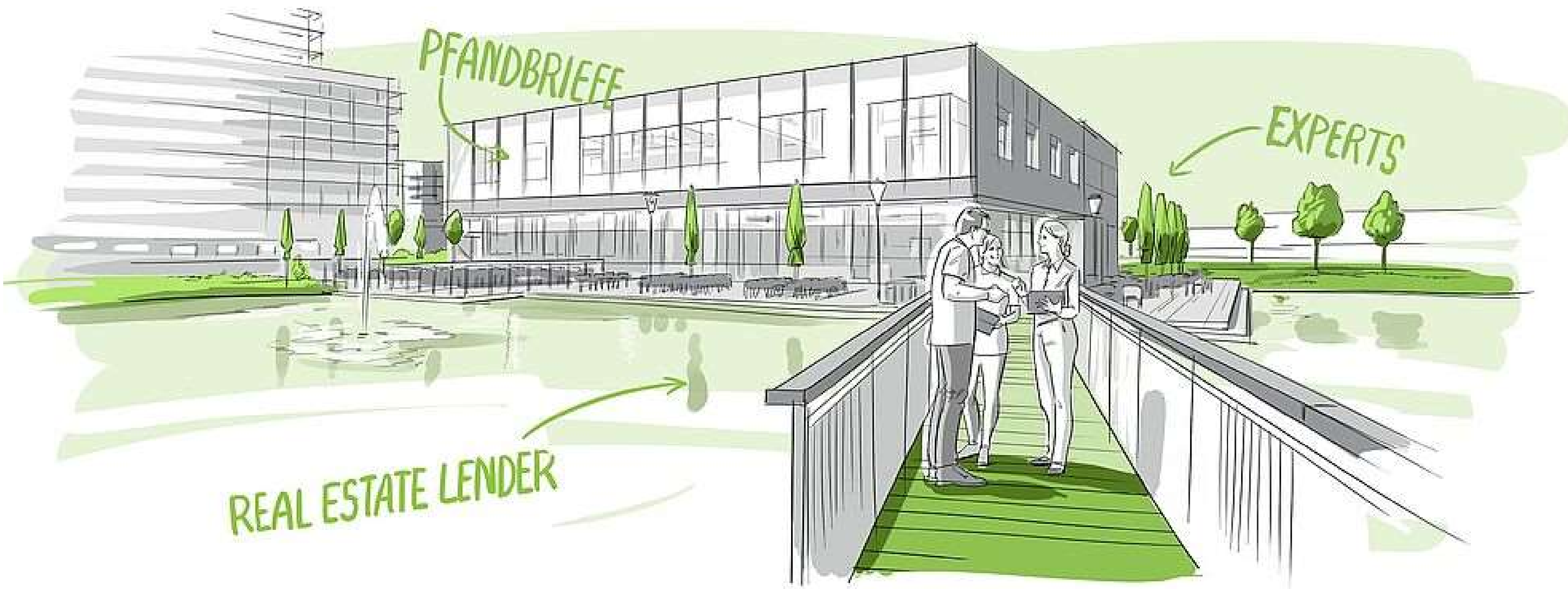
Strong PBT of € 186 mn in 9M/21 – full-year result 2021 expected at upper end or slightly above guidance of € 180-220 mn

Debt Investor Update



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Business Model & Strategy

pbb is a leading commercial real estate lender with a complementary public investment finance business

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USPs

- Specialised on-balance sheet lender with extensive placement capabilities
- Strong franchise with long-standing client relationships and local presence with 10 branches/rep offices in Europe and the US
- Conservative lending standards and focus on risk management
- Pfandbrief is main funding instrument

FUNDING

- Stable, well diversified funding base
  - Pfandbrief
  - Senior unsecured bonds
  - Retail deposits (online)
- Strong capital markets presence (benchmarks/private placements)

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LENDING

- Pfandbrief-eligible senior loans
- Structuring expertise for complex/large transactions
  - ~150 deals per year
  - Avg. deal size € ~40 - 60mn

Value Proposition for Debt Investors

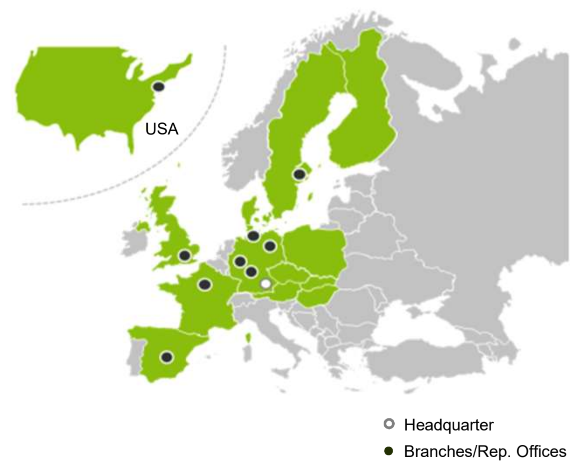
- Considerable MREL buffer
- Strong capital base
- High quality cover pools
- High portfolio quality and risk standards
- Strong operating performance

Key figures

(IFRS, 30/09/2021)

Total assets	€ 58.8 bn
Total equity	€ 3.4 bn
RWA	€ 18.1 bn
CET1 ratio[1]	14.9%
Leverage ratio[1]	5.7%
RoE before taxes	7.7%
FTE	782

[1] Excl. Interim result



Operating and financial overview

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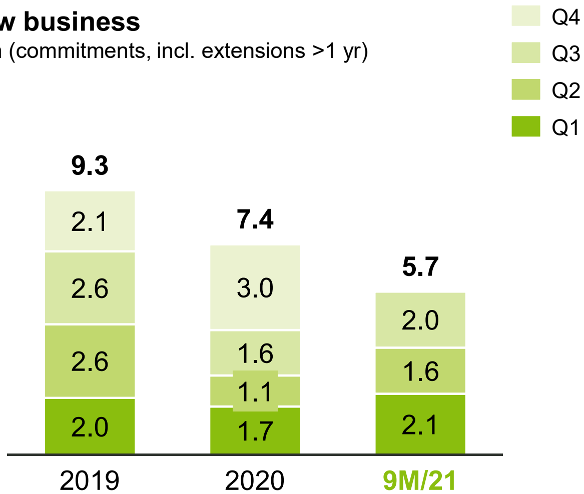
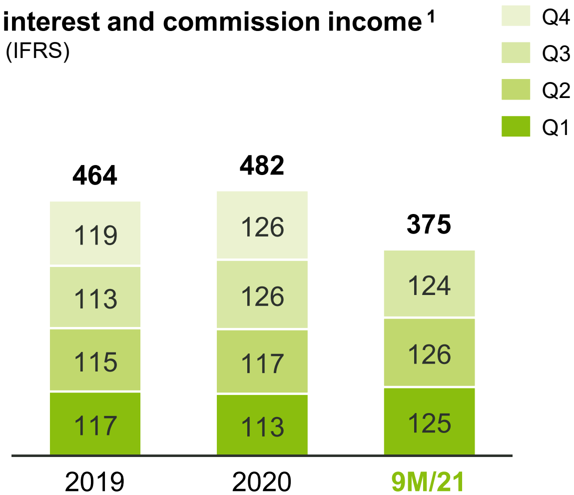
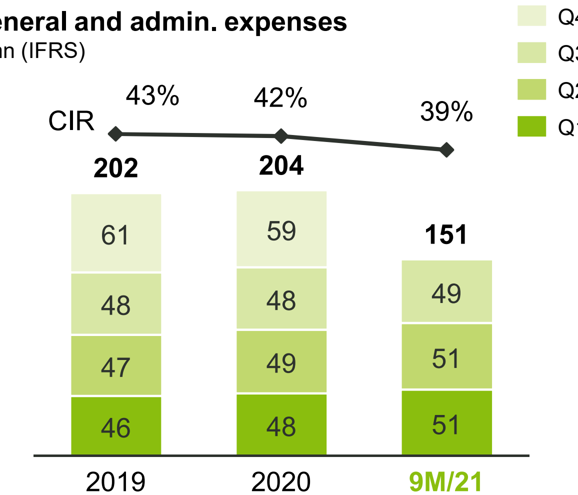
New business
€ bn (commitments, incl. extensions >1 yr)



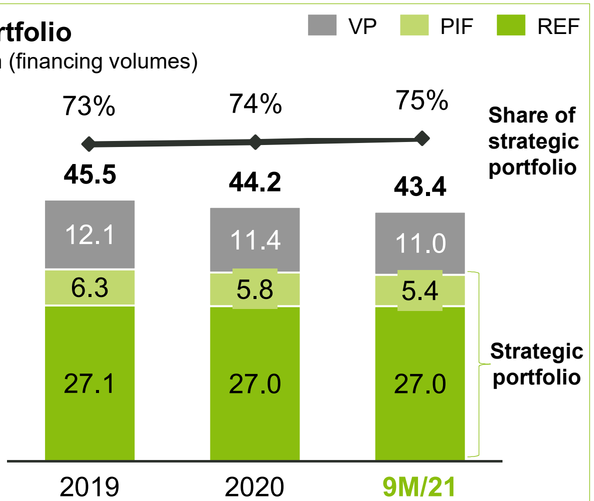
Net interest and commission income[1]
€ mn (IFRS)



