Results Q2/H1 2024 - Analyst Presentation

DEUTSCHE PFANDBRIEFBANK

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KEY MESSAGES

Pre-tax profit of € 47 mn in H1/24 due to robust operating performance

- € 150 mn **pre-provision profit** up by ~47% supported by **NII** (+14%)
- **New business** € 1.9 bn focused on favourable risk/return profile with ~240 bp gross interest margin
- € 103 mn **risk provisioning** remains elevated, reflecting challenging H1/24

Transition into Basel IV F-IRBA regime started

- **CET 1 ratio with standardised risk parameters at 14.0%**
- **Technical uplift of RWA** (€ ~3.6 bn) mitigated by active balance sheet and NPL management (€ -1.5 bn)
- **Pro-forma Basel IV F-IRBA CET 1 ratio at 17.2%** – increase of 90 bp (vs. Q1/24)

Strong liquidity position of € >7 bn – funding well ahead of 2024 plan

- **Pfandbrief funding** with € 2.0 bn issued year-to-date well ahead of needs
- **Retail deposits** at € 8.1 bn well above year-end target of € 7.5 bn
- No need for **Senior Unsecured funding** in 2024

1. Based on performing investment loans only

AGENDA

HIGHLIGHTS 6M/24

Robust operating income, strong new business margin, solid capitalisation

- **PBT** of € 47 mn supported by robust operating performance
- **Operating income** compensates for expected elevated level of risk provisioning

PBT	Operating income
€ 47 mn	€ 278 mn
(H1/23: € 81 mn)	(H1/23: € 259 mn)

- **REF portfolio** decreased, mainly driven by portfolio transaction
- **Gross portfolio margin** improving
- **New business** with strong margin uplift

REF Portfolio	New business margin
€ 29.8 bn	~240 bp
(12/23: € 31.1 bn)	(H1/23: ~200 bp)

- Strong **liquidity position** further increased
- Transition into **Basel IV F-IRBA** started
- Solid **capitalisation** – more than 400 bp above MDA

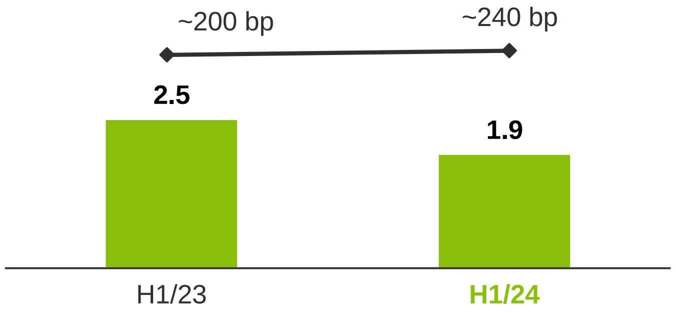
Liquidity	CET1 ratio
€ >7 bn	14.0%[1]
(03/24: € >6 bn)	(Pro-forma B4 F-IRBA: 17.2%)

1. 06/24: incl. interim results, B3 F-IRBA calibrated to standardised risk parameters

OPERATING & FINANCIAL OVERVIEW

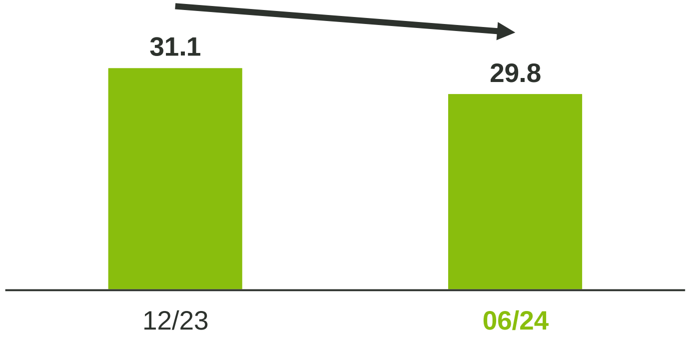
New business with strong margins and focus on risk/return profile

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



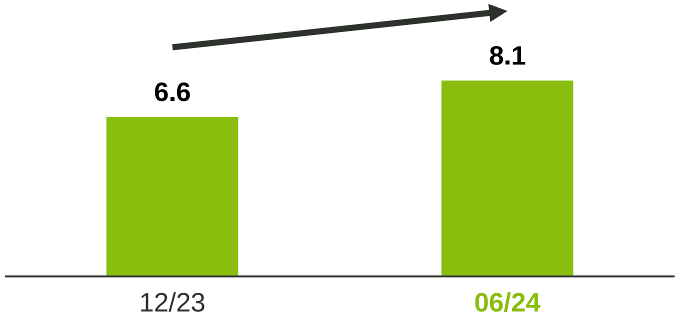
- New business with focus on risk/return profile
- Strong uplift of gross interest margin
- Full-year expected at € ~6 bn

REF portfolio
€ bn (financing volume)



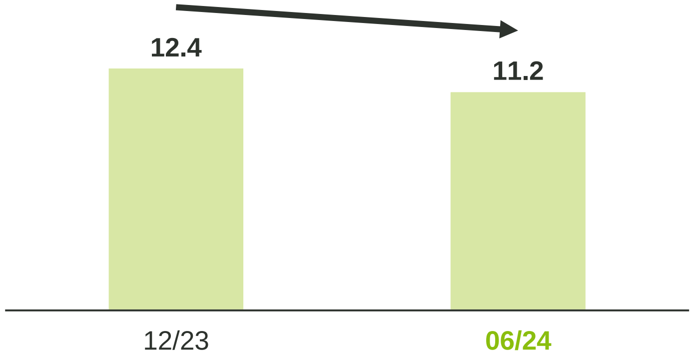
- REF portfolio decreased, mainly due to portfolio transaction (€ -0.9 bn)
- Gross portfolio margin up
- Portfolio volume expected at € ~30 bn by year-end

Funding – retail deposits
€ bn



- Strong growth of retail deposits, ahead of plan
- Expected to be at € ~7.5 bn by year-end due to balancing of funding needs

Non-Core portfolio
€ bn (financing volume)



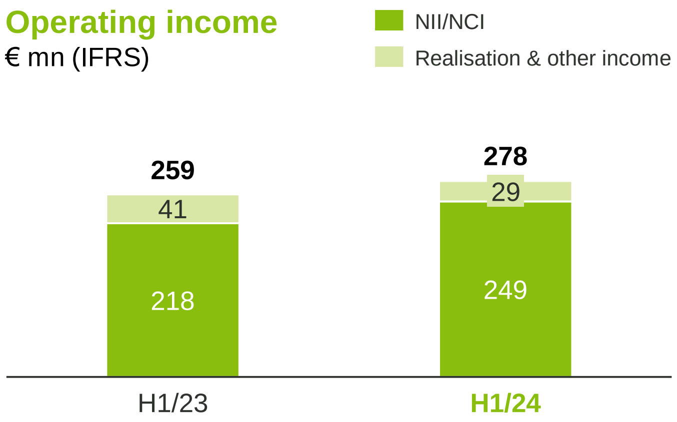
- Optimisation of non-core portfolio ongoing
- Accelerated asset reduction through asset sales at attractive price levels

Note: Figures may not add up due to rounding

OPERATING & FINANCIAL OVERVIEW

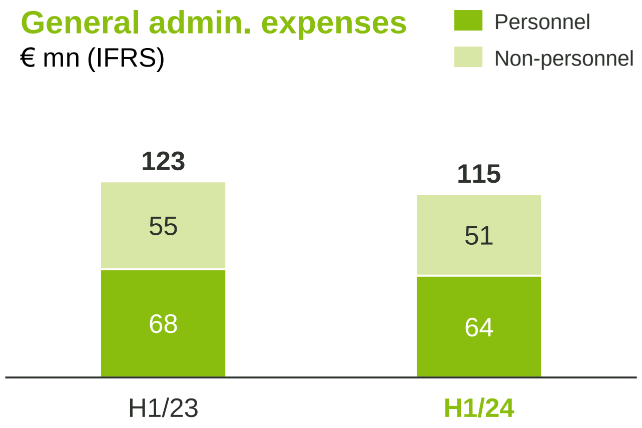
Robust operating income – risk provisioning on elevated level, as expected

Operating income
€ mn (IFRS)



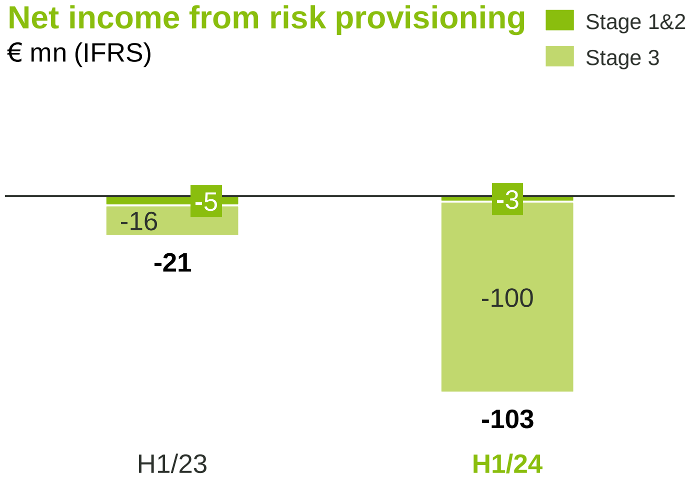
- NII/NCI up y-o-y, benefitting from increased avg. REF financing volume and improved gross portfolio margin
- Realisation & other income down y-o-y

General admin. expenses
€ mn (IFRS)



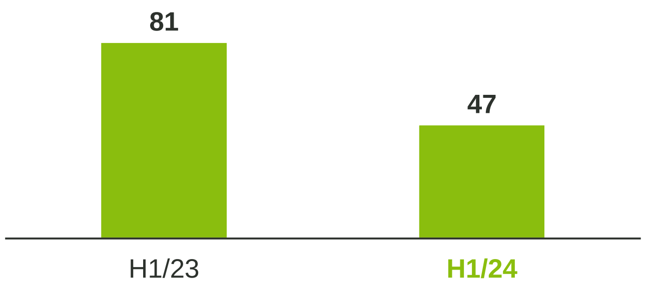
- Inflationary cost pressure successfully mitigated
- Strategic and IT investments will affect H2/24
- CIR expected at ~50% by year-end

Net income from risk provisioning
€ mn (IFRS)



- Risk costs remain elevated in H1/24, as expected
- Remains dominated by US loans and German developments

Pre-tax profit
€ mn (IFRS)



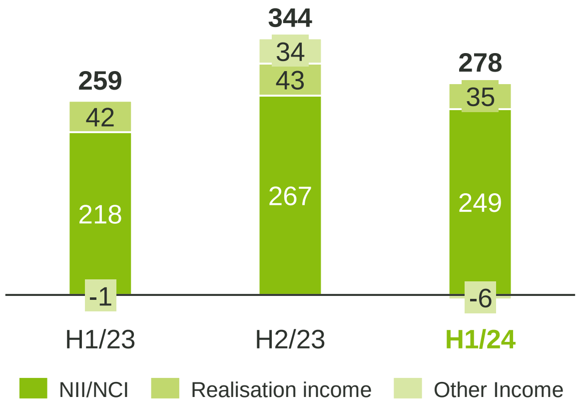
- PBT in H1/24 reflects challenging environment and is in line with expectation for full-year

Note: Figures may not add up due to rounding

OPERATING INCOME

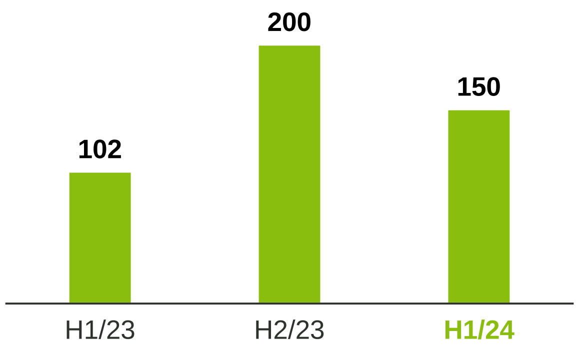
Pre-provision profit up by 47% y-o-y

Operating income
€ mn (IFRS)

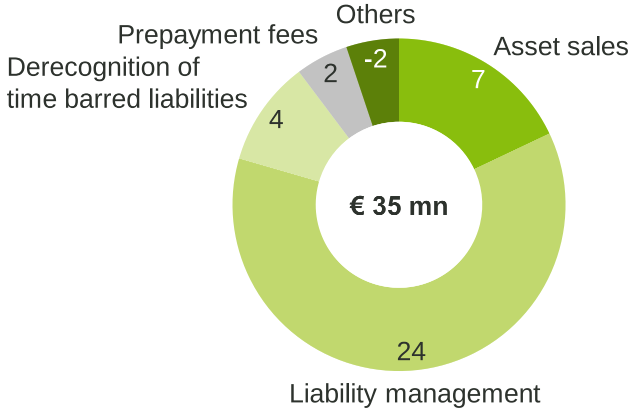


Quarterly view

Pre-provision profit
€ mn (IFRS)



Realisation income
H1/24: € mn (IFRS)



- **Operating income robust**
  - **NII** benefitting from avg. REF portfolio growth and improved gross interest margins y-o-y – however, slightly down q-o-q due to active portfolio management
  - **Realisation income** impacted by balance sheet management: strategic REF portfolio transaction in Q2/24 as well as ongoing liability management and optimisation of non-core portfolio
- Strong **pre-provision profit** supported by stable **cost base** and lower **bank levy**

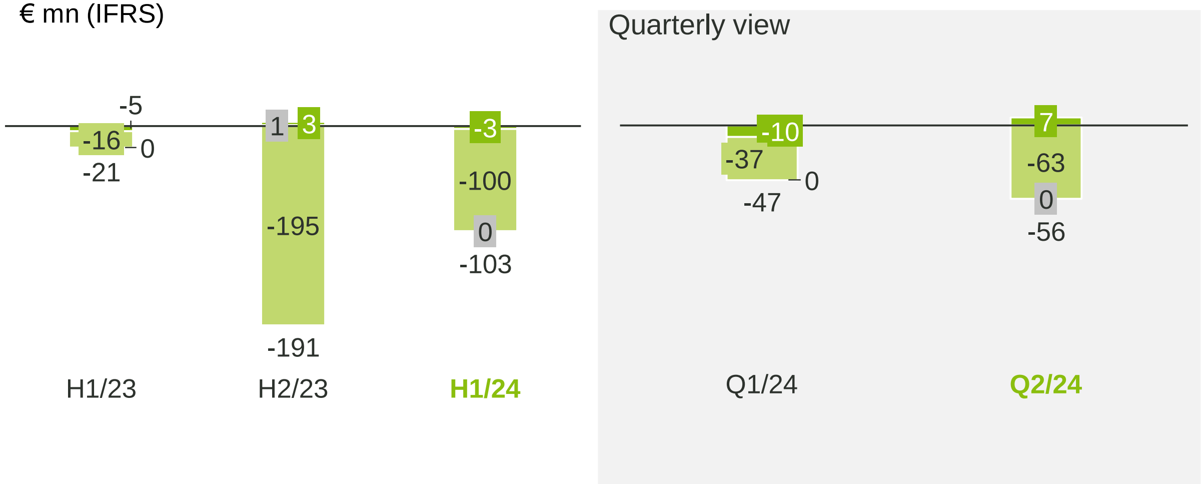
Note: Figures may not add up due to rounding

RISK COSTS

Risk costs remain elevated, but below peak levels in H2/23, as expected

Net income from risk provisioning

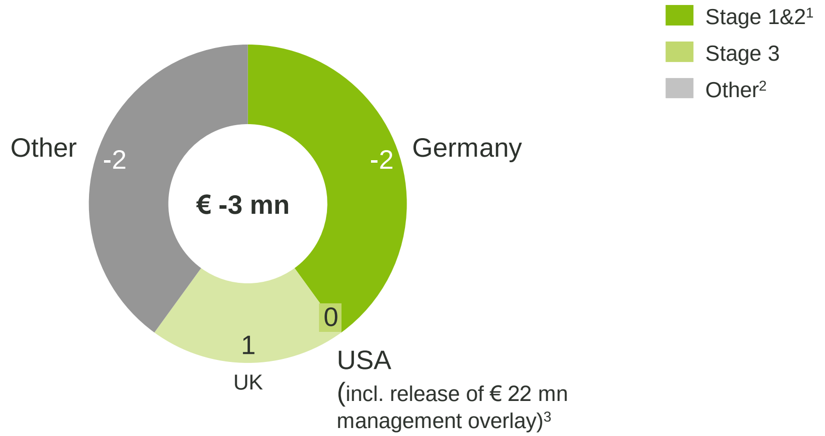
€ mn (IFRS)



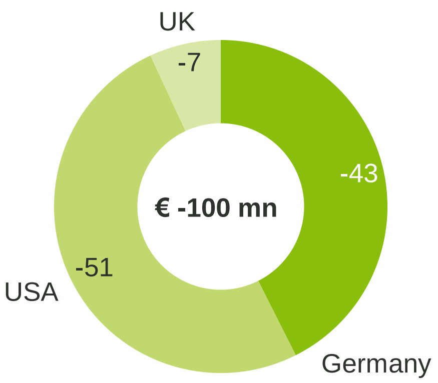
H1/24

€ mn (IFRS)

Stage 1&2



Stage 3



Challenging market environment reflected in risk costs in H1/24

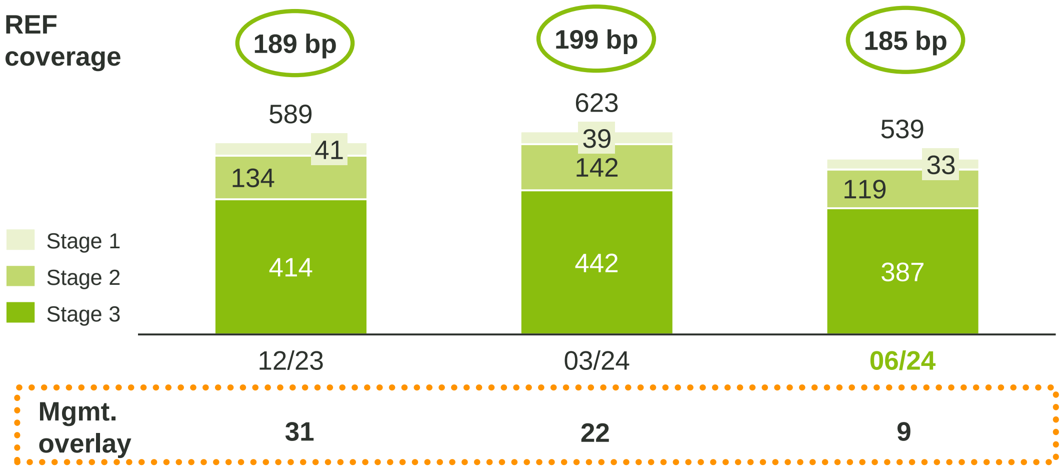
- **Stage 1&2:** € -3 mn net addition
  - Credit risk changes largely compensated by positive effects from repayments and releases
  - Release of **management overlay** (€ 22 mn; Q2/24: € 13 mn)[3] due to materialisation of risks in US portfolio
- **Stage 3:** Net additions driven by US office and German development loans (H1/24: € -100 mn, Q2/24: € -63 mn)

1. Incl. provisions in off balance sheet lending business 2. Recoveries from written-off financial assets 3. Incl. € 3 mn consumption in Q2/24 (not affecting P&L)

RISK COSTS

Active NPL management leads to reduction in loss allowances

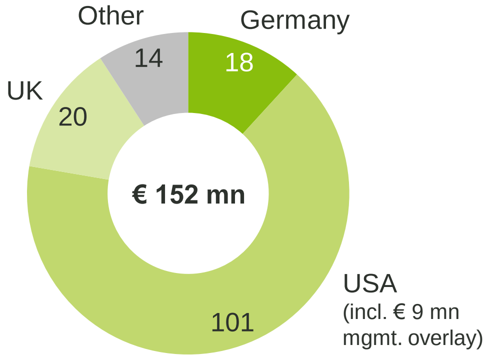
Balance sheet – loss allowances
€ mn



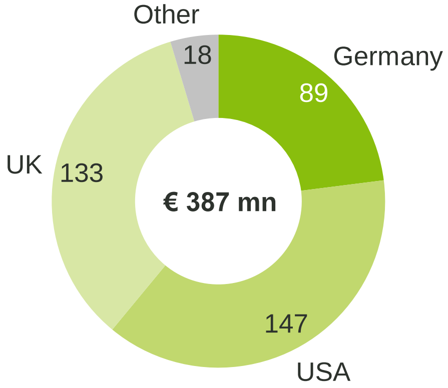
- Reduction of **loss allowances** due to active NPL management
  - Main effect from sale of 2 UK shopping centre loans in Q2/24 with consumption of € 79 mn stage 3 risk provisions
  - **REF coverage** of 185 bp
- **Stage 1&2:** Net decrease mainly due to release/consumption of **management overlay** for US loans (€ 22 mn)
- **Stage 3:** Net decrease mainly due to consumption of risk provisions (incl. sale of 2 UK NPL loans in Q2/24)

