases in a short term fueled by higher rental growth and prime yield compression, especially for modern urban logistics properties	▪ Currently taking advantage of the pandemic crisis due to strategic trends like: – Online-shopping – Need for more resilient supply chains in the industry sector ▪ Monoline logistics centres ▪ Limited availability of new space in some countries ▪ In some markets trend to overheated prices	▪ Strategic approach; expert team since 2014; share increase since 2013 from 8% to 13% ▪ Focus on locations: good infra-structure, connection to a variety of different transportation routes ▪ Conservative risk positioning: avg. LTV of 52% provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio ▪ High quality of sponsors

1 Based on performing investment loans only

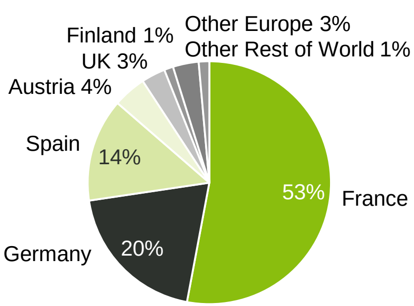
Portfolio
Public Investment Finance (PIF)

DEUTSCHE PFANDBRIEFBANK

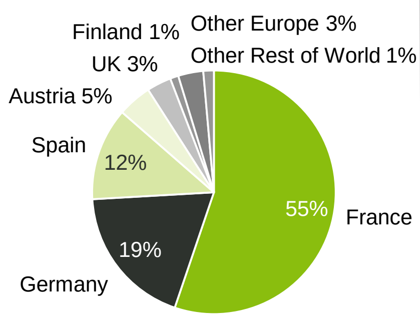
€ bn (EaD, Basel III)

Regions

31/12/2020: € 6.5 bn

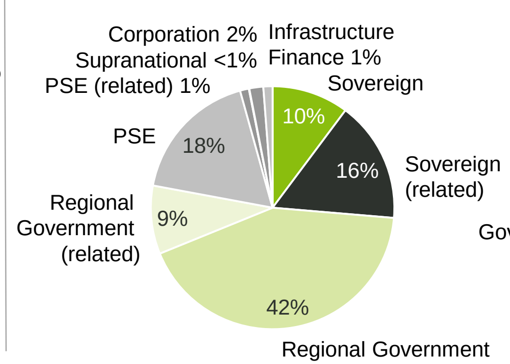


30/09/2021: € 6.0 bn

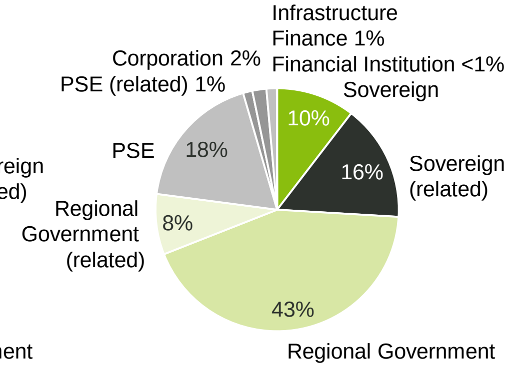


Borrower classification[1]

