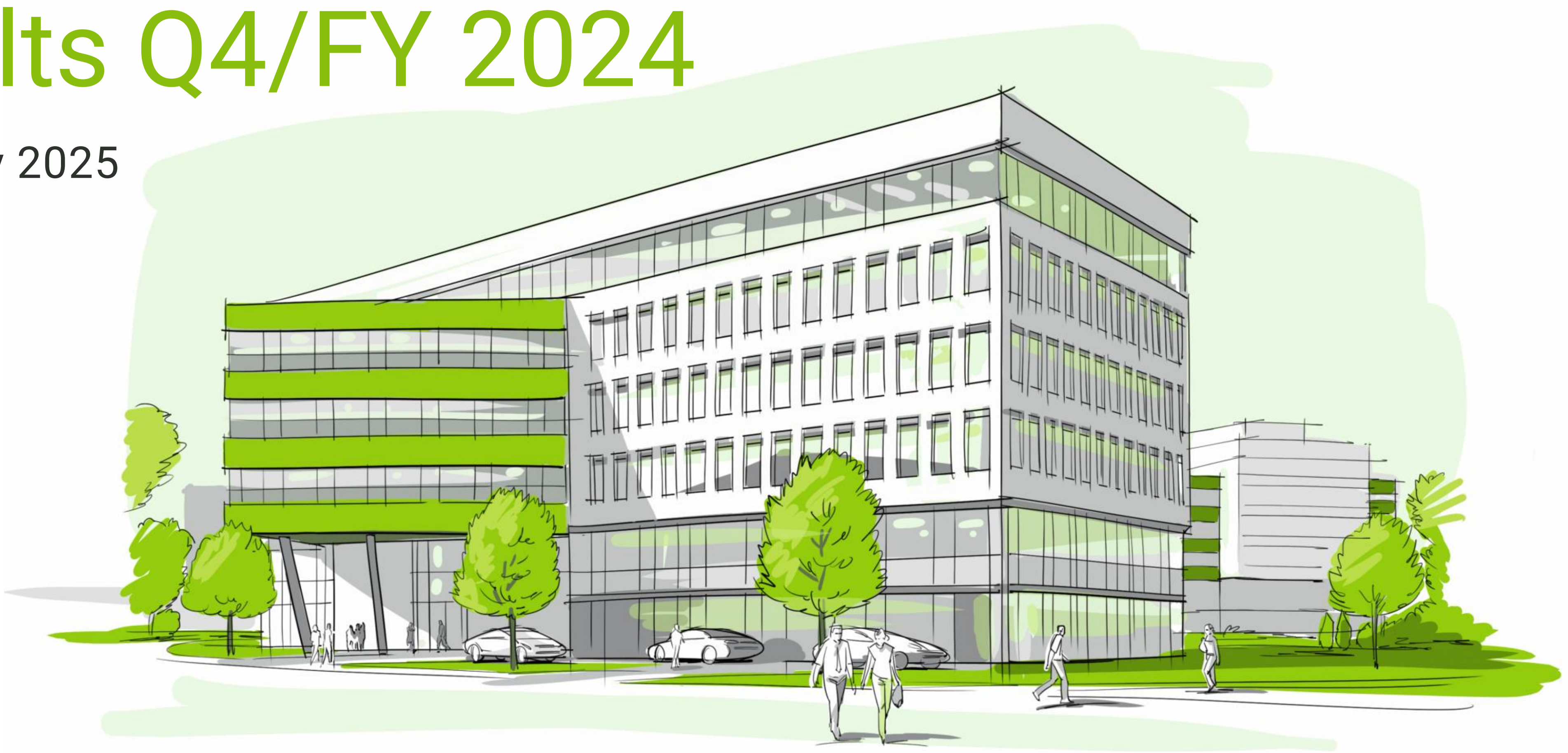
pbb DEUTSCHE PFANDBRIEFBANK

ANALYST PRESENTATION
Results Q4/FY 2024

27 February 2025



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KEY MESSAGES

→ Delivered as guided – pre-tax profit up more than 15% y-o-y to € 104 mn

- → Operating income of € 544 mn at upper end of guidance (€ 525-550 mn)
- → Operating expenses reduced by almost 4% y-o-y despite investments / CIR of 49% below guidance of ~50%
- → Risk provisioning 20% down y-o-y to € -170 mn / 35% down in H2/24 vs. H1/24

→ Transition to Strategy 2027 started

- → Risk dynamic in pbb's portfolio continued to moderate in H2/24 as cap rates and valuation[1] reductions peaked, supported by de-risking measures from active balance sheet management
- → Selective new business[2] volume of € 5.1 bn with strong increase of gross interest margin by ~35 bp y-o-y to ~240 bp; focus on profitability resulting in increased REF portfolio margin and reduced financing volume of € 29.0 bn (€ -2.1 bn vs. 2023) in line with Strategy 2027
- → Focus on transition to increase profitability

→ Capital distribution to be resumed

- → Basel IV F-IRBA applied since 01.01.2025 – pro-forma Basel IV F-IRBA CET 1 ratio at 16.8%
- → Resilient and balanced funding strategy supports strong liquidity position
- → Dividend proposal of € 0.15 per share for fiscal year 2024 and intended share buyback of € 15 mn (subject to approval by ECB)

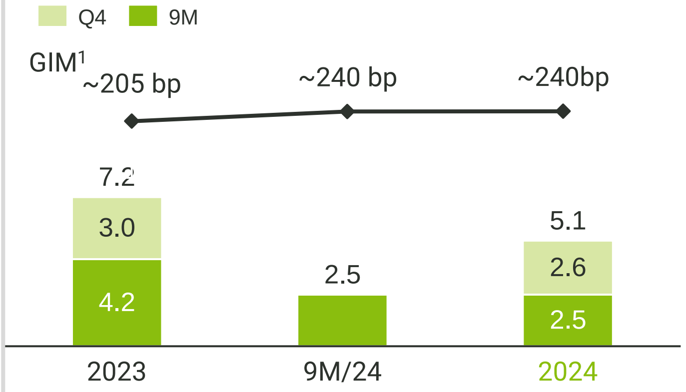
1. 12-months rolling
2. Commitments, incl. extensions > 1 year

AGENDA

DEUTSCHE PFANDBRIEFBANK

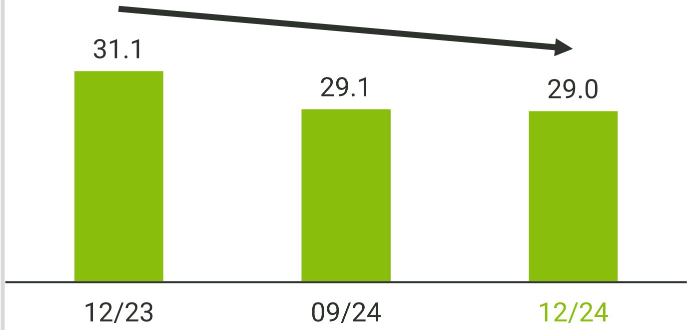
OPERATING & FINANCIAL OVERVIEW
Focus on profitability

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



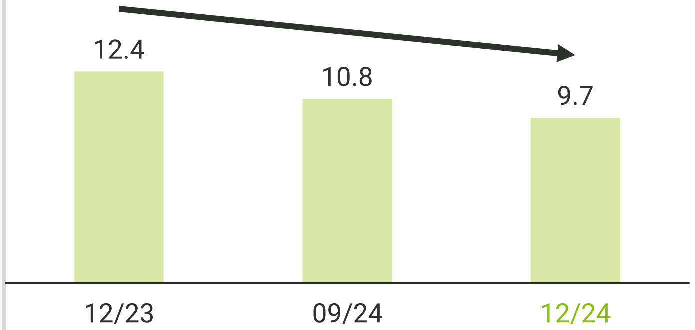
- → New business with strict focus on profitability in line with Strategy 2027
- → Significant uplift of gross interest margin y-o-y – kept stable through 2024
- → Strong new business in Q4/24

REF portfolio € bn (financing volume)



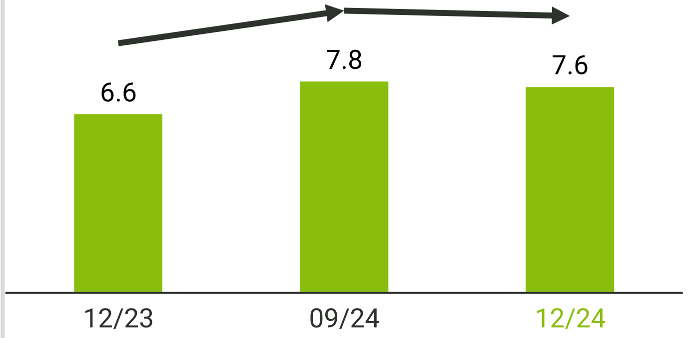
- → REF portfolio down y-o-y, reflecting transition to Strategy 2027
  - Selective business in weak investment market
  - Active balance sheet management incl. portfolio transaction (Q2/24: € -0.9 bn)
- → Portfolio margin increased

Non-Core portfolio € bn (financing volume)



- → Ongoing optimisation of Non-Core portfolio
- → Accelerated and value raising asset reduction through asset sales (€ 1.9 bn) and respective liability management (€ 0.9 bn buybacks)

Funding – retail deposits € bn



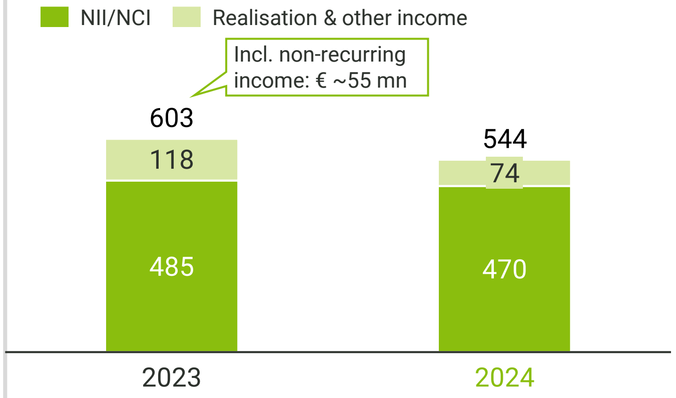
- → Flexible funding instrument
- → Volume managed to needs
- → Focus on cost efficiency and optimisation

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

OPERATING & FINANCIAL OVERVIEW

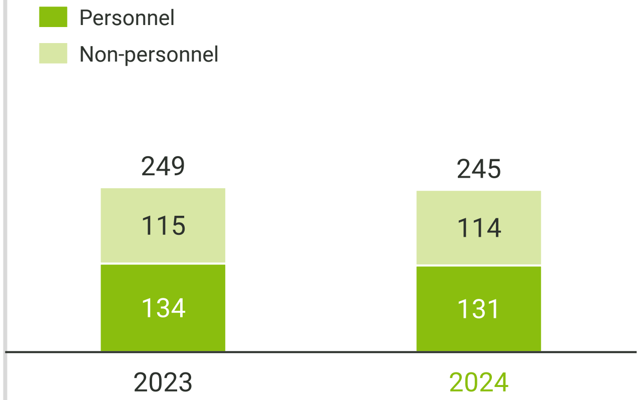
Delivered as guided

Operating income € mn (IFRS)



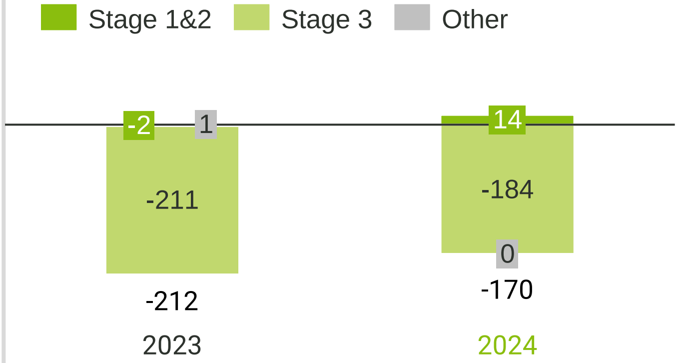
- Transition to a more profitable portfolio started
- Active balance sheet management with impact on NII
- Realisation and other income strong – 2023 benefitted from non-recurring income of € ~55 mn

General admin. Expenses € mn (IFRS)



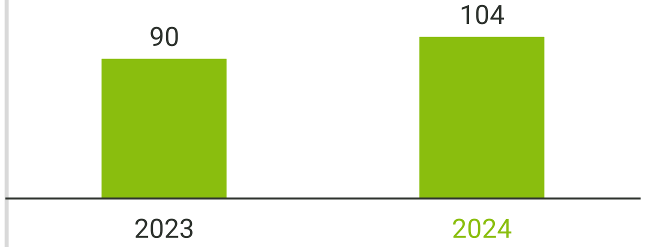
- Beat of guidance despite investments
  - CIR of 49% below guidance of ~50%
  - GAE slightly down y-o-y; inflationary cost pressure and IT/strategic investments successfully managed with strict cost discipline

Net income from risk provisioning € mn (IFRS)



- LLP down y-o-y, as expected
- Dominated by US loans and German developments
- Real estate markets bottoming out – in Q4/24, total LLP down 19% q-o-q, stage 3 down 58% q-o-q

Pre-tax profit € mn (IFRS)



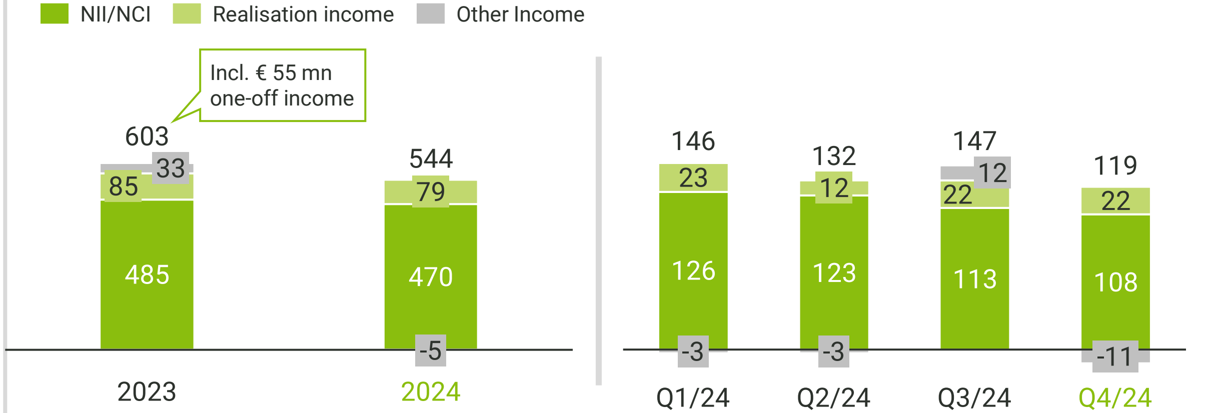
- Guidance achieved despite difficult market environment
- PBT +15% – significantly above 2023 level
  - Resilient operating income
  - Beat in operating expenses
  - Risk costs clearly down

Note: Figures may not add up due to rounding

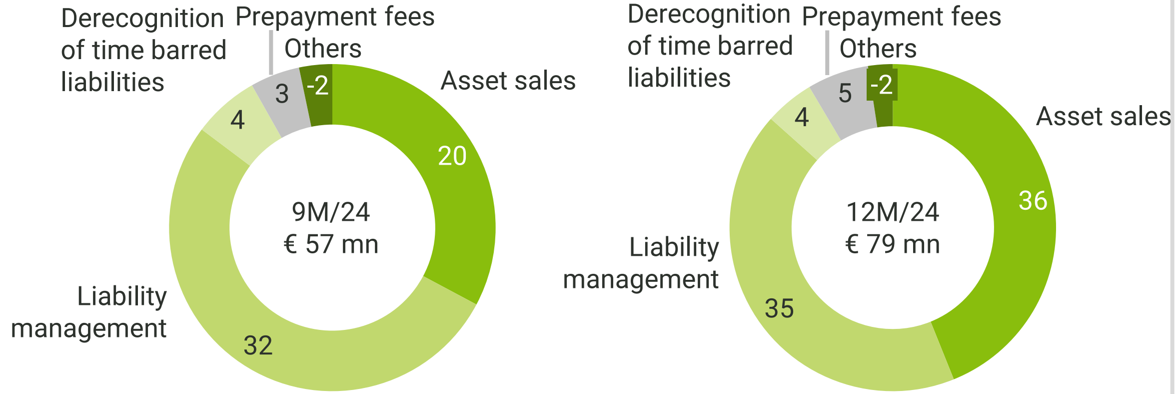
OPERATING INCOME

Upper end of guidance (€ 525-550 mn)

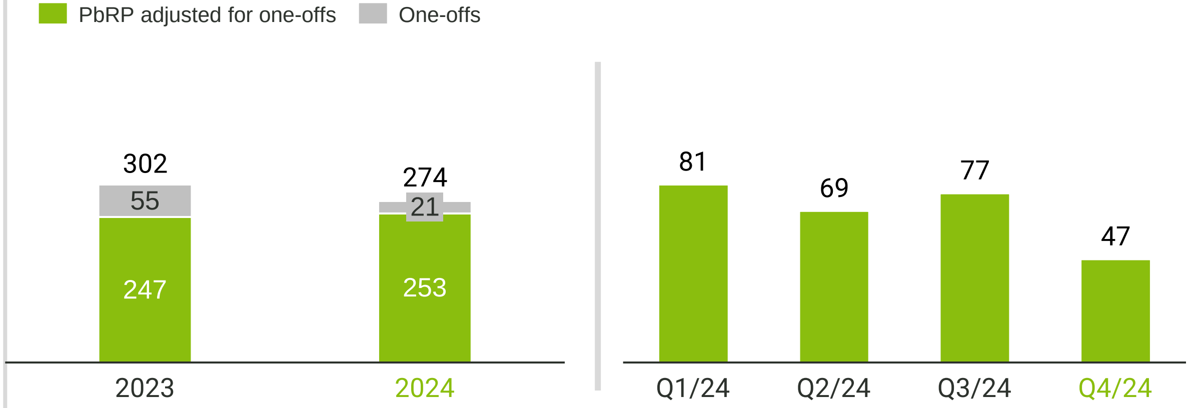
Operating income € mn (IFRS) — Quarterly view



Realisation income € mn (IFRS)



Pre-provision profit € mn (IFRS) — Quarterly view



→ Operating income impacted by active balance sheet management accompanying the transition to a more profitable portfolio

- NII/NCI down y-o-y and q-o-q, mainly driven by reduced portfolio volume in H2/24 – REF and Non-Core – and increased funding costs, partly compensated by increased portfolio margin
- Realisation income strong – 2023 benefitted from € 24 mn income related to a legacy securitisation transaction
- Effects in other income almost balance out over time – 2023 benefitted from € 31 mn release of provisions for litigation costs/unredeemed interest coupons

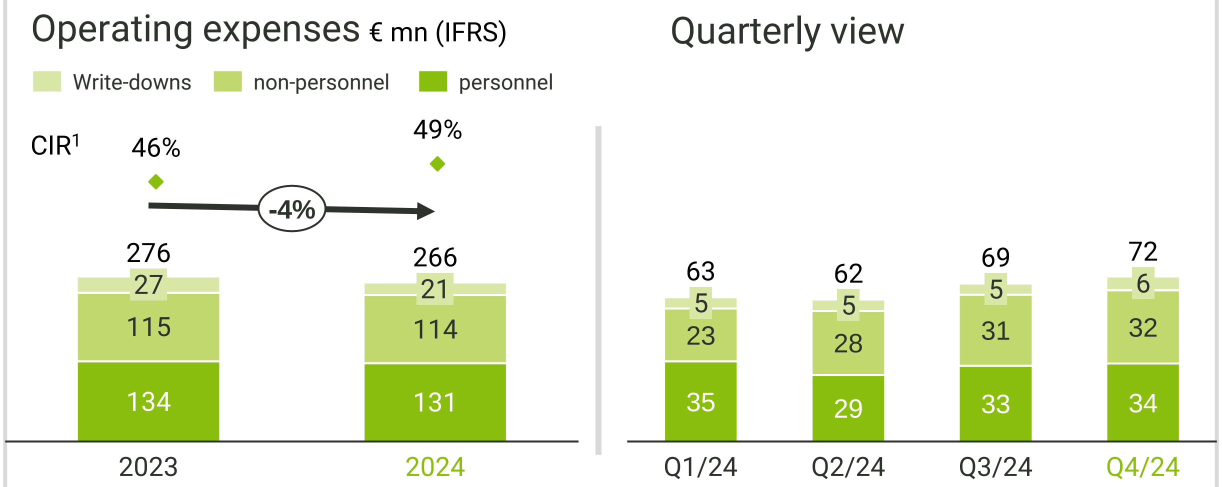
→ Profit before risk provisioning (PbRP) is down by € 28 mn y-o-y