H1/24
€ mn (IFRS)

Stage 1&2



Stage 3



Note: Figures may not add up due to rounding

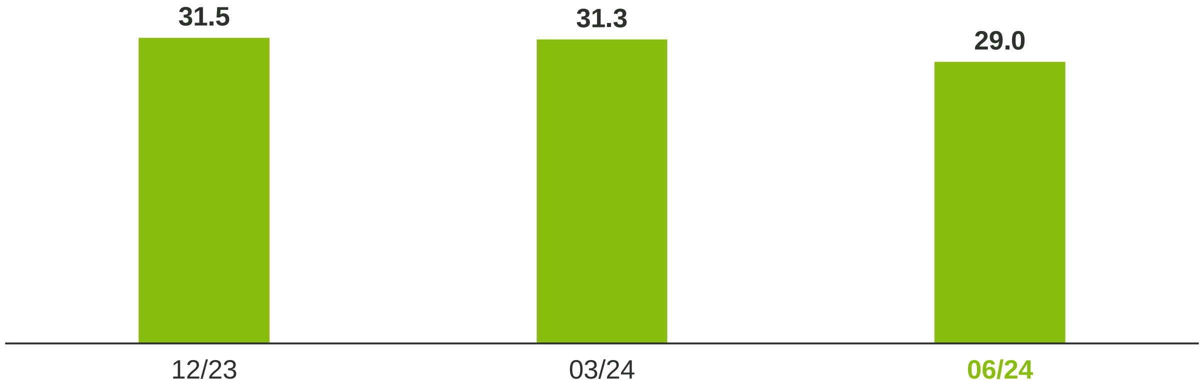
AGENDA

REF PORTFOLIO PERFORMING

Portfolio reduced, mainly by portfolio transaction

Performing Portfolio

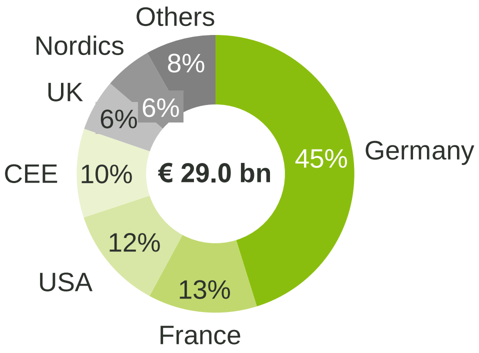
€ bn (EaD, Basel III)



- **Performing REF portfolio** reduced by € ~2.3 bn in Q2/24 through
  - Portfolio transaction (€ 0.9 bn)
  - Transfer to NPL (€ 0.2 bn)
  - Repayments & others (€ 1.2 bn)
- **Portfolio quality** remains solid – focus on senior lending only
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -10%[1]
- **Strong senior lending profile –** ~88% of loans collateralised at LTV ≤50%
- **LTV-stress:**
  - **Exposure at risk:** ~1.3% of portfolio[2]
  - **Coverage ratio:** ~41% via existing stage 1&2 LLPs of € 151 mn

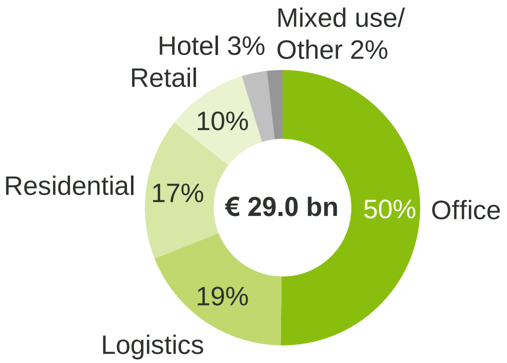
Regions

30/06/2024 (EaD, Basel III)



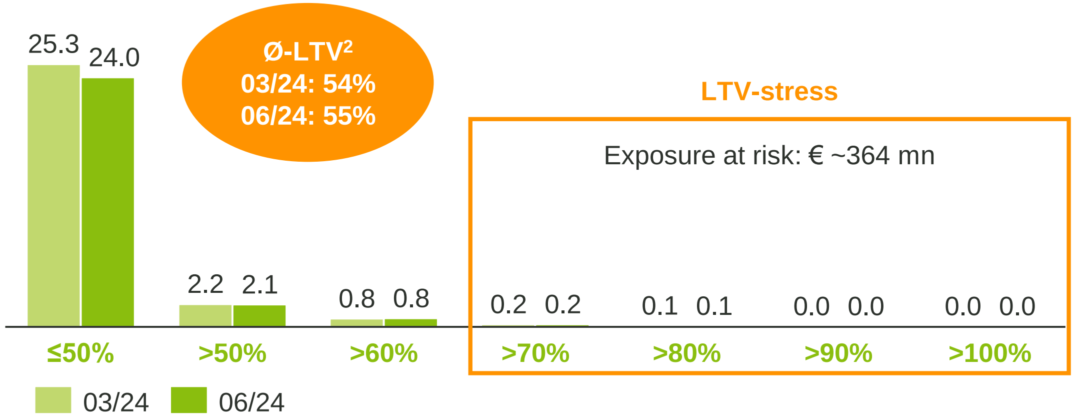
Property types

30/06/2024 (EaD, Basel III)



Layered LTV – based on performing investment loans only

(€ bn, commitments, Basel III)

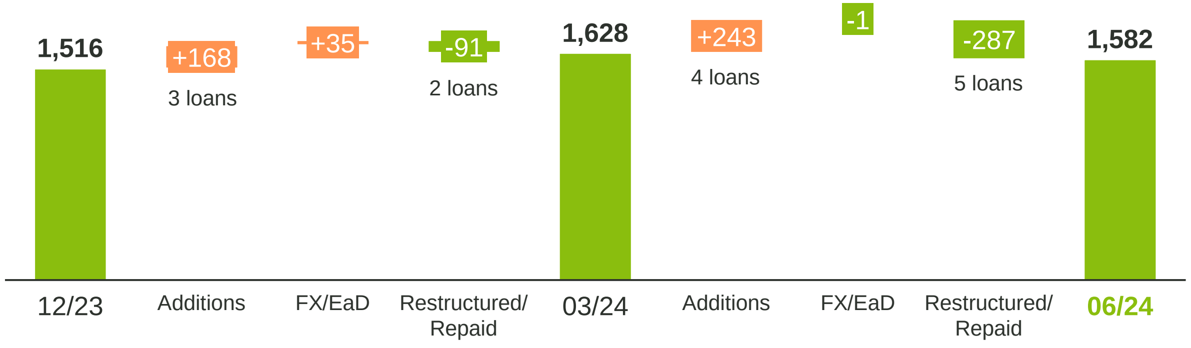


Note: Figures may not add up due to rounding 1. On the part, where a revaluation was necessary
2. performing investment loans, based on commitments

REF PORTFOLIO NPL

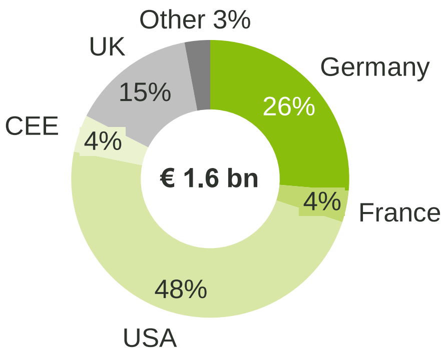
Successful active NPL management leads to reduction of NPL portfolio

NPL Portfolio
€ mn (EaD, Basel III)

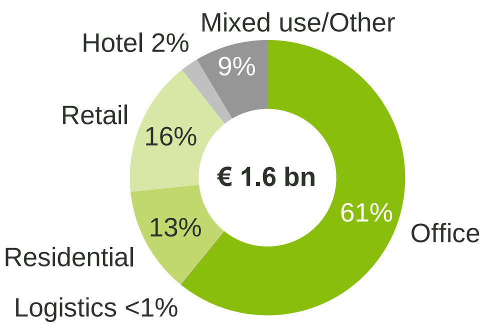


- **Reduction of NPL portfolio** by € -46 mn benefitting from ongoing active **NPL management** in Q2/24
- **Additions** driven by 4 US office loans
- Decrease of NPL portfolio driven by active **management of NPLs**
  - 1 loan (€ 45 mn) restructured (1 US office loan)
  - 4 loans (€ 242 mn) repaid (2 UK shopping centres and 2 US office loans)
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -26%[1]
- **NPE[2] ratio** 3.5% - up in Q2/24 due to decrease in total portfolio
- **NPL coverage ratio** of ~24% via existing stage 3 LLPs of € 386 mn

Regions
30/06/2024 (EaD, Basel III)



Property types
30/06/2024 (EaD, Basel III)



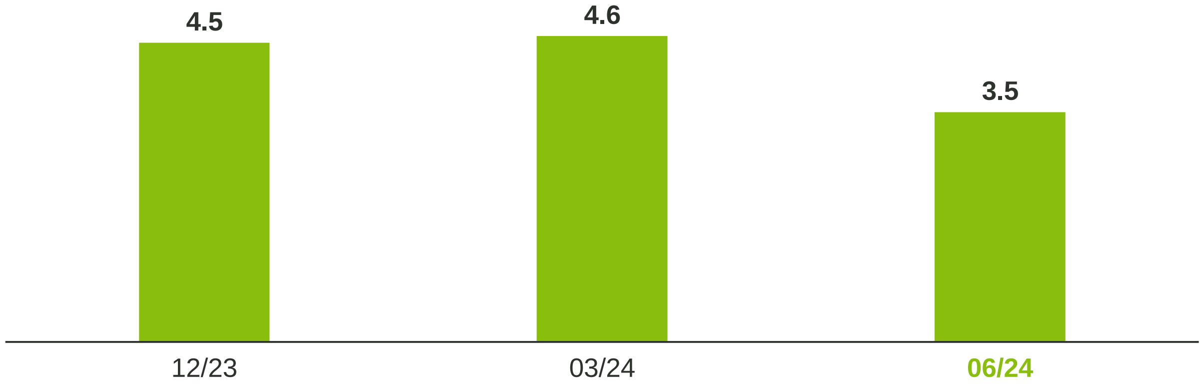
Note: Figures may not add up due to rounding 1. On the portfolio part, where a revaluation was necessary 2. Non-Performing Exposure ratio = Non-performing loans and bonds / total portfolio (EaD); NPL ratio (EBA definition) 06/24: 4.1%, 03/24: 3.9% (NPL ratio = gross carrying amount of non-performing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

FOCUS: USA PERFORMING

Portfolio de-risked by € 1.1 bn (-24%)

Performing Portfolio

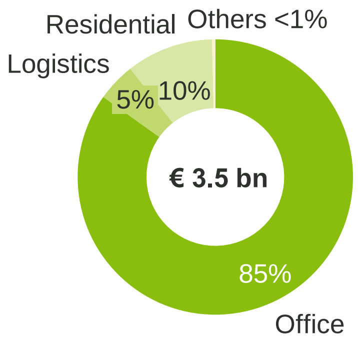
€ bn (EaD, Basel III)



- **Performing US portfolio** reduced by € ~1.1 bn in Q2/24 through
  - Portfolio transaction (€ 0.5 bn)
  - Transfer to NPL (€ 0.2 bn)
  - Repayments & others (€ 0.4 bn)
- Full focus on **risk mitigation** in existing portfolio
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -15%[1]
- **LTV-stress:**
  - **Exposure at risk:** ~4.2% of portfolio[2]
  - **Coverage ratio:** ~77% via existing stage 1&2 LLPs of € 101 mn

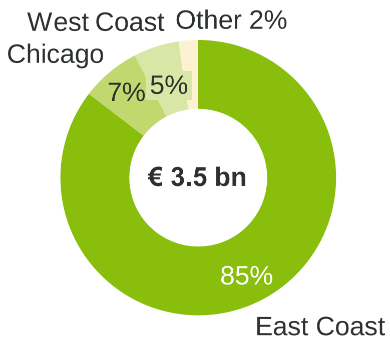
Property types

30/06/2024: (EaD, Basel III)



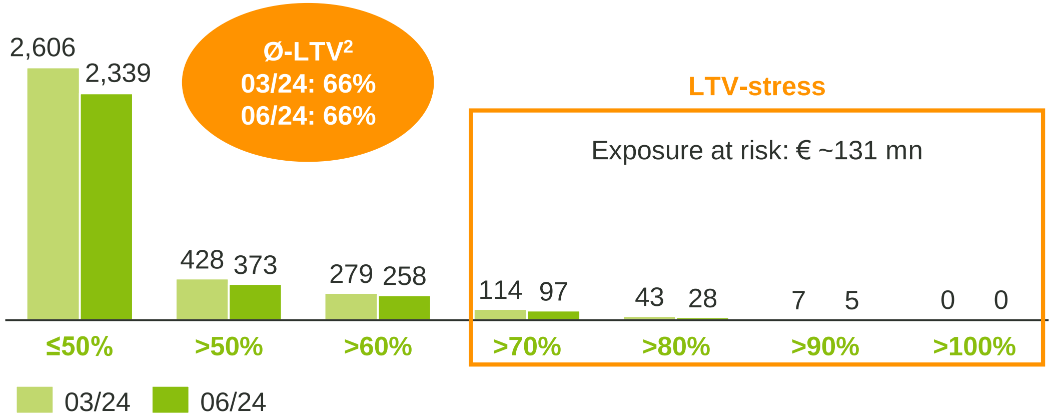
US Office – Regions

30/06/2024: (EaD, Basel III)



US Office – Layered LTV – based on performing investment loans only

(€ mn, commitments, Basel III)

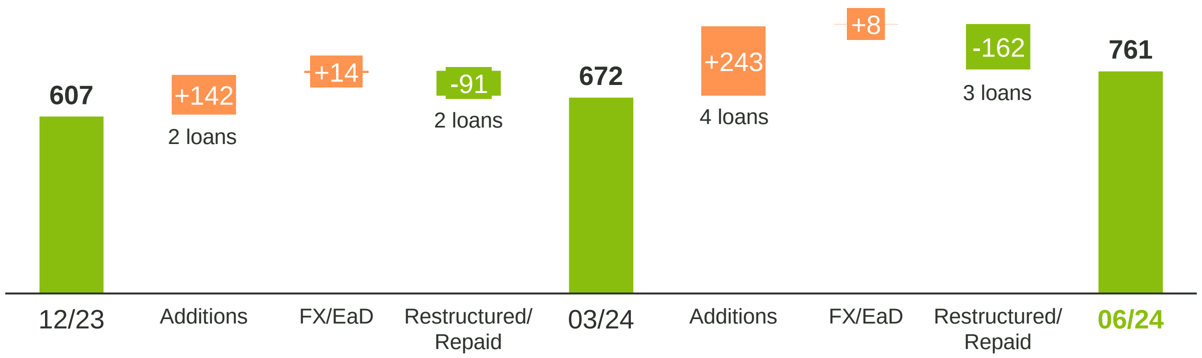


Note: Figures may not add up due to rounding 1. On the portfolio part, where a revaluation was necessary
2. performing investment loans, based on commitments, 03/24 corrected from 68% to 66%

FOCUS: USA NPL

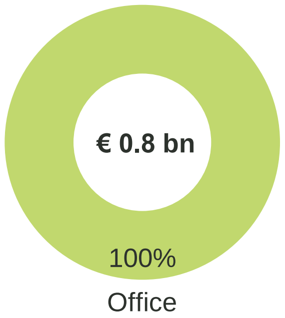
Ongoing pressure on valuations resulted in 4 new NPLs – partially compensated by 3 restructured/repaid loans

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

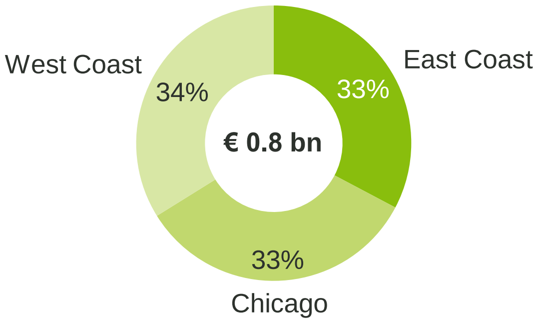


- 4 new office NPLs (€ 243 mn) in Q2/24, largely West Coast and Chicago
- Additions mitigated by ongoing active **NPL management** in Q2/24
  - 1 loan (€ 45 mn) restructured
  - 2 loans (€ 117 mn) repaid
  - Repayments and restructuring at internal valuation marks
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -46%[1]
- **US NPE[2] ratio** 18%
- **NPL coverage ratio** of ~19% via existing stage 3 LLPs of € 147 mn

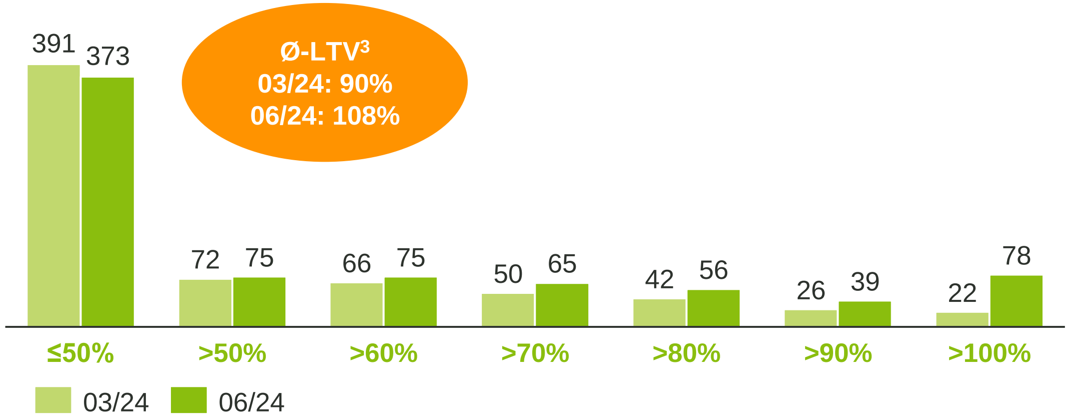
Property types
30/06/2024: (EaD, Basel III)



Office – Regions
30/06/2024: (EaD, Basel III)



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



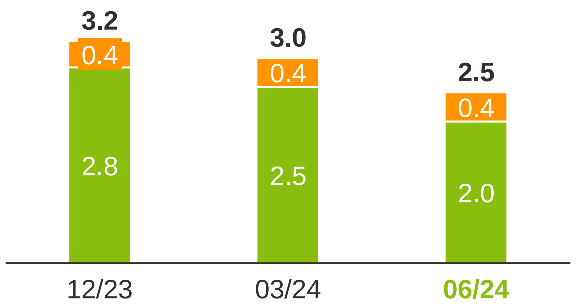
Note: Figures may not add up due to rounding 1. On the portfolio part, where a revaluation was necessary
2. Non-Performing Exposure ratio = Non-performing loans and bonds / total US portfolio (EaD)
3. Non-performing investment loans, based on commitments

FOCUS: DEVELOPMENT PORTFOLIO

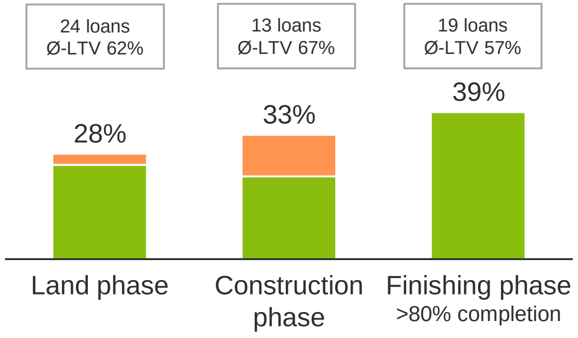
Portfolio further reduced by € 0.5 bn (-17%) – no new NPLs in Q2/24

Portfolio
€ bn (EaD, Basel III)

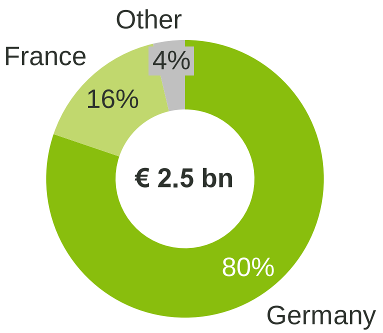
Performing
Non-performing



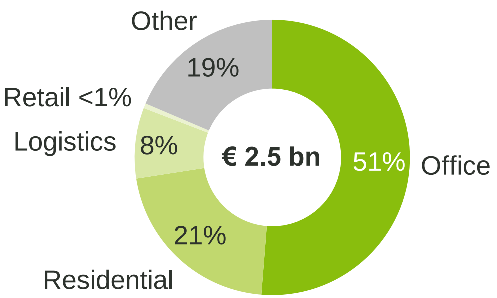
Phase
30/06/2024 (commitments, Basel III)