31/12/2020: € 6.5 bn

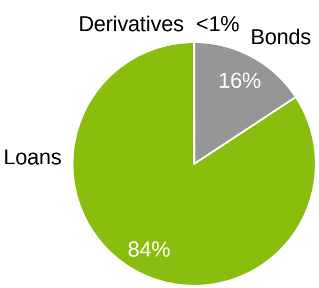


30/09/2021: € 6.0 bn

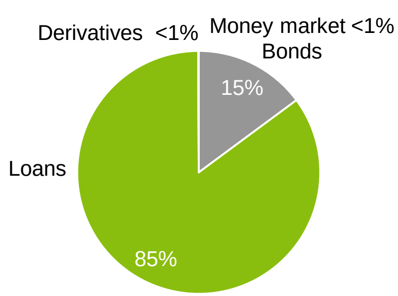


Product class

31/12/2020: € 6.5 bn

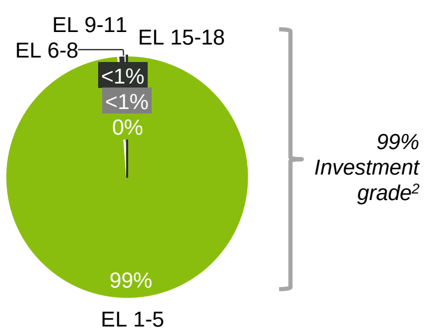


30/09/2021: € 6.0 bn

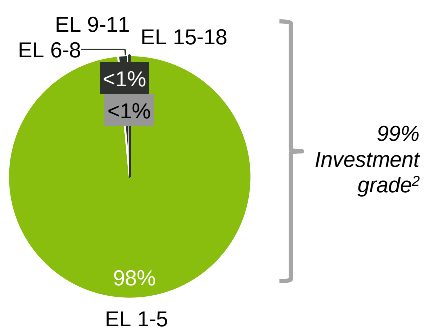


Internal ratings (EL classes)

31/12/2020: € 6.5 bn



30/09/2021: € 6.0 bn



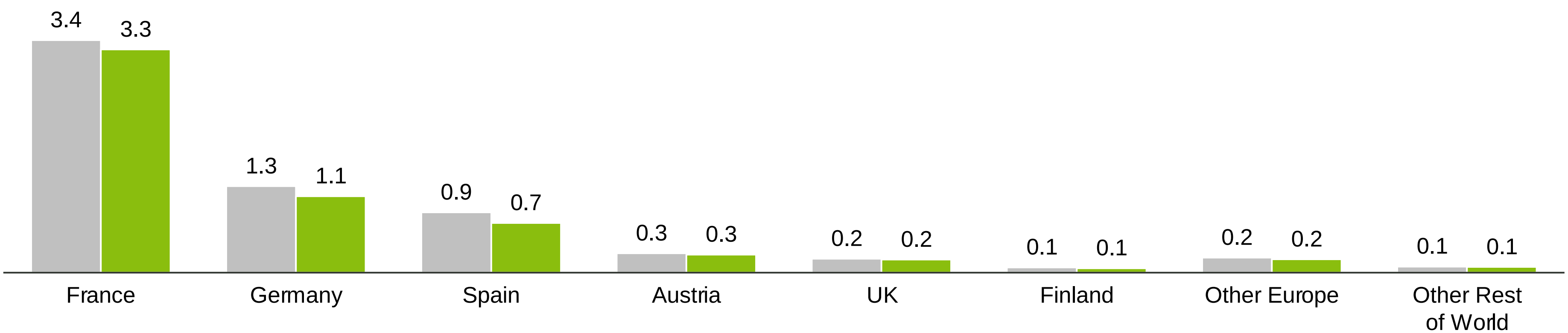
Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification 2 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

Portfolio
Public Investment Finance (PIF)

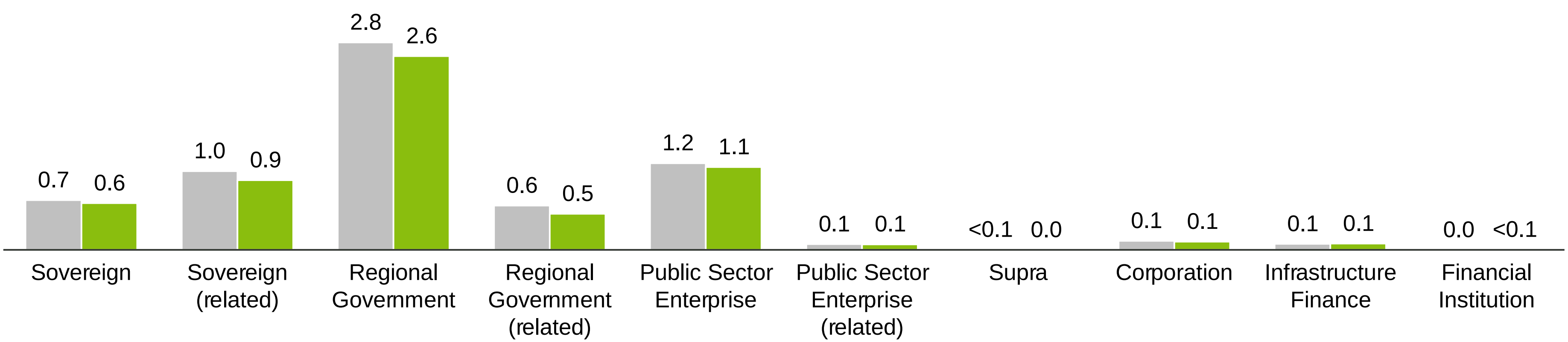
DEUTSCHE PFANDBRIEFBANK

Regions
€ bn (EaD, Basel III)