- However, one-off adjusted PbRP increased by € 6 mn, considering € 55 mn one-off income in 2023 and € 21 mn lower bank levy in 2024

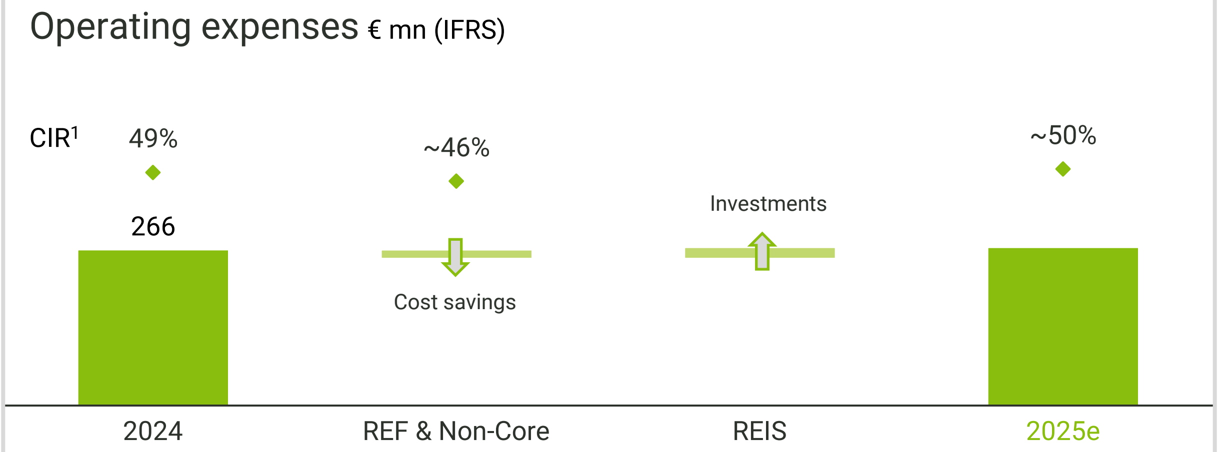
Note: Figures may not add up due to rounding

OPERATING EXPENSES

Costs successfully managed – strict focus on cost discipline



- → Operating expenses down y-o-y by 4% (€ -10 mn), despite investments
  - IT infrastructure and digitalisation
    - IT transformation finalised in 2024
    - Digitalisation: Increase of process efficiency through digital credit workplace
  - Strategic investments into Strategy 2027
  - Personnel expenses back on regular level, after provision release in Q2/24
  - Write-downs on a regular level – 2023 negatively impacted from write-downs on IT assets
- → CIR of 49% below guidance of ~50%



- → Cost savings 2025 to be re-invested in Strategy 2027
  - Stringent execution on existing cost measures and implementation of additional measures brings REF and Non-Core already to targeted cost level
  - 2025 transitional year with investments into Strategy 2027 – CIR expected at ~50%
  - Investments expected to pay-off from 2026 onwards, bringing CIR back to targeted level of <45% in 2027

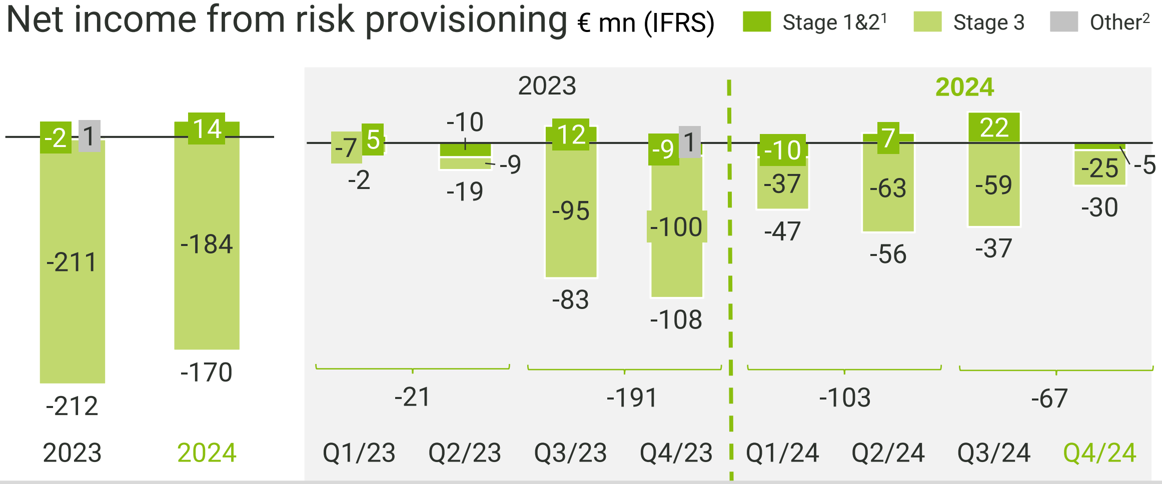
Note: Figures may not add up due to rounding

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

RISK COSTS

Minus 20% y-o-y – real estate markets bottoming out

Net income from risk provisioning € mn (IFRS)



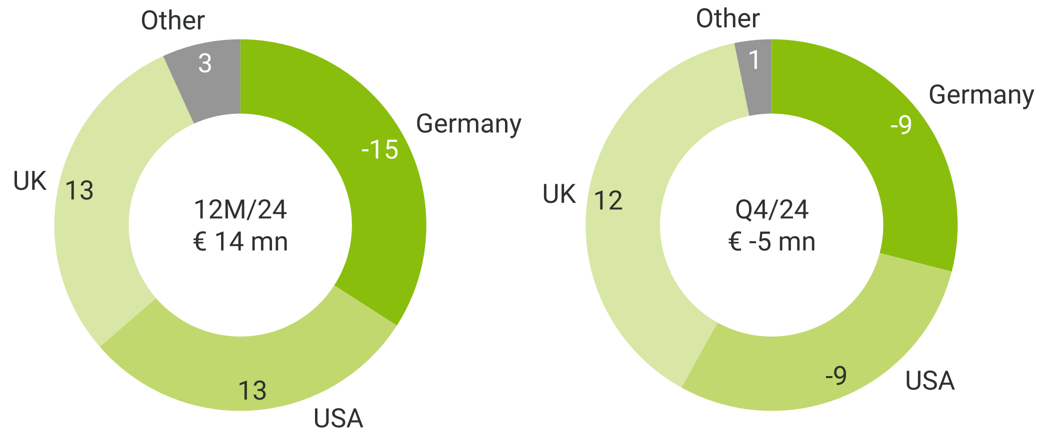
→ LLP down by 20% y-o-y – in H2/24 down by 35% compared to H1/24

- Stage 1&2: € 14 mn release, mainly reflecting € 31 mn release of management overlay built for US office loans; y-o-y, reducing headwinds from PD/LGD dynamic
- Stage 3: € -184 mn additions mainly driven by US office and German developments

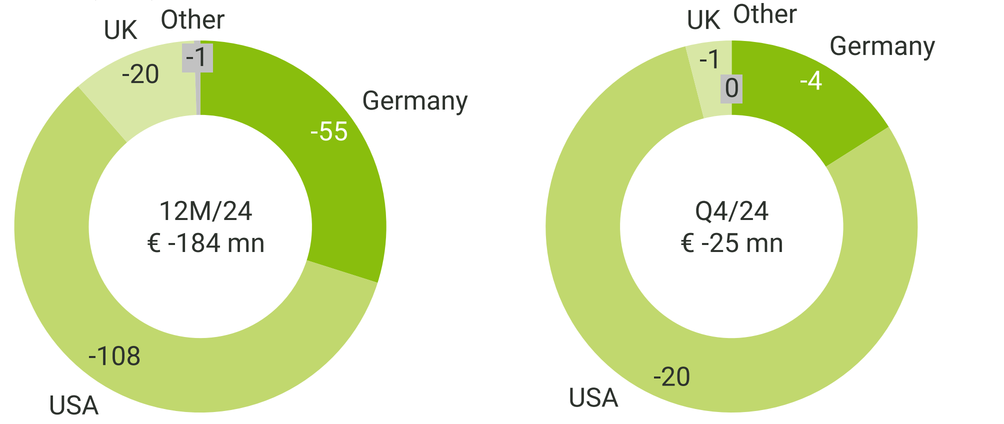
→ In Q4/24, LLP down by 19% q-o-q, stage 3 down by 58%:

- Stage 1&2: Net additions of € -5 mn mainly from credit induced effects; forward looking model reflects bottoming out of RE markets, esp. considering recent trends observed across respective markets
- Stage 3: € -25 mn net additions mainly driven by US office (gross additions € -29 mn, vs. gross releases € 9 mn) and German developments

Stage 1&2 € mn (IFRS)



Stage 3 € mn (IFRS)

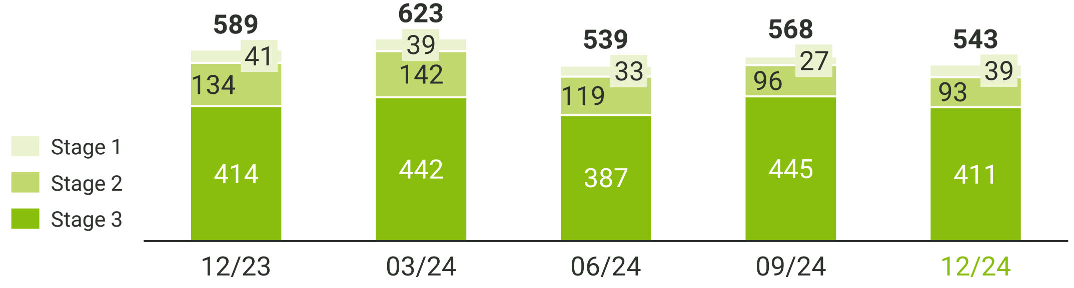


1. Incl. provisions in off balance sheet lending business
2. Recoveries from written-off financial assets

RISK COSTS

Loss allowances reduced by active NPL management

Balance sheet loss allowances € mn



Mgmt. overlay	31	22	9	0	0

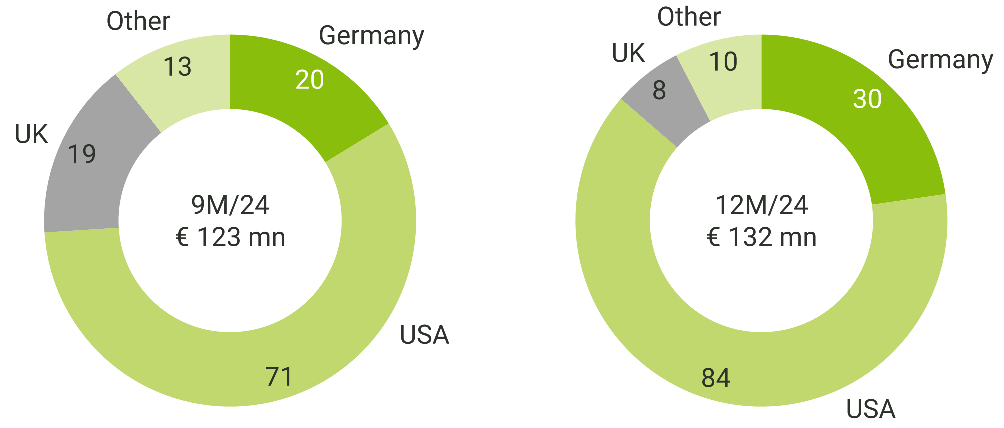
- → Stages 1&2: In 2024, net decrease mainly due to release of management overlay for US office loans (€ -31 mn) and stage 3 transfers, over-compensating for a net increase from portfolio/credit induced and macro-economic effects

  Q4/24: € 9 mn net increase, predominantly driven by portfolio/credit and FX induced effects

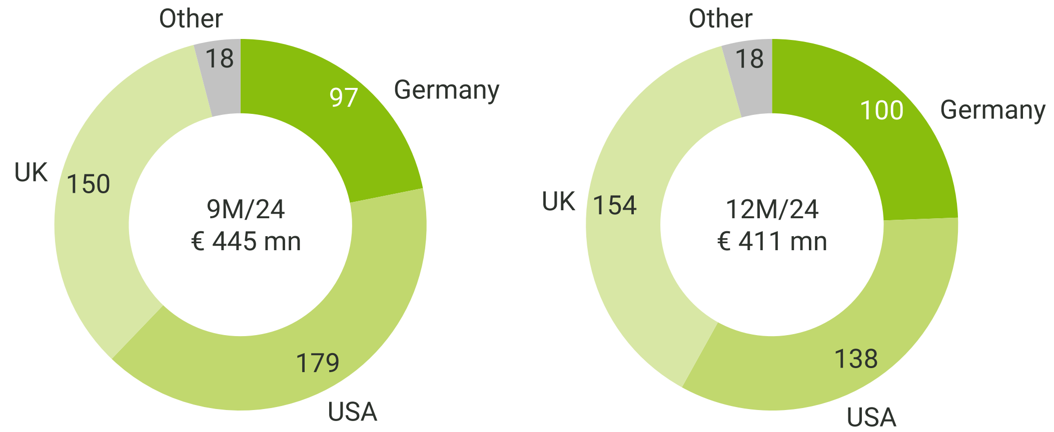
- → Stage 3: Net decrease (2024: € -3 mn, Q4/24: € -34 mn) – additions mainly for US office (€ 108 mn, Q4/24: € 19 mn) and German developments (€ 56 mn, Q4/24: € 4 mn) loans over-compensated by usage of LLP for restructured/ repaid loans due to active NPL management

  REF NPL coverage ratio down to ~22% (09/24: ~27%)

Stage 1&2 € mn (IFRS)



Stage 3 € mn (IFRS)



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AGENDA

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REF PORTFOLIO PERFORMING

Portfolio stabilising as Real Estate markets are bottoming out

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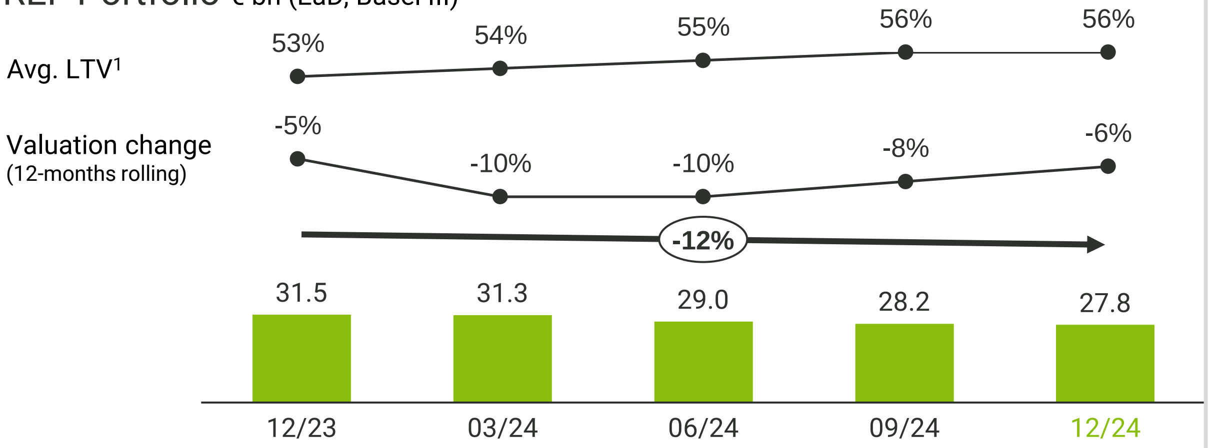
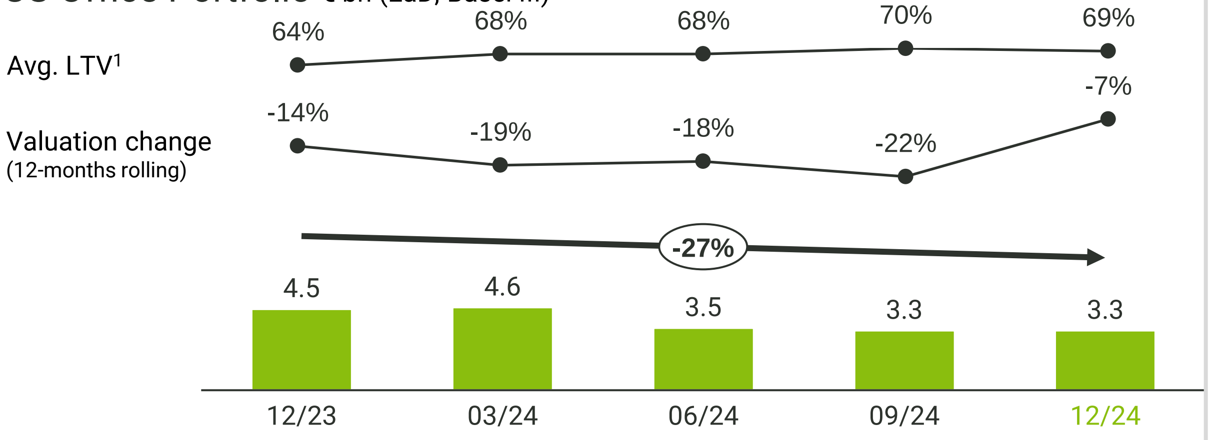
REF Portfolio € bn (EaD, Basel III)



- → REF portfolio downsized (-12%), reflecting transition to Strategy 2027
  - Focus on profitability – selective business in slow investment market
  - Active balance sheet management, incl. portfolio transaction (Q2/24: € -0.9 bn)
- → Risk dynamic moderating in H2/24
  - Avg. LTV[1] stabilising
  - Valuation adjustments (12-months rolling) below peak

US Office Portfolio € bn (EaD, Basel III)



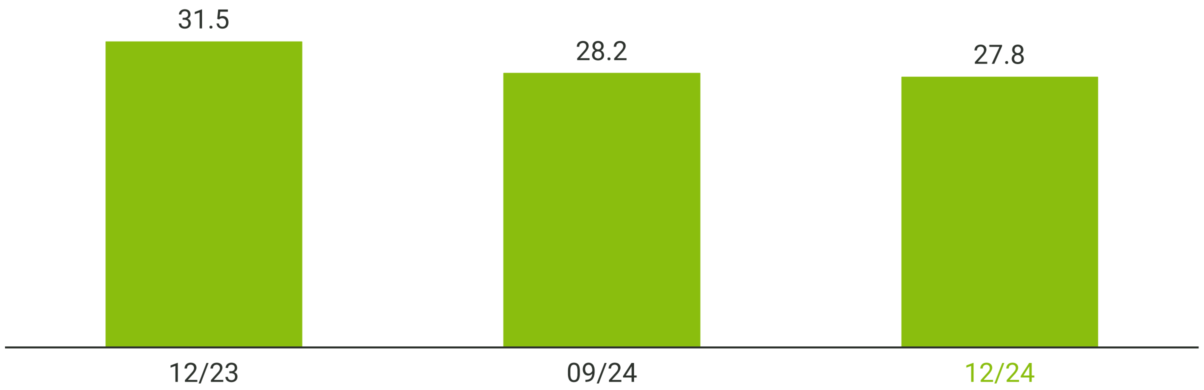
- → US office portfolio de-risked
  - Portfolio significantly reduced (-27%) – no new commitments, re-focusing on East Coast only
  - US office portfolio part of active balance sheet management, making up for ~50% of portfolio transaction in Q2/24
- → Risk dynamic moderating in Q4/24
  - Avg. LTV[1] stabilising, slightly down q-o-q
  - Valuation adjustments (12-months rolling) below peak with significant reduction in Q4/24