Regions
30/06/2024 (EaD, Basel III)



Property types
30/06/2024 (EaD, Basel III)



- **Portfolio** reduced by € 0.5 bn in Q2/24
  - 6 loans repaid/transferred to investment loans
  - Further reduction expected in 2024
  - Risk management **focus on loans in construction phase –** reduction of construction risk by ~50% expected till year-end
- Development **NPLs** of € 413 mn with increased coverage ratio of ~22% (Q1/24: 15%) via existing stage 3 LLPs of € 89 mn
  - Only German loans
  - Very good inner city locations
  - 5 cases in land phase
  - 2 cases in construction phase (1 residential/1 retail)
  - No new **NPL** development loans in Q2/24, but further deterioration in existing construction cases
- **Senior lending** only
  - No exposure in unsecured/subordinated instruments
  - Cooperation only with selective and well **experienced large developers** – 35 developers for 56 projects
  - Focus on **office, residential and logistics** in major urban locations (very good locations) in Germany (only big 7) and Europe

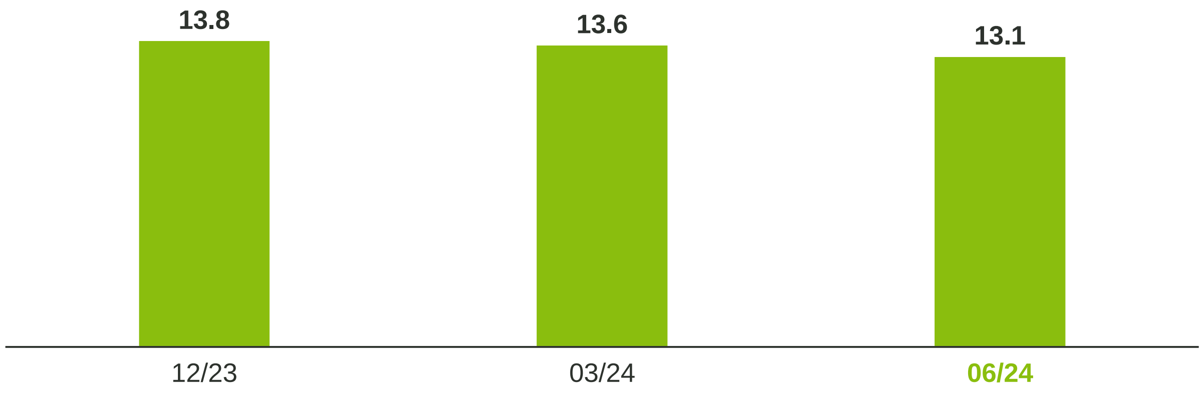
Note: Figures may not add up due to rounding

FOCUS: GERMANY PERFORMING

High portfolio quality – well diversified, senior lending portfolio with ~80% of loans collateralised at LTV ≤50%

Performing Portfolio

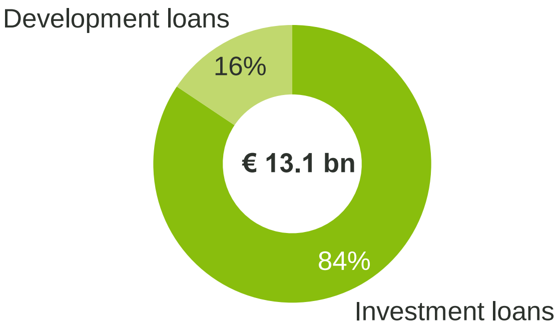
€ bn (EaD, Basel III)



- **Performing German portfolio** reduced by € ~0.5 bn through repayments and others
- **German CRE portfolio** well diversified by region and property type with focus on big 5 cities
- 100% of the portfolio **reviewed/revalued** in last 12 months – avg. value change of -12%[1]
- **LTV-stress:**
  - **Exposure at risk:** ~1.5% of portfolio[2]
  - **Coverage ratio:** ~10% via existing stage 1&2 LLPs of € 17 mn
- **German NPLs** limited to development loans (see previous page)

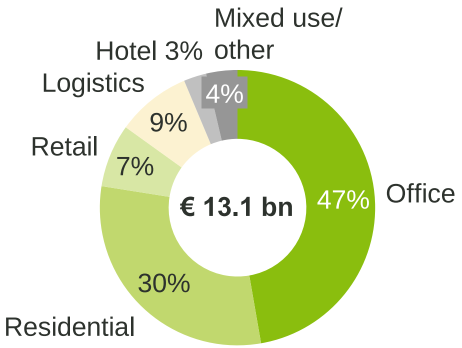
Product Class

30/06/2024: (EaD, Basel III)



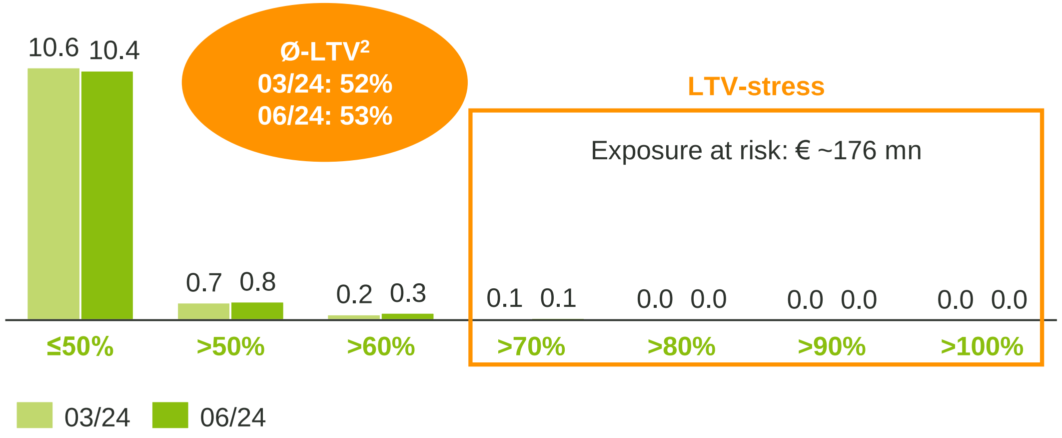
Property types

30/06/2024: (EaD, Basel III)



Layered LTV – based on performing investment loans only

(€ bn, commitments, Basel III)



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

AGENDA

FUNDING AND LIQUIDITY

Strong liquidity position to be actively managed going forward

Funding well ahead of 2024 plan

- € 2 bn **Pfandbrief** funding year-to-date well ahead of 2024 needs
- Growth of **retail deposits** peaked at € 8.1 bn in H1/24
  - Current volume of € 8.0 bn (07/24) well exceeds needs
  - Focus in H2/24 on aligning deposit volume with actual overall balance sheet funding needs, targeting € 7.5 bn by year-end
- No need for **Senior Unsecured funding** in 2024

Strong liquidity position - focus shifting to cost optimisation

- **€ >7 bn liquidity position** further increased in light of balance sheet management transactions
- Strong regulatory ratios with both **LCR and NSFR** significantly above minimum requirements of 100%

LCR
>300%
(06/24)

NSFR
115%
(06/24)

Retail deposits
€ 8 bn
(07/24)

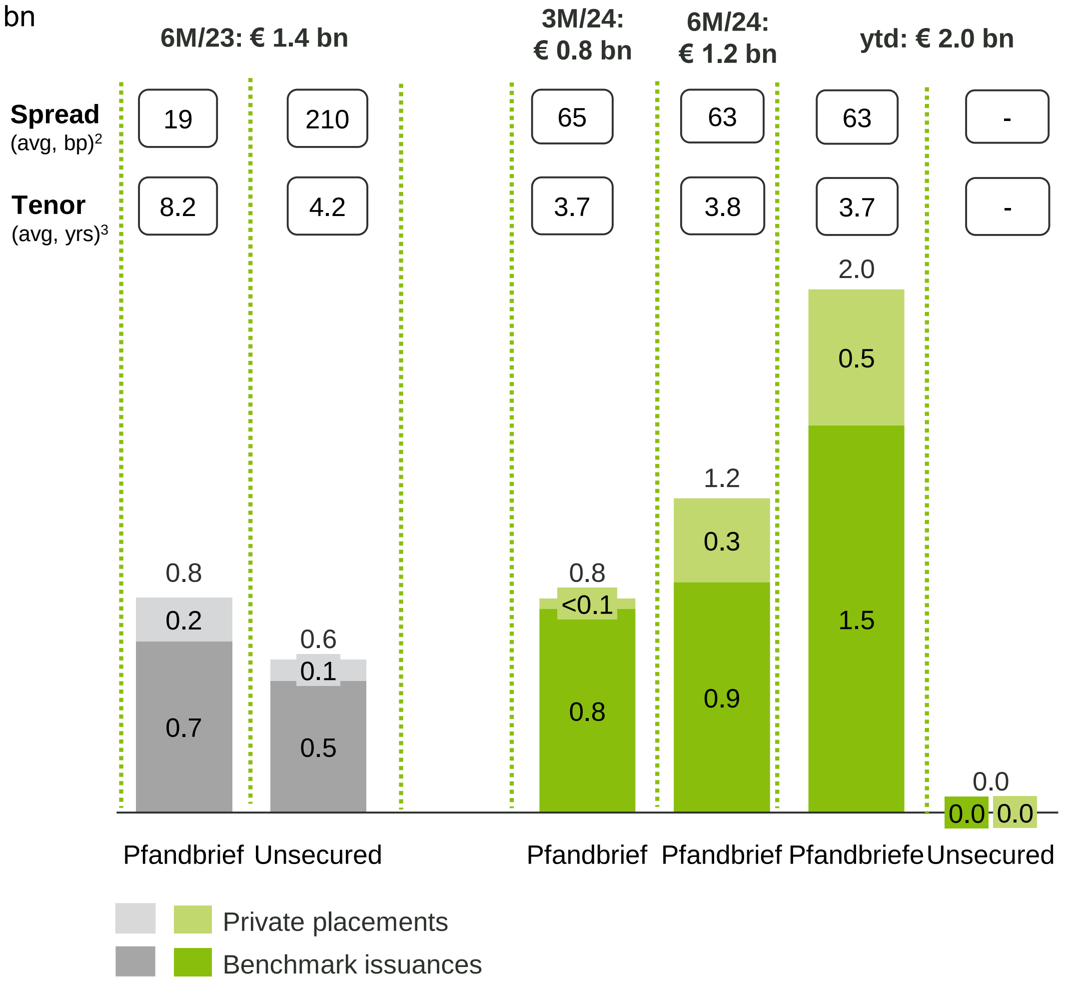
Liquidity
€ >7 bn
(07/24)

FUNDING AND LIQUIDITY

Capital market funding focused on Pfandbrief

New long-term funding[1]

€ bn



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

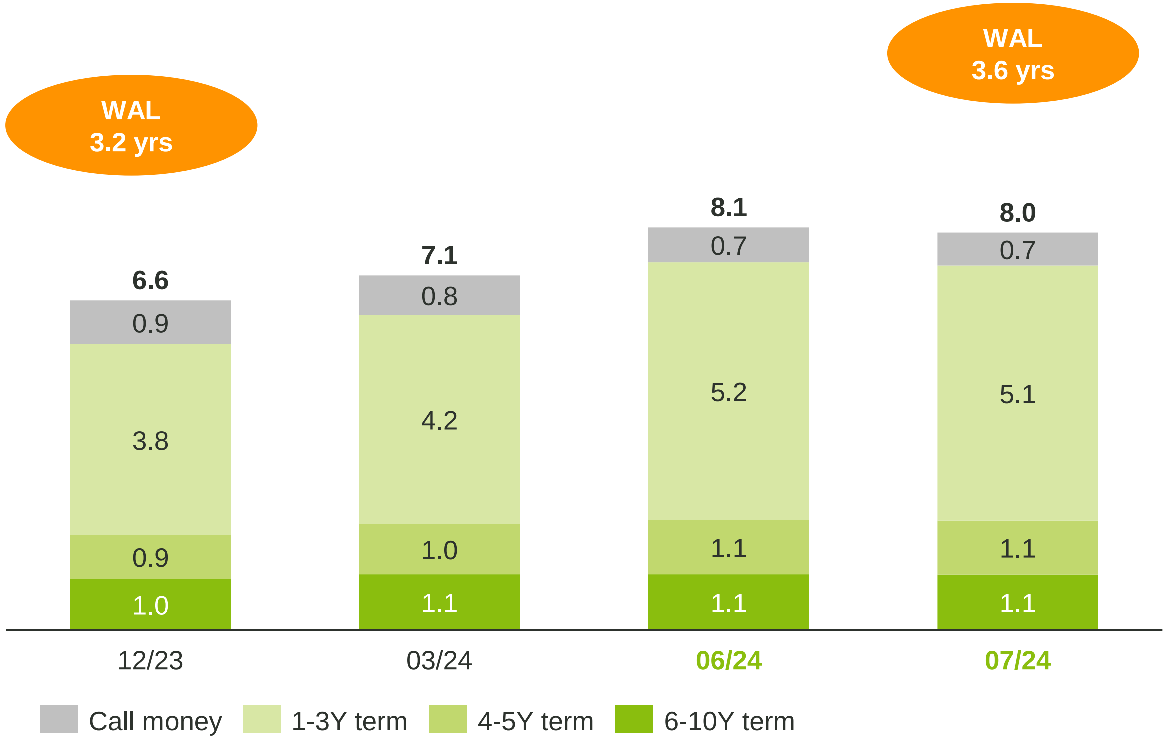
1. Excl. retail deposit business and "own-use" Pfandbriefe 2. vs. 3M Euribor 3. Initial weighted average maturity Note: Figures may not add up due to rounding

RETAIL DEPOSITS

Retail deposit growth exceeding unsecured funding needs

Retail Deposits – development & maturity profile[1]

€ bn



pbb direkt[3]	12/23	03/24	06/24	07/24
Number of Clients	~91,900	~99,000	~107,500	~107,000
Avg. deposit amount per client (€)	~64,000	~61,000	~61,000	~60,000

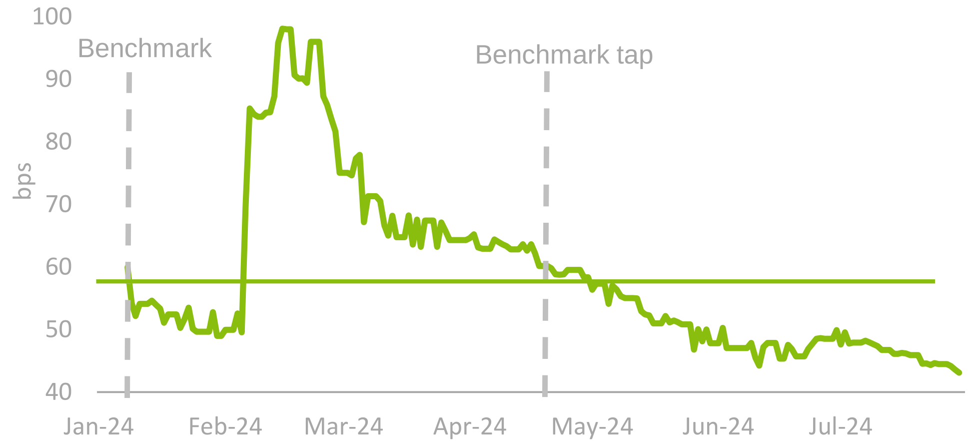
- Growth of **retail deposits** peaked at € 8.1 bn in H1/24
  - Current volume of € 8.0 bn (07/24) well exceeds needs
  - Focus in H2/24 on aligning deposit volume with actual overall balance sheet funding needs, **targeting € ~7.5 bn** by year-end
- **Attractive source** of unsecured funding
  - **Long-term, granular and deposit insured**
    - 91% term deposits, WAL stable at 3.6 yrs
    - € 61,000 average deposit (pbb direkt)
    - nearly 100% insured[2]
  - **Call money** only ~9% / € 0.7 bn well covered by liquidity reserves
  - **Cost efficient** – attractive funding costs around Euribor

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

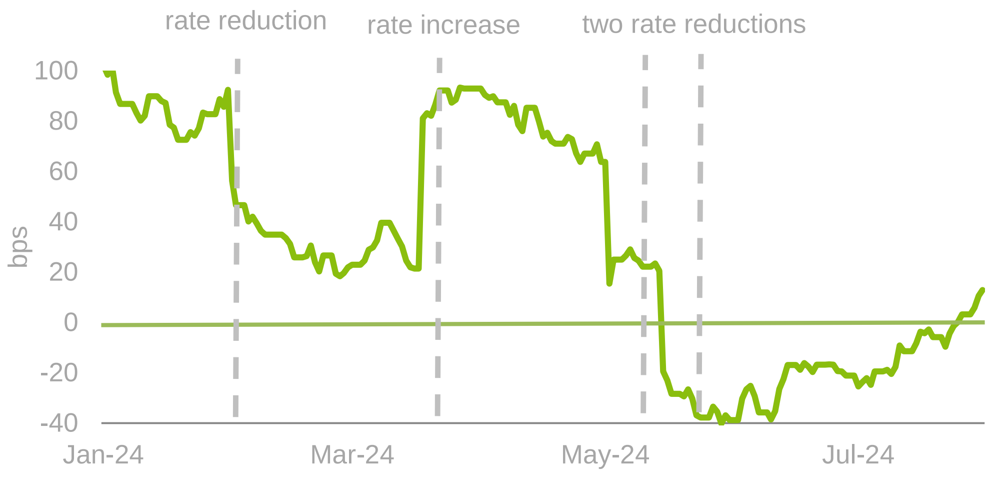
FUNDING AND LIQUIDITY

Shift focus to cost optimisation

3Y Pfandbrief vs. Midswaps



3Y deposit vs. Midswaps



Source: Bloomberg, pbb

Pfandbrief

- Successful 3Y **Pfandbrief benchmark** issued at +58 bp end of January 2024
- Due to pre-funding **no issuance in February/March volatility**
- **Acceleration of funding in Q2 and Q3** across maturities and currencies at **manageable cost** (around January levels)

Retail deposits

- **Actively managed** in line with needs and swap rate developments
  - 2 **interest rate reductions** in 01/24 and 02/24 by ~50 bps each (for term deposits ≥ 2Y)
  - **Interest rate increase** in 03/24 by ~50 bps (for term deposits ≥ 2Y) with strong inflow
  - **Further rate reduction** in 05/24 by a total of ~ **100 bps** in two steps for all term deposits and call money
- Currently, **attractive pricing**

AGENDA

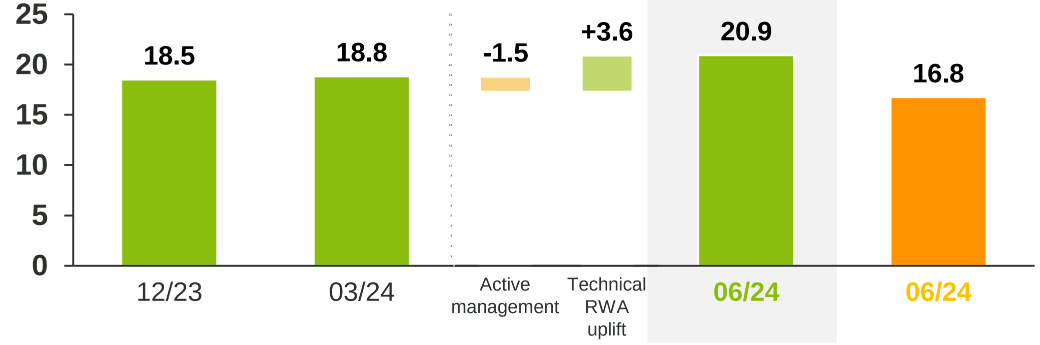
Start into transitional period – CET 1 ratio of 14% delivered as guided

Basel III: capital and leverage ratios
(IFRS)

	A-IRBA		*Transitional period* F-IRBA[1] standardised	Pro-forma B4 F-IRBA
%	12/23[2]	03/24[3]	06/24[3]	06/24[3]
CET 1	15.7	15.2	14.0	17.2
Own funds	19.5	18.7	17.0	21.0
Leverage ratio	6.2	6.4	7.1	

RWA
€ bn (IFRS)