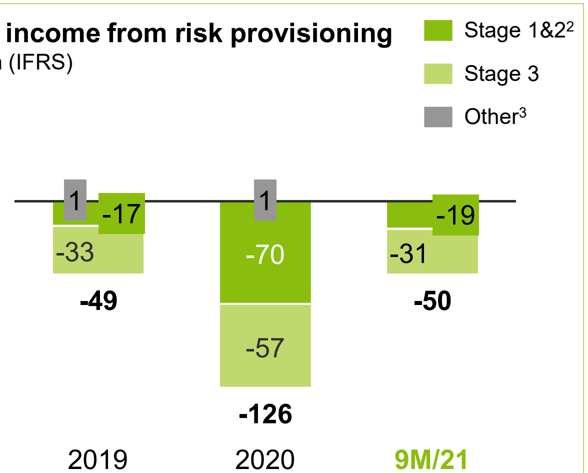
General and admin. expenses
€ mn (IFRS)



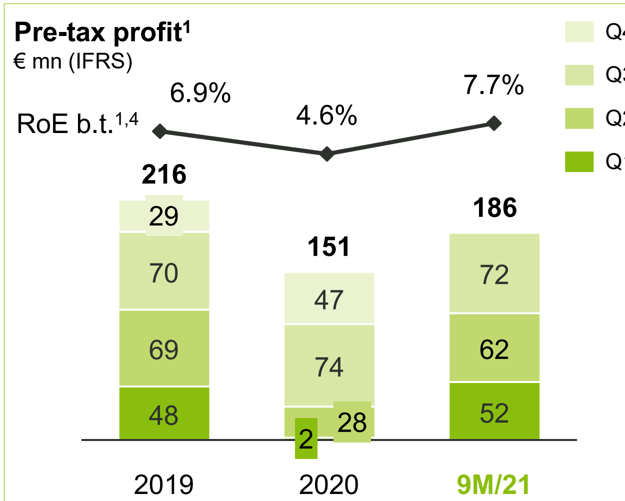
Portfolio
€ bn (financing volumes)



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)

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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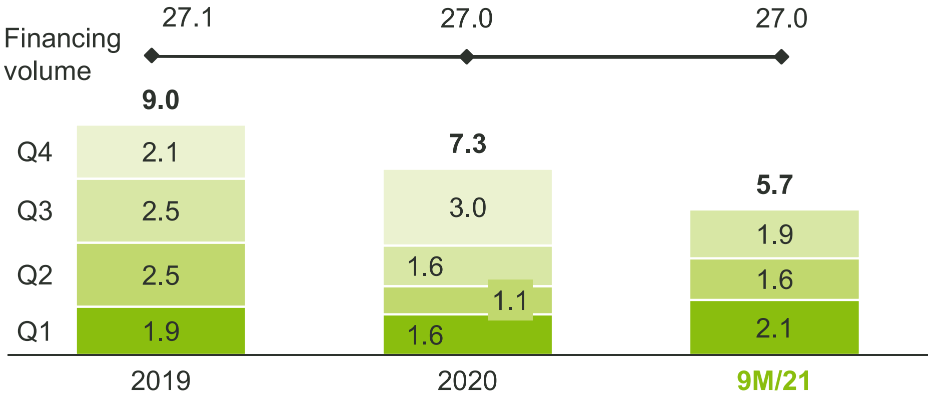
REF New business

€ 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

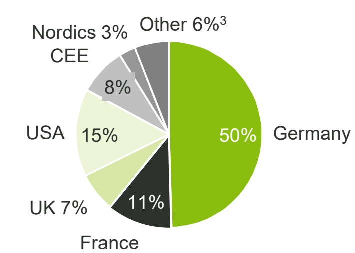
REF new business

	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

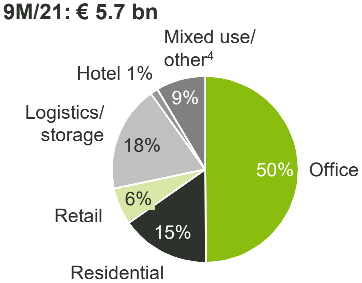
Regions | **Property types**

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

9M/21: € 5.7 bn

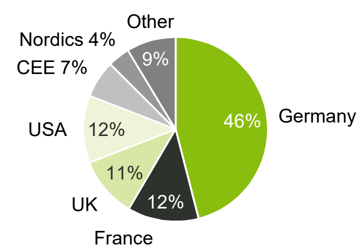


9M/21: € 5.7 bn

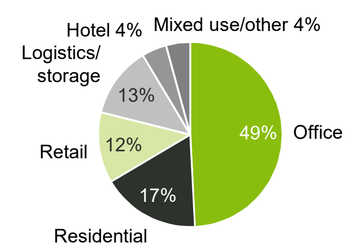


Portfolio (EaD, Basel III)

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%)

Portfolio

Business approach reflected in stable risk parameters and low average LTV of 52%, which provides solid risk buffer – NPLs remain on low level

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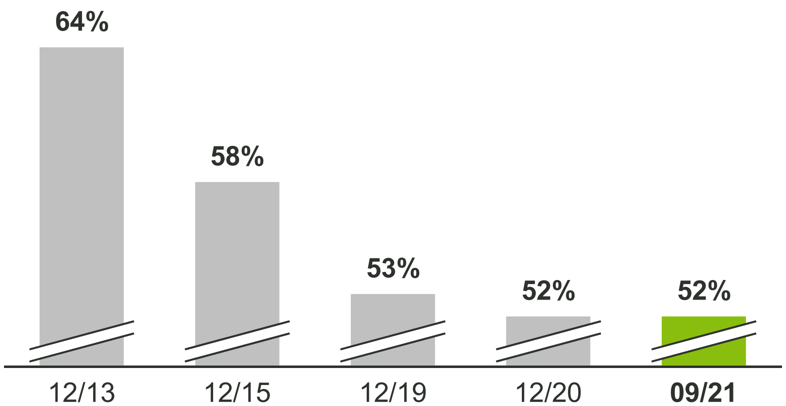
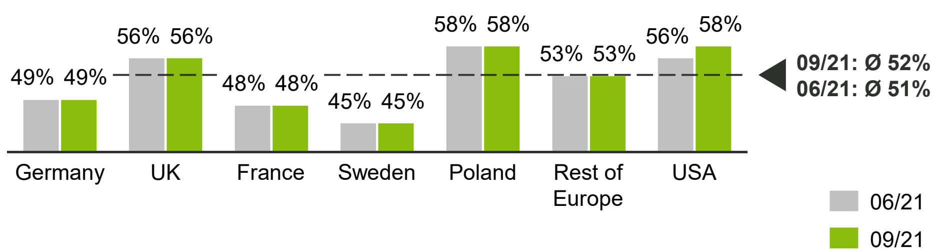
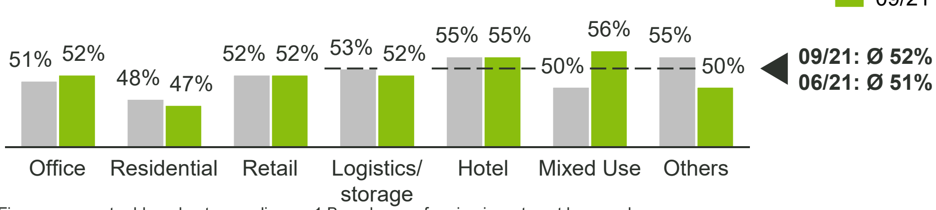
REF Portfolio: Avg. weighted LTVs

% (commitments)[1]

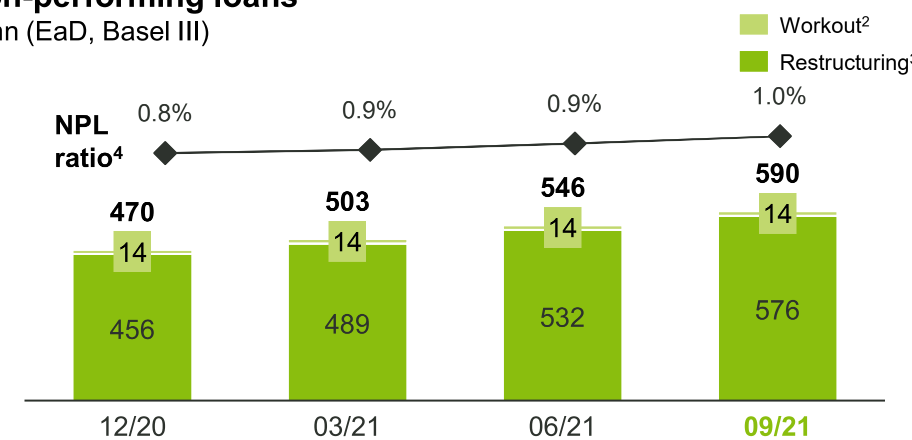






Non-performing loans

€ mn (EaD, Basel III)