Note: Figures may not add up due to rounding

1. Performing investment loans only, based on commitments

REF PORTFOLIO PERFORMING
Portfolio quality remains solid

Performing Portfolio € bn (EaD, Basel III)



→ Performing REF portfolio reduced by € 3.7 bn (Q4/24: € 0.4 bn)
- Repayments & others (FY24: € 1.9 bn; Q4/24: € 0.2 bn, incl. USD-effect of € -0.2 bn)
- Transfer to NPL (FY24: € 0.9 bn; Q4/24: € 0.2 bn)
- Portfolio transaction (Q2/24: € 0.9 bn)

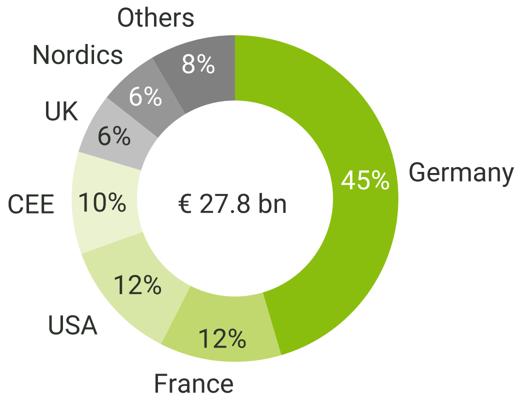
→ Portfolio quality remains solid – focus on senior lending only

→ 100% of the portfolio reviewed/revalued in last 12 months – avg. value change of -6%[1]

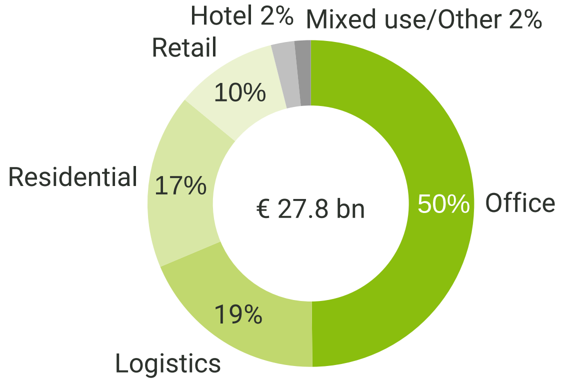
→ Strong senior lending profile – ~87% of performing investment loans (commitments) collateralised at LTV ≤50%

→ LTV stress:
- Exposure at risk: ~2.3% of portfolio[2]
- Coverage ratio: ~21% via existing total stage 1&2 LLP of € 131 mn

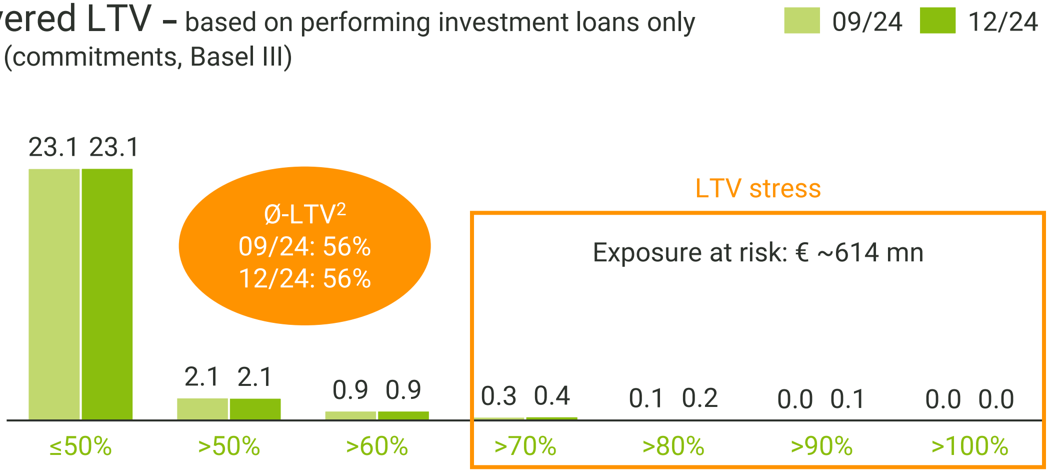
Regions 31/12/2024 (EaD, Basel III)



Property types 31/12/2024 (EaD, Basel III)



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



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

REF PORTFOLIO NPL

Driven by US loans and German developments

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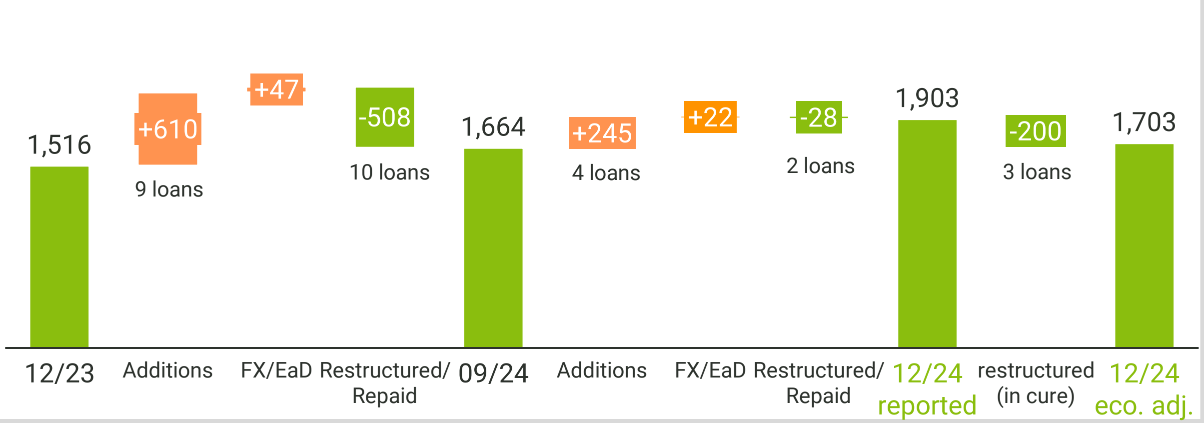
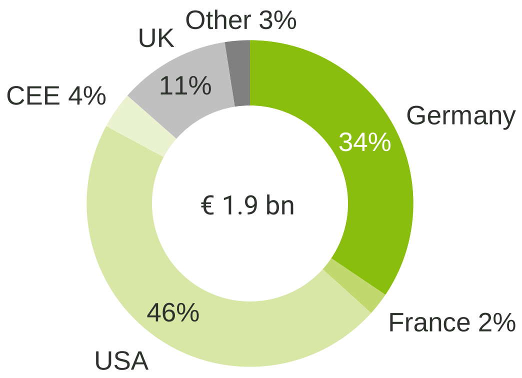
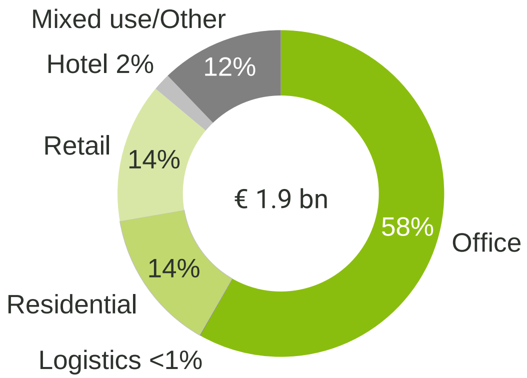
NPL Portfolio € mn (EaD, Basel III)



Regions 31/12/2024 (EaD, Basel III)



Property types 31/12/2024 (EaD, Basel III)



→ Increase of NPL portfolio mainly driven by US loans and German developments – active NPL management ongoing

→ Q4/24 with 4 additions and 5 reductions
- Additions: 3 US office loans (€ 160 mn), 1 German development (€ 85 mn)
- Reductions: 1 US office (€ 25 mn); 1 legacy German residential loan (€ 3 mn)
- Furthermore, 3 US loans (€ 200 mn) restructured (economically cured), but in regulatory probation period till 12/2025

→ 2024 with number of cases managed down:
- 15 reductions
  - 10 US office loans (€ 553 mn), thereof 4 repaid/3 restructured/3 restructured but in regulatory probation period
  - 2 UK shopping center (€ 125 mn, repaid), 1 UK office loan (€ 29 mn, repaid)
  - 1 German development (€ 26 mn, repaid)
  - 1 legacy German residential (€ 3 mn, repaid)
- 13 additions
  - 10 US office loans (€ 637 mn)
  - 3 German development loans (€ 219 mn)

→ 100% of the portfolio reviewed/revalued in last 12 months – avg. value change of -20%[1]

→ NPE[2] ratio 4.3% - up in Q4/24, mainly due to decrease of total portfolio

→ NPL coverage ratio of ~22% via existing stage 3 LLP of € 411 mn

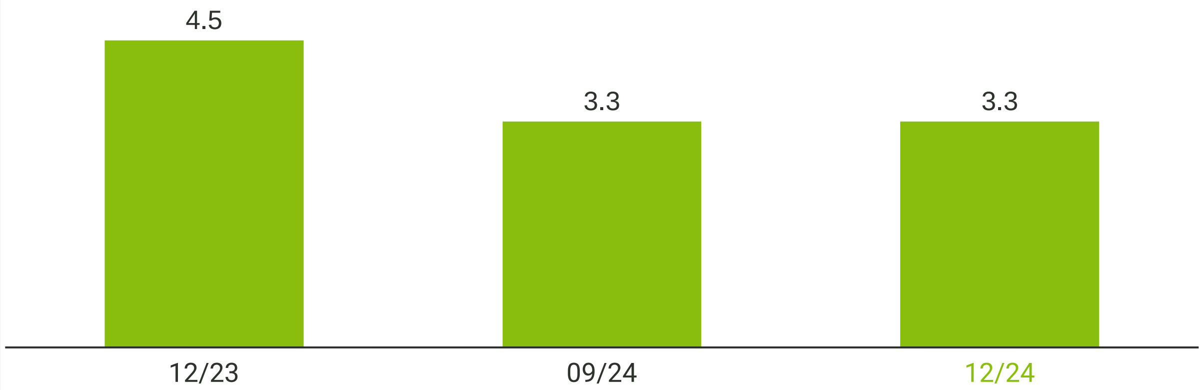
Note: Figures may not add up due to rounding

1. On the portfolio part, for which a revaluation was necessary 2. Non-Performing Exposure ratio = Non-performing loans and bonds / total portfolio (EaD); NPL ratio (EBA definition) 12/24: 5.1%, 09/24: 4.4%, 12/23: 3.7% (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

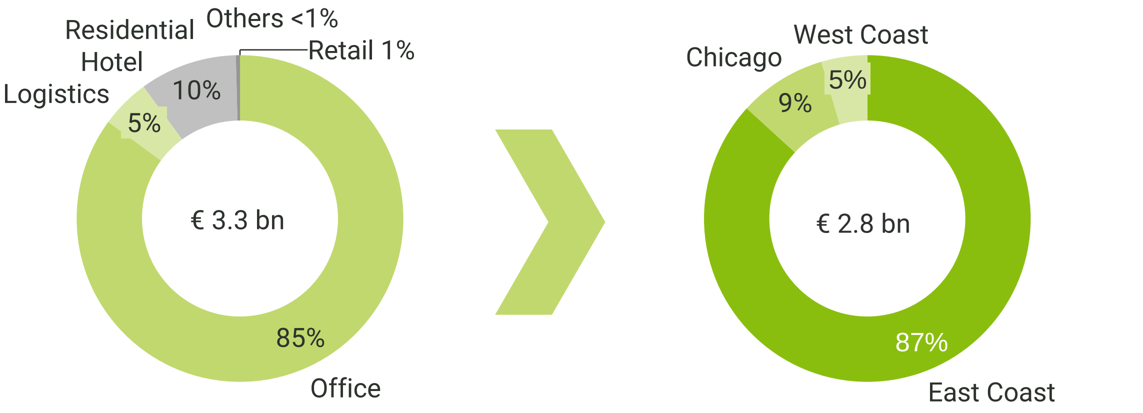
Portfolio reduced to € 3.3 bn in 2024

Performing Portfolio € bn (EaD, Basel III)



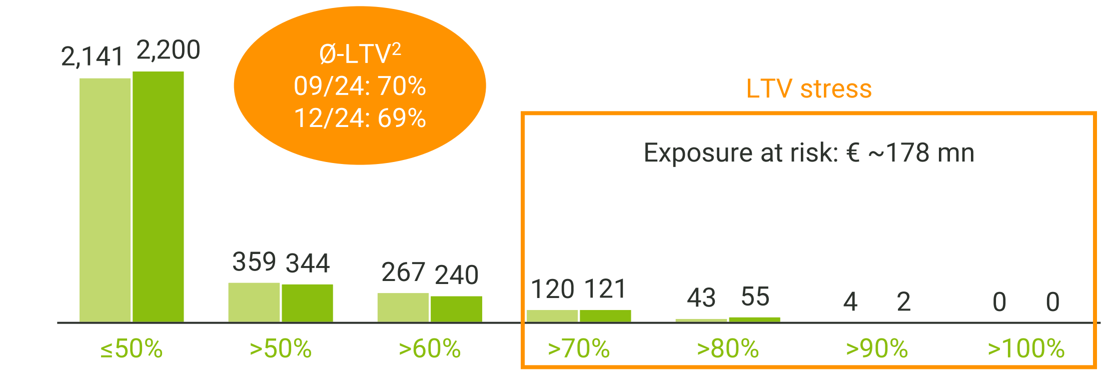
- Performing US portfolio reduced by € 1.2 bn (Q4/24: stable) through
  - repayments & others (FY24: € 0.1 bn; Q4/24 FX-effect of € -0.2 bn)
  - transfer to NPL (FY24: € 0.6 bn; Q4/24: € 0.2 bn)
  - portfolio transaction (Q2/24: € 0.5 bn)
- Full focus on risk mitigation in existing portfolio
- 100% of the portfolio reviewed/revalued in last 12 months – avg. value change of -5%[1]
- LTV stress US office portfolio:
  - Exposure at risk: ~6.0% of portfolio[2]
  - Coverage ratio: ~43% via existing stage 1&2 LLP of € 76 mn

Property types 31/12/2024 (EaD, Basel III) Office regions 31/12/2024 (EaD, Basel III)



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

€ mn (commitments, Basel III)



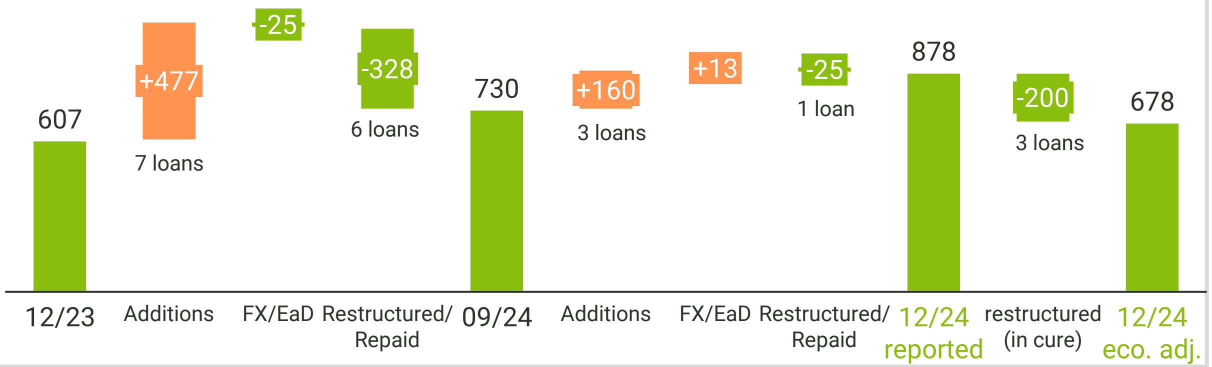
Note: Figures may not add up due to rounding

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

FOCUS: USA NPL

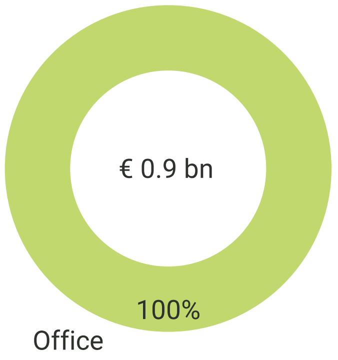
Limitation of NPL portfolio increase due to active management

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

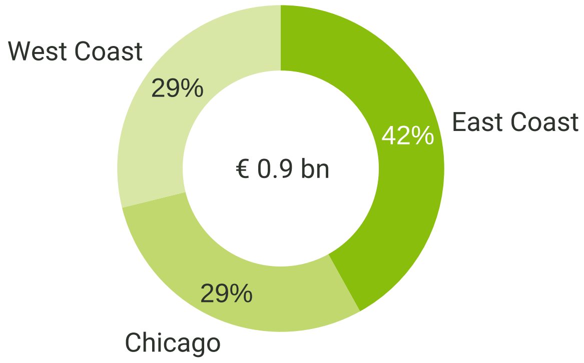


- → Q4/24 with 3 additions and 4 reductions
  - Additions: 3 US office loans (€ 160 mn)
  - Reduction: 1 US office (€ 25 mn, repaid)
  - Furthermore, 3 US loans (€ 200 mn) restructured (economically cured), but in regulatory probation period till 12/2025
- → 2024 with strong focus on NPL management
  - 10 reductions (€ 553 mn), thereof 4 repaid/ 3 restructured/ 3 restructured but in regulatory probation period
  - 10 additions (€ 637 mn)
- → 100% of the portfolio reviewed/revalued in last 12 months – avg. value change of -23%[1]
- → US NPE[2] ratio ~21%
- → NPL coverage ratio of ~16% via existing stage 3 LLP of € 138 mn

Property types 31/12/2024 (EaD, Basel III)

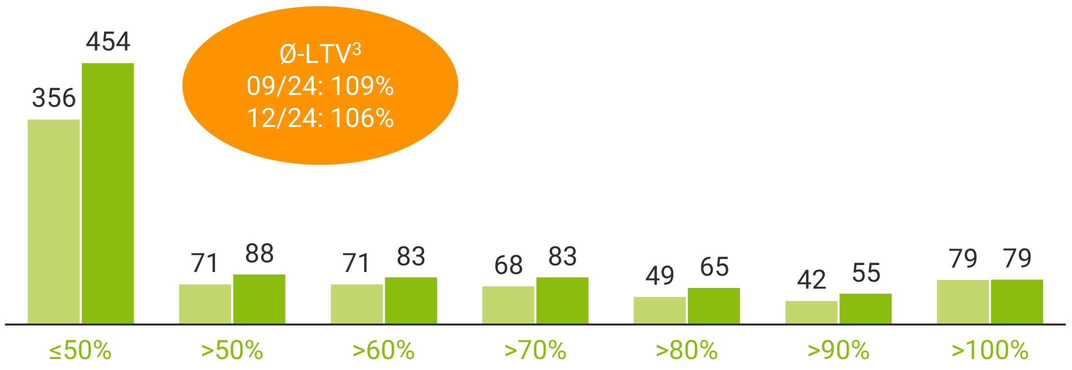


Regions 31/12/2024 (EaD, Basel III)



Layered LTV – based on investment loans only

€ mn (commitments, Basel III)



Note: Figures may not add up due to rounding

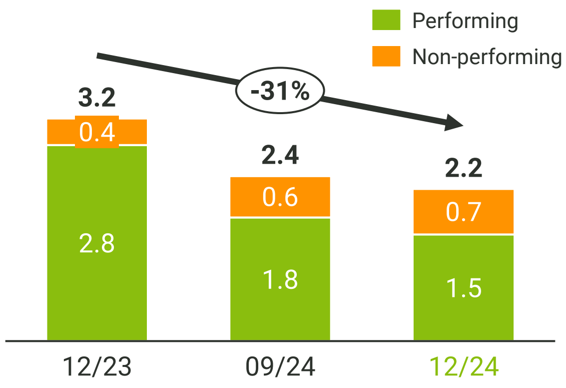
1. On the portfolio part, for which a revaluation was necessary 2. Non-Performing Exposure ratio = Non-performing loans and bonds / total US portfolio (EaD)