A-IRBA | F-IRBA[1] standardised | Pro-forma B4 F-IRBA



- Transition into **Basel IV F-IRBA** started – for transitional period, models calibrated towards **standardised risk parameters** – no further downside risk on PD/LGD parameters
  - **Temporary technical uplift of RWA** (€ ~3.6 bn) mitigated by active balance sheet management and de-risking measures (€ -1.5 bn) in Q2/24
  - **Capital** slightly increased due to technical effect (mainly from reduced deductible item "EL shortfall")
- **Ambition level for CET1 ratio of 14% delivered as guided**
- Continued **active balance sheet management** and furthermore intention to **optimise capital structure**
- CET 1 ratio remains more than 400 bp above **current regulatory requirement**
  - SREP requirement (incl. anticipated additional buffer)[4]:
    - CET 1 ratio 9.64%
    - Own Funds Ratio 14.45%

1. B3 F-IRBA calibrated to standardised risk parameters 2. Incl. full-year result 3. Incl. interim result 4. SREP requirement: 4.5% P1R + 1.69% P2R + 2.5% Capital Conservation Buffer + 0.95% anticipated additional buffer (CCyB + SyRB)
Note: Figures may not add up due to rounding

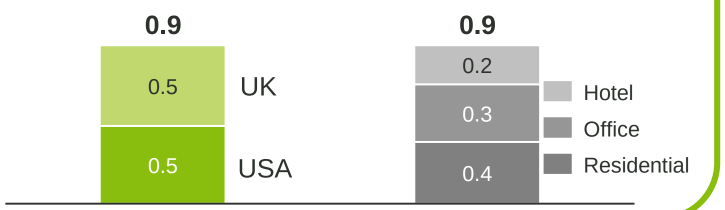
BALANCE SHEET MANAGEMENT

Pro-active management of pbb's balance sheet

Active REF Portfolio Management

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

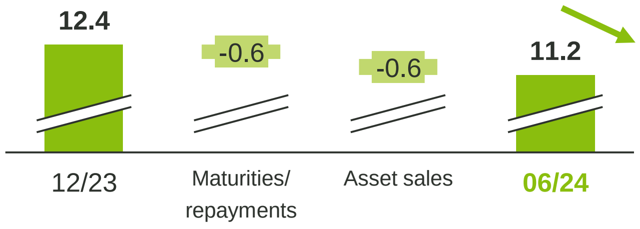
Portfolio transaction
(€ bn, financing volume)



Management of Non-Core Portfolio

- Non-strategic portfolio in run-down – acceleration through sale of assets
- € 0.6 bn asset sales in H1/24 (Q1/24: € 0.4 bn) – mainly public sector bonds from Austria, Japan and Germany

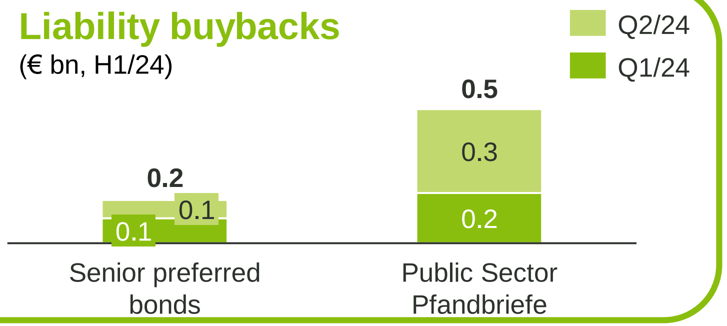
Non-core Portfolio
(€ bn, financing volume)



Liability Management

- Pro-active liability management aims to optimise asset/liability profile
- Buybacks common instrument of pbb's tool box
- € 0.7 bn buybacks in H1/24 (Q1/24: 0.3 bn)

Liability buybacks
(€ bn, H1/24)



Note: Figures may not add up due to rounding

AGENDA

EXTERNAL MARKET VIEW

"Outlook: Investment market **will slowly increase transaction volume** at the end of the year."

(Colliers Int., Citysurvery Germany, Q2 2024, July 2024)

"There are **no vacancies in core properties in top locations** and therefore **no problems in servicing the financing**."

(Savills in Immobilienzeitung, 25 July 2024)

"Number of **transactions above 100 million euros increases again.**"

(Jones Lang Lasalle, Germany Investment Market Overview Q2 2024, 26 July 2024)

"Institutional investors are **increasingly focusing on office property again in their investment strategies**, but with a **clear focus on high building and location quality**."

(Cushman & Wakefield, Investmentmarket Germany, 8 July 2024)

"Despite the fall in take-up, **prime rents are continuing to rise**. This rise is due to the **increased demand for high quality and higher construction costs**."

(Cushman & Wakefield, Changing Office Market in Germany, 23 July 2024)

"The **pricing phase could soon be over**. (…) The investment market for commercial property **could gradually pick up in parallel with the overall economic recovery** in Germany."

(Colliers Int. in Immobilienzeitung, 25 July 2024)

"An **improvement in market dynamics can be expected** for the second half of the year - **investor interest is also increasing again for the office asset class**, which has recently been regarded as difficult, as the letting market is seeing further **increases in prime and average rents** for modern, high-quality space in central submarkets."

(CBRE, Germany Investmentmarket Q2 2024, 17 July 2024)

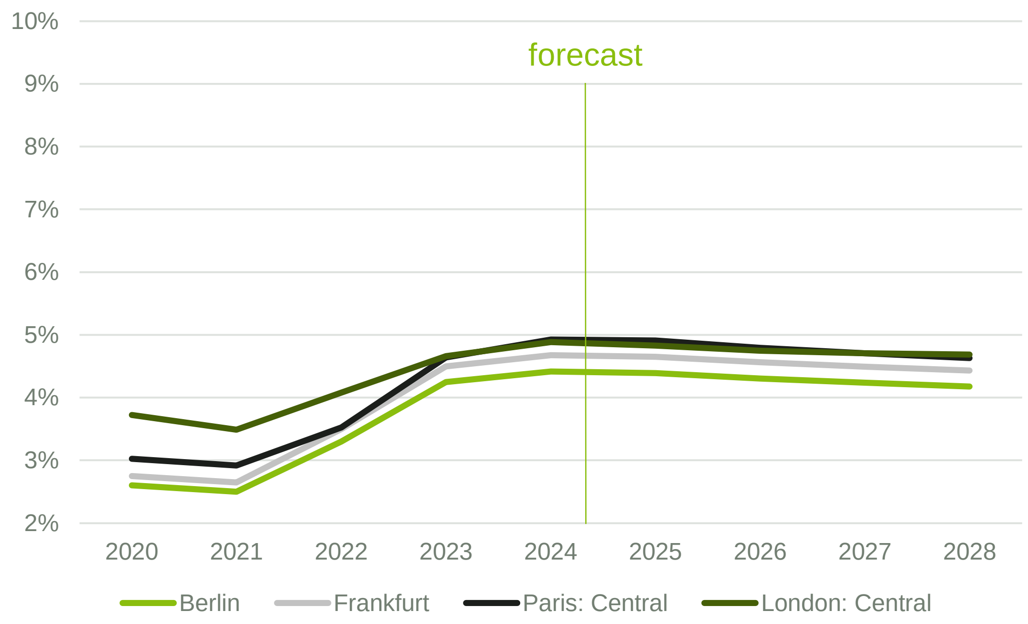
"**Sales are underway again**, but the processes are taking longer than before the interest rate turnaround. It **will take time for the development to be reflected in the sales result**. We **expect the market to gain further momentum** in the second half of the year."

(Cushman & Wakefield, Immobilienzeitung, 25 July 2024)

OFFICE MARKETS

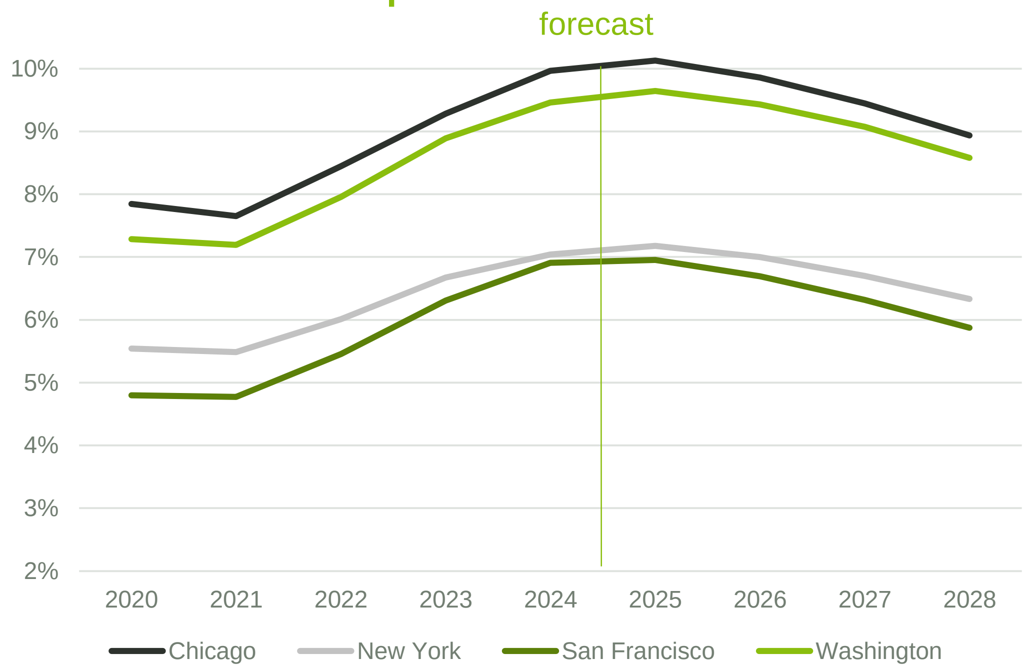
Turning point seems to be in reach for all office markets

European Office market – prime yields



Source: PMA as of 04/2024

US Office market – cap rates



Source: Costar as of 07/2024

GUIDANCE 2024

pbb on track to meet its targets

REF Portfolio	**New business** (incl. extensions > 1 year)	€ 6-7 bn
	Financing volume	€ 30-31 bn
P&L	**Operating Income**	€ 525-550 mn
	thereof: NII + NCI	€ 475-500 mn
	LLPs	<< 2023
	CIR	~50%
Profitability	**Pre-tax profit**	>> 2023
	RoE/RoCET1 after taxes	>> 2023
Capitalisation	**CET 1 ratio**	≥ 14%

FOCUS ON PROFITABILITY

CAPITAL MARKETS DAY 2024

10th of October 2024

SAVE THE DATE!

AGENDA

PBB's LEADERSHIP TEAM

Extensive experience

Kay Wolf

Chief Executive Officer

- Member of the Management Board since February 2024
- **More than 25 years of experience in the financial industry and more than 20 years in Credit Risk Management, incl. CRE**
  - Chief Risk Officer Private Bank at Deutsche Bank AG
  - Chief Risk Officer Deutsche Postbank AG

Marcus Schulte

Chief Financial Officer & Treasurer

- CFO since December 2023, Member of the Management Board and Treasurer since 2019
- **More than 25 years of experience in the financial industry**
  - Head of European FIG, Debt Capital Markets at Credit Suisse, London
  - Head of Capital Markets & Financing, FI Germany/ Austria at Bank of America Merrill Lynch, London/ Frankfurt

Thomas Köntgen

Deputy-CEO & Real Estate Finance

- Deputy-CEO since October 2016 (2014-2015 Co-CEO)
- **More than 30 years of experience in the Real Estate industry and more than 25 years in the financial industry**
  - 12 years with Hypotheken-bank Frankfurt (former Eurohypo)
    - 2 years as CEO
    - Nearly 6 years Member of the Management Board
    - Divisional Board Member of Commerzbank Group

Andreas Schenk

Chief Risk Officer

- CRO of pbb since March 2014
- **More than 25 years with pbb and predecessor institutions, more than 10 years of experience in CRE Credit Risk Management** – former positions:
  - Chief Credit Officer
  - Head of Treasury

Dr. Pamela Hoerr

pbb invest, HR & ESG

- Member of the Management Board since January 2024
- **More than 25 years experience in the Real Estate industry and nearly 20 years in asset management**
  - Member of the Management Board at Real I.S., Munich
  - Member of the Management Board at Patrizia Real Estate IM S.à.r.l., Luxemburg

APPENDIX

KEY FIGURES

pbb Group

Income statement (€ mn)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	H1/24
Net interest income	489	106	110	132	134	482	125	121	246
Net fee and commission income	8	1	1	1	0	3	1	2	3
Net income from fair value measurement	20	1	-1	2	-2	0	-3	-1	-4
Net income from realisations	15	14	28	3	40	85	23	12	35
Net income from hedge accounting	0	-2	-1	3	1	1	4	2	6
Net other operating income	-1	-1	3	15	15	32	-4	-4	-8
Operating Income	**531**	**119**	**140**	**156**	**188**	**603**	**146**	**132**	**278**
Net income from risk provisioning	-44	-2	-19	-83	-108	-212	-47	-56	-103
General and administrative expenses	-224	-58	-65	-57	-69	-249	-58	-57	-115
Expenses from bank levies and similar dues	-32	-22	-2	0	-1	-25	-2	-1	-3
Net income from write-downs and write-ups on non-financial assets	-18	-5	-5	-6	-11	-27	-5	-5	-10
Pre-tax profit	**213**	**32**	**49**	**10**	**-1**	**90**	**34**	**13**	**47**
Income taxes	-26	-5	-7	-2	15	1	-5	-2	-7
Net income	**187**	**27**	**42**	**8**	**14**	**91**	**29**	**11**	**40**
EpS[1]	**1.27**	**0.17**	**0.27**	**0.01**	**0.23**	**0.68**	**0.17**	**0.03**	**0.20**

Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	H1/24
CIR[2]	45.6	52.9	50.0	40.4	42.6	45.8	43.2	47.0	45.0
RoE before tax	6.3	3.3	5.5	0.5	-0.9	2.1	3.6	0.9	2.2
RoE after tax	5.5	2.7	4.6	0.3	1.1	2.2	2.9	0.6	1.8
RoCET1 after tax	6.0	3.0	5.2	0.3	1.2	2.4	3.2	0.7	1.9

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

Regulatory capital ratios[3]	12/22	03/23	06/23	09/23	12/23	03/24	06/24
RWA (€ bn)	17.0	17.1	17.3	17.8	18.5	18.8	20.9
CET 1 ratio – phase in (%)	16.7[4]	16.6[5]	16.0[6]	15.2[6]	15.7[7]	15.2[8]	14.0[8,9]
Tier 1 ratio – phase in (%)	18.4[4]	18.3[5]	17.8[6]	16.8[6]	17.3[7]	17.3[8]	17.0[8,9]

Personnel	12/22	03/22	06/22	09/22	12/23	03/24	06/24
Employees (FTE)	791	780	777	776	806	808	791

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

KEY FIGURES

Real Estate Finance (REF)

Income statement (€ mn)	2022	Q1/23[3]	Q2/23[3]	Q3/23[3]	Q4/23[3]	2023[3]	Q1/24	Q2/24	H1/24
Net interest income	420	97	101	118	121	437	116	113	229
Net fee and commission income	8	1	1	2	0	4	1	3	4
Net income from fair value measurement	14	0	-1	2	-1	0	-2	-1	-3
Net income from realisations	16	4	16	-1	25	44	10	-11	-1
Net income from hedge accounting	0	-1	-1	2	1	1	3	1	4
Net other operating income	2	-1	4	15	10	28	-3	-3	-6
Operating Income	**460**	**100**	**120**	**138**	**156**	**514**	**125**	**102**	**227**
Net income from risk provisioning	-69	-2	-19	-84	-108	-213	-47	-56	-103
General and administrative expenses	-196	-51	-56	-50	-62	-219	-55	-54	-109
Expenses from bank levies and similar dues	-21	-15	-1	0	-1	-17	-1	-1	-2
Net income from write-downs and write-ups on non-financial assets	-16	-4	-5	-5	-10	-24	-5	-4	-9
Pre-tax profit	**158**	**28**	**39**	**-1**	**-25**	**41**	**17**	**-13**	**4**

Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q1/24	H1/24
CIR[1]	46.1	55.0	50.8	39.9	46.2	47.3	48.0	56.9	52.0
RoE before tax	6.4	3.1	4.7	-0.9	-4.1	0.7	1.5	-2.5	-0.5

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

1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2. 2021/22: equity allocated according to going concern view, 2023/24: equity allocated according to RWA 3. Adjusted according to IFRS 8.29
Note: annual results audited, interim results Q1 2022/23/24 and Q3 2022/23 unaudited, interim results H1 2022/23 unaudited, but reviewed

KEY FIGURES

Non-Core (PIF & VP)

Income statement (€ mn)	2022	Q1/23[3]	Q2/23[3]	Q3/23[3]	Q4/23[3]	2023[3]	Q1/24	Q2/24	H1/24
Net interest income	67	9	9	14	13	45	9	8	17
Net fee and commission income	0	0	0	-1	0	-1	0	-1	-1
Net income from fair value measurement	6	1	0	0	-1	0	-1	0	-1
Net income from realisations	-1	10	12	4	15	41	13	23	36
Net income from hedge accounting	0	-1	0	1	0	0	1	1	2
Net other operating income	-3	0	-1	0	5	4	-1	-1	-2
Operating Income	**69**	**19**	**20**	**18**	**32**	**89**	**21**	**30**	**51**
Net income from risk provisioning	25	0	0	1	0	1	0	0	0
General and administrative expenses	-28	-7	-9	-7	-7	-30	-3	-3	-6
Expenses from bank levies and similar dues	-11	-7	-1	0	0	-8	-1	0	-1
Net income from write-downs and write-ups on non-financial assets	-2	-1	0	-1	-1	-3	0	-1	-1
Pre-tax profit	**53**	**4**	**10**	**11**	**24**	**49**	**17**	**26**	**43**

Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	H1/24
CIR[1]	43.5	42.1	45.0	44.4	25.0	37.1	14.3	13.3	13.7
RoE before tax	10.5	10.0	28.5	37.8	91.1	38.6	72.5	174.9	118.2

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

1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2. 2021/22: equity allocated according to going concern view, 2023/24: equity allocated according to RWA 3. Adjusted according to IFRS 8.29
Note: annual results audited, interim results Q1 2022/23/24 and Q3 2022/23 unaudited, interim results H1 2022/23 unaudited, but reviewed

BALANCE SHEET

Balance sheet

IFRS, € bn

Assets	30/06/24	31/12/23
Financial assets at fair value through P&L	**1.0**	**0.9**
thereof		
Positive fair values of stand-alone derivatives	0.5	0.5
Debt securities	0.1	0.1
Loans and advances to customers	0.4	0.3
Financial assets at fair value through OCI	**1.2**	**1.5**
thereof		
Debt securities	1.1	1.4
Loans and advances to customers	>0.1	0.1
Financial assets at amortised cost (after credit loss allowances)	**42.0**	**45.2**
thereof		
Debt securities	3.6	4.0
Loans and advances to other banks	1.8	2.5
Loans and advances to customers	36.5	38.7
Positive fair values of hedge accounting derivatives	**0.1**	**0.3**
Other assets	**1.7**	**3.0**
Total Assets	**46.0**	**50.9**

Liabilities & equity	30/06/24	31/12/23
Financial liabilities at fair value through P&L	**0.8**	**0.7**
thereof		
Negative fair values of stand-alone derivatives	0.8	0.7
Financial liabilities measured at amortised cost	**41.1**	**45.9**
thereof		
Liabilities to other banks (incl. central banks)	3.4	6.1
thereof		
Registered Mortgage Pfandbriefe	*0.4*	*0.4*
Registered Public Pfandbriefe	*0.5*	*0.9*
Liabilities to other customers	18.9	18.8
thereof		
Registered Mortgage Pfandbriefe	*3.1*	*3.2*
Registered Public Pfandbriefe	*4.6*	*5.1*
Bearer Bonds	18.2	20.4
thereof		
Mortgage Pfandbriefe	*10.7*	*12.4*
Public Pfandbriefe	*1.9*	*1.9*
Subordinated liabilities	0.6	0.6
Negative fair values of hedge accounting derivatives	**0.6**	**0.8**
Other liabilities	**0.1**	**0.1**
Equity (attributable to shareholders)	**3.1**	**3.1**
AT1-capital	**0.3**	**0.3**
Total liabilities & equity	**46.0**	**50.9**