Key drivers

- **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

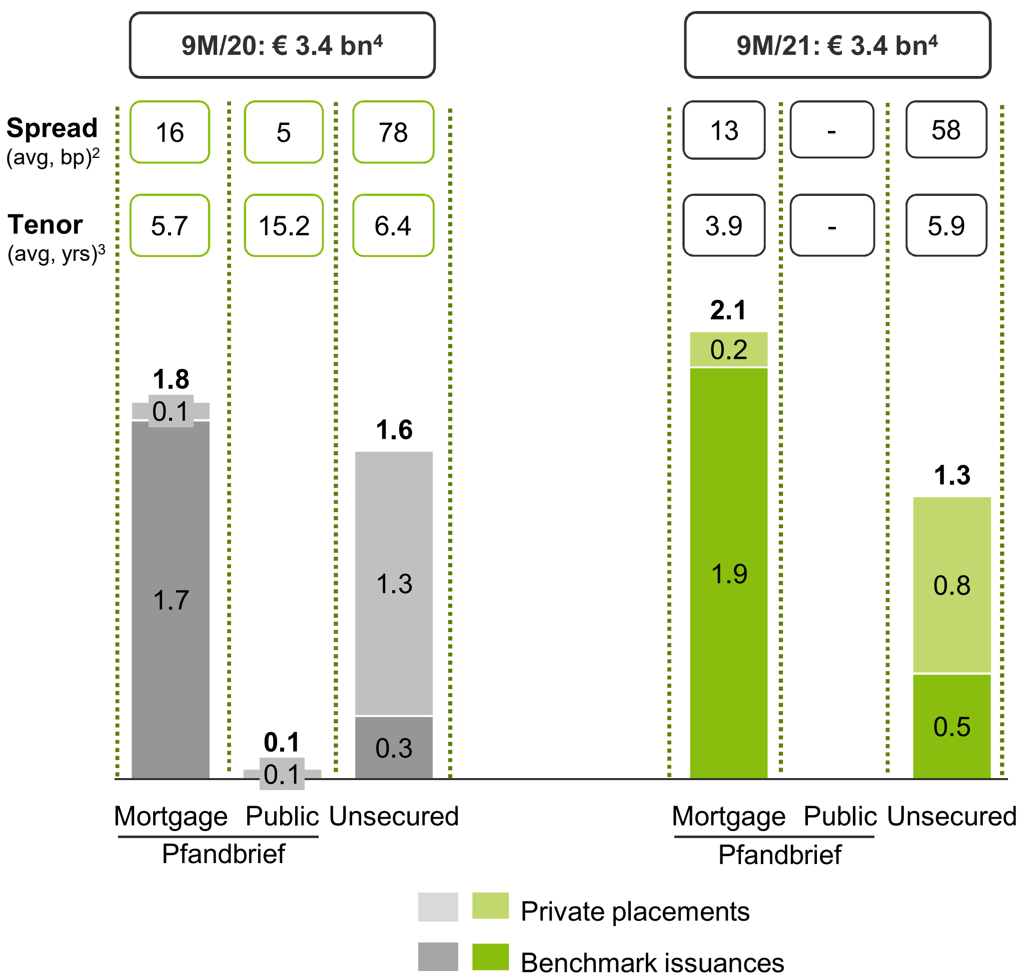
    partially compensated by
    - € 3 mn decrease in Q3/21 mainly from repayments and FX-effects
  - **Workout loans** stable at only € 14 mn (06/21: € 14 mn; 03/21: € 14 mn; 12/20: € 14 mn)
- **NPL ratio**[3] of 1.0% remains on low level (06/21: 0.9%; 03/21: 0.9%; 12/20: 0.8%)
- **Avg. LTV** of 52% stable 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 Internal PD class 30: No signs that the deal will recover soon, compulsory measures necessary 3 Internal PD class 28+29: Payments more than 90 days overdue or criteria acc. to respective policy apply 4 NPL ratio = NPL volume / total assets

Funding

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

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

The Covered Bond Report Award for Excellence – In recognition of pbb´s international issuances

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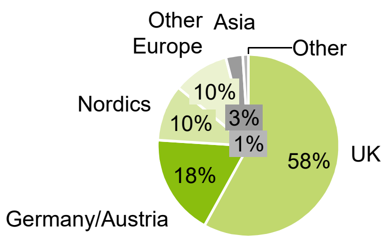
Inaugural £500mn

SONIA-linked Hypothekenfandbrief

September 2020

Order ~ 2bn GBP

Besides **overwhelming press coverage** (including ~11,400 views via LinkedIn) **more UK investors** reached and therefore **investor base significantly diversified**



"…Deutsche Pfandbriefbank attracted more demand for its first Sonia-linked Pfandbrief on Thursday than it has for any covered bond it has ever issued..."
Source: Global Capital, Sept 2020

"…This transaction further demonstrates pbb's innovation and commitment to the GBP market as well as its ability to refinance in multiple currencies and to further diversify its investor base…"
Source: Nomura

Bankers said the outcome was impressive

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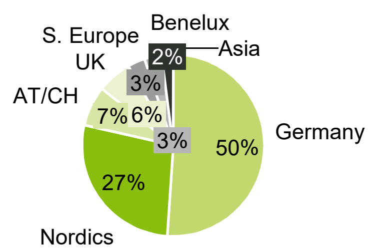
$750mn

3-year 0.500% Hypothekenpfandbrief

January 2021

Order ~1.3bn USD

Benefitting from the **relative rarity of the product** and **strong investor demand**



"…The $750m transaction was set with books above $1bn (excl. JLM interest). Books continued to grow steadily and peaked above $1.25bn (excl. JLM) at pricing…"

"…Looking back until 2009, this transaction ties the record for the largest dollar pfandbrief and sets the record for the tightest new issue spread for a dollar pfandbrief (excluding taps)…"

Source: Credit Suisse

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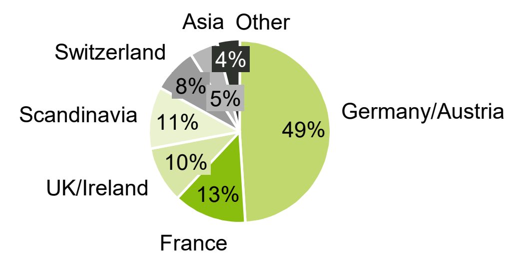
Inaugural €500mn

5-year GREEN Senior Preferred Bond

January 2021

Order ~1.2bn EUR

Successfully further diversifying investor base and **funding mix**; very strong investor demand resulted in a spread at ms+55 bps.



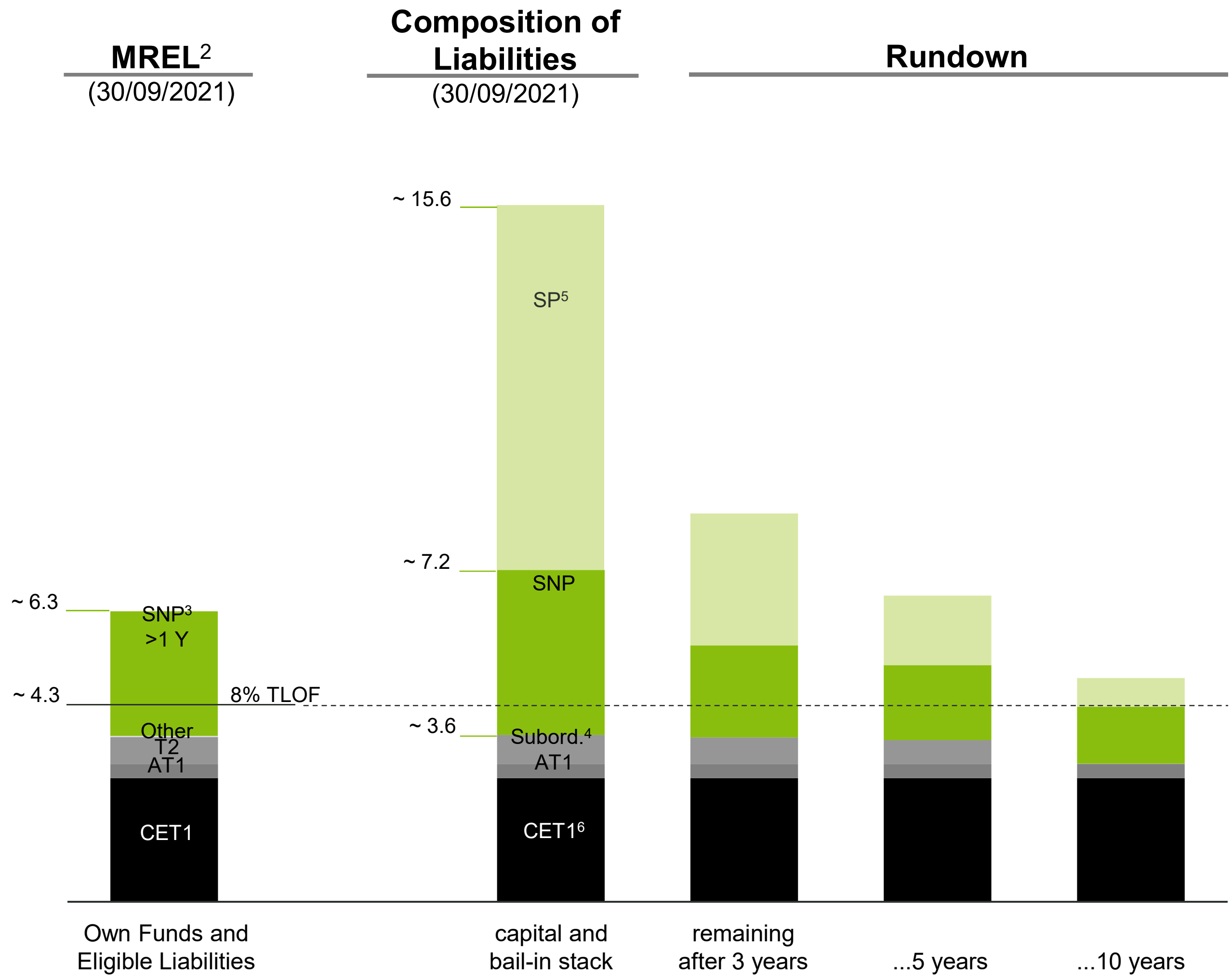
"…The final c. €1.2 bn order book counted 126 individual investors, predominantly banks and asset manager. The domestic bid was expectedly strong, but buyers from France and Scandinavia also took a notable 13% and 11% share, respectively…"