31/12/2020 / Total: € 6.5 bn
30/09/2021 / Total: € 6.0 bn



Borrower classification[1]
€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding

1 See appendix for definition of borrower classification

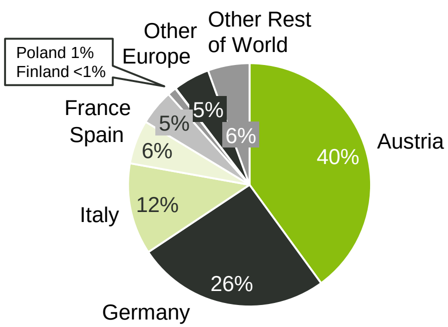
Portfolio

Value Portfolio (VP)

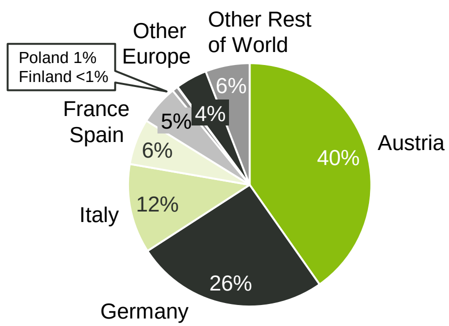
€ bn (EaD, Basel III)

Regions

31/12/2020: € 15.2 bn

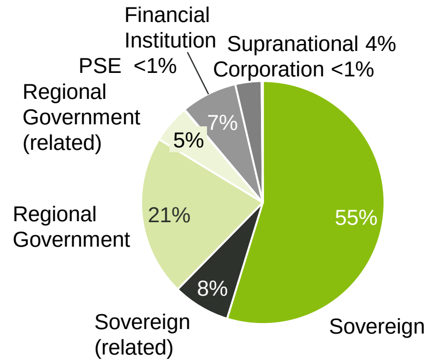


30/09/2021: € 14.0 bn

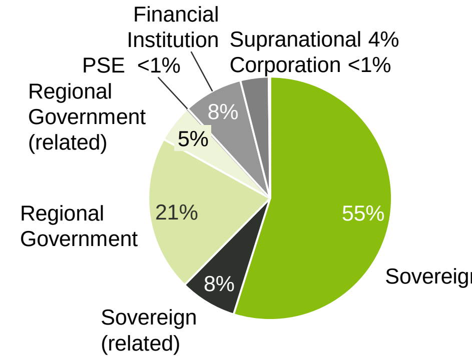


Borrower classification[1]

31/12/2020: € 15.2 bn

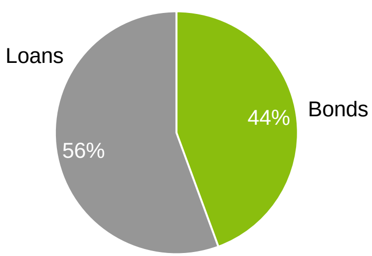


30/09/2021: € 14.0 bn

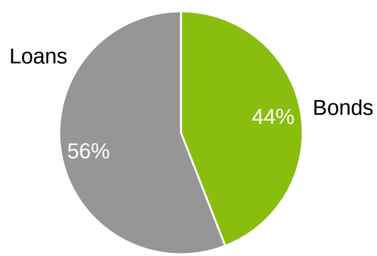


Product class

31/12/2020: € 15.2 bn

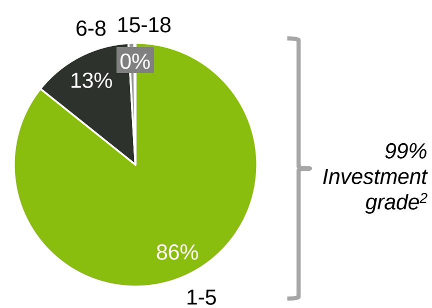


30/09/2021: € 14.0 bn

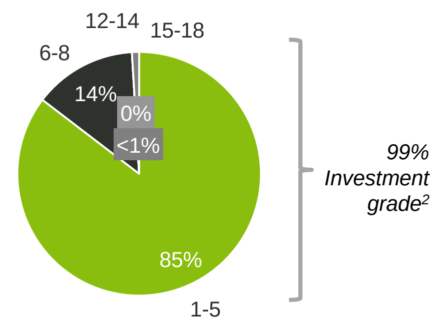


Internal ratings (EL classes)