3. Non-performing investment loans, based on commitments

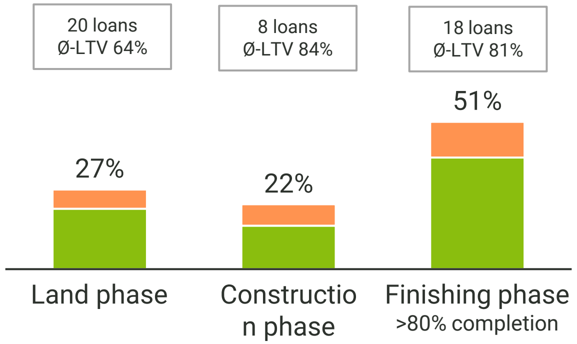
FOCUS: DEVELOPMENT PORTFOLIO

Significant de-risking – portfolio reduced by € 1 bn

Portfolio € bn (EaD, Basel III)

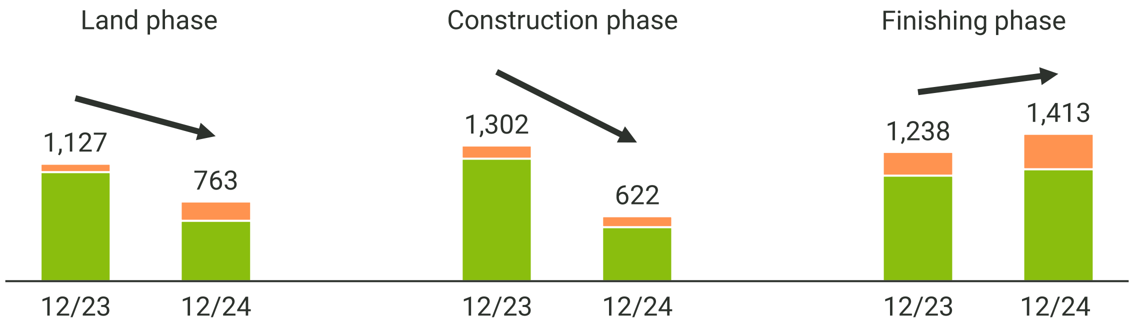


Phase 31/12/2024 (commitments, Basel III)

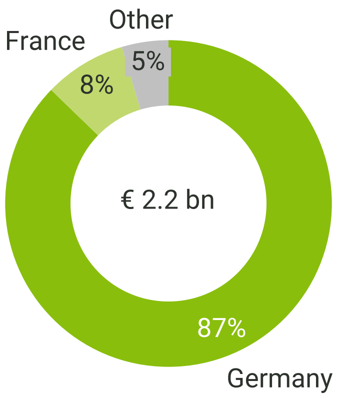


Significant change from construction to finishing phase in 2024

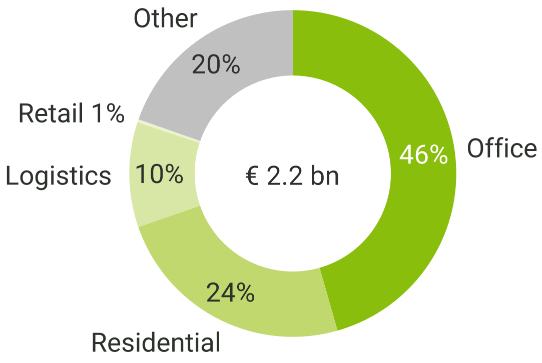
€ mn (commitments, Basel III)



Regions 31/12/2024 (EaD, Basel III)



Property types 31/12/2024 (EaD, Basel III)



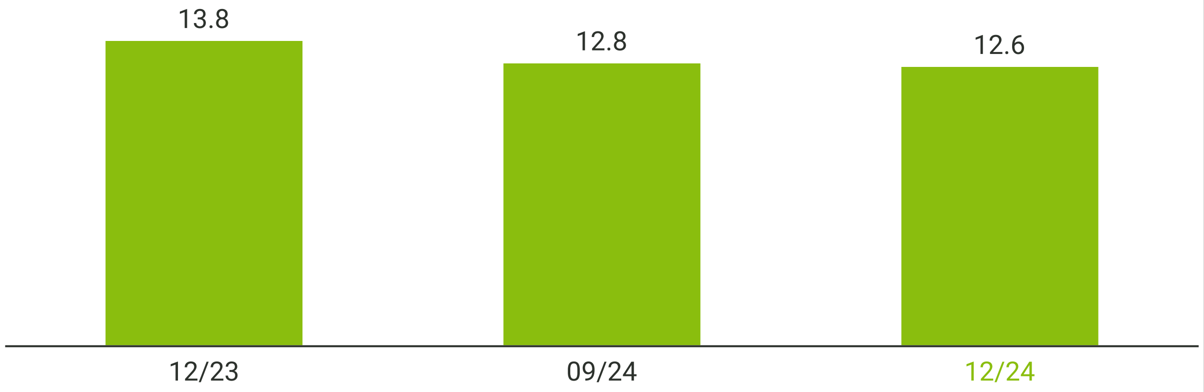
→ Improved risk profile in development portfolio
- Portfolio reduced by € 1.0 bn (Q4/24: € 0.2 bn)
  - 23 loans (Q4/24: 5) repaid/transferred to investment loans
  - Selective new business – 4 new development loans of € ~ 101 mn
  - Reduction in land phase mainly due to repayment/reduction of commitment
  - Strong shift from construction phase to finishing phase
  - Risk management focus on loans in construction phase

→ Increase of NPL volume to € 653 mn in Q4/24 – 1 loan (€ 85 mn), German office no LLP required – with coverage ratio of ~15% (09/24: ~17%; 12/23: ~12%)
- Only German loans in very good inner city locations
- 5 cases land phase, 2 construction phase (mixed use & office) and 1 finishing phase (residential)

Note: Figures may not add up due to rounding

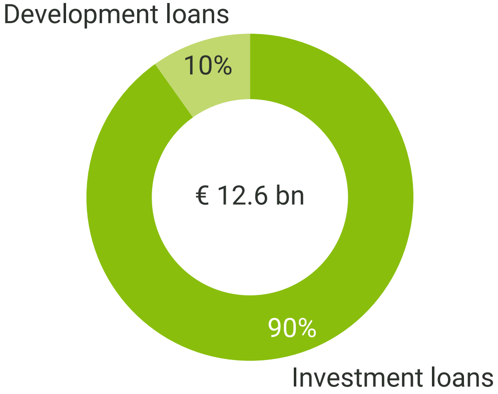
FOCUS: GERMANY PERFORMING
Well diversified, high quality portfolio

Performing Portfolio € bn (EaD, Basel III)

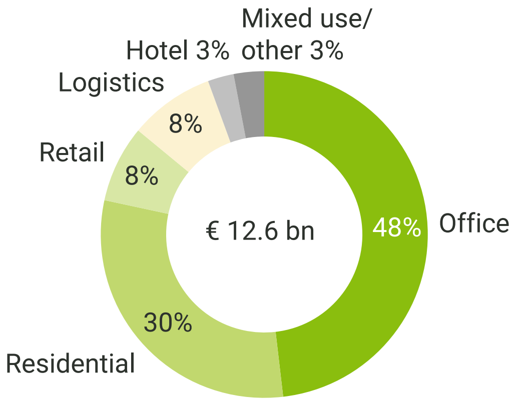


- Performing German portfolio reduced by € 1.2 bn (Q4/24: € 0.2 bn) through
  - Repayments & others (FY24: € 1.0 bn; Q4/24: € 0.1 bn)
  - Transfer to NPL (FY24: € 0.1 bn; Q4/24: € 0.1 bn)
- German CRE portfolio well diversified by region and property type with focus on big 5 cities
- 100% of the portfolio reviewed/revalued in last 12 months – avg. value change of -8%[1]
- LTV stress:
  - Exposure at risk: ~2.9% of portfolio[2]
  - Coverage ratio: ~9% via existing total stage 1&2 LLP of € 30 mn
- German NPLs limited to development loans (see previous page)

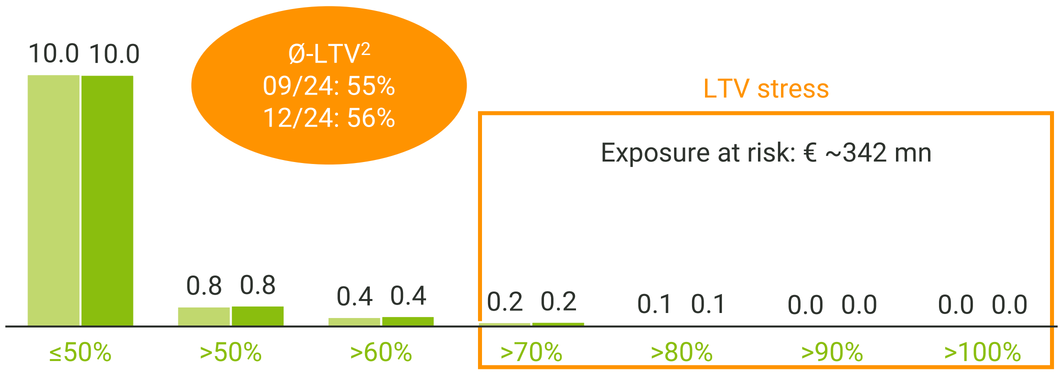
Product class 31/12/2024 (EaD, Basel III)



Property types 31/12/2024 (EaD, Basel III)



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



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

AGENDA

DEUTSCHE PFANDBRIEFBANK

FUNDING AND LIQUIDITY

Resilient and balanced funding strategy supports strong liquidity position

LCR	NSFR
200% (12/24)	116% (12/24)

Liquidity	Balanced Funding
€ >6 bn (12/24)	>50% Pfandbrief <50% Unsecured (Wholesale / Retail split equally)

Active funding 2024 in difficult market environment

- → Pfandbrief was a highly resilient source of funding with more than € 2 bn issued
- → € 500 mn, 3yr, green senior benchmark issued in 11/24
- → Retail deposits managed to needs

Funding outlook for 2025

- → € 2 bn Pfandbriefe planned in 2025, € 1 bn already executed in 01/25
- → pbb is a regular issuer of green bonds and plans at least one senior preferred benchmark issue per year
- → Broad tool box of short-term and long-term funding instruments available

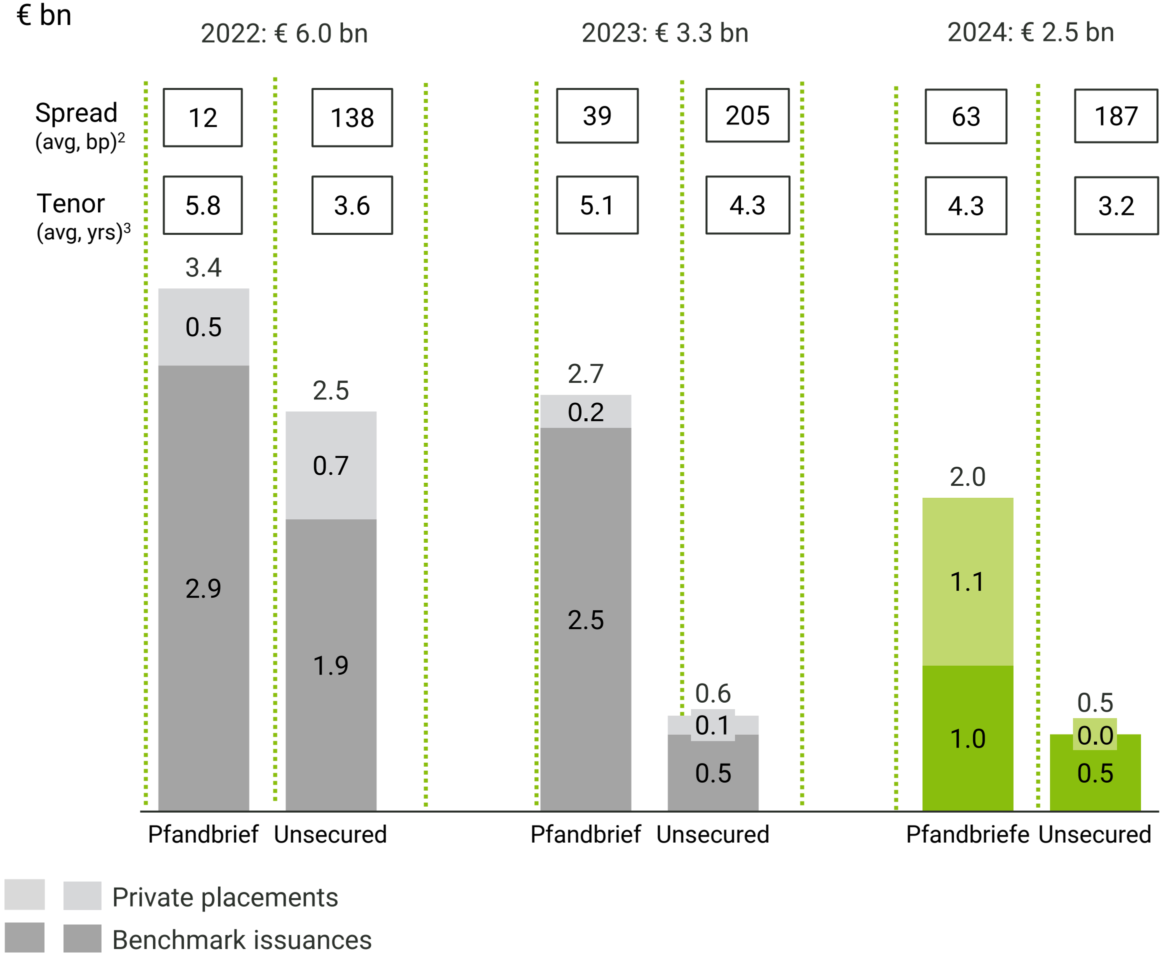
Strong liquidity position

- → Liquidity position of more than € 6 bn and regulatory ratios well above minimum requirements
- → Whilst maintaining a comfortable liquidity position, focus shifts to optimization and efficiency

FUNDING AND LIQUIDITY

Successful issuance of Pfandbrief and Senior Unsecured

New long-term funding[1]



Recapture 2024

→ Pfandbrief funding completed successfully
- Total Pfandbrief funding of € 2 bn, including:
  - Well received € 500 mn Mortgage Pfandbrief benchmark
  - A total of € 450 mn taps of EUR Benchmarks in addition to a € 250 mn FRN
  - Strong activity in SEK, issuing a total of SEK 5.9 bn (€ 518 mn)

→ Balanced unsecured funding
- Steady state already achieved in 2024 – balanced proportion of deposit funding and wholesale unsecured funding
- € 500 mn, 3yr, green senior benchmark issued in 11/24

Outlook 2025

→ Pfandbrief funding
- 2-3 Pfandbrief benchmarks and a total of € 2 bn Pfandbrief funding
- First € 750 mn benchmark Mortgage Pfandbrief successfully placed in January 2025 (3 yr term, 4-times oversubscribed)
- More than 50% already completed year-to-date

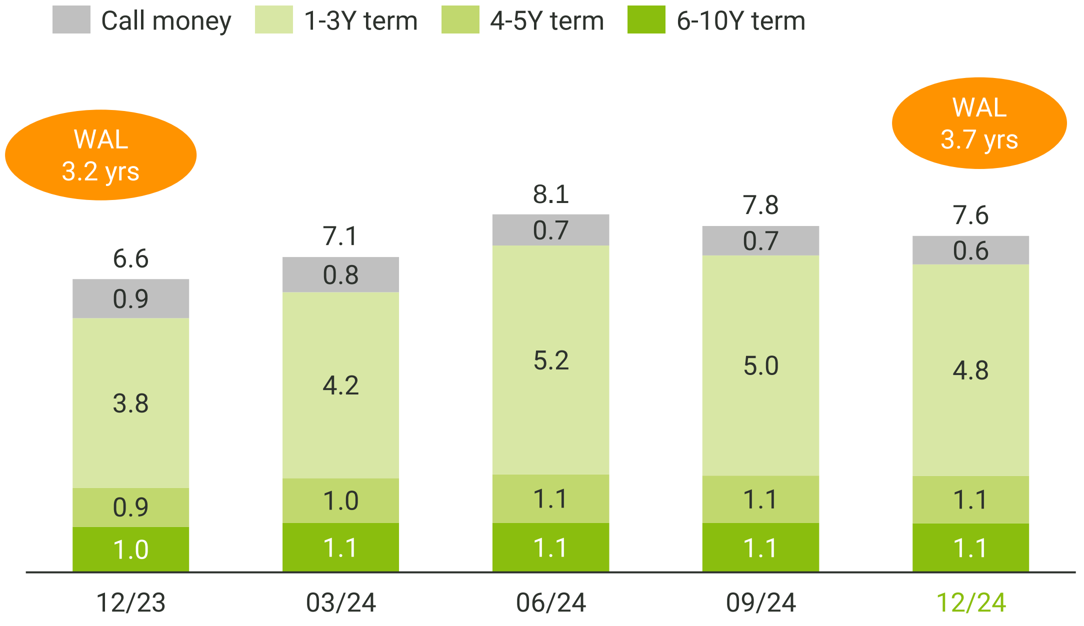
→ Unsecured funding
- pbb is a frequent issuer of green bonds in senior format and intends to visit the market once a year

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

RETAIL DEPOSITS
Managed to needs

DEUTSCHE PFANDBRIEFBANK

Retail deposits – development and maturity profile[1] € bn



pbb direkt[2]	12/23	03/24	06/24	09/24	12/24
Number of clients	~91,900	~99,000	~107,500	~106,700	~105,900
Avg. deposit amount per client (€)	~64,000	~64,000	~64,000	~59,000	~59,000

→ Retail deposits flexible funding instrument

- Peaked above € 8 bn in H1/24
- In H2/24, focus on efficiency and cost optimisation – aligning deposit volume with overall balance sheet funding needs
- For 2025, we expect to approach our long-term and balanced unsecured target structure of ~50% wholesale senior / ~50% retail deposits, which implies a retail deposit volume slightly below 2024

→ Cost-efficient and sticky source of unsecured funding

- Long-term, granular and deposit insured
  - ~90% term deposits, WAL at 3.7 years
  - € 59,000 average deposit
- Call money only € 0.6 bn well covered by liquidity reserves

Note: Figures may not add up due to rounding

1. Initial weighted average life of term deposits 3.7 years, remaining average time to maturity 2.2 years
2. Only pbb direkt clients without co-operations

AGENDA

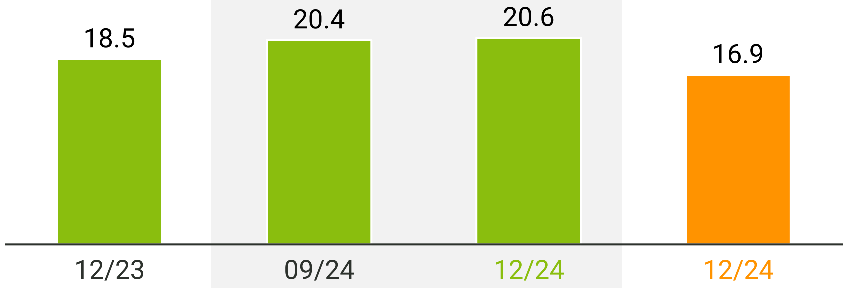
CAPITAL

Basel IV F-IRBA applied since 1st January 2025

Basel III: capital and leverage ratios (IFRS)

	A-IRBA	Transitional period F-IRBA[2] standardised		Pro-forma B4 F-IRBA
%	12/23[1]	09/24[3]	12/24[4]	12/24[4]
CET 1	15.7	14.5	14.4	16.8
Own funds	19.5	17.4	17.2	20.2
Leverage ratio	6.2	7.2	7.5	