Share of Pfandbriefe of refinancing liabilities

52%/52%

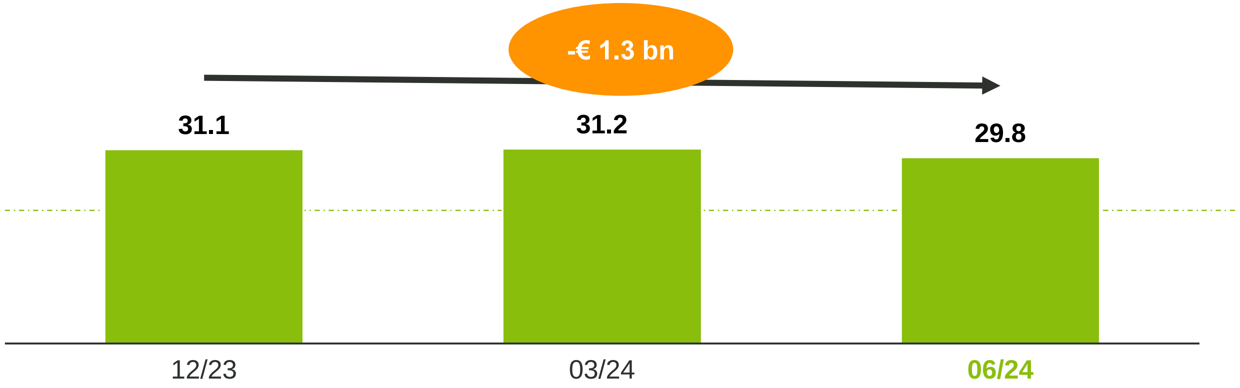
Note: Figures may not add up due to rounding

APPENDIX

REF NEW BUSINESS

Selective new business volume with margins on elevated level

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



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

- **Strategic REF portfolio** down ytd and q-o-q, mainly through portfolio transaction (€ -0.9 bn) and repayments
- **Avg. portfolio margin** further up
- **Selective new business** volume of € 1.9 bn with focus on extensions
- **Gross interest margin** further on strong level
- Focus on **balanced risk/return ratio**, avoiding higher risk profile at the expense of higher volume or higher margin

New Business	6M/23	6M/24
Share of extension > 1 year (%)	41	68
Ø Gross interest margin (bp)[2]	~200	~240
Ø LTV[1] (%)	56	50
Ø Maturity[3] (yrs.)	~3.5	~3.2
No. of Deals	44	37

1. New commitments; avg. LTV (extensions): 6M/24: 59%, 6M/23: 50% 2. Net of FX-effects; gross revenue margin: 6M/24: ~265 bp, 6M/23: ~230 bp 3. Legal maturities

REF NEW BUSINESS

Diversification supports management of the cycle

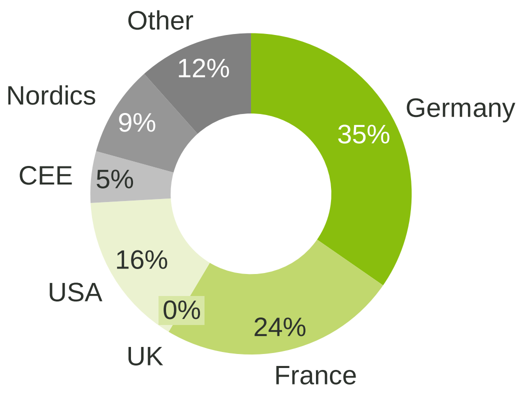
As of 30/06/24

€ 1.9 bn

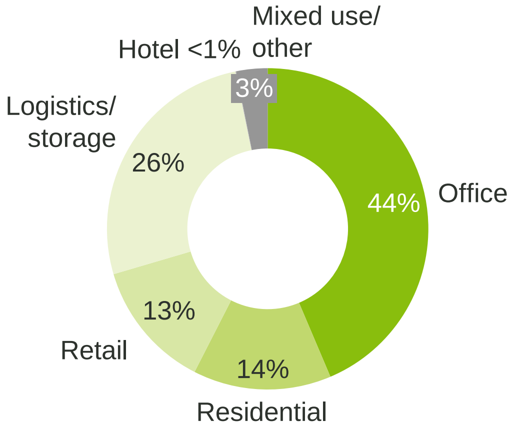
New business

(commitments, incl. extensions > 1 year)

Regions



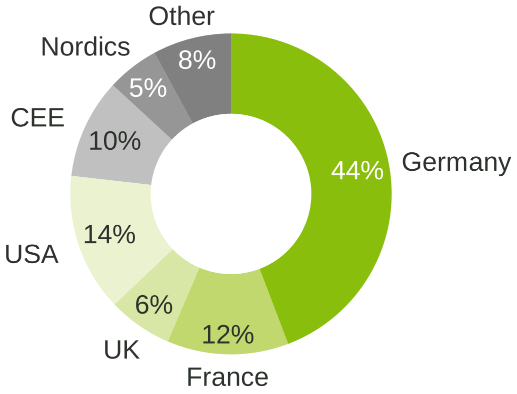
Property types

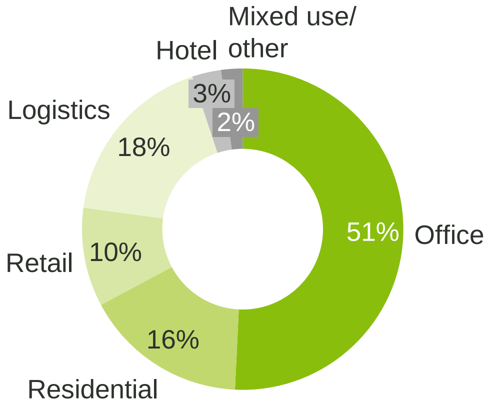


€ 30.6 bn

Portfolio

(EaD, Basel III)





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

APPENDIX

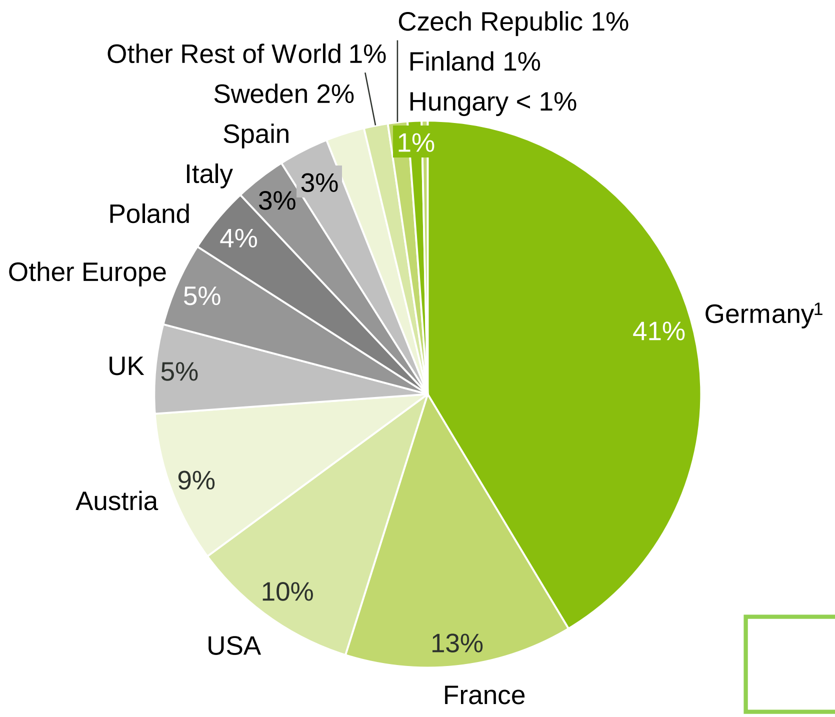
PORTFOLIO

Total portfolio

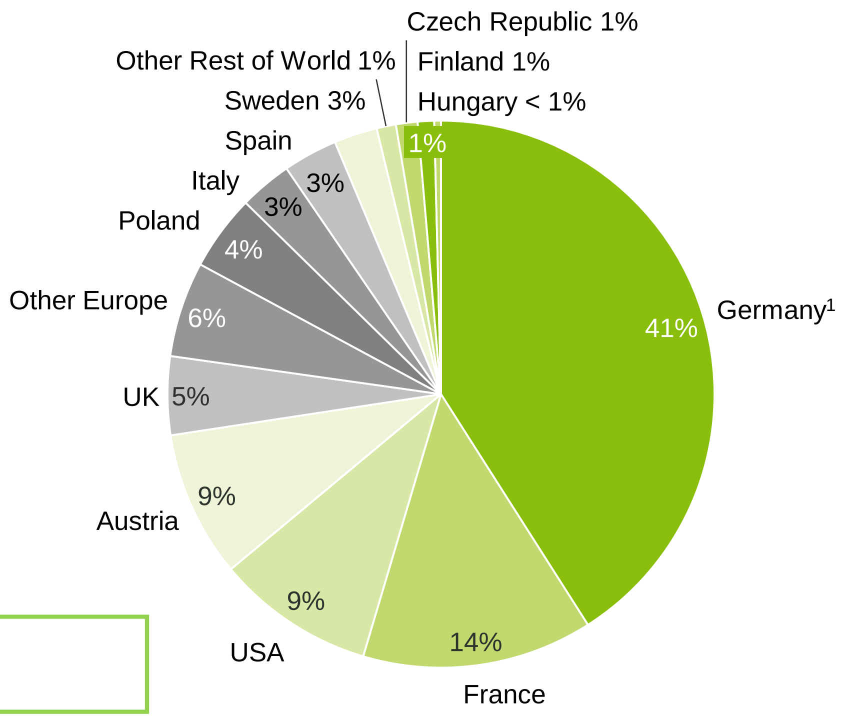
Regions

(EaD, Basel III)

31/12/2023 / Total: € 51.3 bn



30/06/2024 / Total: € 45.8 bn



No direct exposure in/to Ukraine, Russia and Belarus

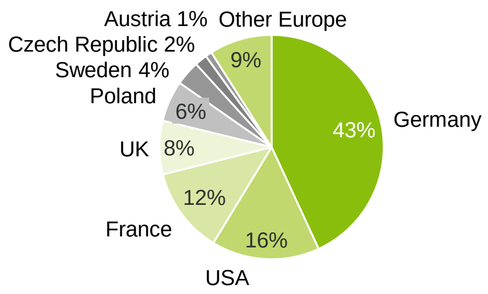
1. Incl. Bundesbank accounts (06/24: € 1.5 bn; 12/23: € 2.7 bn) 2. EaD, Basel III Note: Figures may not add up due to rounding

PORTFOLIO

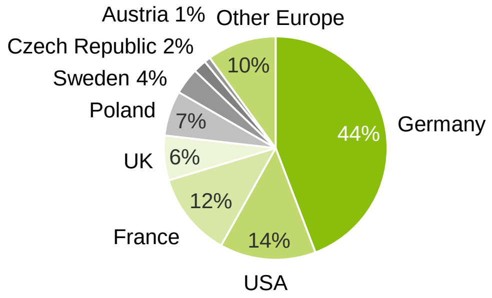
Real Estate Finance (REF)

Regions

31/12/2023: € 33.0 bn

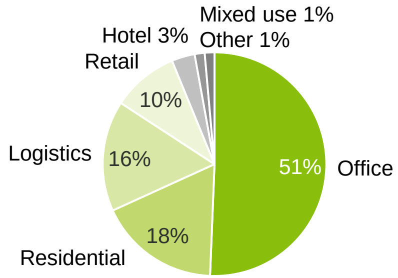


30/06/2024: € 30.6 bn

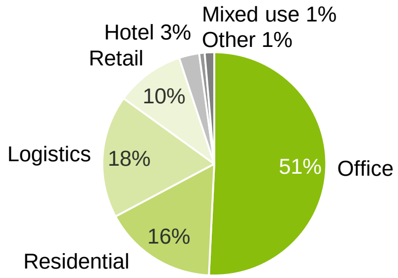


Property types

31/12/2023: € 33.0 bn

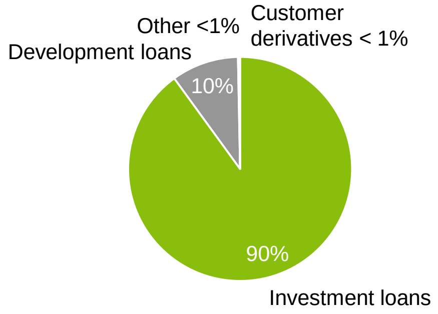


30/06/2024: € 30.6 bn

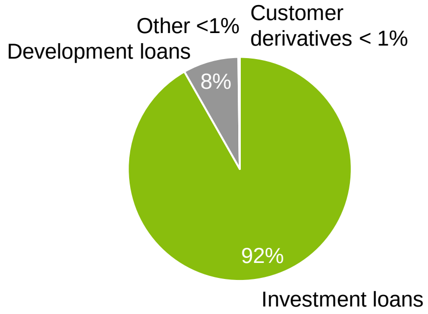


Product class

31/12/2023: € 33.0 bn

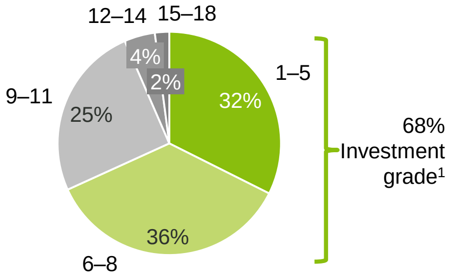


30/06/2024: € 30.6 bn

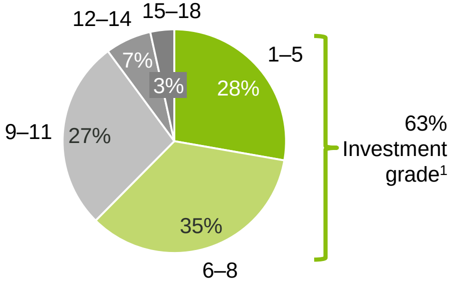


Internal ratings (EL classes)

31/12/2023: € 33.0 bn



30/06/2024: € 30.6 bn



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

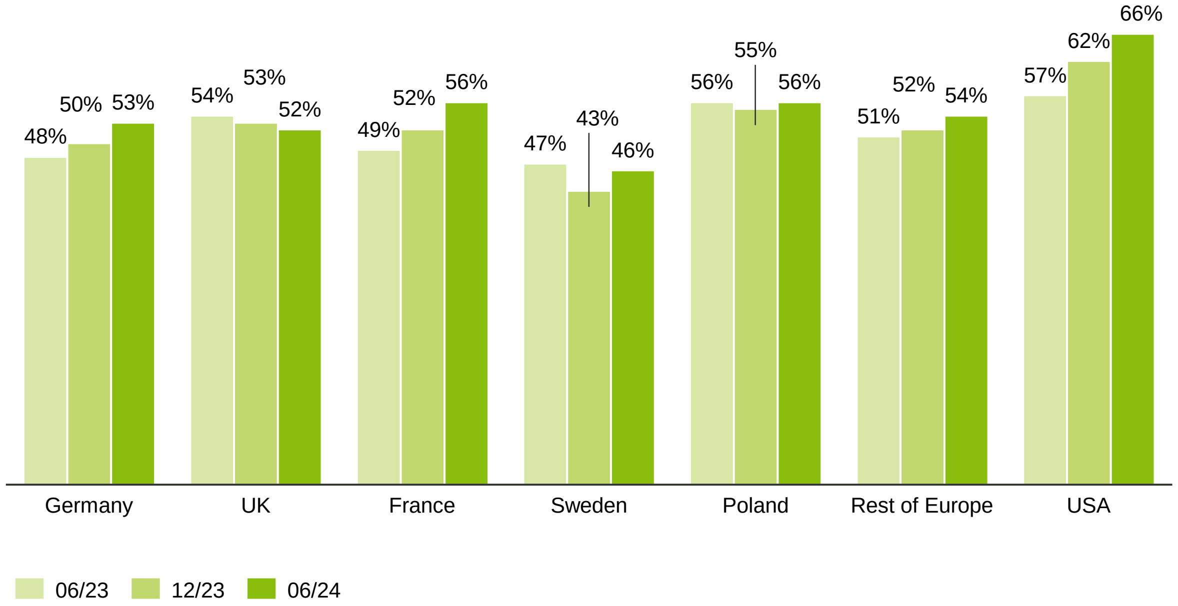
Note: Figures may not add up due to rounding, EaD, Basel III

REF PORTFOLIO

LTV development reflects market environment

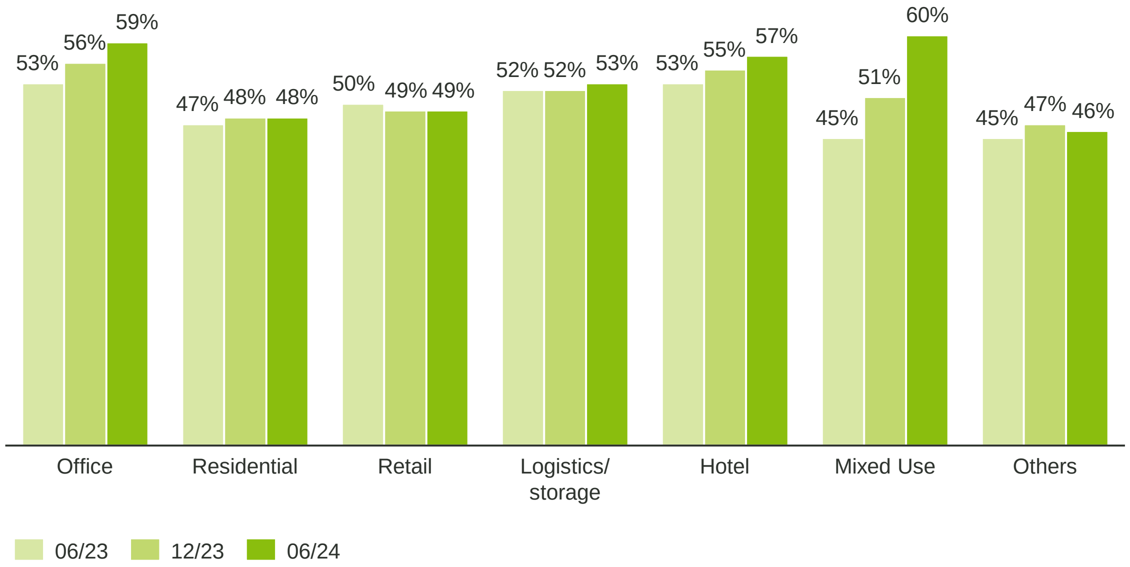
LTV – Regions
(€ bn, commitments, Basel III)[1]

Avg. LTV
06/23: 51% / 12/23: 53% / 06/24: 55%



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

Avg. LTV
06/23: 51% / 12/23: 53% / 06/24: 55%



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

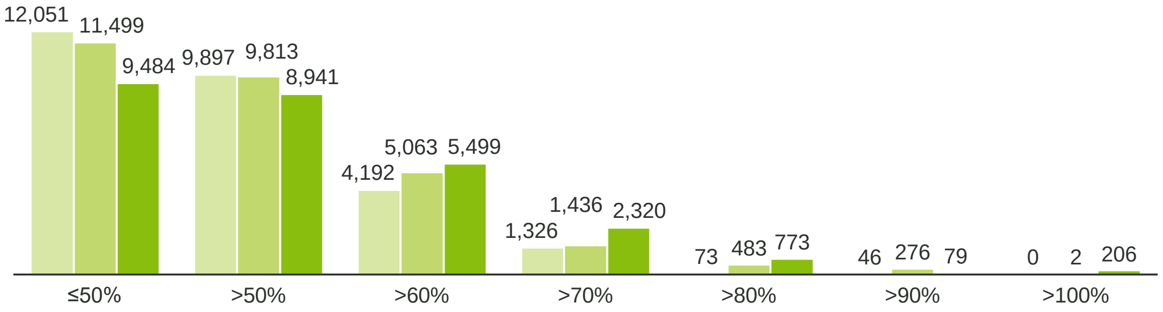
REF PORTFOLIO – LTV CLUSTER[1]

LTV development reflects market environment

Total REF portfolio

(€ mn, commitments, Basel III)

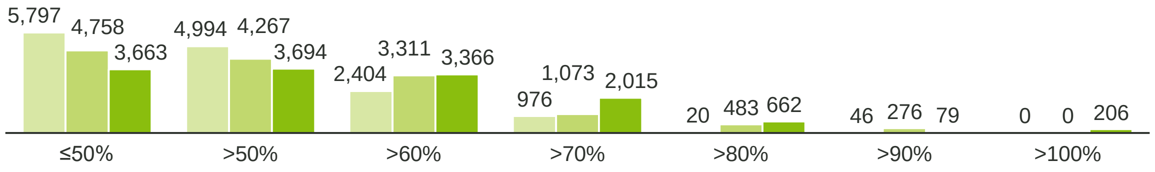
Avg. LTV[1]: 06/23: 51% / 12/23: 53% / 06/24: 55%
Volume € bn: 06/23: 27.6 / 12/23: 28.6 / 06/24: 27.3