31/12/2020: € 15.2 bn



30/09/2021: € 14.0 bn



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

Portfolio

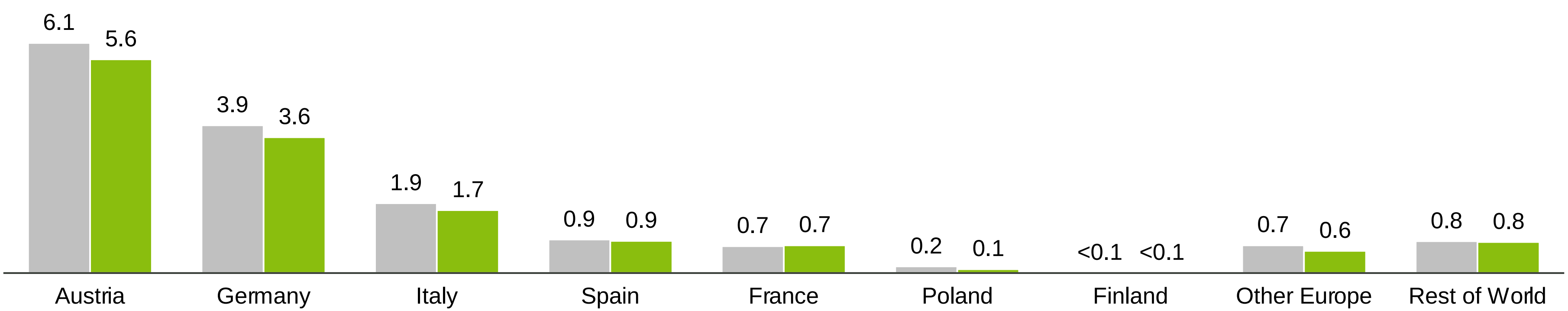
Value Portfolio (VP)

DEUTSCHE PFANDBRIEFBANK

Regions

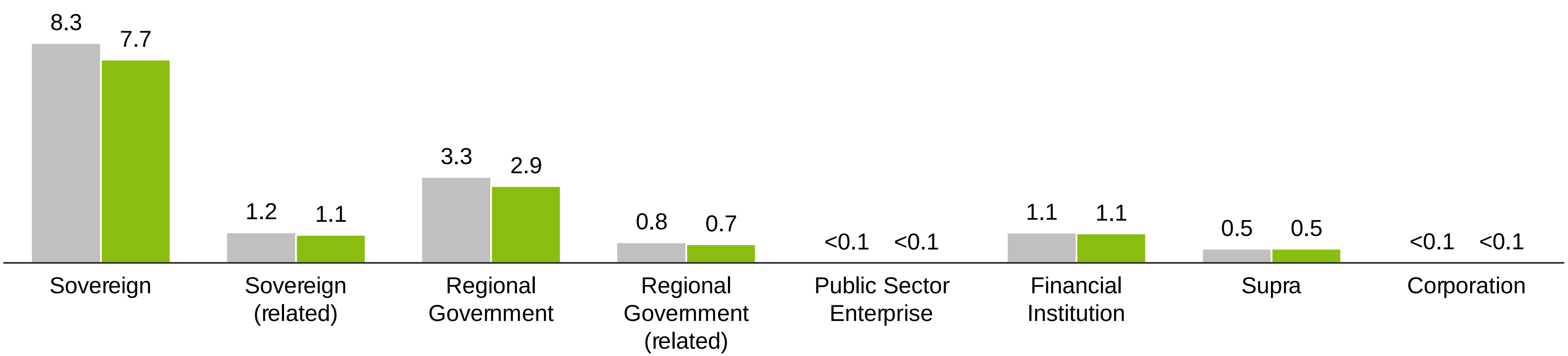
€ bn (EaD, Basel III)

31/12/2020 / Total: € 15.2 bn
30/09/2021 / Total: € 14.0 bn



Borrower classification[1]

€ bn (EaD, Basel III)