RWA € bn (IFRS) | A-IRBA | F-IRBA[2] standardised | Pro-forma B4 F-IRBA



- → Capital transition well managed

  Transition into Basel IV F-IRBA regime started in Q2/24 – for transitional period, models calibrated towards standardised risk parameters
  - Temporary technical uplift of RWA mitigated by active balance sheet management and de-risking measures
  - Capital slightly increased due to non-deductible item "EL shortfall"
  - Ambition level for CET1 ratio of ≥14% delivered as guided
- → CET1 ratio stable q-o-q – RWA affected by FX effects and internal rating developments
- → Pro-forma F-IRBA ratio at 16.8% - Basel IV F-IRBA to be applied from 1st January 2025 (i.e. reporting Q1/25)
- → CET 1 ratio remains significantly above current regulatory requirement
  - SREP requirement (incl. anticipated additional buffer)[5]:
    - CET 1 ratio 9.83%
    - Own Funds Ratio 14.75%
- → Continued active balance sheet management and intention to further optimise capital structure

1. Incl. full-year result 2. B3 F-IRBA calibrated to standardised risk parameters 3. H1/24 incl. interim result, Q3/24 excl. interim result 4. Incl. full-year result, post proposed dividend 2024
5. SREP requirement: 4.5% P1R + 1.83% P2R + 2.5% Capital Conservation Buffer + 1.00% anticipated additional buffer (CCyB + SyRB)
Note: Figures may not add up due to rounding

AGENDA

1. Highlights 2024 and P&L
2. Portfolio Quality
   - Focus
     - USA
     - Development
     - Germany
3. Funding
4. Capital
5. Summary and Outlook
6. Appendix

SUMMARY

→ **pbb delivered as promised**

→ Stringent focus on **balance sheet and NPL management**

→ **Capital transition** successful – strong position supports Strategy 2027

→ **Transition to Strategy 2027** started with focus on **increasing profitability**

→ **Real Estate markets bottoming out**, supporting further improved profitability

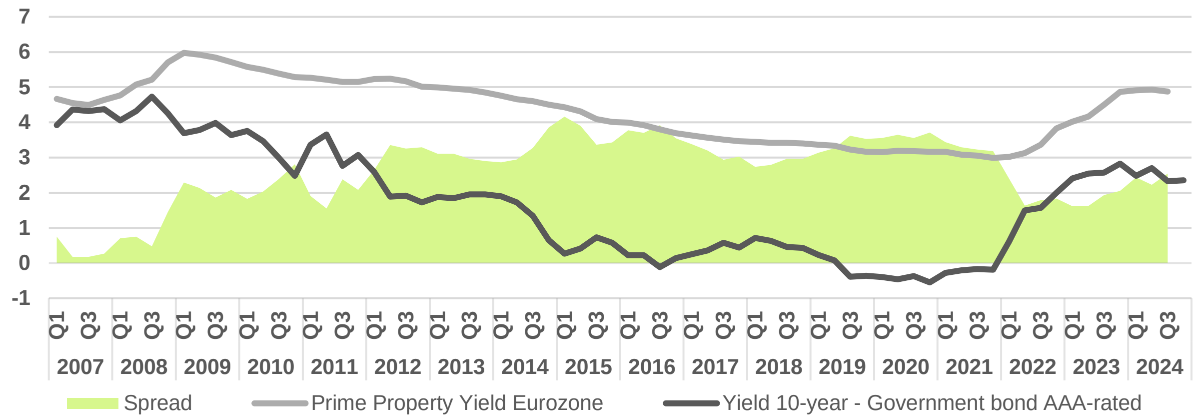
→ **Dividend** proposal of € 0.15 per share and intended **share buyback** of € 15 mn (subject to approval by ECB)

INVESTMENT SENTIMENT

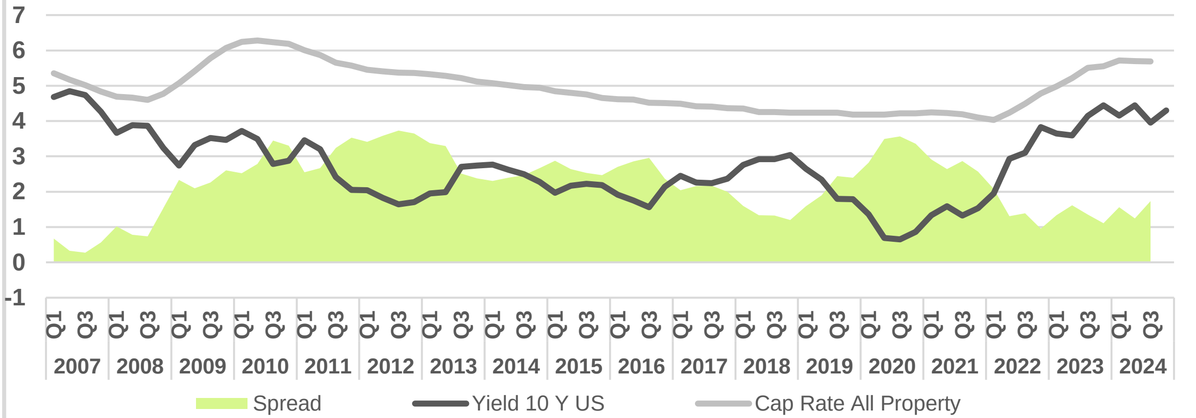
Cap rates peaking and transaction volumes stabilising

DEUTSCHE PFANDBRIEFBANK

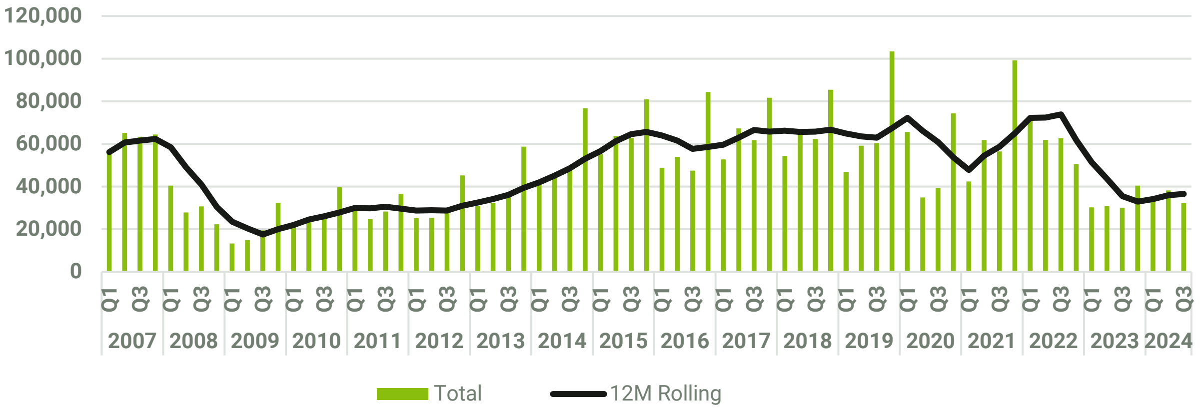
Europe – prime property yield and interest rates (%)



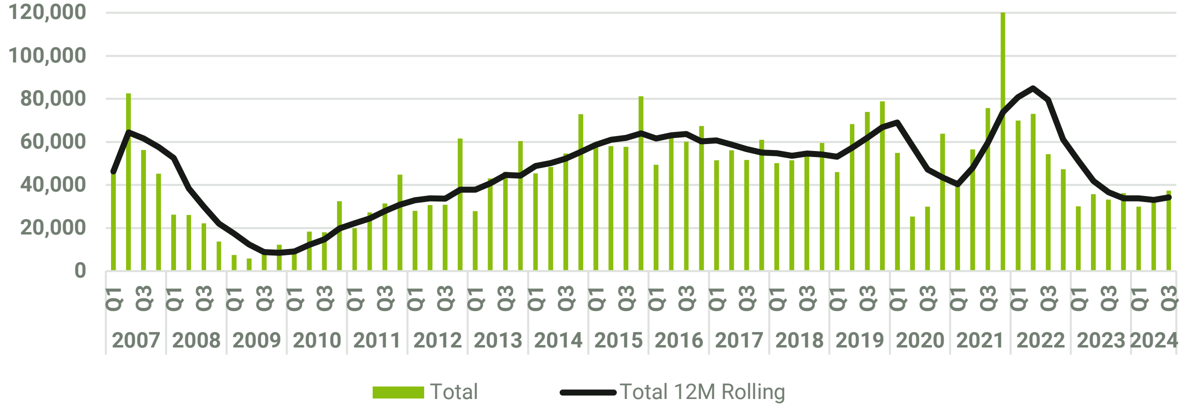
US – cap rates and interest rates (%)



Europe – CRE transaction volumes[1] (€ bn)



US – CRE transaction volumes (€bn)



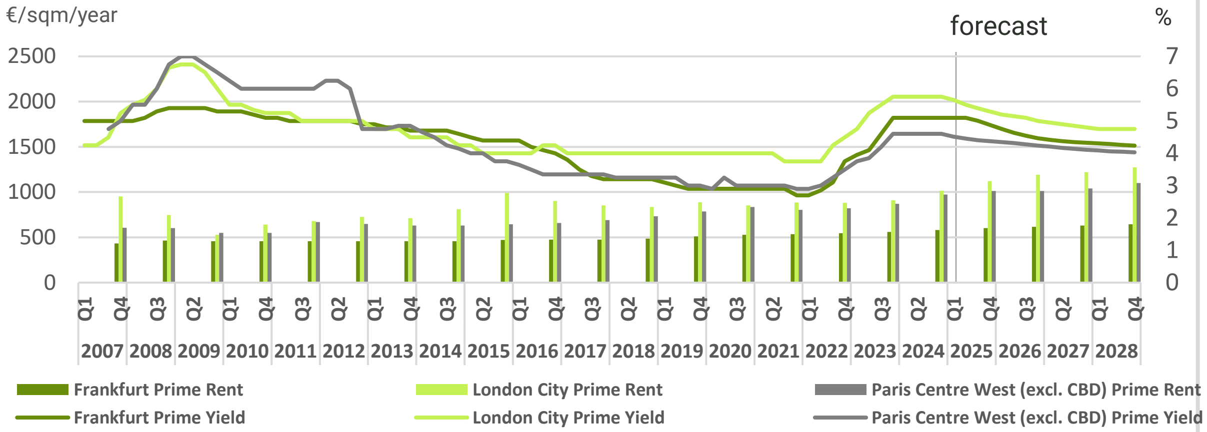
Source: CBRE

1. including UK, Norway and Switzerland

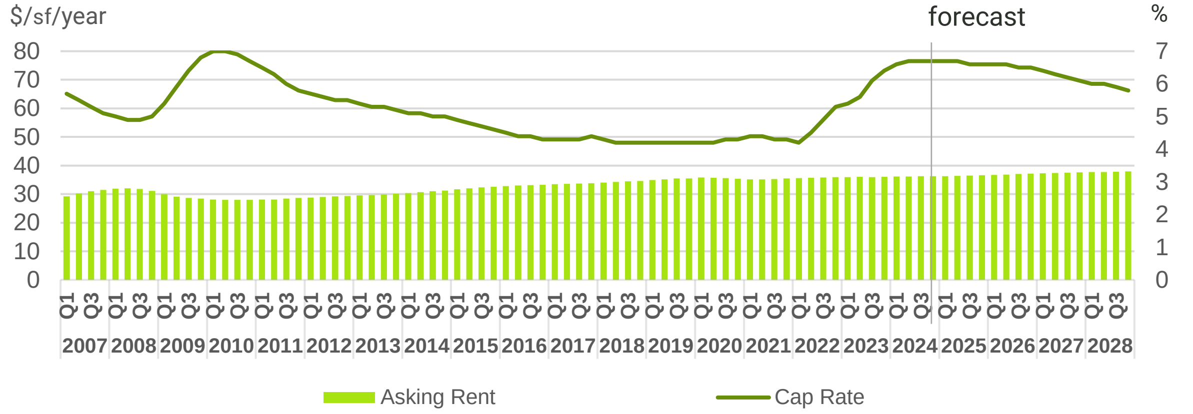
OFFICE MARKETS

Real Estate markets bottoming out

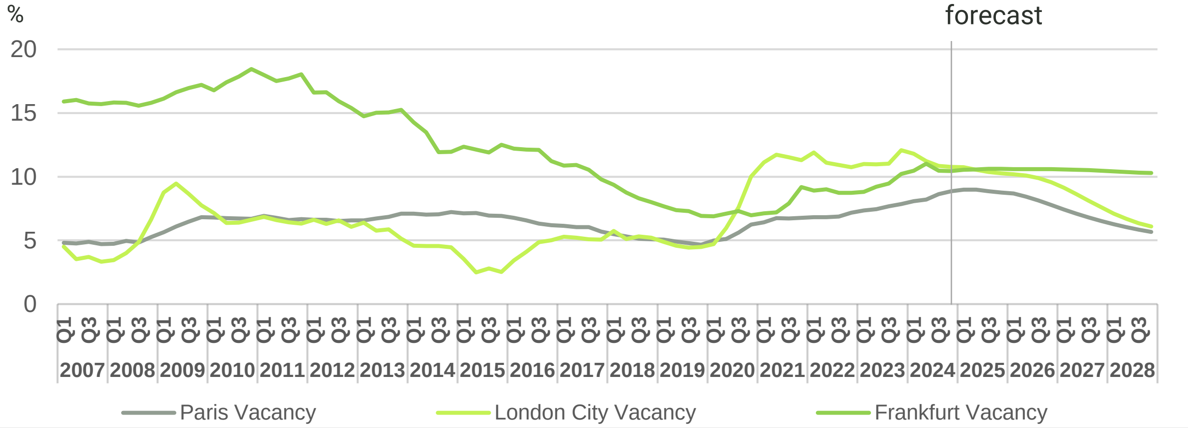
European Office market – prime rents and yields



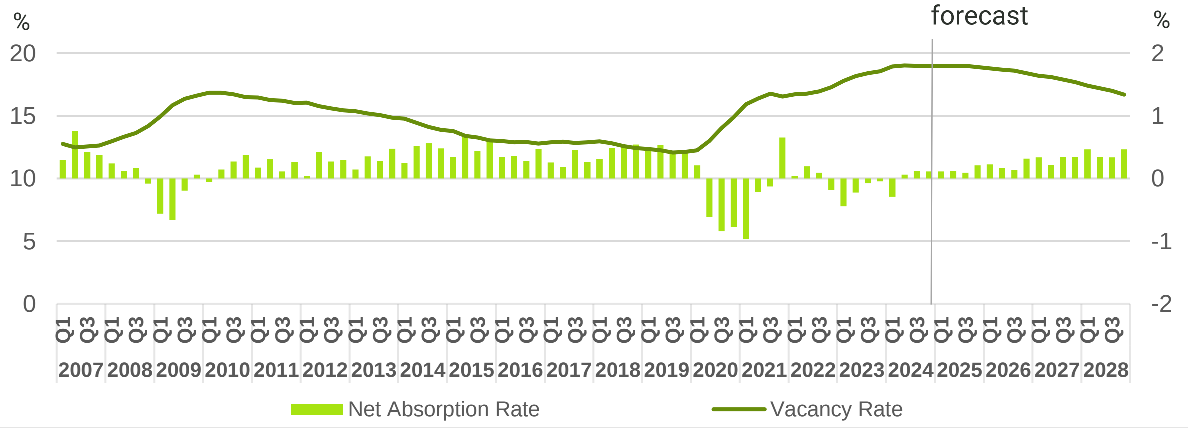
US Office market – rents and cap rates



European Office market – vacancy rates



US Office market – absorption and vacancy rates



Source: CBRE

GUIDANCE 2025

REF Portfolio	New business (incl. extensions > 1 year)	€ 6.5-7.5 bn
	Financing volume	€ ~29 bn
P&L	Operating Income	€ 500-540 mn
	thereof: NII + NCI	€ 470-490 mn
	LLP	<< 2024
	CIR	~50%
Profitability	Pre- tax profit	>> 2024
	RoTE before taxes	3.5-4.5%
Capitalisation	CET 1 ratio (Basel IV F-IRBA)	> 15.5%
Distribution	Dividend proposal for fiscal year 2024	€ 0.15 per share
	Intended share buyback[1]	€ 15 mn

1. Subject to approval by ECB

AGENDA

APPENDIX

DEUTSCHE PFANDBRIEFBANK

Strategy 2027 builds on three key pillars

DEUTSCHE PFANDBRIEFBANK

WHAT?

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

HOW?

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

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

European Bank
Enhanced focus on European market and pbb's regional strengths

CMD STRATEGY UPDATE

Key Performance Indicators for 2027

OPERATING INCOME	FEE INCOME	CIR
€ ~600 mn	~10%	<45%
RoTE[1]	**CAPITAL DISTRIBUTION**	**CET-1 RATIO[3]**
8%	≥50% (incl. share buybacks)[2]	>15.5%

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

RoTE definition

	Return on Tangible Equity (RoTE)	FY/24	
RoTE before tax (IFRS)	Profit before tax[1] minus AT1-coupon / IFRS equity[2] minus AT1-capital[2] minus goodwill and other intangible assets[2] minus deferred tax income assets[2]	€ 79 mn[1] / € 2,914 mn[2]	2.7%
RoTE after tax (IFRS)	Net income after tax attributable to shareholders[1] minus AT1-coupon / IFRS equity[2] minus AT1-capital and non-controlling interests[2] minus goodwill and other intangible assets[2]	€ 65 mn[1] / € 3,040 mn[2]	2.1%

	Return on Equity (RoE)	FY/24	
RoE before tax (IFRS)	Profit before tax[1] minus AT1-coupon / IFRS equity[2] minus AT1-capital[2]	€ 79 mn[1] / € 3,093 mn[2]	2.6%
RoE after tax (IFRS)	Net income after tax attributable to shareholders[1] minus AT1-coupon / IFRS equity[2] minus AT1-capital and non-controlling interests[2]	€ 65 mn[1] / € 3,093 mn[2]	2.1%

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

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

APPENDIX

KEY FIGURES
pbb Group

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24	Q2/24	Q3/24	Q4/24	2024
Net interest income	489	106	110	132	134	482	125	121	113	106	465
Net fee and commission income	8	1	1	1	0	3	1	2	0	2	5
Net income from fair value measurement	20	1	-1	2	-2	0	-3	-1	8	-7	-3
Net income from realisations	15	14	28	3	40	85	23	12	22	22	79
Net income from hedge accounting	0	-2	-1	3	1	1	4	2	-2	-1	3
Net other operating income	-1	-1	3	15	15	32	-4	-4	6	-3	-5
Operating Income	531	119	140	156	188	603	146	132	147	**119**	**544**
Net income from risk provisioning	-44	-2	-19	-83	-108	-212	-47	-56	-37	-30	-170
General and administrative expenses	-224	-58	-65	-57	-69	-249	-58	-57	-64	-66	-245
Expenses from bank levies and similar dues	-32	-22	-2	0	-1	-25	-2	-1	-1	0	-4
Net income from write-downs and write-ups on non-financial assets	-18	-5	-5	-6	-11	-27	-5	-5	-5	-6	-21
Pre-tax profit	213	32	49	10	-1	90	34	13	40	**17**	**104**
Income taxes	-26	-5	-7	-2	15	1	-5	-2	-6	-1	-14
Net income	187	27	42	8	14	91	29	11	34	**16**	**90**
EpS[1]	1.27	0.17	0.27	0.01	0.06	0.51	0.17	0.03	0.21	0.07	0.48
Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24[11]	Q2/24[11]	Q3/24[11]	Q4/24[11]	2024[11]
CIR[2]	45.6	52.9	50.0	40.4	42.6	45.8	43.2	47.0	46.9	60.5	48.9
RoE before tax	6.3	3.3	5.5	0.5	-0.9	2.1	3.6	0.9	4.4	1.4	2.6
RoE after tax	5.5	2.7	4.6	0.3	1.1	2.2	3.0	0.6	3.6	1.3	2.1
RoTE before tax							3.8	0.9	4.6	1.5	2.7
RoTE after tax							3.0	0.6	3.7	1.3	2.1
Balance sheet (€ bn)	12/22	03/23	06/23	09/23	12/23		03/24	06/24	09/24	12/24	
Total assets	53.0	53.7	49.8	48.2	50.9		48.9	46.0	45.2	44.2	
Equity	3.4	3.5	3.3	3.4	3.4		3.4	3.4	3.4	3.4	
Financing volume	43.7	43.5	43.3	43.4	43.5		42.8	41.0	39.9	38.7	
Regulatory capital ratios[3]	12/22	03/23	06/23	09/23	12/23		03/24	06/24	09/24	12/24	
RWA (€ bn)	17.0	17.1	17.3	17.8	18.5		18.8	20.9	20.4	20.6	
CET 1 ratio – phase in (%)	16.7[4]	16.6[5]	16.0[6]	15.2[6]	15.7[7]		15.2[8]	14.0[8,9]	14.5[8,9]	14.4[10]	
Tier 1 ratio – phase in (%)	18.5[4]	18.3[5]	17.8[6]	16.8[6]	17.3[7]		16.7[8]	15.4[8,9]	15.9[8,9]	15.9[10]	
Personnel	12/22	03/23	06/23	09/23	12/23		03/24	06/24	09/24	12/24	
Employees (FTE)	791	800	811	800	806		808	791	784	778	