"…80% of the new notes were allocated to ESG-aligned investors and green accounts significantly increased not only the volume but especially the granularity of the final high quality order book. Therefore, the transaction strongly enhances the regular German senior and covered bond issuer's investor diversification and denotes a major milestone in pbb's sustainability strategy…"
Source: Deka

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
Investment opportunities

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Pfandbrief Investments

- Mortgage Pfandbrief and Public Sector Pfandbrief
- One of the largest Pfandbrief issuers with 21 benchmarks denominated in EUR, GBP, USD and SEK
- Benchmarks issued with maturities up to 2035
- Very low weighted average LTV of 32.09% in the Mortgage Cover Pool (based on market values)
- Private Placements starting with € 1 mn and maturities up to 30 years are offered
- Available currencies: EUR, GBP, SEK, USD

Unsecured Investments

- Senior “preferred” and “non preferred” debt
- 5 (1 Green Bond) senior benchmarks denominated in EUR and GBP are outstanding
- Private Placements starting with € 1 mn and maturities up to 30 years are offered
- Available currencies: EUR, GBP, SEK, USD, CHF

➔ **Focus on the development of the funding franchise**

- New Green Bond Framework in line with the ICMA Green Bond Principals and a Second Party Opinion by Cicero allows access to a larger investor base.
- Co-operation with *Origin* for the MTN placement and *Deposit Solutions* for our retail deposit brand ‘pbb direkt’ in order to streamline internal processes.

Capital

Capitalisation remains strong

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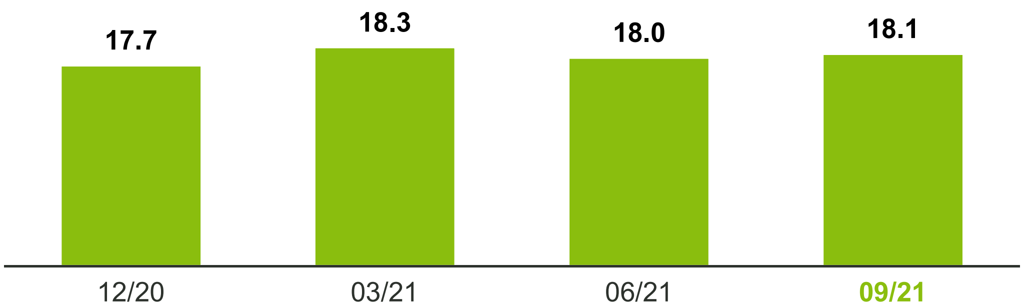
Basel III: RWA

€ 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

Sustainability

Future structural challenges – “Green” as positive differentiating factor

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- Current crisis (COVID-19) different from last crisis (GFC) – no cyclical downturn of CRE market prices and subsequent upwards adjustment; pandemic accelerates **structural changes** in real estate markets and their subsegments
  - New **space concepts** (Hygiene standards / social distancing)
  - Changing **working environment** (Working from Home / reduced space requirement)
  - Change in **shopping behavior** (Online-Shopping / new shopping & leisure concepts)
- High liquidity and investment pressure among investors still lead to high demand, with **focus on Prime** (“flight “ to prime properties)
- Long term resilience of **property values** comes into focus – **“Green”** as decisive positive factor – reinforces “flight to prime”

Prime Location

Prime Quality of Property

Prime Sponsor/Investor

Building Infrastructure

ESG conformity / Green Building

- Future market development will be increasingly determined by **“Green” buildings”**
  - **ESG conformity** is becoming increasingly important
    - Legal / regulatory requirements
    - Social change / consciousness
  - **First indications** in the real estate market can already be observed
    - Better ‘lettability’ of ESG-conform properties (time, rental income)
    - Positive effect on stability of property value vs. “brown” real estate

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Focus on Green

- High attention of pbb on adaptation to **structural challenges** and contributing to **climate protection**
  - pbb Green Bond Concept implemented
  - pbb Green Loan Concept in finalization
- Property investors expected to increasingly incorporate **ESG/Green factors** into business plans

➢ **“Green” becomes the new standard for more stable demand and resilience of property value**

Sustainability

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

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 pbb Green Bond	• 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		

Criteria

Minimum score for pbb Green Loan: ≥ 60 Points

* Aligned with the EU Taxonomy
* Do Not Significant Harm Principles according to EU Taxonomy

OR

Compliance with EU Taxonomy

pbb Green Loan

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

Contact details

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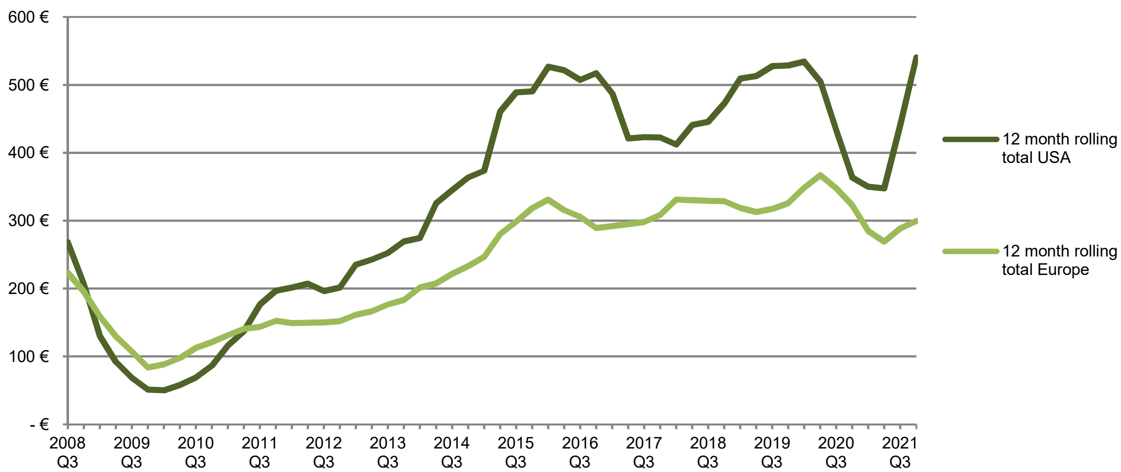
Appendix

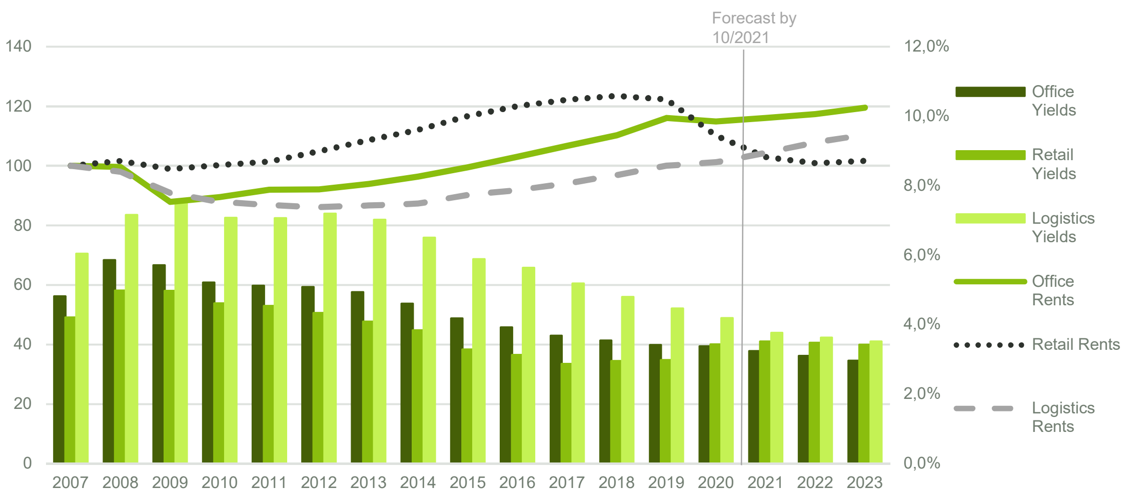
Markets

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)