Note: Figures may not add up due to rounding

1 See appendix for definition of borrower classification

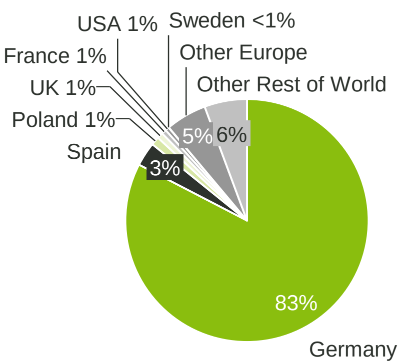
Portfolio
Consolidation & Adjustments (C&A)

DEUTSCHE PFANDBRIEFBANK

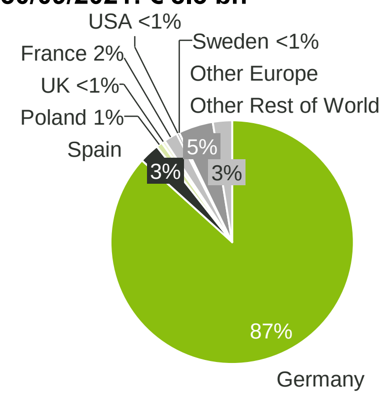
€ bn (EaD, Basel III)

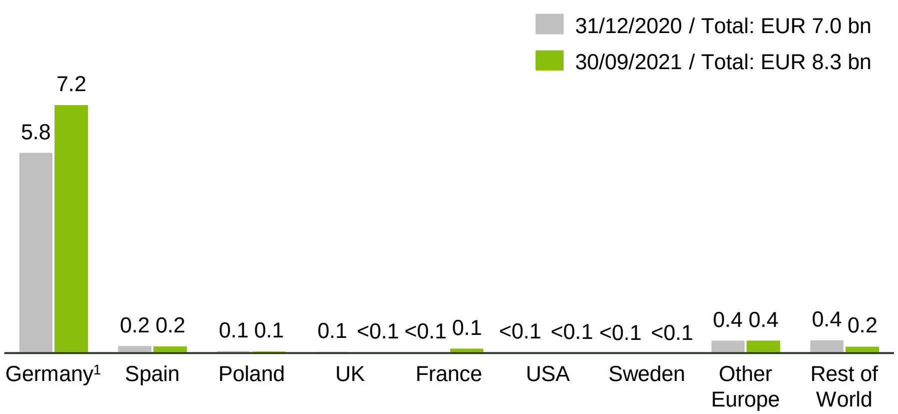
Regions

31/12/2020: € 7.0 bn



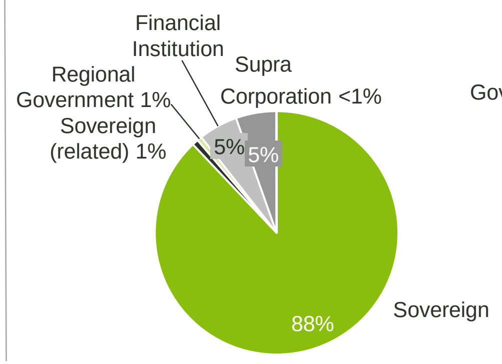
30/09/2021: € 8.3 bn



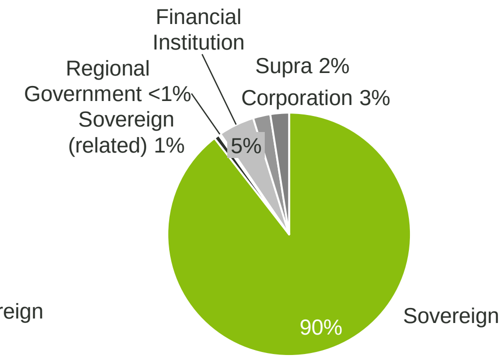


Borrower classification[2]

31/12/2020: € 7.0 bn

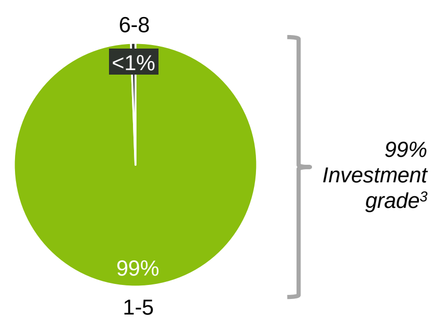


30/09/2021: € 8.3 bn



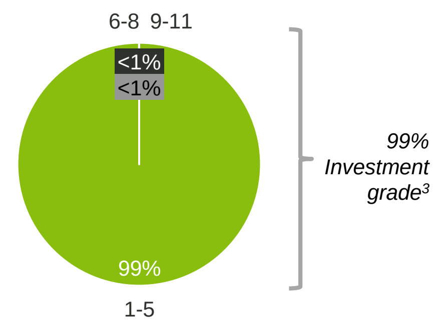
Internal ratings (EL classes)