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-Q4/24: pro-rata € -6 mn, 2024: € -25 mn) 2. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 3. Basel III transition rules 4. Incl. full-year result, post proposed dividend 2022 5. Excl. Interim result, post proposed dividend 2022 6. Excl. Interim result 7. Incl. full-year result 8. Incl. Interim result, Q3/24 excl. interim result 9. Models calibrated towards standardised risk parameters 10. Incl. full-year result, post proposed dividend 2024 11. RoE according to new calculation method, OCI and Cash Flow Hedge-Reserve are not deducted in the denominator

KEY FIGURES
Real Estate Finance (REF)

Income statement (€ mn)	2022	Q1/23[4]	Q2/23[4]	Q3/23[4]	Q4/23[4]	2023[4]	Q1/24	Q2/24	Q3/24	Q4/24	2024
Net interest income	420	97	101	118	121	437	116	113	107	102	438
Net fee and commission income	8	1	1	2	0	4	1	3	0	2	6
Net income from fair value measurement	14	0	-1	2	-1	0	-2	-1	5	-4	-2
Net income from realisations	16	4	16	-1	25	44	10	-11	7	5	11
Net income from hedge accounting	0	-1	-1	2	1	1	3	1	-1	-1	2
Net other operating income	2	-1	4	15	10	28	-3	-3	5	-3	-4
Operating Income	460	100	120	138	156	514	125	102	123	**101**	**451**
Net income from risk provisioning	-69	-2	-19	-84	-108	-213	-47	-56	-37	-31	-171
General and administrative expenses	-196	-51	-56	-50	-62	-219	-55	-54	-60	-62	-231
Expenses from bank levies and similar dues	-21	-15	-1	0	-1	-17	-1	-1	-1	0	-3
Net income from write-downs and write-ups on non-financial assets	-16	-4	-5	-5	-10	-24	-5	-4	-5	-6	-20
Pre-tax profit	158	28	39	-1	-25	41	17	-13	20	**2**	**26**
Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24[5]	Q2/24[5]	Q3/24[5]	Q4/24[5]	2024[5]
CIR[1]	46.1	55.0	50.8	39.9	46.2	47.3	48.0	56.9	52.8	67.3	55.7
RoE before tax	6.4	3.1	4.7	-0.9	-4.1	0.7	1.5	-2.6	1.8	-0.5	0.1
RoTE before tax							1.6	-2.7	2.0	-0.6	0.1
Key figures (€ bn)	12/22	03/23	06/23	09/23	12/23		03/24	06/24	09/24	12/24	
Equity[2,3]	2.4	2.9	2.9	2.9	2.9		2.9	3.0	3.0	3.1	
RWA	15.5	15.7	15.9	16.7	17.5		18.0	20.4	20.0	20.2	
Financing volume	29.3	29.4	30.2	30.5	31.1		31.2	29.8	29.1	29.0	

Note: annual results audited, interim results Q1 2023/24 and Q3 2023/24 unaudited, interim results H1 2023/24 unaudited, but reviewed 1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2. 2022/23: Excluding accumulated OCI from cash flow hedge accounting, financial assets at fair value through OCI, additional equity instruments (AT1 capital) and non-controlling interest ; 2024: Excluding additional equity instruments (AT1 capital) and non-controlling interest 3. 2022: equity allocated according to going concern view, 2023/24: equity allocated according to RWA 4. Adjusted according to IFRS 8.29 5. RoE according to new calculation method, OCI and Cash Flow Hedge-Reserve are not deducted in the denominator

KEY FIGURES

Non-Core (PIF & VP)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2022	Q1/23[4]	Q2/23[4]	Q3/23[4]	Q4/23[4]	2023[4]	Q1/24	Q2/24	Q3/24	Q4/24	2024
Net interest income	67	9	9	14	13	45	9	8	6	4	27
Net fee and commission income	0	0	0	-1	0	-1	0	-1	0	0	-1
Net income from fair value measurement	6	1	0	0	-1	0	-1	0	3	-3	-1
Net income from realisations	-1	10	12	4	15	41	13	23	15	17	68
Net income from hedge accounting	0	-1	0	1	0	0	1	1	-1	0	1
Net other operating income	-3	0	-1	0	5	4	-1	-1	1	0	-1
Operating Income	69	19	20	18	32	89	21	30	24	**18**	**93**
Net income from risk provisioning	25	0	0	1	0	1	0	0	0	1	1
General and administrative expenses	-28	-7	-9	-7	-7	-30	-3	-3	-4	-4	-14
Expenses from bank levies and similar dues	-11	-7	-1	0	0	-8	-1	0	0	0	-1
Net income from write-downs and write-ups on non-financial assets	-2	-1	0	-1	-1	-3	0	-1	0	0	-1
Pre-tax profit	53	4	10	11	24	49	17	26	20	**15**	**78**
Key ratios (%)	2022	Q1/23	Q2/23	Q3/23	Q4/23	2023	Q1/24[5]	Q2/24[5]	Q3/24[5]	Q4/24[5]	2024[5]
CIR[1]	43.5	42.1	45.0	44.4	25.0	37.1	14.3	13.3	16.7	22.2	16.1
RoE before tax	10.5	10.0	28.5	37.8	91.1	38.6	72.7	>100.0	>100.0	>100.0	>100.0
RoTE before tax							77.2	>100.0	>100.0	>100.0	>100.0
Key figures (€ bn)	12/22	03/23	06/23	09/23	12/23		03/24	06/24	09/24	12/24	
Equity[2,3]	0.4	0.2	0.1	0.1	0.1		0.1	0.0	0.0	0.0	
RWA	0.8	0.8	0.7	0.6	0.6		0.5	0.2	0.2	0.2	
Financing volume	14.4	14.1	13.1	12.9	12.4		11.6	11.2	10.8	9.7	

Note: annual results audited, interim results Q1 2023/24 and Q3 2023/24 unaudited, interim results H1 2023/24 unaudited, but reviewed 1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2. 2022/23: Excluding accumulated OCI from cash flow hedge accounting, financial assets at fair value through OCI, additional equity instruments (AT1 capital) and non-controlling interest ; 2024: Excluding additional equity instruments (AT1 capital) and non-controlling interest 3. 2022: equity allocated according to going concern view, 2023/24: equity allocated according to RWA 4. Adjusted according to IFRS 8.29 5. RoE according to new calculation method, OCI and Cash Flow Hedge-Reserve are not deducted in the denominator

BALANCE SHEET

Balance Sheet IFRS, € bn

Assets	31/12/24	31/12/23
Financial assets at fair value through P&L	1.2	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	0.6	0.3
Financial assets at fair value through OCI	1.3	1.5
thereof		
Debt securities	1.3	1.4
Loans and advances to customers	0.0	0.1
Financial assets at amortised cost (after credit loss allowances)	39.2	45.2
thereof		
Debt securities	2.5	4.0
Loans and advances to other banks	1.7	2.5
Loans and advances to customers	35.6	39.2
Positive fair values of hedge accounting derivatives	0.1	0.3
Other assets	2.3	3.0
Total Assets	**44.2**	**50.9**

Liabilities & equity	31/12/24	31/12/23
Financial liabilities at fair value through P&L	0.7	0.7
thereof		
Negative fair values of stand-alone derivatives	0.7	0.7
Financial liabilities measured at amortised cost	39.4	45.9
thereof		
Liabilities to other banks (incl. central banks)	2.9	6.1
thereof		
Registered Mortgage Pfandbriefe	*0.3*	*0.4*
Registered Public Pfandbriefe	*0.4*	*0.9*
Liabilities to other customers	18.1	18.8
thereof		
Registered Mortgage Pfandbriefe	*3.5*	*3.2*
Registered Public Pfandbriefe	*4.3*	*5.1*
Bearer Bonds	17.7	20.4
thereof		
Mortgage Pfandbriefe	*10.7*	*12.4*
Public Pfandbriefe	*1.7*	*1.9*
Subordinated liabilities	0.6	0.6
Negative fair values of hedge accounting derivatives	0.5	0.8
Other liabilities	0.2	0.1
Equity (attributable to shareholders)	3.1	3.1
AT1-capital	0.3	0.3
Total liabilities & equity	**44.2**	**50.9**

Share of Pfandbriefe of refinancing liabilities

53%/52%

Note: Figures may not add up due to rounding

BALANCE SHEET

Pro- active management of pbb´s balance sheet

Active REF Portfolio Management

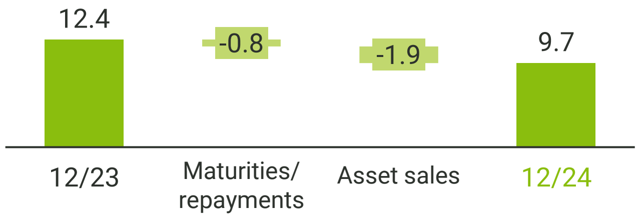
- Portfolio transaction in May 2024 – sale of € 0.9 bn performing loan portfolio, RWA relief of € 0.7 bn
- Transaction targets to improve REF portfolio RoE and to support capital trajectory
- Further sales of performing/non-performing loans in consideration

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

Management of Non-Core Portfolio

- Non-strategic portfolio in run-down – acceleration through sale of assets
- € 1.9 bn asset sales in FY24 (Q4/24: € 0.9 bn) – mainly public sector bonds from Austria, Japan and Germany

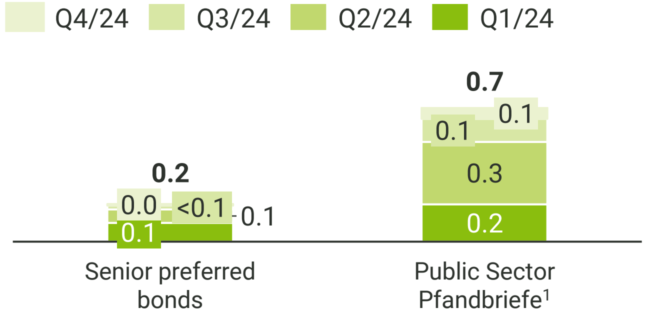
Non- Core Portfolio
€ bn, financing volume



Liability Management

- Pro-active liability management aims to optimise asset/liability profile
- Liability buybacks common instrument of pbb's tool box
- € 0.9 bn buybacks (mainly public sector Pfandbriefe) in FY24 (Q4/24: € 0.1 bn)

Liability buybacks
€ bn, FY24



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

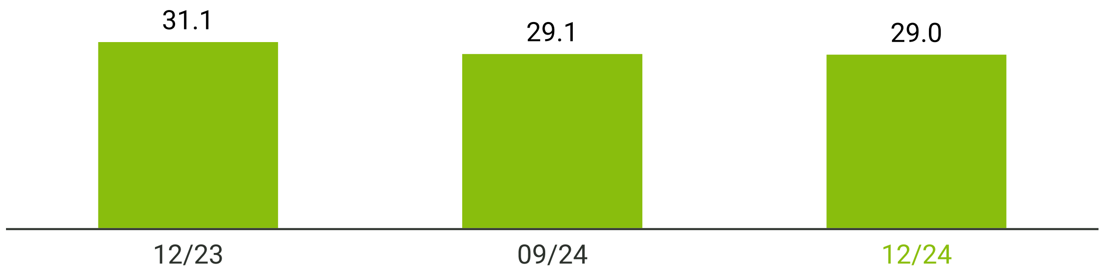
APPENDIX

REF NEW BUSINESS

Selective new business volume with margins on elevated level

Volume of strategic REF portfolio in € bn

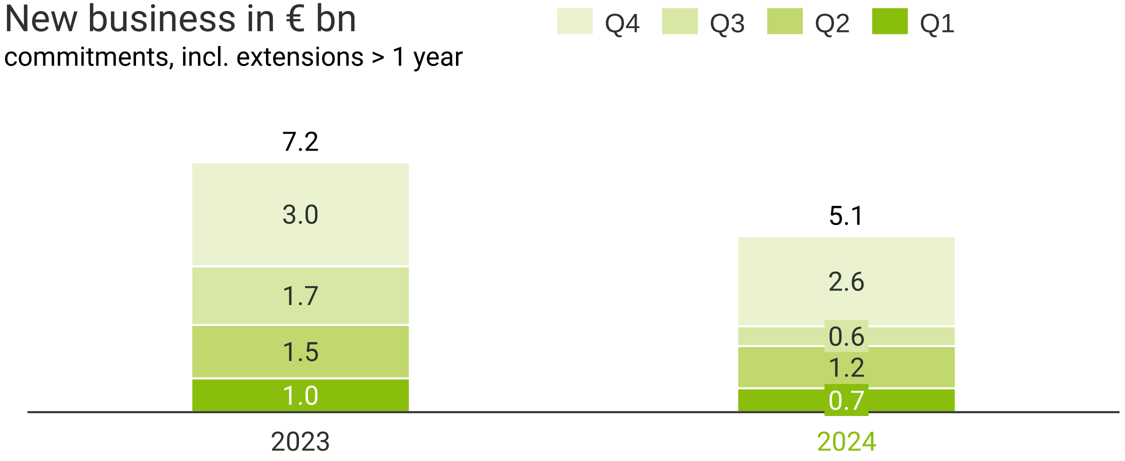
financing volume



- Strategic REF portfolio down y-t-d and q-o-q, in line with Strategy 2027
- Avg. portfolio margin further up
- Selective new business volume of € 5.1 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 in € bn

commitments, incl. extensions > 1 year



New Business	2023	2024
Share of extension >1 year (%)	50	74
Ø Gross interest margin (bp) [2]	~205	~240
Ø LTV[1] (%)	53	57
Ø Maturity[3] (years)	~3.8	~2.9
No. of Deals	116	102

1. New commitments; avg. LTV (extensions): FY24: 63%, FY23: 55% 2. Net of FX-effects; gross revenue margin: FY24: ~270 bp, FY23: ~225 bp 3. Legal maturities

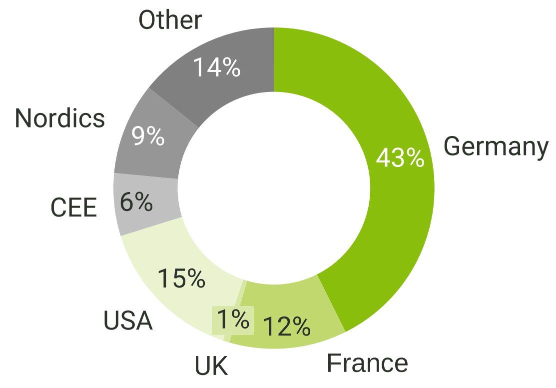
REF NEW BUSINESS
Diversification supports management of the cycle

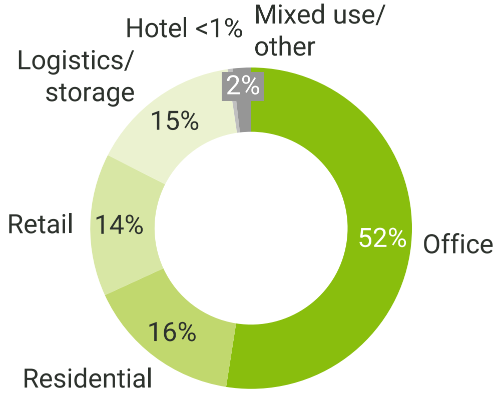
As of 31/12/24

Regions | **Property types**

€ 5.1 bn

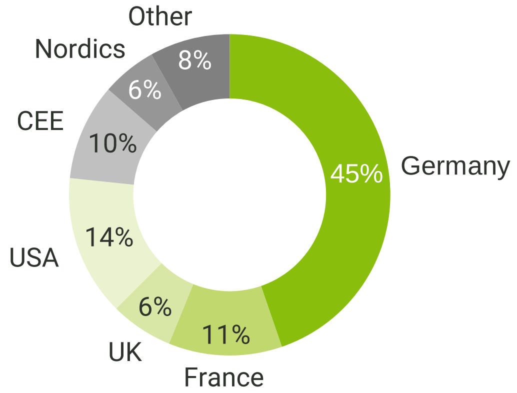
New business
Commitments,
incl. extensions > 1 year