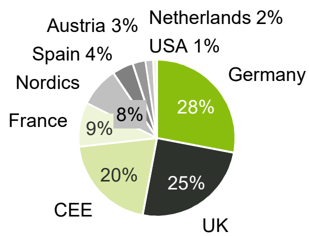
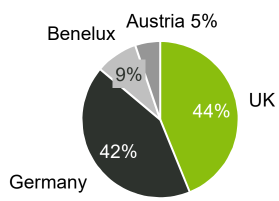
European Prime Rents (2007=100; LHS) and Prime Yields (RHS)[2]



- 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

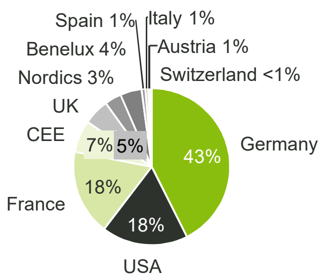
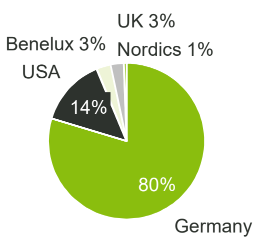
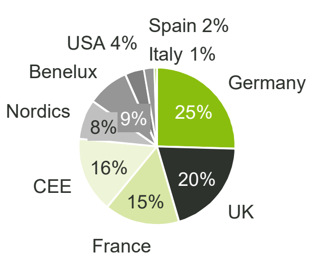
Markets
Sub-segments

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

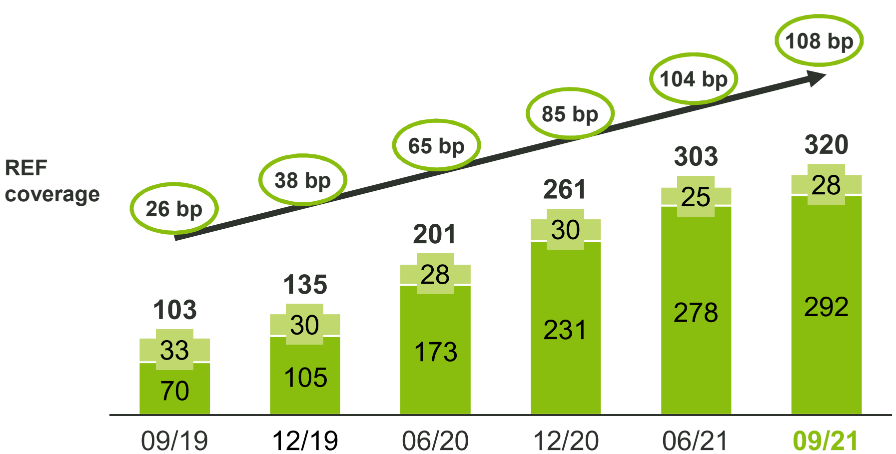
Financials

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

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)

Key figures
pbb Group

DEUTSCHE PFANDBRIEFBANK

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

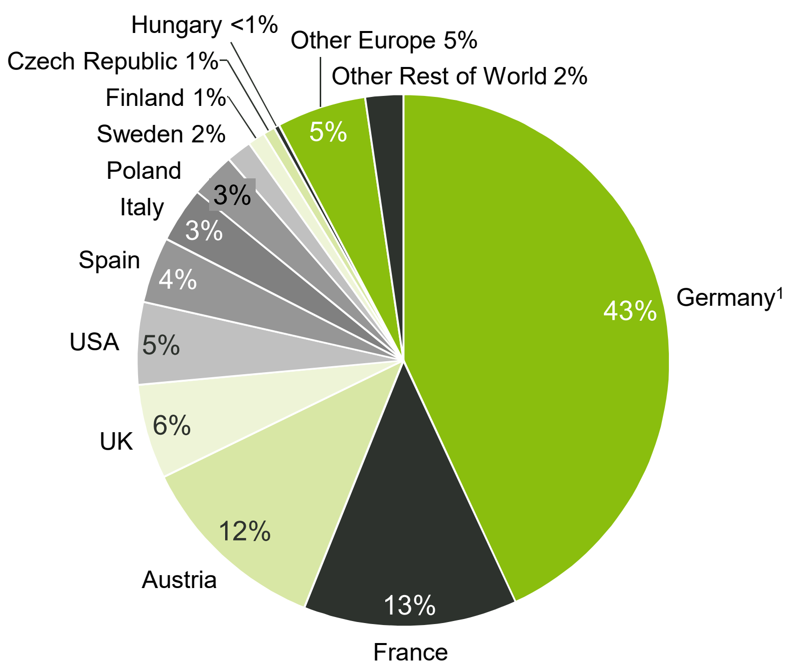
Note: annual results audited, interim results Q1 2020/21 and Q3 2020/21 unaudited, interim results Q2 2020/21 unaudited, but reviewed 1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Basel III transition rules 3 Incl. full-year result, post dividend 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

Portfolio
Total portfolio

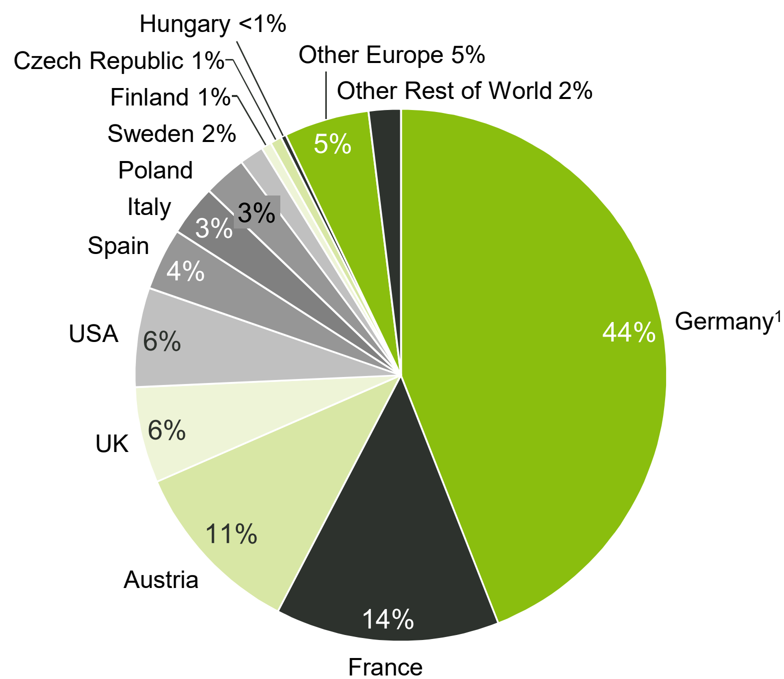
€ bn (EaD, Basel III)

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)

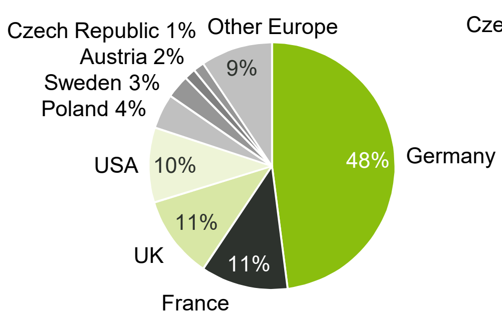
Portfolio
Real Estate Finance (REF)

DEUTSCHE PFANDBRIEFBANK

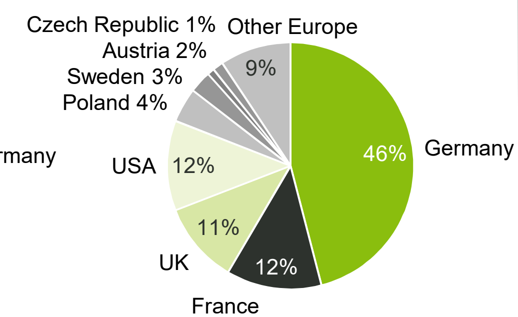
€ bn (EaD, Basel III)