31/12/2020: € 7.0 bn



99% Investment grade[3]

30/09/2021: € 8.3 bn



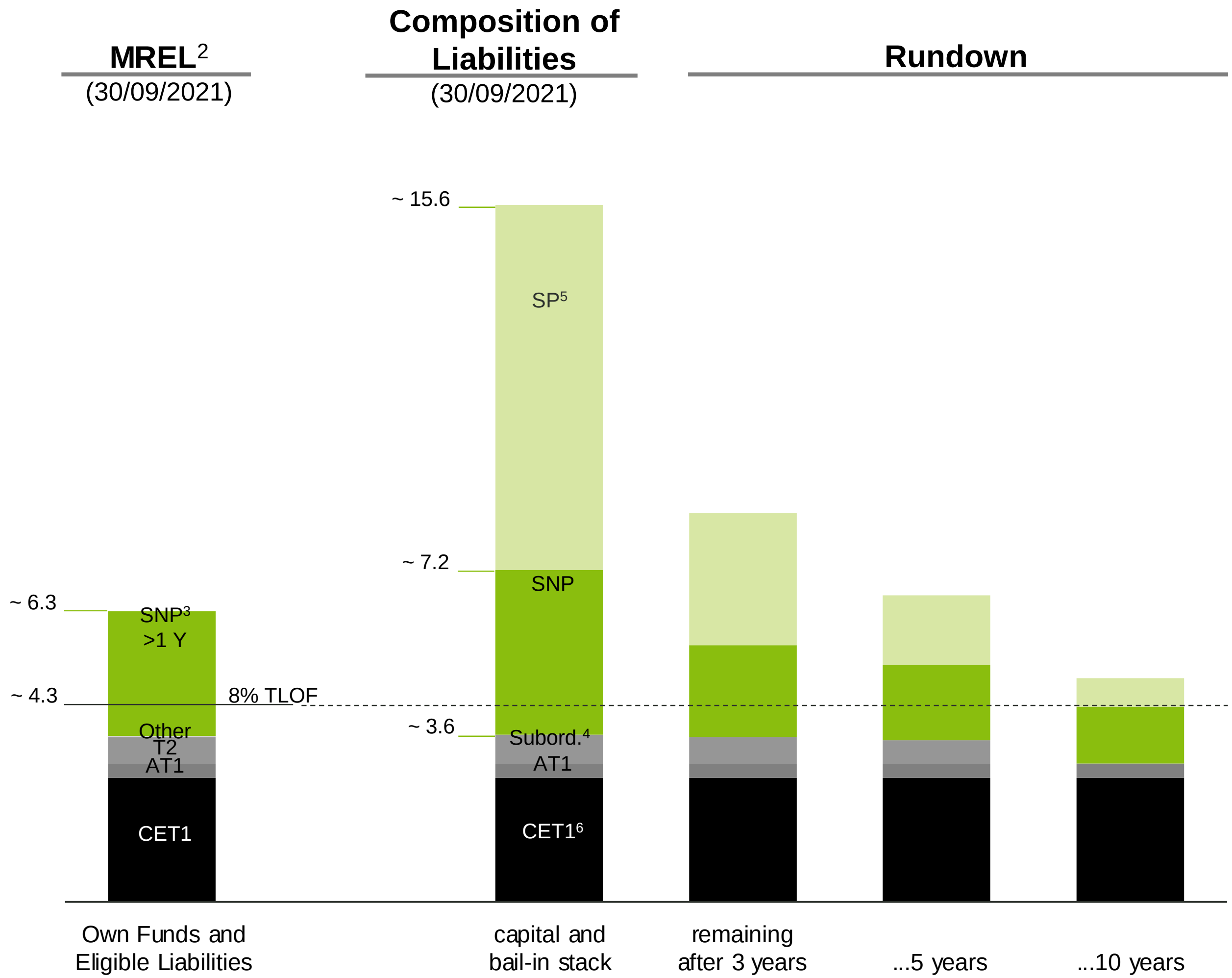
99% Investment grade[3]