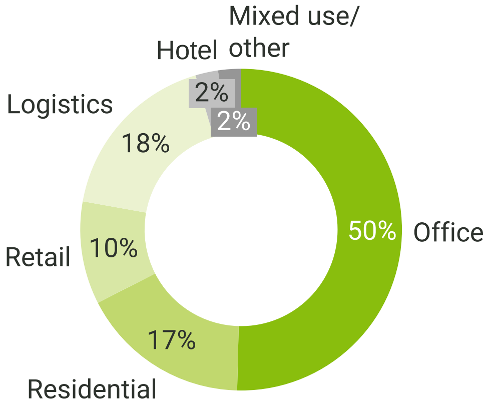




€ 29.7 bn

Portfolio
EaD, Basel III





Note: Figures may not add up due to rounding

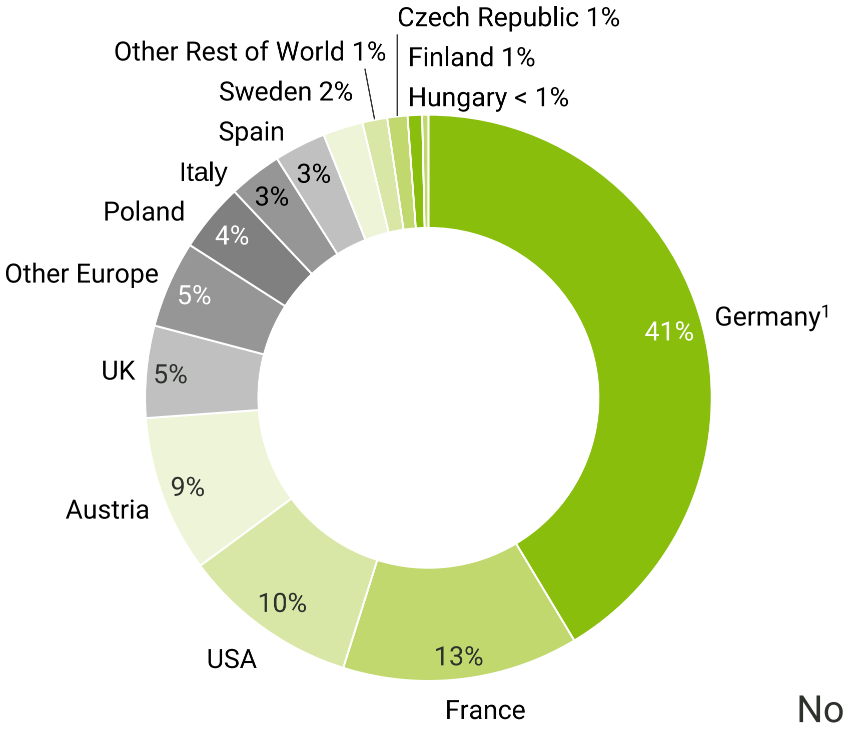
APPENDIX

Total portfolio

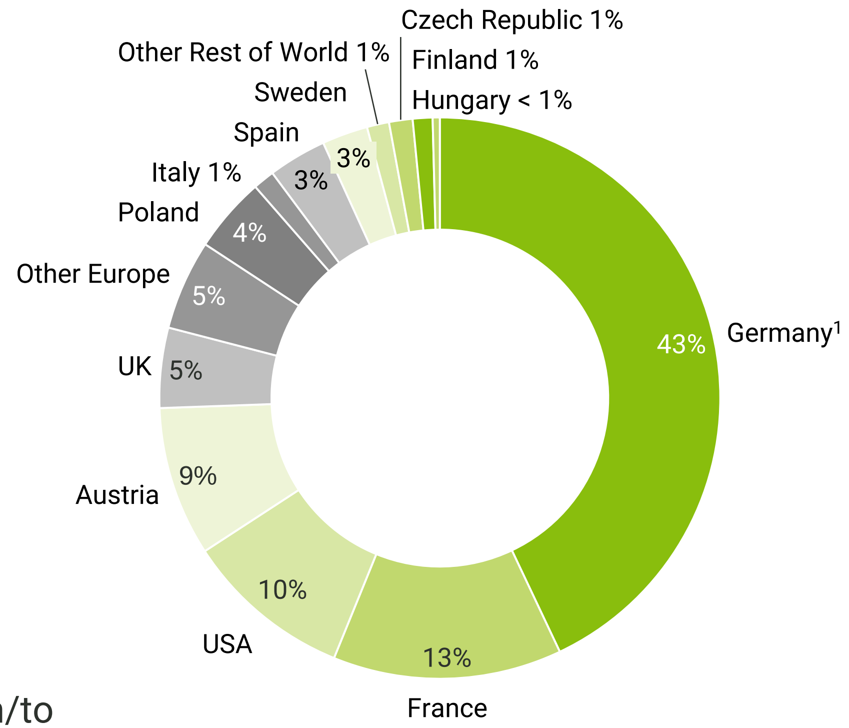
Regions

EaD, Basel III

31/12/2023 / Total: € 51.3 bn



31/12/2024 / Total: € 43.9 bn



No direct exposure in/to Ukraine, Russia and Belarus

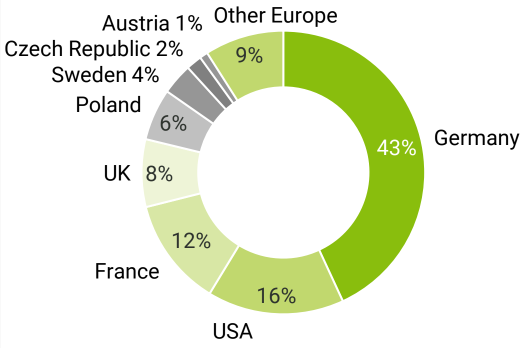
1. Incl. Bundesbank accounts (12/24: € 2.0 bn; 12/23: € 2.7 bn) 2. EaD, Basel III Note: Figures may not add up due to rounding

PORTFOLIO

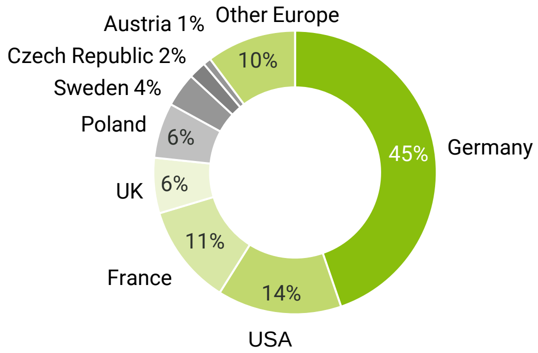
Real Estate Finance (REF)

pbb DEUTSCHE PFANDBRIEFBANK

Regions

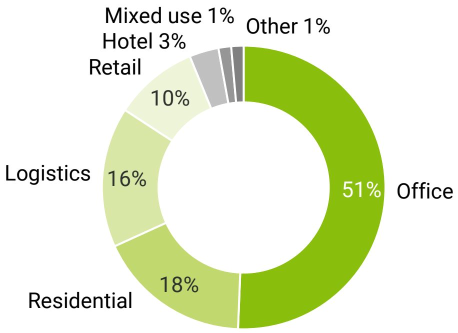


31/12/2023: € 33.0 bn

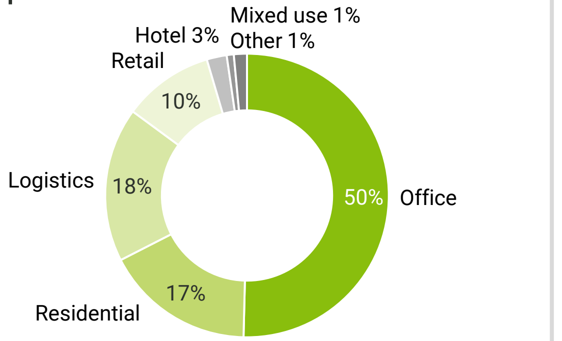


31/12/2024: € 29.7 bn

Property types

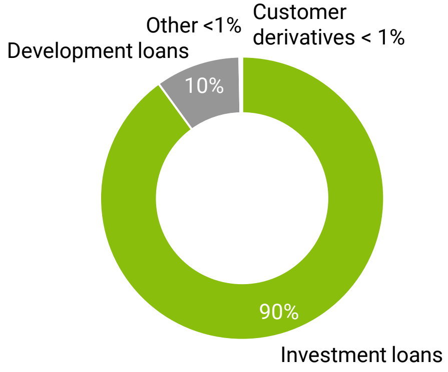


31/12/2023: € 33.0 bn

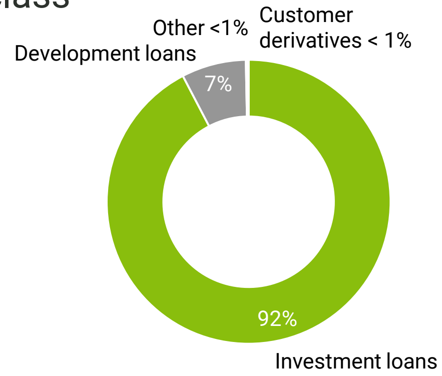


31/12/2024: € 29.7 bn

Product class

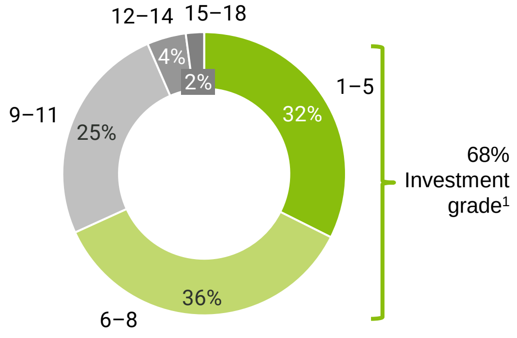


31/12/2023: € 33.0 bn

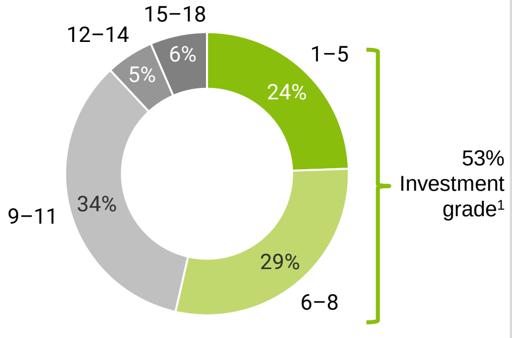


31/12/2024: € 29.7 bn

Internal ratings (EL classes)



31/12/2023: € 33.0 bn



31/12/2024: € 29.7 bn

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

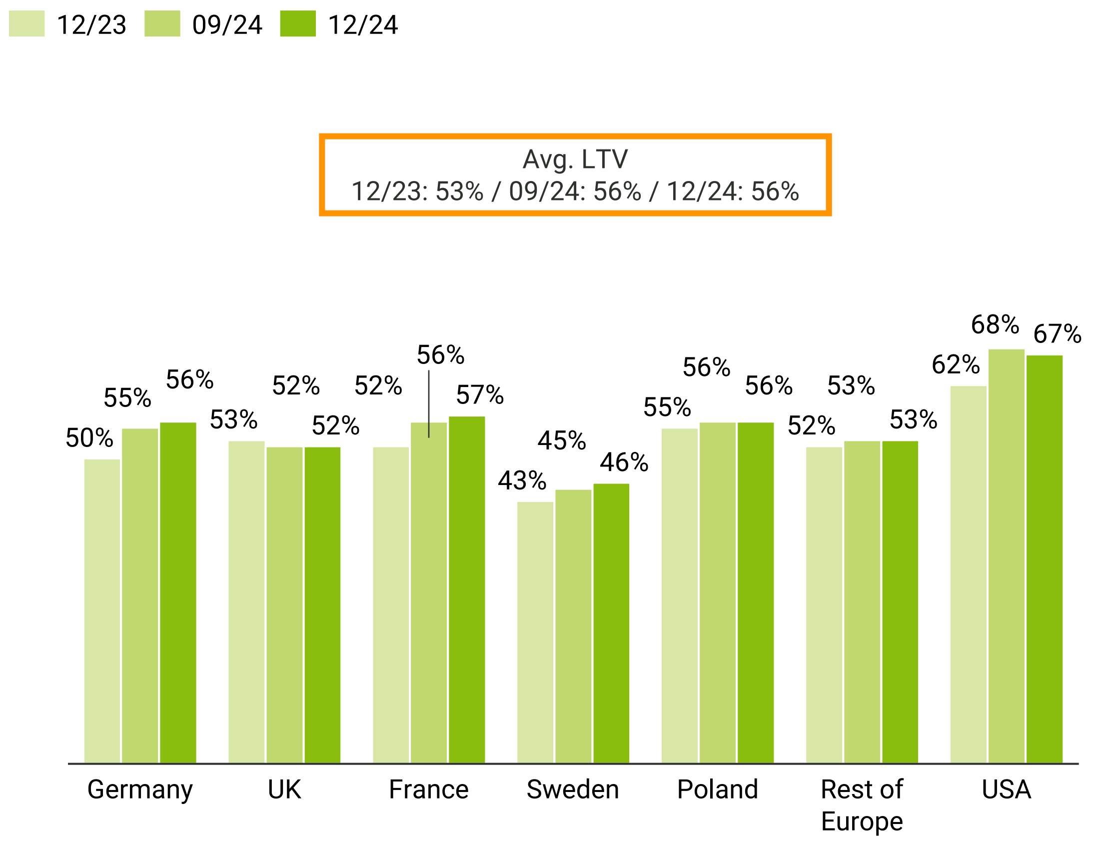
Note: Figures may not add up due to rounding, EaD, Basel III

REF PORTFOLIO

LTV development reflects market environment

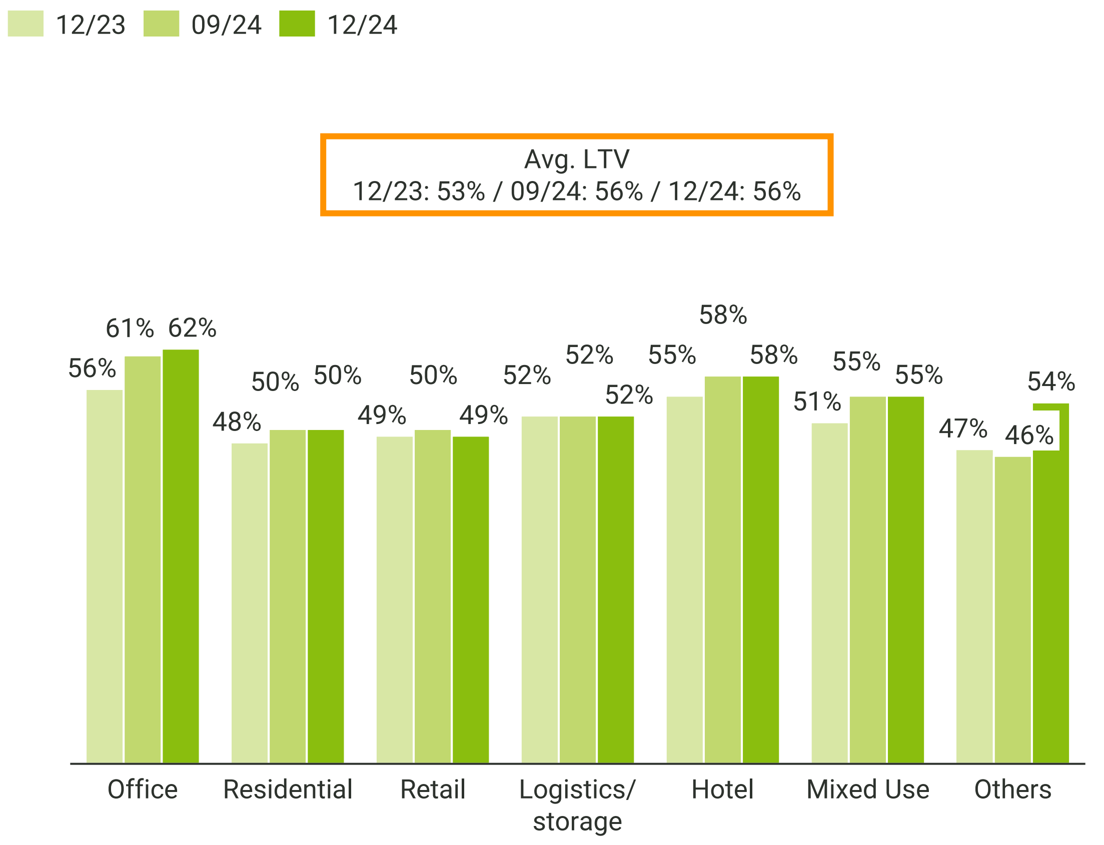
LTV – Regions

(€ bn, commitments, Basel III) [1]



LTV – Property types

(€ bn, commitments, Basel III) [1]



Note: Figures may not add up due to rounding

1. Based on performing investment loans only

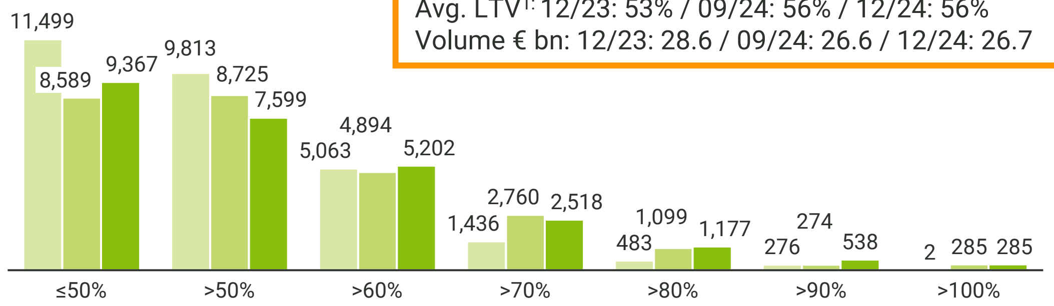
REF PORTFOLIO – LTV CLUSTER

LTV development reflects market environment

Total REF portfolio € mn, commitments, Basel III

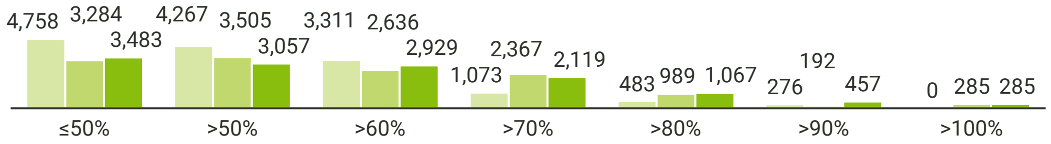
12/23 09/24 12/24

Avg. LTV[1]: 12/23: 53% / 09/24: 56% / 12/24: 56%
Volume € bn: 12/23: 28.6 / 09/24: 26.6 / 12/24: 26.7



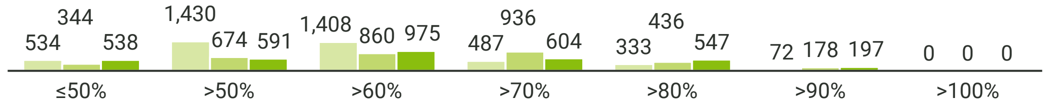
Office € mn, commitments, Basel III)

Avg. LTV[1]: 12/23: 56% / 09/24: 61% / 12/24: 62%
Volume € bn: 12/23: 14.2 / 09/24: 13.3 / 12/24: 13.4



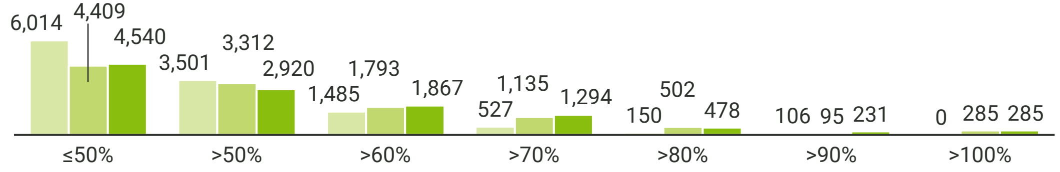
USA € mn, commitments, Basel III)

Avg. LTV[1]: 12/23: 62% / 09/24: 68% / 12/24: 67%
Volume € bn: 12/23: 4.3 / 09/24: 3.4 / 12/24: 3.5



Germany € mn, commitments, Basel III

Avg. LTV[1]: 12/23: 50% / 09/24: 55% / 12/24: 56%
Volume € bn: 12/23: 11.8 / 09/24: 11.5 / 12/24: 11.6



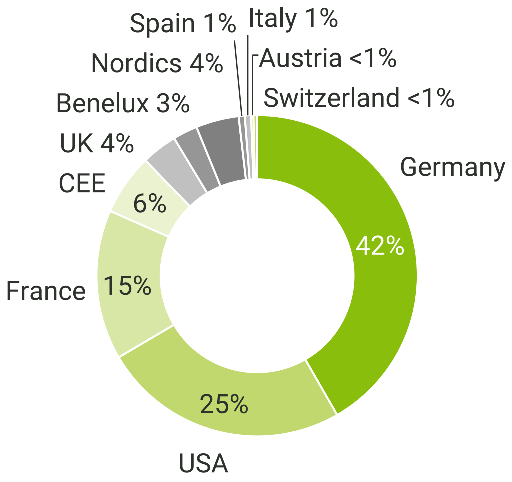
Note: Figures may not add up due to rounding
1. Based on performing investment loans only

REF PORTFOLIO
Sub-segments

Property

Office
€ 15.0 bn
(50%)

Regions



Evaluation of current situation

- Office demand in Europe is stabilizing evidenced by mostly positive net absorption forecasts for 2025 and stabilizing real rents. The flight to quality remains as demand is focused on modern, flexible and ESG-conform properties in good locations while demand for secondary locations is limited. Hence, vacancy and rent spreads between prime and poorer quality buildings are expected to widen further.
- Leasing volumes are expected to rise by 5–10% through 2025 across Europe, edging closer towards historic averages. Combined with muted development, a weak supply pipeline and older spaces being withdrawn or repurposed, office markets are expected to experience modest decline in vacancies and prime rents increase of 2%-3%.
- In the US, vacancies are higher than in Europe, though, Q4 2024 marks the first decline in vacancy rates since Q4 2021 as leasing volume already reflects about 92% of typical pre-pandemic averages. This development is underpinned by a return-to-office momentum from major employers such as Amazon.
- Combined with weak supply and record volume of inventory being removed for conversion and redevelopment, asking rents should modestly recover with downtown prime properties leading. 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. Much of this is expected to come at the expense of lower-quality buildings which are expected to underperform.