Regions

31/12/2020: € 29.3 bn

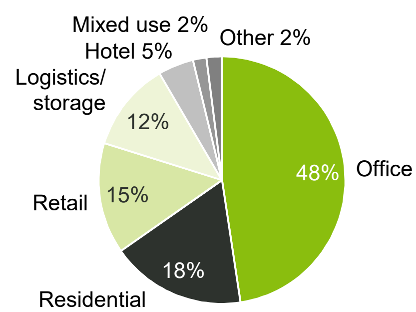


30/09/2021: € 29.1 bn

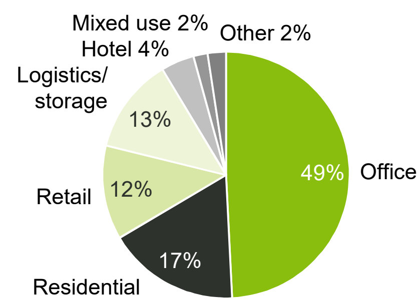


Property types

31/12/2020: € 29.3 bn

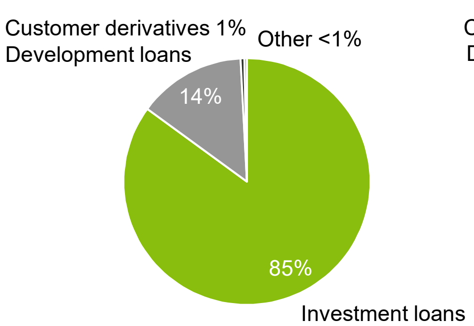


30/09/2021: € 29.1 bn

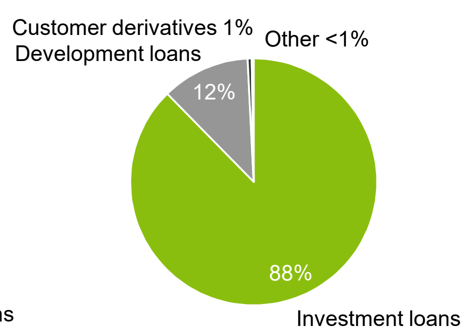


Loan types

31/12/2020: € 29.3 bn

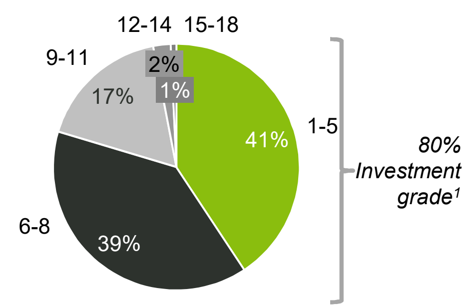


30/09/2021: € 29.1 bn

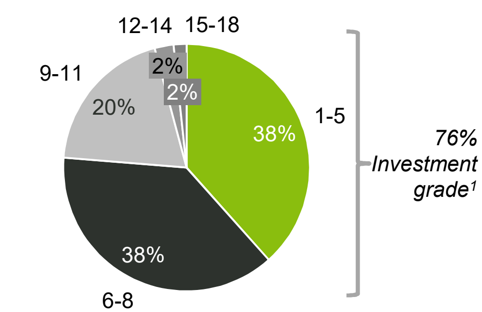


Internal ratings (EL classes)

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

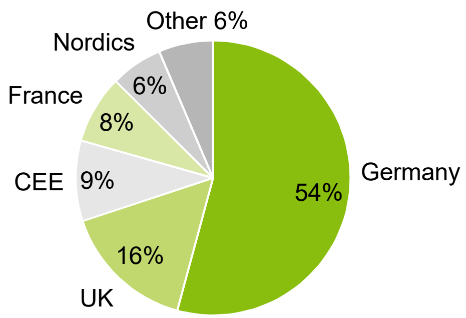
REF Portfolio
Shift in composition

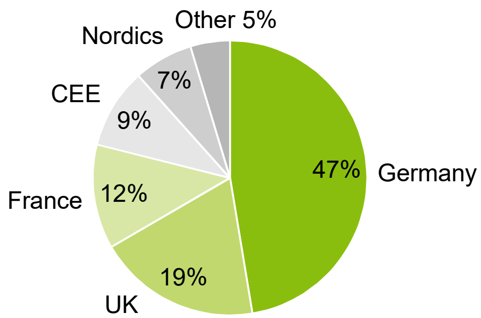
31/12/2013 / Total: € 22.2 bn[1]

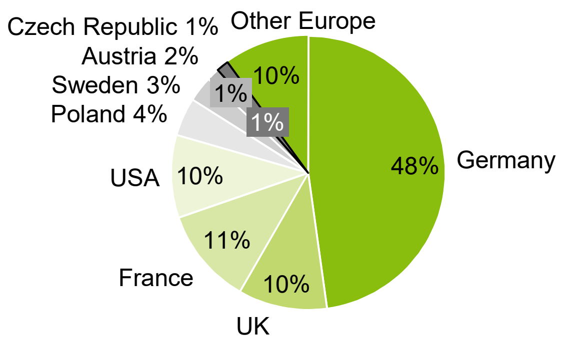
31/12/2015[2] / Total: € 25.8 bn[1]

31/12/2020 / Total: € 29.3 bn[1]

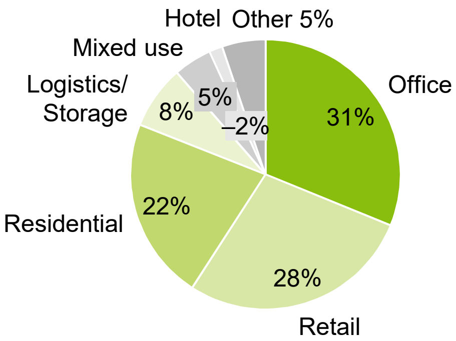
Regions

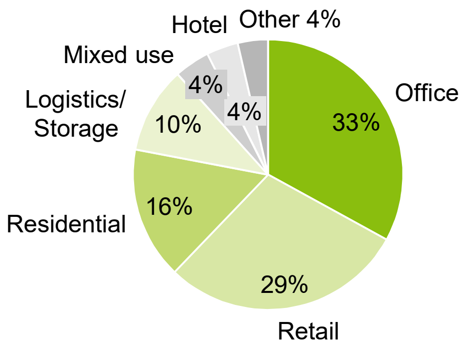


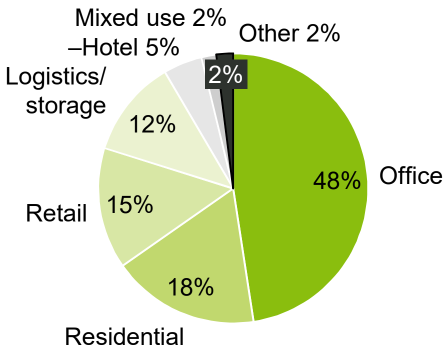




Property types







Note: Figures may not add up due to rounding 1 EaD, Basel III 2 prior to the Brexit referendum in 2016

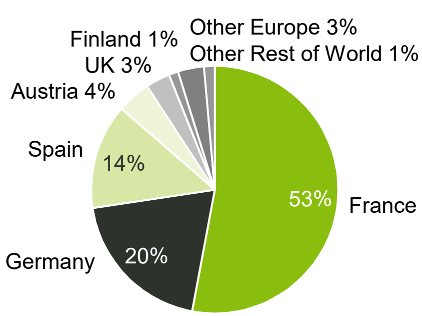
Portfolio
Public Investment Finance (PIF)

DEUTSCHE PFANDBRIEFBANK

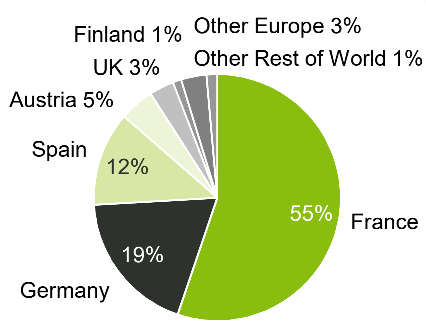
€ bn (EaD, Basel III)

Regions

31/12/2020: € 6.5 bn

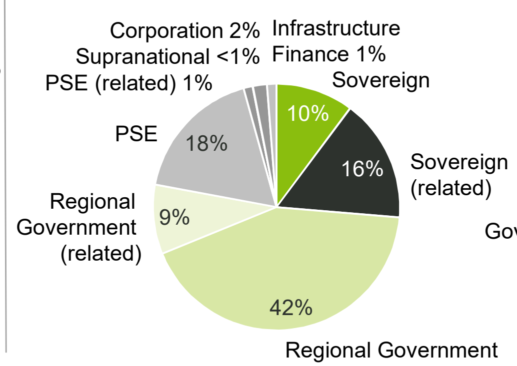


30/09/2021: € 6.0 bn

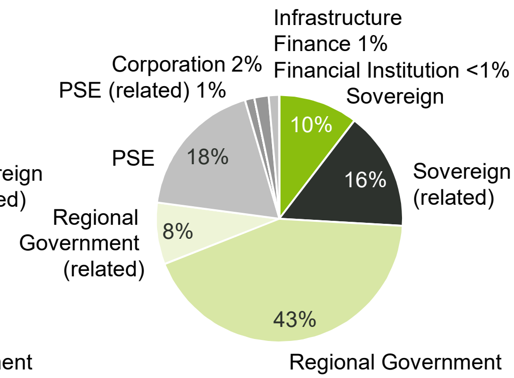


Borrower classification[1]

31/12/2020: € 6.5 bn

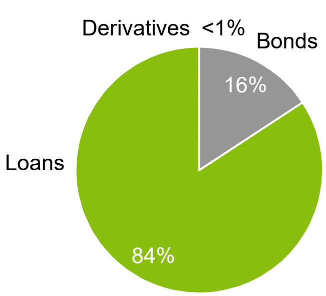


30/09/2021: € 6.0 bn

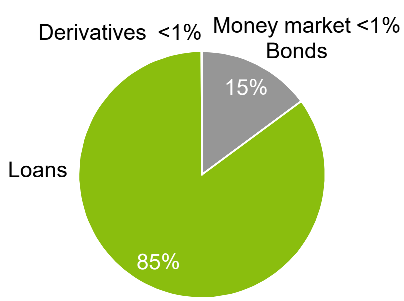


Product class

31/12/2020: € 6.5 bn

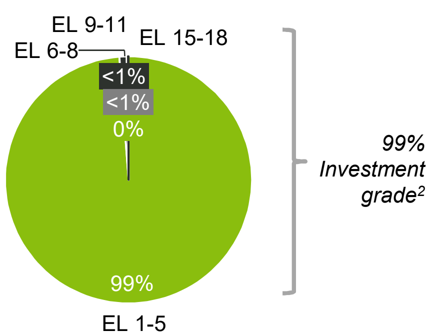


30/09/2021: € 6.0 bn

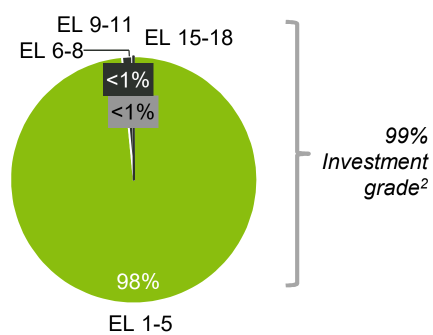


Internal ratings (EL classes)