Note: Figures may not add up due to rounding
1 Incl. Bundesbank accounts (12/20: € 5.4 bn; 09/21: € 6.6 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

Funding

Ambition level for Own Funds and Eligible Liabilities of 8 % TLOF significantly exceeded

(in € bn as of 30/09/2021)[1)]



- Substantial buffer for Senior Preferred (SP) investors due to high volume of capital instruments and Senior Non-Preferred (SNP) liabilities
- Existing Senior Non-Preferred liabilities have long remaining terms
- SP is expected to be the prevailing senior product in the near-term, but SNP will remain an element of pbb s funding strategy
- pbb has a MREL-ambition level of 8 % TLOF
- Regulatory requirements (SREP, MREL etc.) are comfortably met

1 Without allocation to retained earnings from the 2020 annual result 2 pbb has set its ambition level at 8% TLOF. As of 30 September 2021, MREL eligible items amounted to ~12% TLOF (based on TLOF as of 30.09.2021) / ~35% RWA / ~12% Leverage Exposure 3 MREL-eligible Senior Non-Preferred Debt >1Y according to legal maturities 4 Nominal amount of Tier 2 instruments; the capital stack includes € 300 mn AT1 issuance callable in 2023 and € 300 mn T2 issuance callable in 2022 5 Senior Preferred, structured unsecured and corporate deposits (excl. protected deposits) 6 CET1 assumed to be constant