Office

(€ mn, commitments, Basel III)

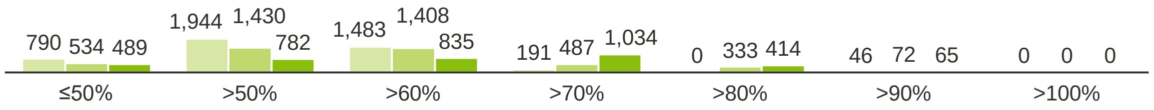
Avg. LTV[1]: 06/23: 51% / 12/23: 56% / 06/24: 59%
Volume € bn: 06/23: 14.2 / 12/23: 14.2 / 06/24: 13.7



USA

(€ mn, commitments, Basel III)

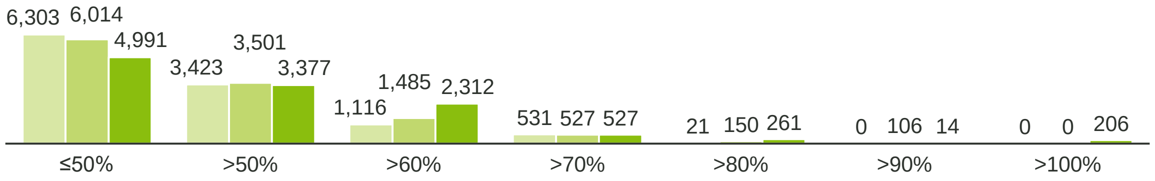
Avg. LTV[1]: 06/23: 57% / 12/23: 62% / 06/24: 66%
Volume € bn: 06/23: 4.5 / 12/23: 4.3 / 06/24: 3.6



Germany

(€ mn, commitments, Basel III)

Avg. LTV[1]: 06/23: 48% / 12/23: 50% / 06/24: 53%
Volume € bn: 06/23: 11.4 / 12/23: 11.8 / 06/24: 11.7

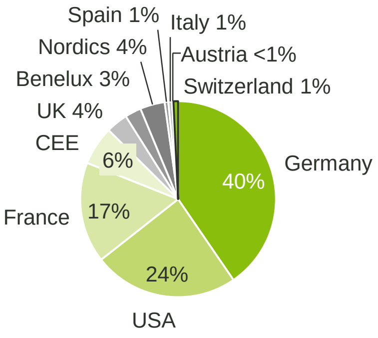
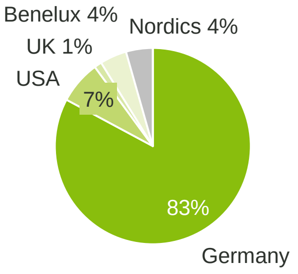


06/23 12/23 06/24

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

REF PORTFOLIO

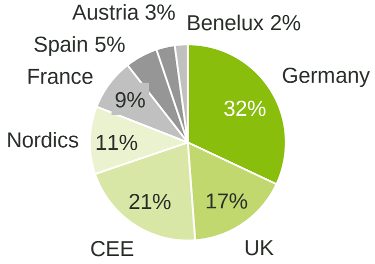
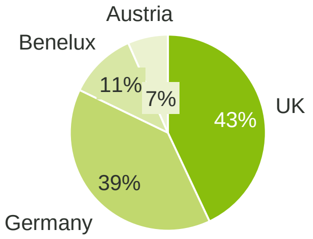
Sub-segments

Property	Regions	Evaluation of current situation	Challenges	Risk positioning
Office € 15.5 bn (51%)		▪ Office demand in Europe is still relatively weak as a result of both the economic cycle and longer efficiency trends. Demand is focused particularly on modern, flexible and ESG-conform properties in good locations while demand for secondary locations is limited. ▪ Despite muted take up, vacancies, although risen in the last years, are still under control and are not expected to increase to historical highs. This is due to a more modest development activity over the past years and the fact that older space is withdrawn or repurposed. ▪ Whilst a big slump in rents has been avoided, the rental forecast is subdued with just marginal nominal rent growth over the coming years. ▪ In US vacancy is a lot higher and is expected to stay elevated for some years. Buildings of the very highest quality have seen consistently positive net absorption and prime assets in Live-Work-Shop submarkets are expected to continue to benefit from the flight-to-quality trend. But much of this has come at the expense of lower-quality buildings which is expected to suffer from further rental decline.	▪ Cooling of tenant market due to overall economic situation and shift of demand towards modern, green, centrally located properties leads to reletting / extension risks with pressure on rental level on secondary/older buildings. ▪ Good locations remain competitive and "Green" having become a very core element in competition. ▪ Increased interest level in combination with competitive disadvantage for B-properties / B-locations has increased pressure on value in particular for these properties. ▪ Some former A-locations have, due to structural changes, downgraded to B-locations. ▪ Structural changes, cooled letting market and increased interest level have put pressure on cash flow for, in particular, class-B-properties.	▪ Focus on good locations in main European and US urban locations. ▪ Avg. LTV of 59%[1] provides good buffer and supports commitment of investors / sponsors. ▪ Well diversified portfolio, focus on Germany, main cities in the US (e.g. New York, Boston, Washington) and France (almost completely Paris / Isle de France region). ▪ Detailed analysis of "green profile" of properties including associated risk conducted in new business and on occasions of (annual) credit reports transactions. ▪ Due to focus on existing business and exits from risk positions via active portfolio management (loan sales, exits from NPL) in particular in the US total amount as compared to year end 2023 decreased by € 1.5 bn or ca. 9%. Further reductions planned.
Residential € 5.0 bn (16%)		▪ The market of owner-occupied properties is expected to recover slowly as inflation and interest rates declines. ▪ For multifamily properties rising rents mitigated the impact on values. Multifamily rental growth is expected to continue although at a far more modest pace than in recent years as landlords adjust to new market conditions. ▪ Energy cost and regulation in the rental sector are the main risks and are expected to reduce the NOI for the multifamily owner especially in the low price segment.	▪ Increased interest level puts pressure on value, however still more moderate than in other (sub-) asset classes. ▪ Cash flow under pressure for many reasons: interest rates, energy costs, investment requirements - partially counterbalanced by increasing rents. ▪ In particular, capital-market oriented investors often with challenging refinancing situations for non traditional bank loans. ▪ Transaction Market in Germany for portfolios gaining momentum again.	▪ Portfolio volume of € 5.0 bn with avg. LTV of 48%[1] provides good buffer and supports commitment of investors/sponsors. ▪ Well diversified portfolio with strong focus on Germany.

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

REF PORTFOLIO

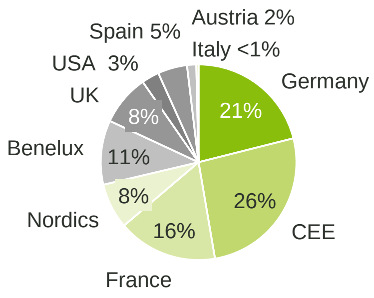
Sub-segments

Property	Regions	Evaluation of current situation	Challenges	Risk positioning
Retail € 3.0 bn (10%)		▪ Lower inflation helps stabilise real incomes and mitigating declines in sales volumes. Occupier demand is expected to be focused on prime locations, with retailers focusing on larger format, flagship stores in the best locations and potentially rationalising stores in secondary locations. Vacancy is improving for high streets but remains high for shopping centers. Most of Europe's luxury pitches have lower vacancy rates than their city centres. ▪ General retail property market trading conditions remain challenging and retailers continue to retrench their physical store estates. But reduced expectations for online diversion is expected to benefit in-store retail spending while food spending remain predominantly store-based. Despite an improved rental outlook, prime sectors rising only just ahead of inflation for both Shopping Center and highstreet.	▪ Short Term: threats to income stability as well as decreasing consumer spendings / consumer confidence due to inflation and modest economic development in many countries. Professionally managed (and therefore well performing) assets stable. ▪ Mid Term: structural changes (online sale, change of high street / shopping centre retail structure towards more leisure) leading to continued pressure on rents and to partial oversupply of space in particular outside A-locations.	▪ Selective approach with consequent reduction of retail portfolio by ~58% or ca. € 4 bn since 2016 (06/24: € 3 bn; 12/16: € 7.1 bn). ▪ Only investment loans, almost no development loans. ▪ Avg. LTV of 49%[1] provides good buffer and supports commitment of investors/ sponsors. ▪ Well diversified portfolio. ▪ For new business selective approach with moderate LTVs.
Hotel (Business Hotels only) € 0.9 bn (3%)		▪ The travel recovery continued in 2023. Particular leisure-led demand recovery has driven stronger performance in parts of southern Europe. While occupancy has still not fully recovered, room rates have driven RevPAR gains with both KPI's clearly above pre-Covid levels. ▪ With consumers prioritising travel and continued recovery in APAC and business demand further demand growth to come. Since room supply growth should to be relatively subdued compared to pre-Covid, further RevPAR growth can be expected. ▪ Current challenges are high staff expenses, ESG and the ongoing conversion to different concepts like longstay and coliving. Also occupancy is not yet on pre-Covid level.	▪ Recovery mostly achieved with many locations close or even above to pre-Covid-levels in terms of occupancy and room rates. ▪ Recovery of business hotels focus on central locations, fringe locations lagging behind. ▪ Shortage of qualified personnel in parts of the industry, further increasing operating costs squeeze margins and compensate part of the recovery trend.	▪ Selective approach and strict adherence to underwriting standards in particular during the hot phase of hotel investment market in 2018/19 resulting in a relatively small portfolio volume of slightly less than € 1 bn. ▪ Focus on prime locations secures base value of properties. ▪ Avg. LTV of 57%[1] provides good buffer and supports commitment of investors/ sponsors. ▪ Focus on business hotels in main European capitals/business locations in combination with strong brands and professional sponsors.

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

REF PORTFOLIO

Sub-segments

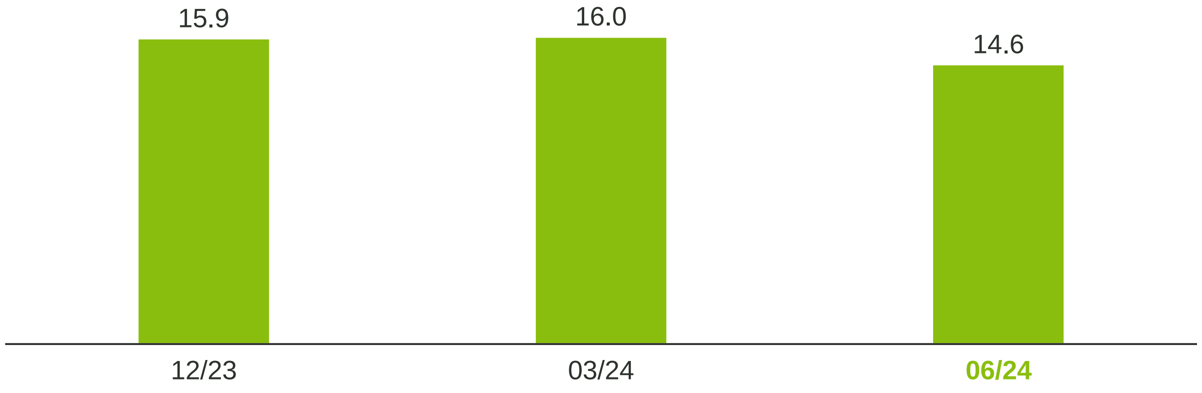
Property	Regions	Evaluation of current situation	Challenges	Risk positioning
Logistics € 5.4 bn (18%)		▪ E-commerce and the need for more resilient supply chains is still driving occupier demand, although the effect is expected to be already more or less priced in and therefore somewhat weakened. Overall demand for logistics is back to average pre-Covid levels and due to the macroeconomic uncertainty and vacancy increased in 2023. Marketing periods are expected to become longer and tenants are incentivised again. ▪ Alongside softer occupier demand, developers have responded to increasing financing costs and construction cost inflation. Overall, space under construction has decreased and this rebalancing is expected to see vacancy rates stabilize. However, development activity should remain strong when compared to long-run averages. ▪ Rental growth is expected to moderate from the exceptional years of 2021/22 but is expected to remain higher than pre-Covid rates in the near term.	▪ Monoline logistics centres depending on particular clients seen sceptical. ▪ Due to partially overheated prices, market correction on investment side seen. ▪ Rents still stable / partially further increasing.	▪ Strategic approach; expert team since 2014; share increase since 2013 from 8% to 18%, further increase expected. ▪ Focus on locations: good infrastructure, connection to a variety of different transportation routes. ▪ Avg. LTV of 53%[1] provides good buffer and supports commitment of investors / sponsors. ▪ Well diversified portfolio. ▪ High quality of sponsors.

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

FOCUS: OFFICE PERFORMING

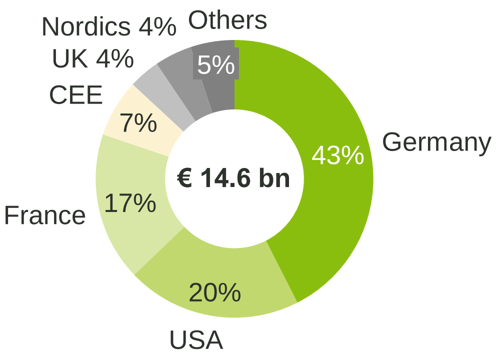
Office portfolio well diversified by regions with US share of 20%

Portfolio
€ bn (EaD, Basel III)

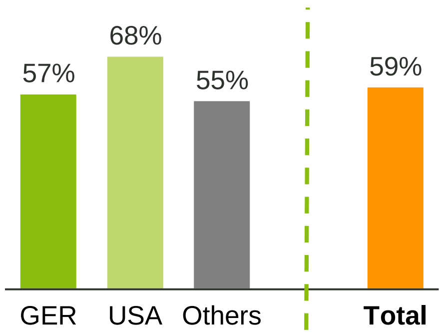


- **Performing Office portfolio** reduced by € ~1.4 bn through
  - Portfolio transaction (€ 0.3 bn)
  - Transfer to NPL (€ 0.2 bn)
  - Repayments & others (€ 0.9 bn)
- **European office structure** is different from US office. Flight to quality trend remains intact, different home office behavior, different sponsor behavior, lower vacancies and less sensitive to short-term interest rate changes
- Focus on **prime properties** in core inner-city locations and strict risk parameters
- 100% of the portfolio **reviewed/revalued** in last 12 months – avg. value change of -15%[1]
- **LTV-stress:**
  - **Exposure at risk:** ~2.4% of portfolio[2]
  - **Coverage ratio:** ~35 via existing stage 1&2 LLPs of € 115 mn

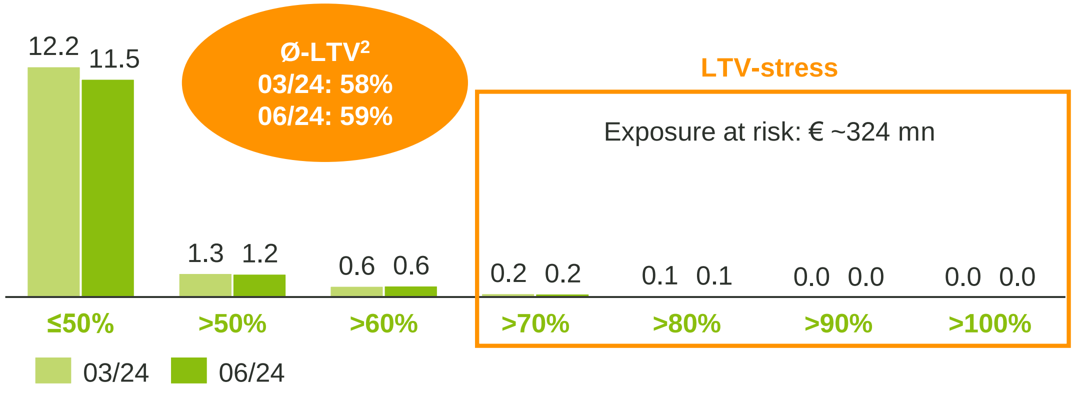
Regions
30/06/2024 (EaD, Basel III)



Avg. LTV[2]
30/06/2024 (Commitment, Basel III)



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



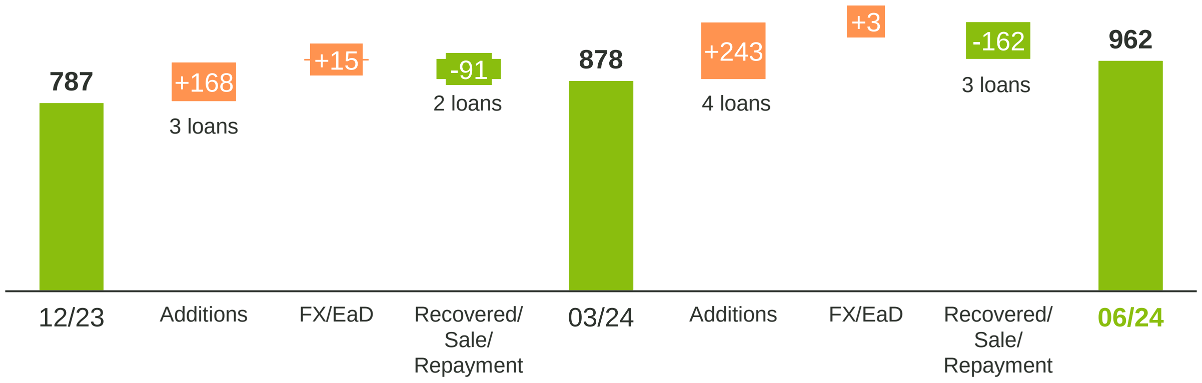
Note: Figures may not add up due to rounding 1. On the portfolio part, where a revaluation was necessary
2. performing investment loans, based on commitments

FOCUS: OFFICE NPL

Pressure on office NPL portfolio only from US loans

Non-Performing Portfolio

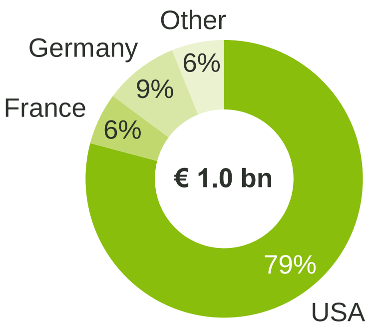
€ mn (EaD, Basel III)



- 4 new office NPLs (€ 243 mn) in Q2/24, all US
- Active **management of NPL** portfolio ongoing in Q2/24
  - 1 loan (€ 45 mn) restructured
  - 2 loans (€ 117 mn) repaid
  - Repayments and restructuring at internal valuation marks
- **100% of the portfolio reviewed/revalued** in last 12 months – avg. value change of -45%[1]
- **Office NPE[2] ratio** 6.2%
- **Coverage ratio** of ~17% via existing stage 3 LLPs of € 168 mn

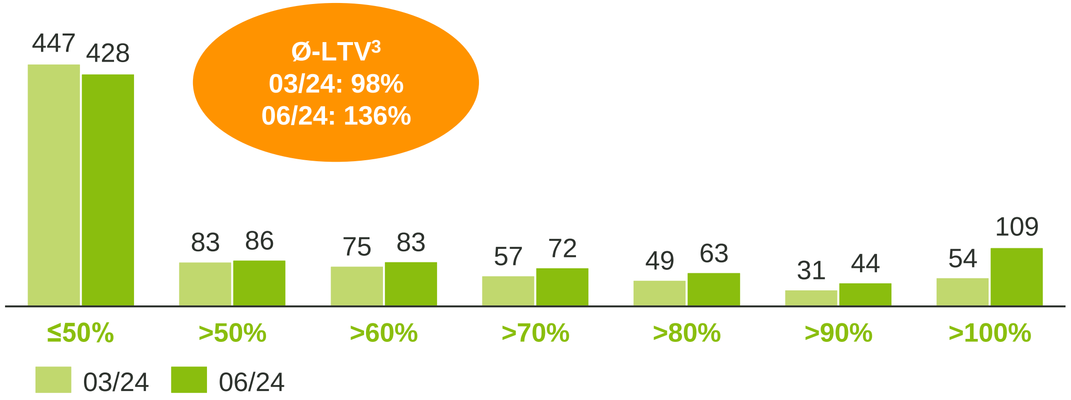
Regions

30/06/2024 (EaD, Basel III)



Layered LTV – based on investment loans only

(€ mn, commitments, Basel III)