31/12/2020: € 6.5 bn



30/09/2021: € 6.0 bn



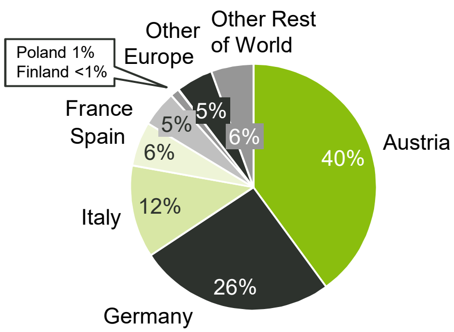
Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification 2 Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade

Portfolio
Value Portfolio (VP)

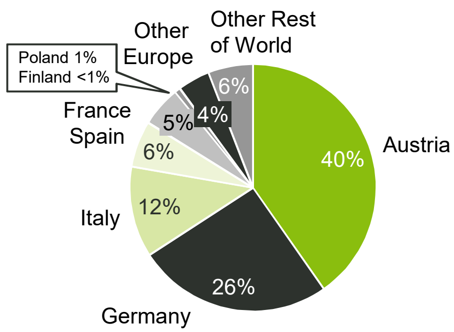
€ bn (EaD, Basel III)

Regions

31/12/2020: € 15.2 bn

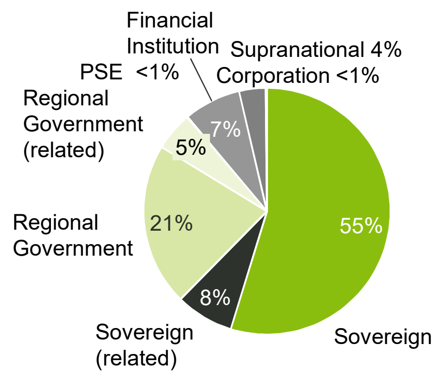


30/09/2021: € 14.0 bn

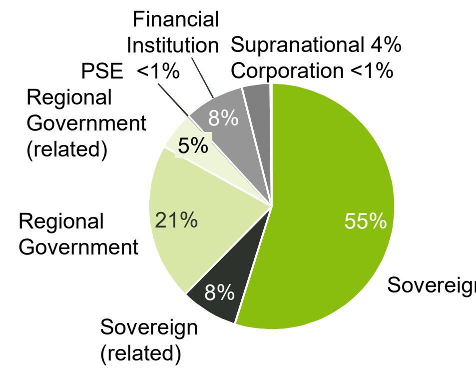


Borrower classification[1]

31/12/2020: € 15.2 bn

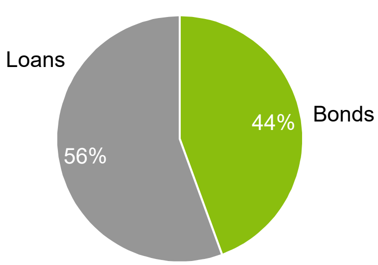


30/09/2021: € 14.0 bn

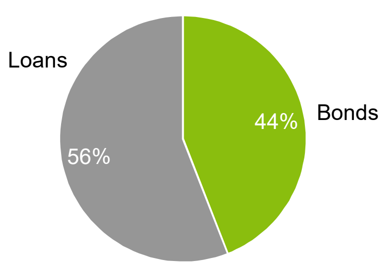


Product class

31/12/2020: € 15.2 bn

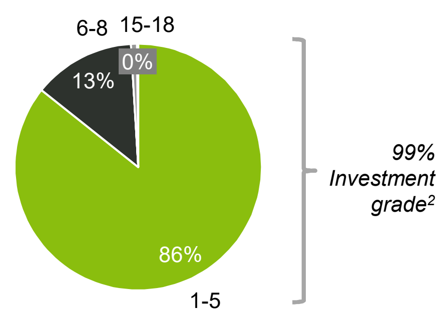


30/09/2021: € 14.0 bn

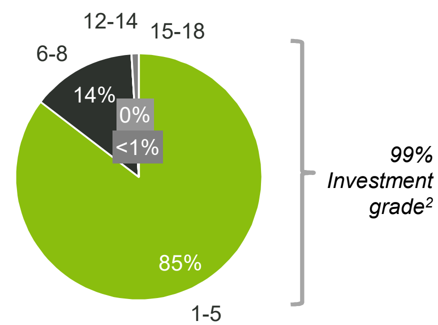


Internal ratings (EL classes)

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

Pfandbrief refinancing

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

DEUTSCHE PFANDBRIEFBANK

Interest Service Cover Ratio

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

minus

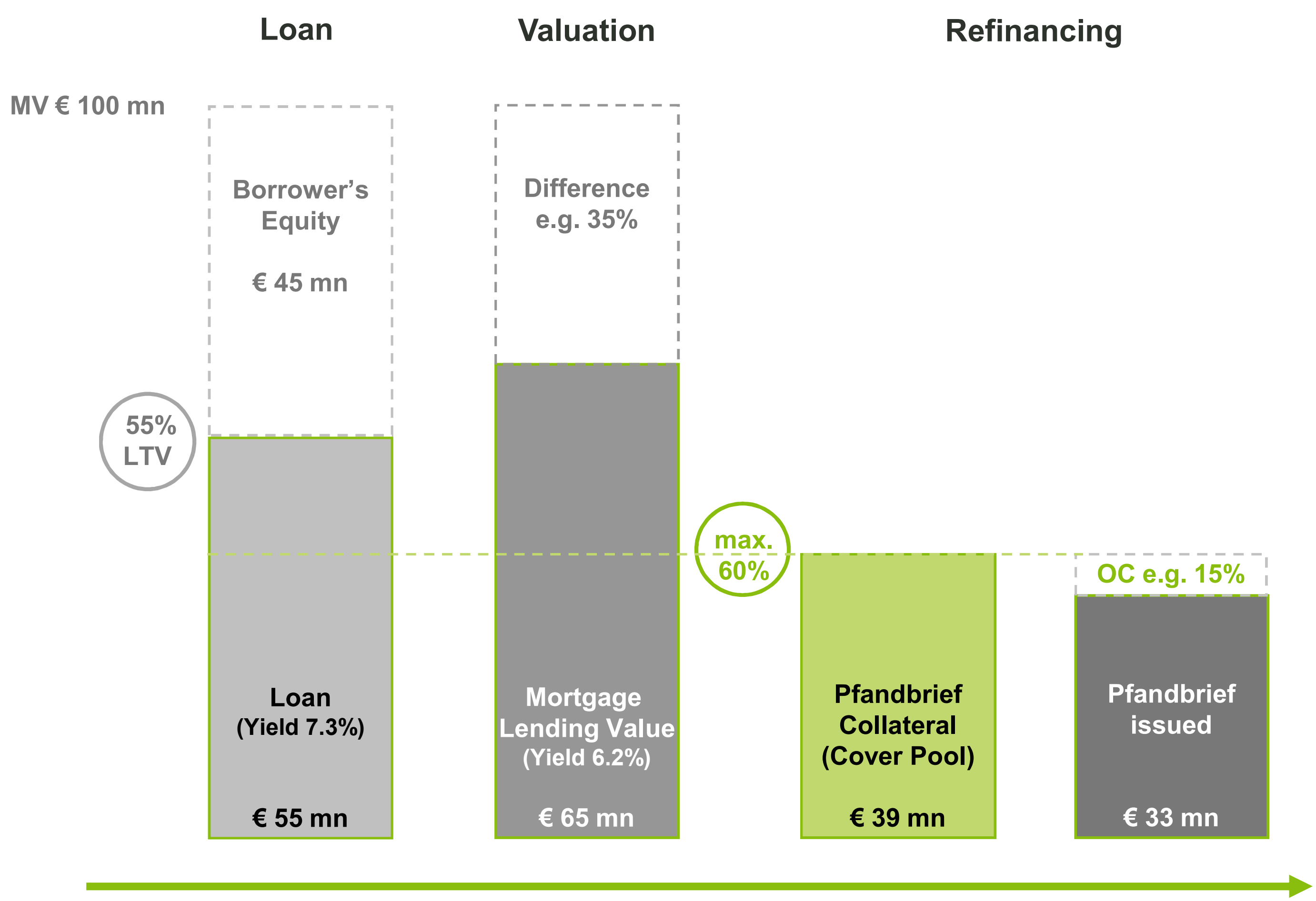
€ 1.1 mn interest payment p.a. for a € 55 mn loan at 2% interest rate