Funding

Public benchmark issuances since 2018

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Types	WKN	Launch Date	Maturity Date	Size	Spread[1]	Coupon	Issue/Reoffer Price
Senior Unsecured	A2GSLC6	16.01.2018	23.02.2022	EUR 500 mn	+40 bp	0.625%	99.956%
Mortgage Pfandbrief (1st Tap)	A2E4ZE	24.01.2018	05.09.2022	EUR 250 mn	-18 bp	0.05%	99.579%
Mortgage Pfandbrief	A2GSLF	08.03.2018	15.03.2023	EUR 750 mn	-13 bp	0.25%	99.520%
Additional Tier 1	XS1808862657	12.04.2018	Perpetual	EUR 300 mn	+538 bp	5.75%	100.00%
Mortgage Pfandbrief (1st Tap)	A2E4ZK	24.04.2018	04.12.2020	GBP 50 mn	+26 bp[2]	1.00%	98.958%
Mortgage Pfandbrief	A2GSLL	15.05.2018	22.05.2024	EUR 500 mn	-9 bp	0.500%	99.912%
Mortgage Pfandbrief	A2GSLV	22.08.2018	30.08.2027	EUR 500 mn	-2 bp	0.625%	98.933%
Mortgage Pfandbrief	A2LQNH	19.09.2018	16.12.2021	GBP 300 mn	+32 bp[2]	1.50%	99.802%
Mortgage Pfandbrief	A2LQNK	13.11.2018	22.11.2021	USD 600 mn	+35 bp[3]	3.375%	99.603%
Mortgage Pfandbrief	A2LQNP	21.01.2019	29.01.2024	EUR 500 mn	+8 bp	0.25%	99.812%
Senior Preferred	A2LQNQ	31.01.2019	07.02.2023	EUR 500 mn	+80 bp	0.75%	99.679%
Mortgage Pfandbrief (1st Tap)	A13SWE	31.01.2019	01.03.2022	EUR 100 mn	+2 bp	0.20%	100.74%
Public Sector Pfandbrief (1st Tap)	A13SWG	05.02.2019	20.04.2035	EUR 100 mn	+17 bp	1.25%	99.476%
Mortgage Pfandbrief (1st Tap)	A2GSLL	07.02.2019	22.05.2024	EUR 100 mn	-9 bp	0.50%	101.638%
Mortgage Pfandbrief (2nd Tap)	A13SWE	04.03.2019	01.03.2022	EUR 100 mn	-3 bp	0.20%	100.81%
Public Sector Pfandbrief (2nd Tap)	A13SWG	04.03.2019	20.04.2035	EUR 150 mn	+14 bp	1.25%	100.057%
Senior Preferred (1st Tap)	A2LQNQ	06.03.2019	07.02.2023	EUR 250 mn	+72 bp	0.75%	100.004%
Senior Preferred	CH0419041246	15.05.2019	05.06.2023	CHF 125 mn	+65 bp[4]	0.125%	100.12%
Mortgage Pfandbrief	A2NBJ7	22.05.2019	31.05.2022	USD 600 mn	+32 bp[3]	2.50%	99.851%
Mortgage Pfandbrief (1st Tap)	A2GSLV	12.06.2019	30.08.2027	EUR 100 mn	0 bp	0.625%	104.138%
Senior Preferred	A2NBKK	29.08.2019	05.09.2024	EUR 500 mn	+75 bp	0.125%	99.498%
Mortgage Pfandbrief (3rd Tap)	A13SWE	10.09.2019	01.03.2022	EUR 50 mn	-0.5 bp	0.20%	101.795%
Mortgage Pfandbrief (1st Tap)	A2YNVK	25.09.2019	31.05.2022	USD 50 mn	32 bp[3]	2.50%	101.619%
Mortgage Pfandbrief	A2YNVM	09.10.2019	16.10.2025	EUR 500 mn	+5 bp	0.01%	101.984%
Senior Preferred	A2YNVU	13.11.2019	21.11.2022	GBP 250 mn	+114 bp[2]	1.75%	99.849%
Mortgage Pfandbrief (1st Tap)	A1X3LT	19.11.2019	21.01.2022	EUR 100 mn	0 bp	1.875%	104.77%
Mortgage Pfandbrief	A2YNVY	14.01.2020	21.01.2028	EUR 750 mn	+5 bp	0.10%	99.992%
Mortgage Pfandbrief (2nd Tap)	A1X3LT	15.01.2020	21.01.2022	EUR 150 mn	0 bp	1.875%	104.36%
Mortgage Pfandbrief (1st Tap)	A2LQNP	22.01.2020	29.01.2024	EUR 250 mn	+1 bp	0.25%	101.919%
Senior Preferred	A2YNV3	23.01.2020	28.07.2023	EUR 300 mn	+55 bp	3m-Euribor+90 bp	101.237%
Public Sector Pfandbrief (3rd Tap)	A13SWG	18.02.2020	20.04.2035	EUR 50 mn	+0 bp	1.25%	116.16%
Mortgage Pfandbrief	A289PQ	24.09.2020	29.09.2023	GBP 500 mn	+38 bp[6]	SONIA +100 bp	101.844%
Mortage Pfandbrief	A3H2ZW	13.01.2021	20.01.2023	USD 750 mn	+23bp[3]	0.50%	99.93%
Senior Preferred (Green)	A3H2ZX	25.01.2021	02.02.2026	EUR 500 mn	+55 bp	0.10%	100.00%
Mortgage Pfandbrief	A3H2Z80	20.04.2021	27.04.2024	GBP 500 mn	+27 bp[6]	SONIA +100 bp	102.178%
Mortgage Pfandbrief	A3E5K73	25.08.2021	20.08.2026	EUR 500 mm	+0 bp	0.01%	101.747%
Mortgage Pfandbrief (2nd Tap)	A2GSLV6	26.08.2021	30.08.2027	EUR 50 mn	-1 bp	0.625%	105.890%
Mortgage Pfandbrief (1nd Tap)	A2YNVM8	26.08.2021	16.10.2025	EUR 50 mn	-1,9 bp	0.01%	101.880%
Mortgage Pfandbrief (2nd Tap)	A2YNVM8	16.09.2021	16.10.2025	EUR 50 mn	-2 bp	0.01%	101.540%
Mortgage Pfandbrief (3nd Tap)	A2YNVM8	21.09.2021	16.10.2025	EUR 100 mn	-2 bp	0.01%	101.490%
Mortgage Pfandbrief	A3E5KY5	14.10.2021	11.10.2024	USD 750 mn	+20bp[3]	0.875%	99.778%
Senior Preferred (Green)	A3T0X22	20.10.2021	27.10.2025	EUR 500 mn	+48 bp	0.25%	99.754%

1 vs. mid-swap 2 vs. 3m GBP-Libor 3 vs. 3m USD-Libor 4 vs. 6m CHF-Libor 5 vs 3m Euribor 6 vs SONIA

Mandated Ratings

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

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

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

Definition of borrower classifications

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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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