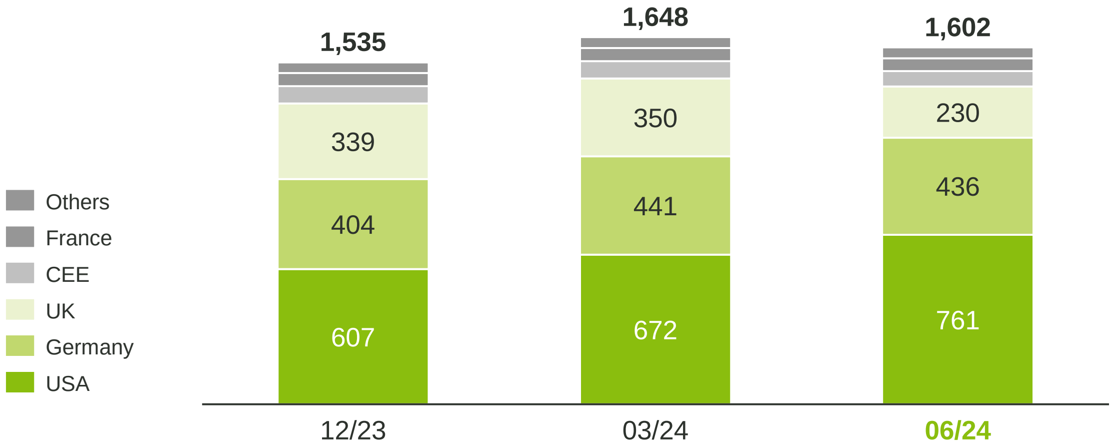
Note: Figures may not add up due to rounding 1. On the portfolio part, where a revaluation was necessary
2. Non-Performing Exposure ratio = Non-performing loans and bonds / total Office portfolio (EaD)
3. Non-performing investment loans, based on commitments

NPL PORTFOLIO

Decrease in Q2/24 – active restructuring/work-out ongoing

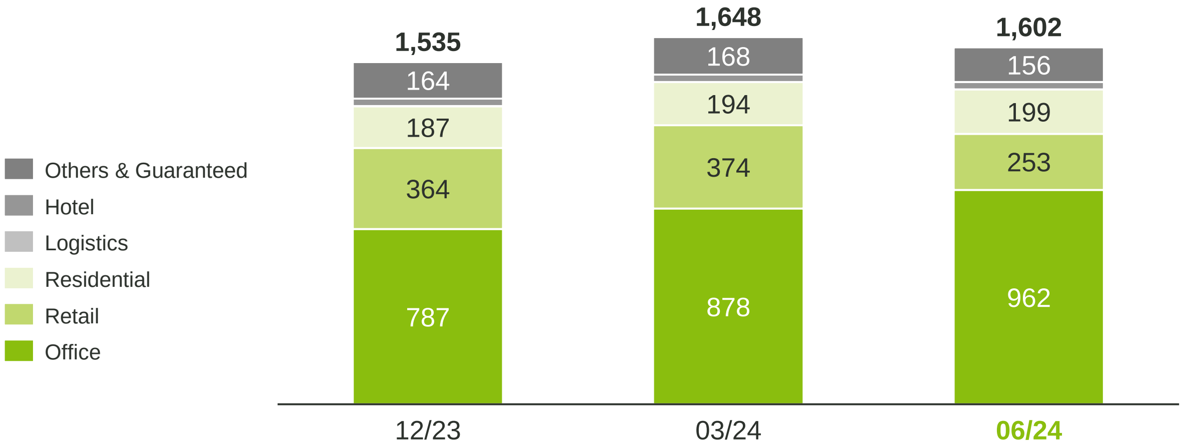
Geographical breakdown

€ mn (EaD, Basel III)



Breakdown by property type

€ mn (EaD, Basel III)



Development q-o-q

- **USA:** Ongoing active management of NPLs with 3 loans (€ -162 mn) successfully restructured/worked out – addition of 4 new office loans (€ 243 mn), EaD/FX changes (€ 9 mn)
- **Germany:** Only development loans, small decrease by repayments
- **UK:** Sale of 2 shopping center loans (€ -125 mn)

Development q-o-q

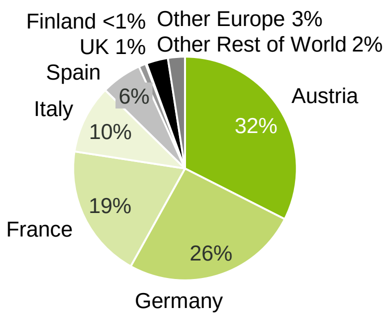
- **Office:** Increase in NPLs from US loans
- **Retail:** Decrease from sale of 2 UK shopping centres
- **Residential:** Increase from EaD changes
- **Others:** Decrease resulting from EaD changes

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

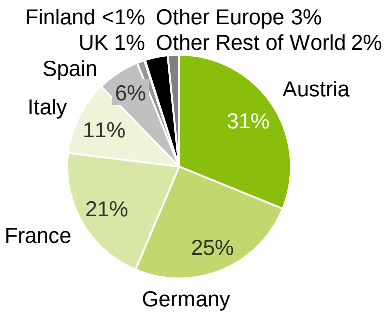
Non-Core Unit (PIF & VP)

Regions

31/12/2023: € 13.2 bn

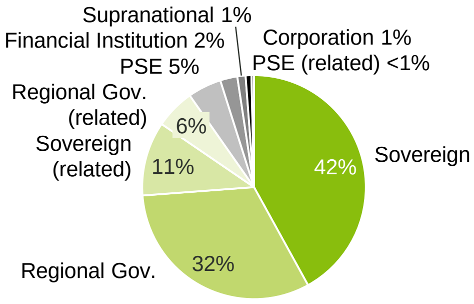


30/06/2024: € 11.9 bn

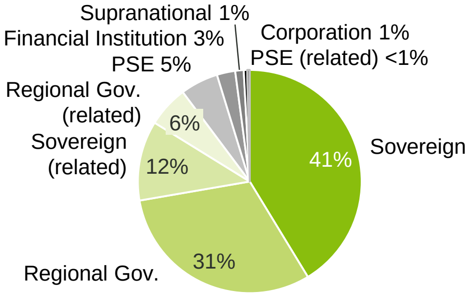


Borrower classification[1]

31/12/2023: € 13.2 bn

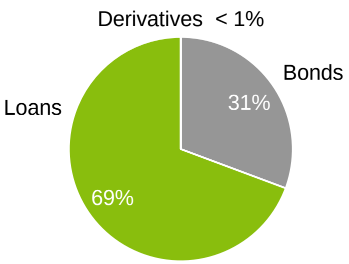


30/06/2024: € 11.9 bn

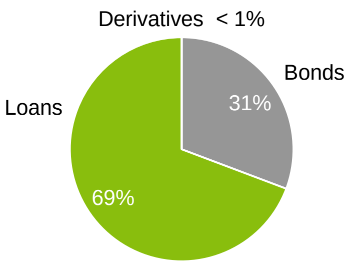


Product class

31/12/2023: € 13.2 bn

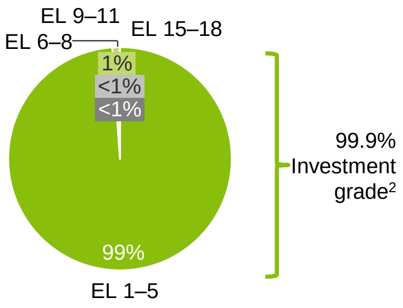


30/06/2024: € 11.9 bn

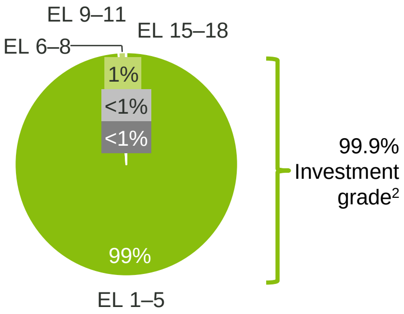


Internal ratings (EL classes)

31/12/2023: € 13.2 bn



30/06/2024: € 11.9 bn



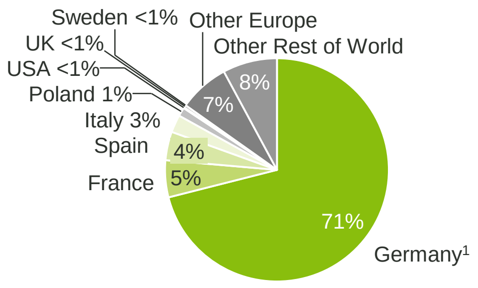
1. See appendix for definition of borrower classification 2. Internal EL Classes 1–8 = Investment grade; Internal EL classes 9–18 = Non-investment grade Note: Figures may not add up due to rounding, EaD, Basel III

PORTFOLIO

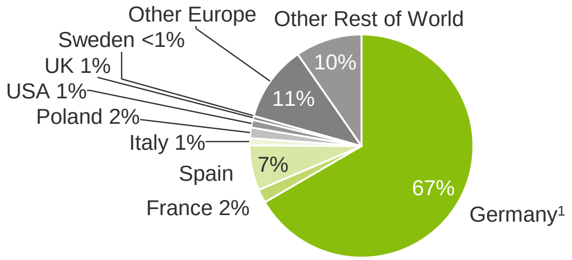
Consolidation and Adjustments (C&A)

Regions

31/12/2023: € 5.1 bn

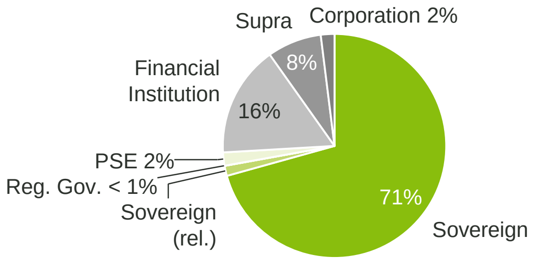


30/06/2024: € 3.4 bn

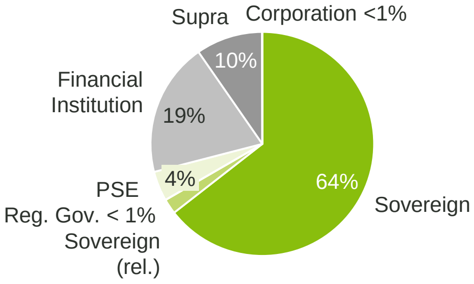


Borrower classification[2]

31/12/2023: € 5.1 bn

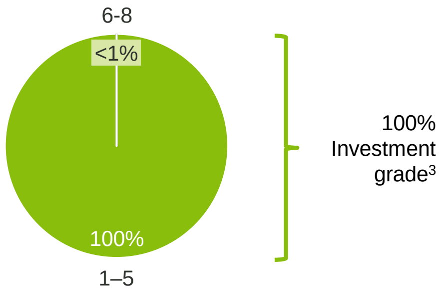


30/06/2024: € 3.4 bn

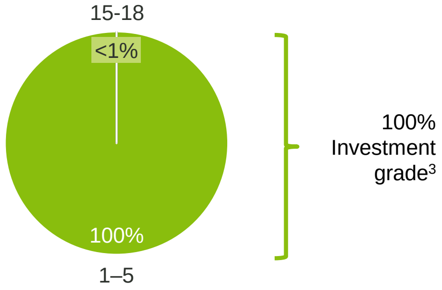


Internal ratings (EL classes)

31/12/2023: € 5.1 bn



30/06/2024: € 3.4 bn



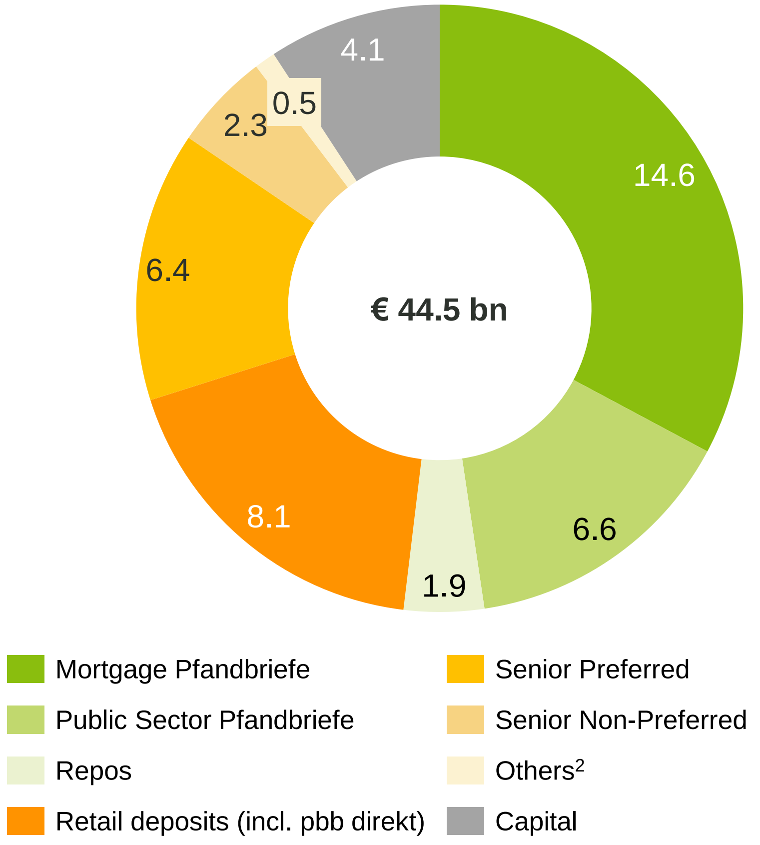
1. Incl. Bundesbank accounts (06/24: € 1.5 bn; 12/23: € 2.7 bn) 2. See appendix for definition of borrower classification 3. Internal EL Classes 1-8 = Investment grade; Internal EL classes 9-18 = Non-investment grade
Note: Figures may not add up due to rounding, EaD, Basel III

APPENDIX

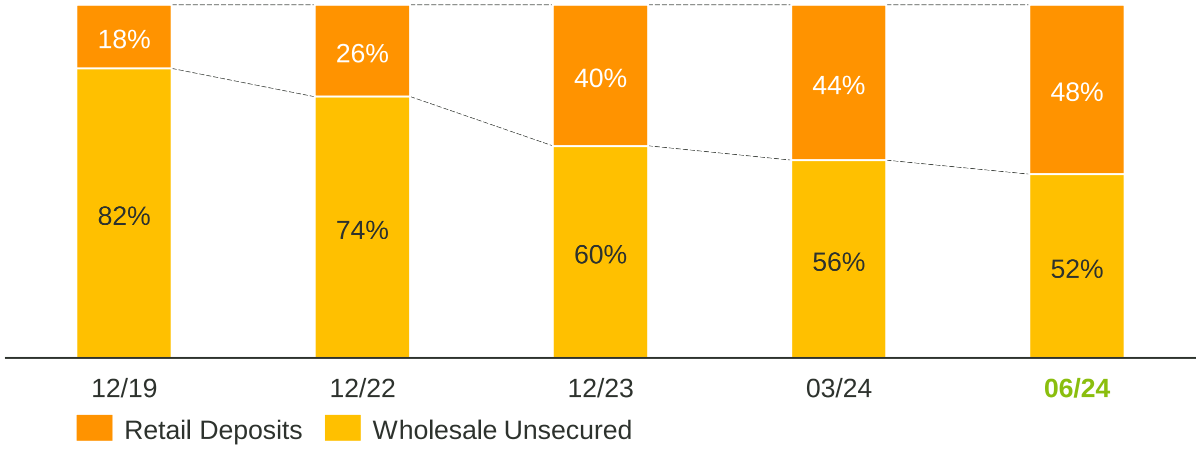
Diversified funding base

Diversified Funding Base

30/06/2024: € bn, nominal values



Unsecured Funding



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

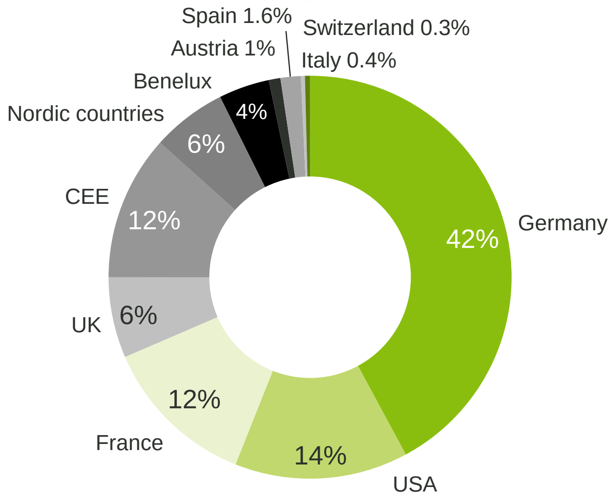
1. To be repaid in 2024 (liquidity neutral) 2. Others: e.g. institutional deposits and cash collateral 3. Pfandbriefe and Repos

MORTGAGE COVER POOL

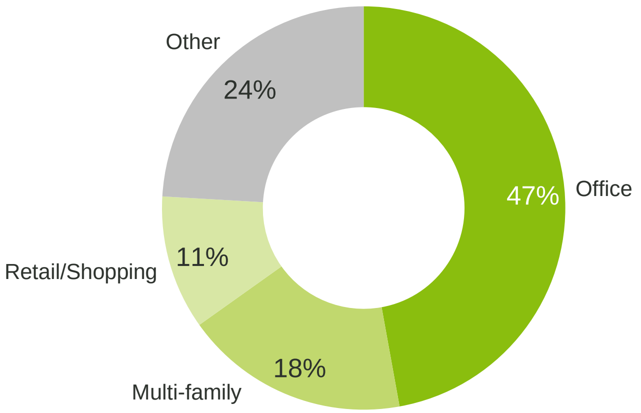
Diversification by countries and property types

Mortgage Cover Pool

Regions



Property types

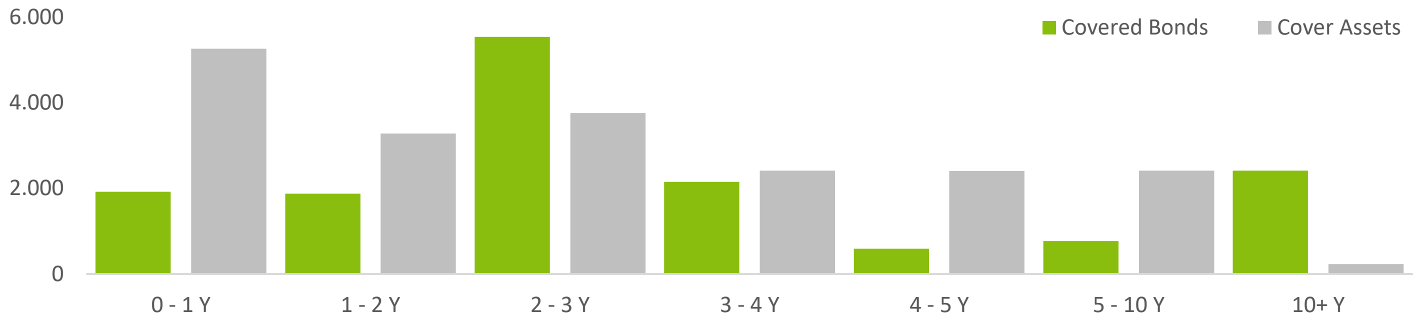


Key metrics

Mortgage cover pool (nominal)	30/06/2024
Pfandbriefe outstanding	€ 15.2 bn
Cover funds	€ 19.8 bn
Over-collateralisation (Nominal/NPV)	29.7% / 31.9%
No. of loans	1,408
No. of properties	3,271
Payments ≥ 90 days overdue	€ 0.7mn
Weighted average LTV (based on market value)	35.8%

Maturity Profile

(nominal values, € mn)



PFANDBRIEF COVER POOL

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

Interest Service Cover

(explanatory calculation for existing loans)