---

€ 2.9 mn excess cash

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

Loan - to - Value Ratio



Cover Pools

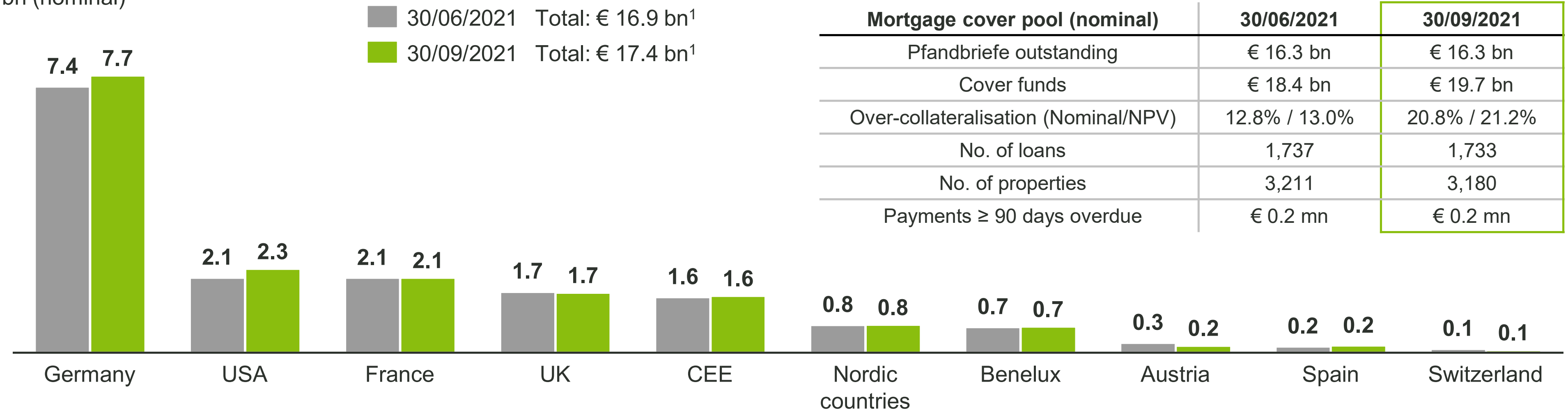
Mortgage Cover Pool

COVERED BOND LABEL

pbb DEUTSCHE PFANDBRIEFBANK

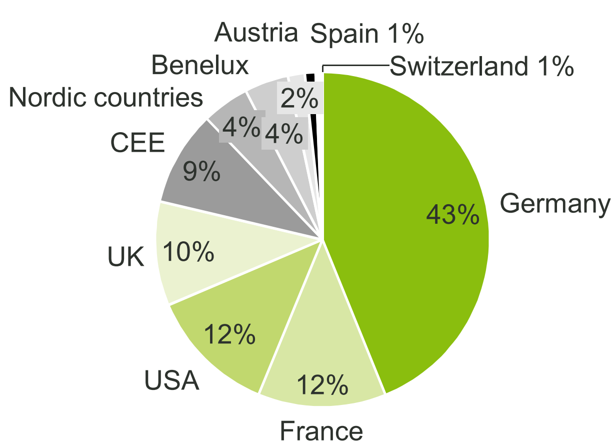
Cover funds by region

€ bn (nominal)

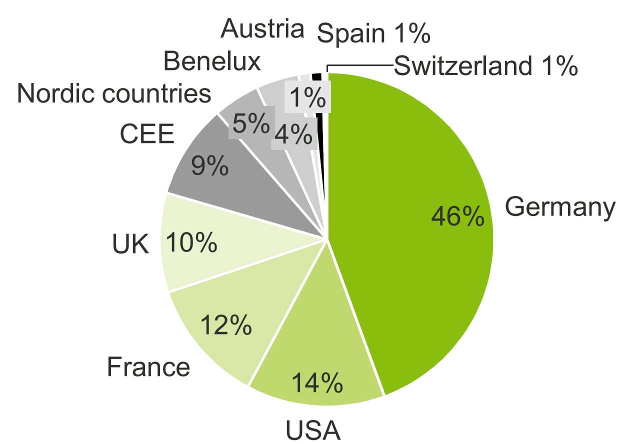


Mortgage cover pool (nominal)	30/06/2021	30/09/2021
Pfandbriefe outstanding	€ 16.3 bn	€ 16.3 bn
Cover funds	€ 18.4 bn	€ 19.7 bn
Over-collateralisation (Nominal/NPV)	12.8% / 13.0%	20.8% / 21.2%
No. of loans	1,737	1,733
No. of properties	3,211	3,180
Payments ≥ 90 days overdue	€ 0.2 mn	€ 0.2 mn

30/06/2021



30/09/2021



Note: Figures may not add up due to rounding 1 Excl. additional cover assets (substitute collateral)

Cover Pools

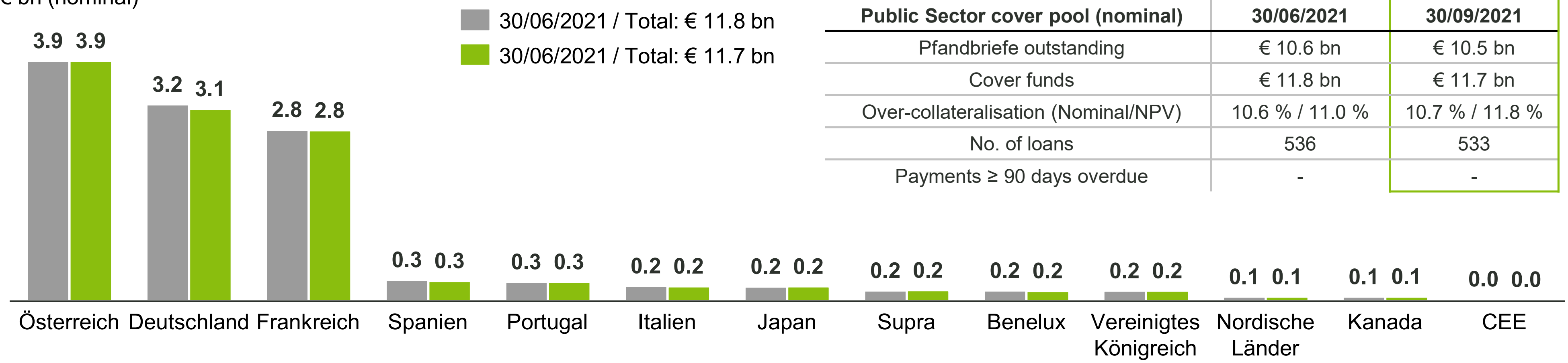
Public Sector Cover Pool

COVERED BOND · L A B E L ·

DEUTSCHE PFANDBRIEFBANK

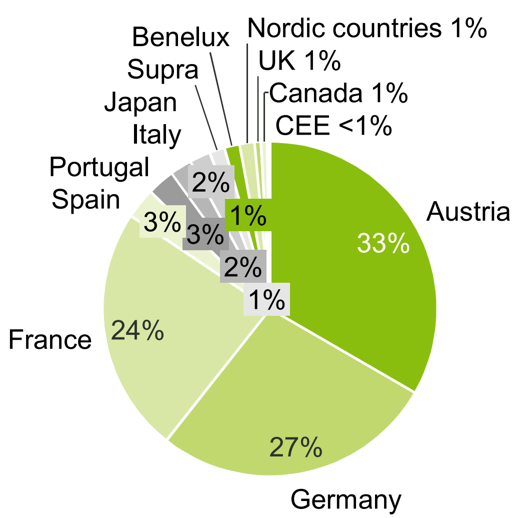
Cover funds by region

€ bn (nominal)

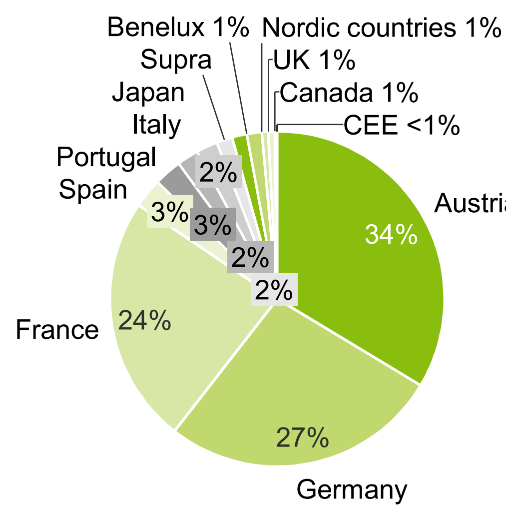


Public Sector cover pool (nominal)	30/06/2021	30/09/2021
Pfandbriefe outstanding	€ 10.6 bn	€ 10.5 bn
Cover funds	€ 11.8 bn	€ 11.7 bn
Over-collateralisation (Nominal/NPV)	10.6 % / 11.0 %	10.7 % / 11.8 %
No. of loans	536	533
Payments ≥ 90 days overdue	-	-

30/06/2021



30/09/2021



Note: Figures may not add up due to rounding

Mandated Ratings

DEUTSCHE PFANDBRIEFBANK

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"