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

minus

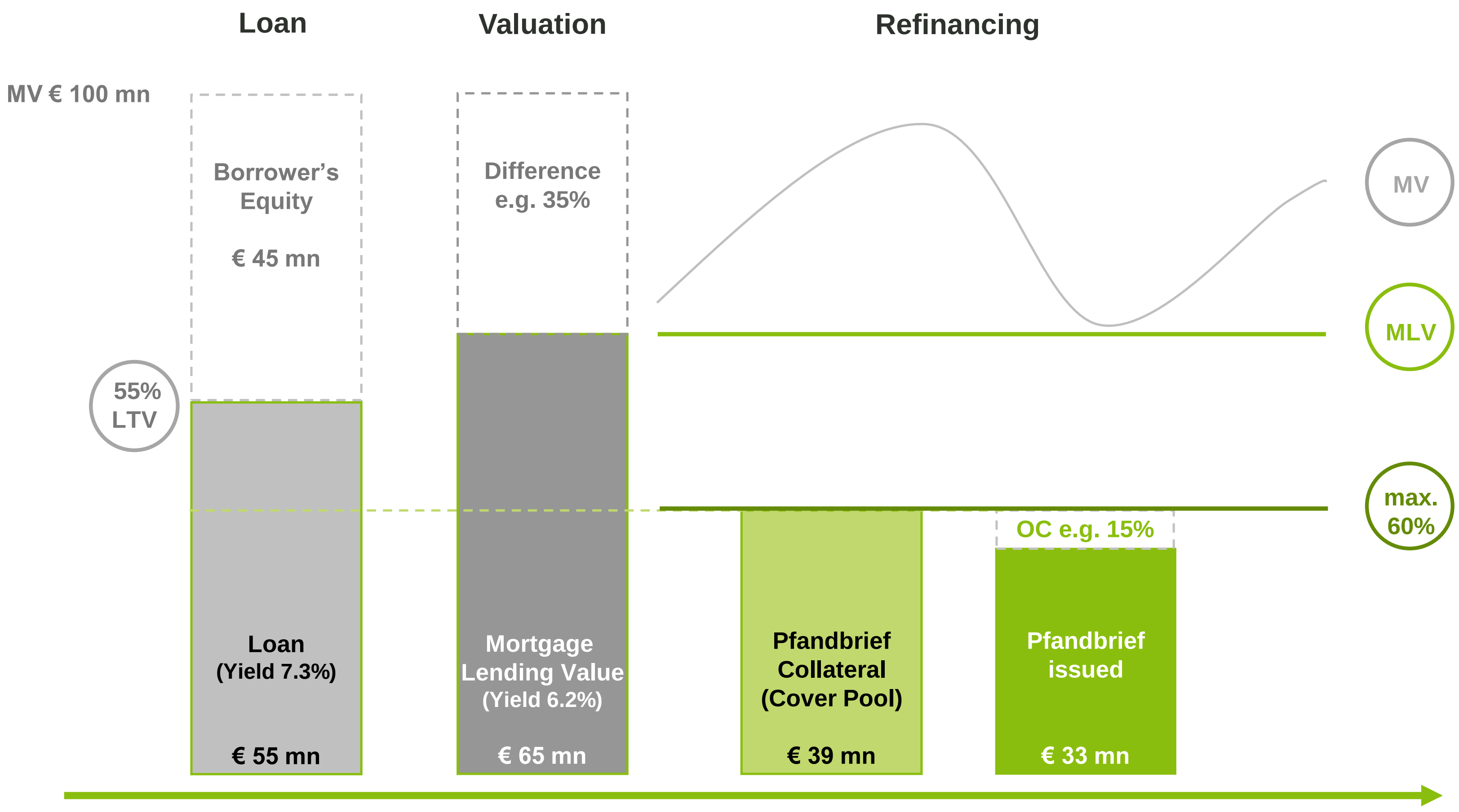
€ 1.1 mn interest payment p.a. for a € 55 mn loan at 2% interest rate

€ 2.9 mn excess cash

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

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

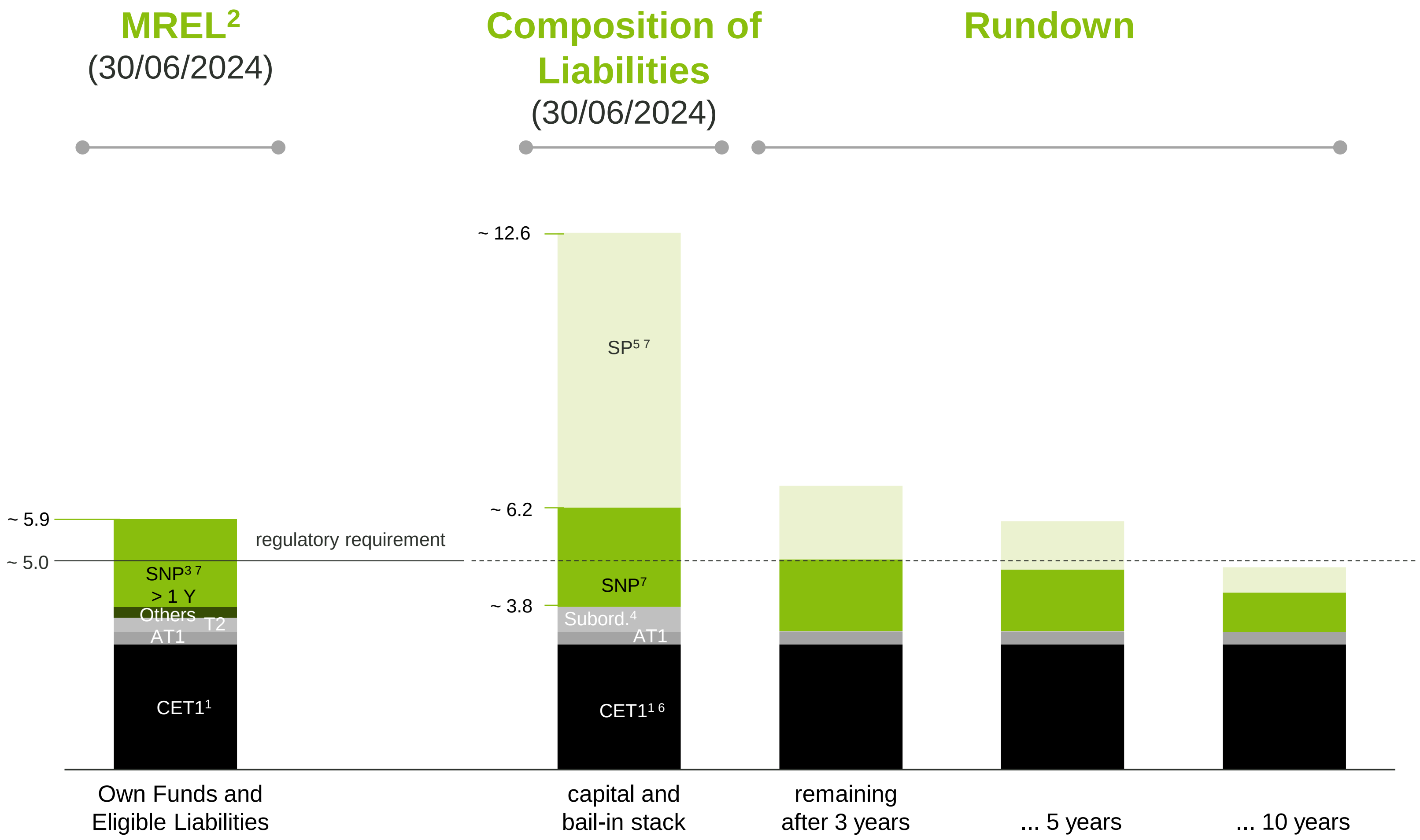
Loan-to-Value Ratio



FUNDING

Own Funds and Eligible Liabilities exceed regulatory requirements

€ bn



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

1. Incl. interim profit 2. Requirement set by SRB for 2024 (higher value of the requirement in relation to the Total Risk Exposure Amount (TREA) and in relation to the Leverage Ratio Exposure (LRE); replaces former TLOF measure. As of 30 June 2024, MREL capacity (subordinated only) amounts to ~28.1% TREA / ~12.9% LRE 3. MREL eligible Senior Non-Preferred Debt > 1Y according to legal maturities 4. Nominal amount of Tier 2 instruments 5. Senior Preferred, structured unsecured and corporate deposits (excl. protected deposits) 6. CET1 assumed to be constant 7. Reclassification of eligible Senior Non-Preferred instruments in Q2.2024

FUNDING

Public benchmark issuances since 2020

Types	WKN	Launch Date	Maturity Date	Size	Spread[1]	Coupon	Issue/Reoffer Price
Mortgage Pfandbrief	A2YNVY	14.01.2020	21.01.2028	€ 750 mn	+5 bp	0.10%	99.992%
Mortgage Pfandbrief (2nd Tap)	A1X3LT	15.01.2020	21.01.2022	€ 150 mn	0 bp	1.875%	104.36%
Mortgage Pfandbrief (1st Tap)	A2LQNP	22.01.2020	29.01.2024	€ 250 mn	+1 bp	0.25%	101.919%
Senior Preferred	A2YNV3	23.01.2020	28.07.2023	€ 300 mn	+55 bp	3m-€ibor+90 bp	101.237%
Public Sector Pfandbrief (3rd Tap)	A13SWG	18.02.2020	20.04.2035	€ 50 mn	+0 bp	1.25%	116.16%
Mortgage Pfandbrief	A289PQ	24.09.2020	29.09.2023	GBP 500 mn	+38 bp[1]	SONIA +100 bp	101.844%
Mortgage Pfandbrief	A3H2ZW	13.01.2021	20.01.2023	USD 750 mn	+23 bp[2]	0.50%	99.93%
Senior Preferred (Green)	A3H2ZX	25.01.2021	02.02.2026	€ 500 mn	+55 bp	0.10%	100.00%
Mortgage Pfandbrief	A3H2Z8	20.04.2021	27.04.2024	GBP 500 mn	+27 bp[1]	SONIA +100 bp	102.178%
Mortgage Pfandbrief	A3E5K7	25.08.2021	20.08.2026	€ 500 mn	+0 bp	0.01%	101.747%
Mortgage Pfandbrief (2nd Tap)	A2GSLV	26.08.2021	30.08.2027	€ 50 mn	-1 bp	0.625%	105.890%
Mortgage Pfandbrief (1nd Tap)	A2YNVM	26.08.2021	16.10.2025	€ 50 mn	-1,9 bp	0.01%	101.880%
Mortgage Pfandbrief (2nd Tap)	A2YNVM	16.09.2021	16.10.2025	€ 50 mn	-2 bp	0.01%	101.540%
Mortgage Pfandbrief (3nd Tap)	A2YNVM	21.09.2021	16.10.2025	€ 100 mn	-2 bp	0.01%	101.490%
Mortgage Pfandbrief	A3E5KY	14.10.2021	11.10.2024	USD 750 mn	+20 bp[2]	0.875%	99.778%
Senior Preferred (Green)	A3T0X2	20.10.2021	27.10.2025	€ 500 mn	+48 bp	0.25%	99.754%
Senior Preferred (Green)	A3T0X9	12.01.2022	17.01.2025	€ 750 mn	+42 bp	0.25%	99.798%
Mortgage Pfandbrief	A3T0YD	09.02.2022	14.02.2025	USD 750 mn	+43 bp[2]	1.875%	99.767%
Mortgage Pfandbrief (1st Tap)	A3E5K7	17.02.2022	20.08.2026	€ 50 mn	-3 bp	0.01%	98.70%
Mortgage Pfandbrief	A3T0YH	06.04.2022	13.04.2026	€ 750 mn	+1 bp	1.00%	99.727%
Mortgage Pfandbrief (2nd Tap)	A3E5K7	07.04.2022	20.08.2026	€ 50mn mn	-2 bp	0.01%	98.35%
Senior Preferred (Green) (1st Tap)	A3T0X2	11.04.2022	27.10.2025	€ 200 mn	+55 bp	0.25%	95.045%
Mortgage Pfandbrief	A30WFU	19.07.2022	26.07.2027	€ 750 mn	+6 bp	1.75%	99.872%
Senior Preferred (Green)	A30WFV	22.08.2022	28.08.2026	€ 500 mn	+250 bp	4.375%	99.921%
Mortgage Pfandbrief	A30WF2	17.10.2022	25.01.2027	€ 500 mn	+3 bp	3.00%	99.682%
Senior Preferred (Green)	A30WF4	01.12.2022	08.12.2025	GBP 350 mn	+434 bp[3]	7.625%	99.959%
Mortgage Pfandbrief (1st Tap)	A30WF2	09.01.2023	25.01.2027	€ 50 mn	+ 6 bp	3.00%	99.99%
Mortgage Pfandbrief	A30WF6	12.01.2023	19.01.2029	€ 500 mn	+16 bp	2.875%	99.777%
Senior Preferred (Green)	A30WF8	30.01.2023	05.02.2027	€ 500 mn	+215 bp	5.00%	99.428%
Mortgage Pfandbrief (2nd Tap)	A30WF2	14.02.2023	25.01.2027	€ 100mn	+10 bp	3.00%	99.54%
Mortgage Pfandbrief	A31RJS	06.07.2023	13.10.2026	€ 500mn	+14 bp	3.625%	99.651%
Mortgage Pfandbrief	A31RJV	23.08.2023	01.09.2026	GBP 250mn	+68 bp[2]	SONIA +68 bp	100%
Mortgage Pfandbrief	A31RJZ	18.09.2023	28.10.2027	€ 500mn	+27 bp	3.625%	99.863%
Mortgage Pfandbrief	A31RJ1	04.12.2023	07.12.2026	USD 600mn	+100 bp[2]	5.25%	99.935%
Mortgage Pfandbrief	A31RJ4	09.01.2024	15.01.2027	€ 500mn	+58 bp	3.25%	99.851%
Mortgage Pfandbrief (1st Tap)	A31RJ4	09.04.2024	15.01.2027	€ 100mn	+60 bp	3.25%	98.990%
Mortgage Pfandbrief (1st Tap)	A31RJZ	02.07.2024	28.10.2027	€ 150mn	+55 bp	3.625%	100.13%
Mortgage Pfandbrief (2nd Tap)	A31RJZ	03.07.2024	28.10.2027	€ 100mn	+55 bp	3.625%	100.05%

NB.: EUR Benchmark Spreads vs 6m mid-swap 1. vs SONIA 2. vs SOFR 3. vs UK Treasuries (Gilts)

MANDATED RATINGS

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

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

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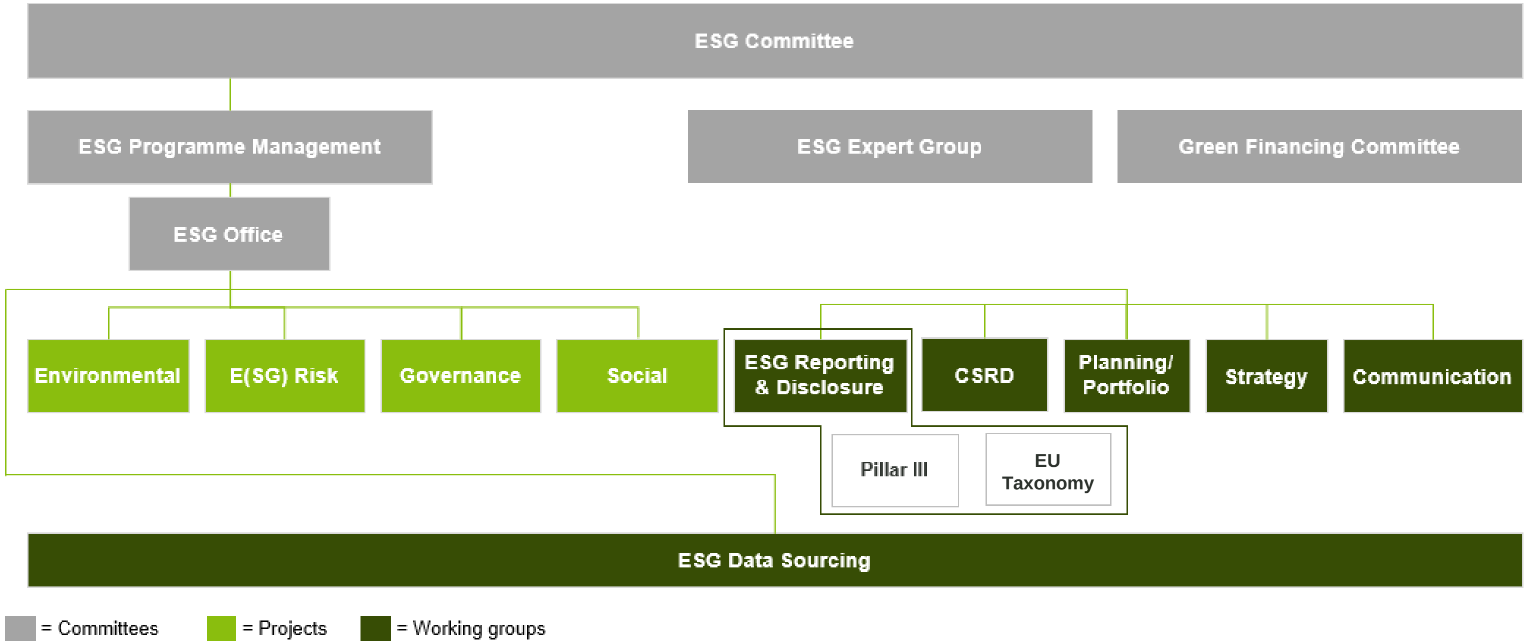
1. S&P: Stand-alone credit profile 2. S&P: “Senior Unsecured Debt” 3. S&P: “Senior Subordinated Debt”

APPENDIX

ESG Programme provides for holistic approach

ESG Programme



	2022	2023	06/2024
ISS ESG	C Prime	C Prime	C Prime
MSCI	AA	AAA	AAA
Moody‘s ESG Solutions	Score 44	Score 50	Score 50

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

pbb continues to execute on its strategy

2017:
1st Non-financial Report (NFRD)

2020:
Introduction of Green Bond Framework

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

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

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

2024:
Refinement of ESG KPIs regarding inclusion of decarbonization path

2025:
1st Non-financial Report (CSRD)

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

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

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

GREEN LOAN

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

pbb Scoring Model

MAX SCORE: 100 Points

Criteria

I. Energy Efficiency

- Energy demand/-consumption [kWh/(m²·a)]
- **OR**
- Energy Reduction in Planning [kWh/(m²·a)][1]

pbb Green Bond Framework Eligible[2]

MAX SCORE: 50 Points

II. Building Certification

- “Green” building certification

MAX SCORE: 20 Points

MAX SCORE: 70 Points

III. Additional Sustainability Factors

- Surface sealing (green field vs. brown field)
- Type of/distance to public transportation
- Local supply
- Materials recycling[3]
- Type of heating
- Consumption of green energy
- Biodiversity[3]
- Existing energy/environmental management[3]

MAX SCORE: 30 Points

Minimum score for pbb Green Loan: ≥ 60 Points

OR

Compliance with EU Taxonomy

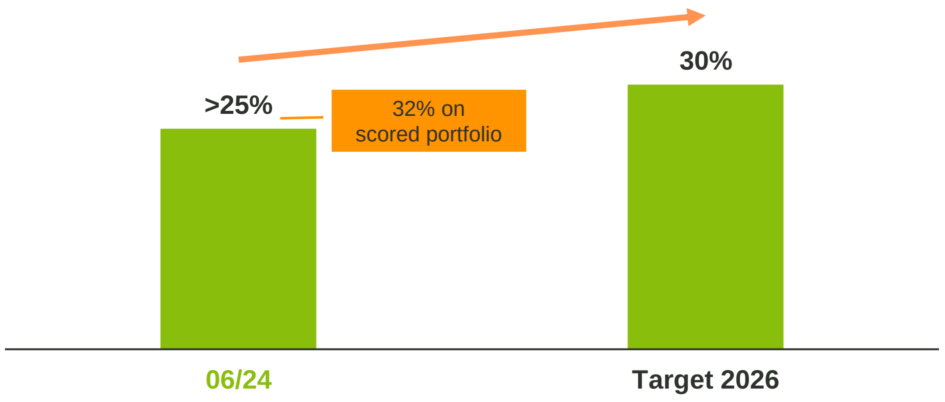
pbb Green Loan Framework Eligible

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

Continued progress in sustainable finance activities

Green share of REF portfolio[1]

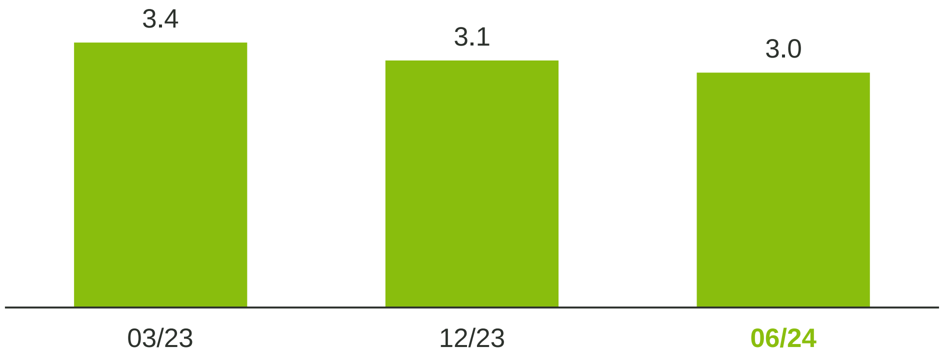
(commitments, green loan eligible assets, %)



- 80% of REF portfolio scored – scoring of remaining portfolio ongoing
- Green share of total REF portfolio currently at 25% resp. € 7.6 bn (32% based on scored portfolio of 80%) vs. 2026 target of >30%

Green Bonds

(nominal volume, € bn)



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

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

DEFINITION OF BORROWER CLASSIFICATIONS

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

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