Challenges

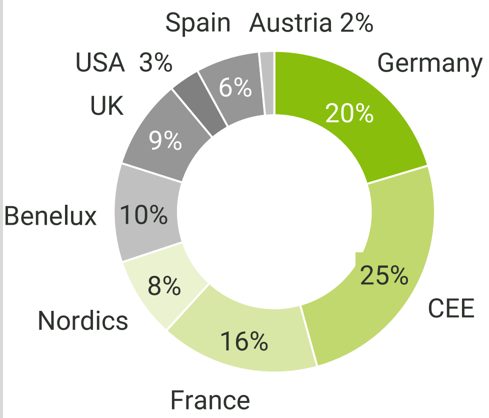
- Cooling of tenant market due to overall economic situation, shift of demand towards modern, green, centrally located properties as well as sustained / extended home office practices lead to reletting / extension risks with pressure on rental level in particular on secondary/older buildings.
- Good locations remain competitive and "Green" having become a very core element in competition.
- Increased interest level in combination with competitive disadvantage for B-properties / B-locations has increased pressure on value in particular for these properties.
- Some former A-locations have, due to structural changes, downgraded to B-locations.
- Structural changes, cooled letting market and increased interest level have put pressure on cash flow for, in particular, class-B-properties.
- However, recently positive signals prevail:
  - reduction of interest rates by ECB, FED and BoE
  - an increasing letting demand
  - increasing interest from investors and
  - in some markets increasing pressure for physical office presence of employees

Risk positioning

- Focus on good locations in main European and US urban locations.
- Avg. LTV of 62%[1] provides good buffer and supports commitment of investors / sponsors.
- Well diversified portfolio, focus on Germany, main cities at the East Coast of the US (e.g. New York, Boston, Washington) and France (almost completely Paris / Isle de France region).
- Detailed analysis of "green profile" of properties including associated risk conducted in new business and on occasions of (annual) credit reports transactions.
- Due to focus on existing business and exits from risk positions via active portfolio management (loan sales, exits from NPL) in particular in the US total amount as compared to year end 2023 decreased by € 1.7 bn or ca. 10%. Further reductions planned

Note: Figures may not add up due to rounding

REF PORTFOLIO
Sub-segments

Property	Regions	Evaluation of current situation	Challenges	Risk positioning
Logistics € 5.2 bn (18%)		→ E-commerce, automation & AI and the need for more resilient supply chains is still driving occupier demand towards modern spaces, although the effect may already be priced in. → Overall industrial demand and vacancy rates have normalized to pre-pandemic levels and due to persistent macroeconomic uncertainties, vacancy rates increased. → Higher vacancy rates have led to a shift in the balance of power to tenants which is expected to lead to slower rental growth. Rental growth is expected to moderate from the exceptional years of 2021/22 but to remain higher than pre-Covid rates in lockstep with inflation. → Marketing periods are expected to become longer but tenants could be incentivized by more modest rents to take up space. → Alongside softer occupier demand, developers have responded to increasing financing costs in recent years by reducing space under construction. This should stabilize vacancy rates in the long-term. → However, as capital values have softened, narrowing price expectations and lower interest rates might draw investors back. Thus, development activity should remain strong when compared to long-run averages. → Trump presidency may disrupt trade of goods with potential tariffs affecting logistic markets. → The digital economy is fueling demand for data center space across Europe albeit not as strongly as in the U.S.	→ 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 52%[1] provides good buffer and supports commitment of investors / sponsors. → Well diversified portfolio. → High quality of sponsors.

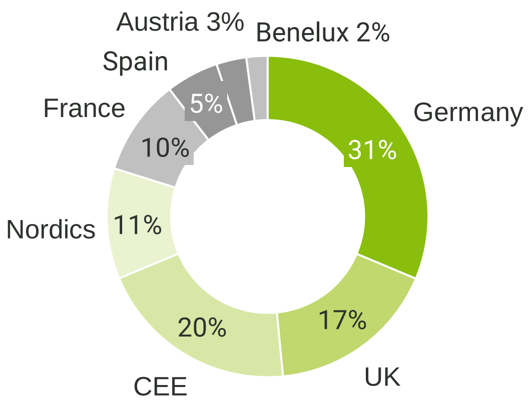
Note: Figures may not add up due to rounding

REF PORTFOLIO
Sub-segments

Property

Retail
€ 3.1 bn
(10%)

Regions



Evaluation of current situation

- Lower inflation and improving real earnings helped mitigating declines in sales volumes in recent years. Inflation-adjusted personal disposable incomes are forecasted to rise by 1.2% in the EU and 1% (p.a.) in the UK over the course of 2025.
- Although the economic outlook is still murky, consumer confidence is expected to slightly improve as Germany, UK and France edge closer to long-term averages while countries like Poland and other high-growth countries' consumer confidence is expected to outperform and remain above long-term averages.
- Thus, overall retail sales in 2025 are forecasted to grow at an rate of 2.4% in the Eurozone and 3.4% in the UK.
- This positive momentum is expected to primarily benefit high-quality, high-traffic assets such as retail parks, top-tier shopping centers, and prime high streets. Rents in these prime locations are stable, but secondary locations are facing challenges across Europe with further decline in spaces primarily at the edges of the prime locations and on the upper floors.
- Analogously, occupier demand is focused on prime locations, with retailers focusing on larger format, flagship stores in the best locations and potentially rationalizing stores in secondary locations. Vacancy is expected to improve for high streets but to remain high for shopping centers. Most of Europe's luxury pitches have lower vacancy rates than their city centers.
- Reduced expectations for online diversion should benefit in-store retail spending while food spending should remain predominantly store-based.

Challenges

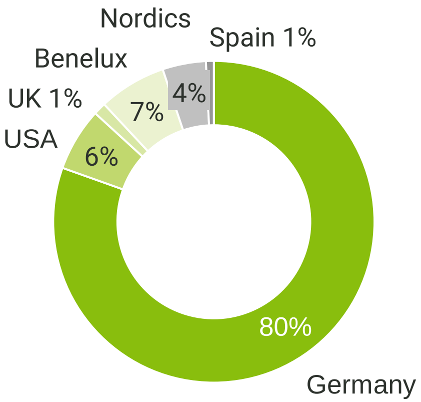
- Short Term: threats to income stability as well as decreasing consumer spendings / consumer confidence due to inflation and modest economic development in many countries. Professionally managed (and therefore well performing) assets stable.
- Mid Term: structural changes (online sale, change of high 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.

Risk positioning

- Selective approach with consequent reduction of retail portfolio by ~58% or ca. € 4 bn since 2016 (12/24: € 3.1 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.

Note: Figures may not add up due to rounding

REF PORTFOLIO
Sub-segments

Property	Regions	Evaluation of current situation	Challenges	Risk positioning
Residential € 5.1 bn (17%)		→ The market of owner-occupied properties is expected to recover further as inflation and interest rates are expected to decline. → For multifamily properties rising rents mitigated the impact on values. Multifamily rental growth is expected to continue although at a far more modest pace than in recent years as landlords adjust to new market conditions. → Rental regulation and renovation requirements are key risks and are expected to reduce the NOI for multifamily owners especially in the lower price segment.	→ Increased interest level puts pressure on value, however still more moderate than in other (sub-) asset classes. → Cash flow under pressure for many reasons: interest rates, energy costs, investment requirements - partially counterbalanced by increasing rents. → In particular, capital-market oriented investors often with challenging refinancing situations for debts outside traditional bank loan character. → Transaction market in Germany for portfolios gaining momentum again.	→ Portfolio volume of € 5.1 bn with avg. LTV of 50%[1] provides good buffer and supports commitment of investors/sponsors. → Well diversified portfolio with strong focus on Germany.

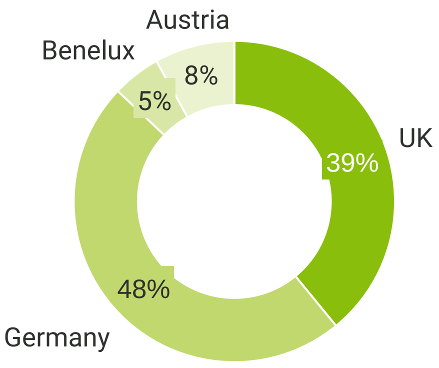
Note: Figures may not add up due to rounding

REF PORTFOLIO
Sub-segments

Property

Hotel (Business Hotels only) € 0.7 bn (3%)

Regions



Evaluation of current situation

- The travel recovery expected to continue in 2025 with stronger European air travel and increasing RevPAR. Particular leisure-led demand recovery has driven stronger performance in parts of southern Europe. While occupancy has still not fully recovered, room rates have been the key driver of RevPAR gains with both KPI’s clearly above pre-Covid levels.
- Going forward, improving occupancy rates rather than ADR to drive more modest RevPAR gains.
- With consumers prioritizing travel and continued recovery in APAC & business demand further demand growth expected to come. As room supply growth continues to be subdued compared to pre-Covid, further RevPAR recovery can be expected.
- Weak GOP margins remain key challenge as high staff expenses and energy costs take toll at profitability. Other challenges include the ongoing conversion to different concepts like long-stay and co-living.
- Softer than expected demand forecasts as well as subdued international demand due to global economic weakness represent key risks.

Challenges

- 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.

Risk positioning

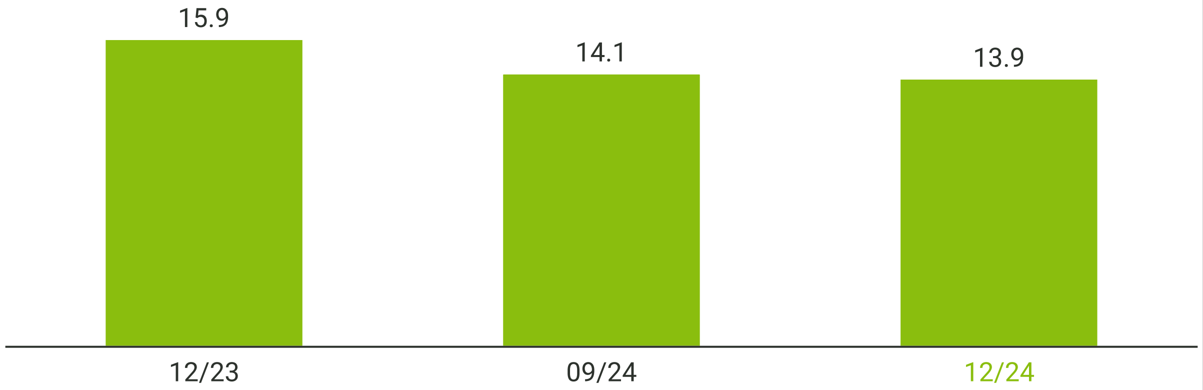
- Selective approach and strict adherence to underwriting standards in particular during the hot phase of hotel investment market in 2018/19 resulting in a relatively small portfolio volume of slightly less than € 1 bn.
- Focus on prime locations secures base value of properties.
- Avg. LTV of 58%[1] provides good buffer and supports commitment of investors/ sponsors.
- Focus on business / city hotels in main European capitals/business locations in combination with strong brands and professional sponsors.

Note: Figures may not add up due to rounding

FOCUS: OFFICE PERFORMING

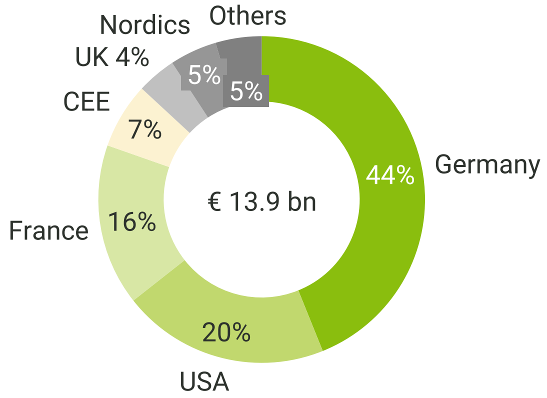
Office portfolio well diversified by regions with US share of 20%

Performing Portfolio € bn (EaD, Basel III)

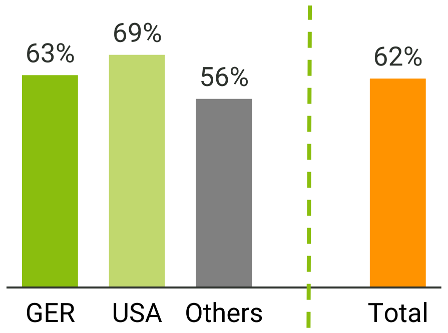


- → Performing Office portfolio reduced by € 2.0 bn (Q4/24: € 0.2 bn) through
  - Repayments & others (FY24: € 0.9 bn; Q4/24: € 0.2 bn minus USD-effect of € -0.2 bn)
  - Transfer to NPL (FY24: € 0.8 bn; Q4/24: € 0.2 bn)
  - Portfolio transaction (Q2/24: € 0.3 bn)
- → European office structure is different from US office. Flight to quality trend remains intact, different home office behavior, different sponsor behavior, lower vacancies and less sensitive to short-term interest rate changes
- → Focus on prime properties in core inner-city locations and strict risk parameters
- → 100% of the portfolio reviewed/revalued in last 12 months – avg. value change of -9%[1]
- → LTV-stress:
  - Exposure at risk: ~4.1% of portfolio[2]
  - Coverage ratio: ~19% via existing total stage 1&2 LLP of € 104 mn

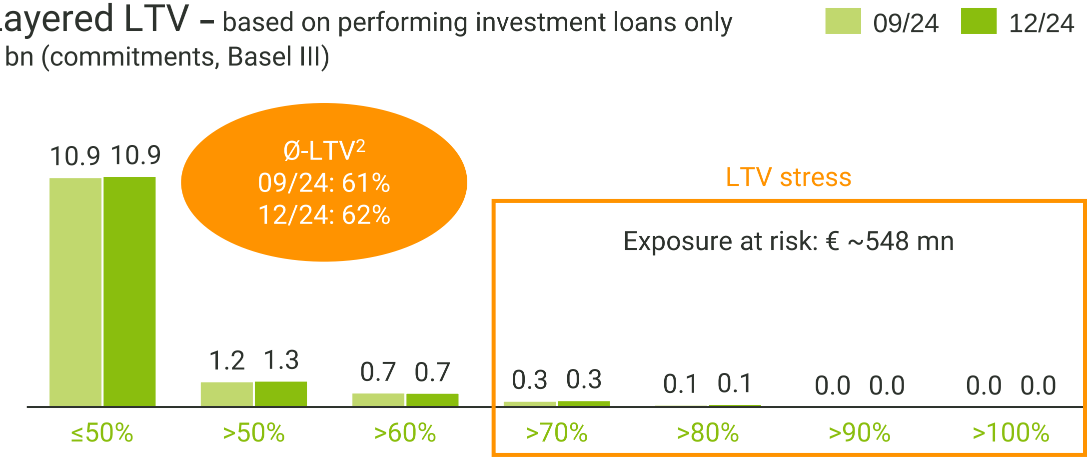
Regions 31/12/2024 (EaD, Basel III)



Avg. LTV 31/12/2024 (Commitment, Basel III)



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

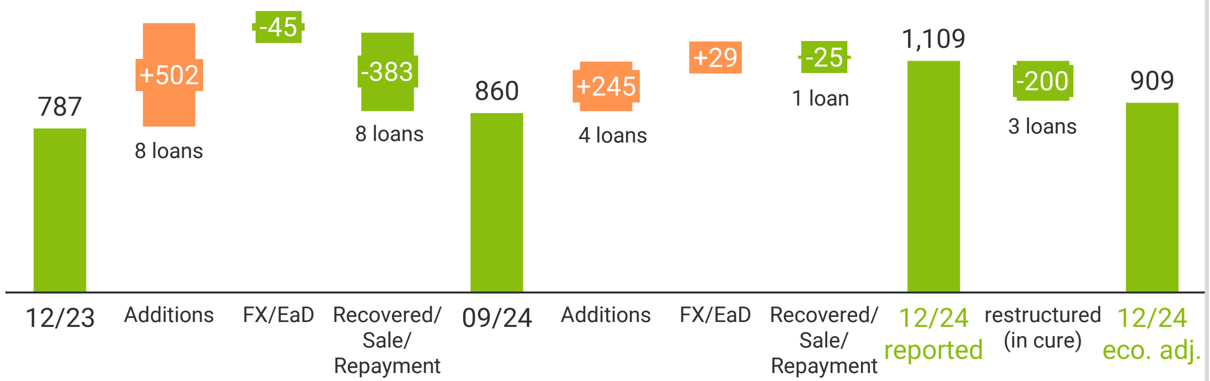


Note: Figures may not add up due to rounding
1. On the portfolio part, for wich a revaluation was necessary
2. performing investment loans, based on commitments

FOCUS: OFFICE NPL

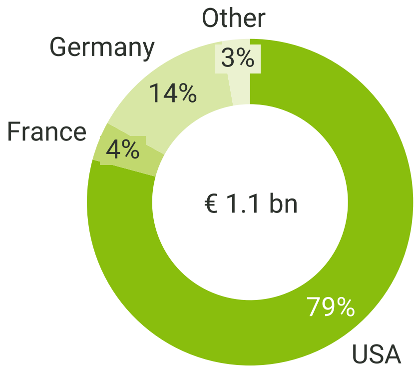
Pressure on office NPL portfolio only from US loans

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

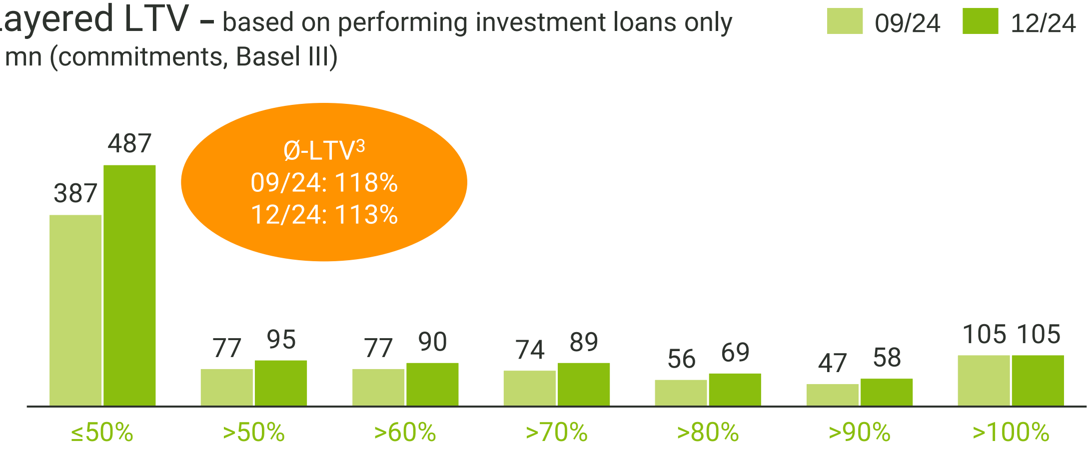


- Limitation of increase in Office NPL portfolio due to active NPL management
- Q4/24 with 4 additions and 4 reductions
  - Additions: 3 US office loans (€ 160 mn), 1 German development (€ 85 mn)
  - Reduction: 1 US office (€ 25 mn, repaid)
  - Furthermore, 3 US loans (€ 200 mn) restructured (economically cured), but in regulatory probation period till 12/2025
- 2024 with number of cases managed down:
  - 9 reductions due to active NPL management (€ 408 mn, 5 repaid/ 4 restructured/3 restructured but in regulatory probation period)
  - 12 additions (€ 747 mn)
  - In addition, EaD-effect mainly from reclassification of 1 loan from others to office (€ 15 mn)
- 100% of the portfolio reviewed/revalued in last 12 months – avg. value change of -23%[1]
- Office NPE[2] ratio ~7.4%
- Coverage ratio of ~15% via existing stage 3 LLP of € 162 mn

Regions 31/12/2024 (EaD, Basel III)



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

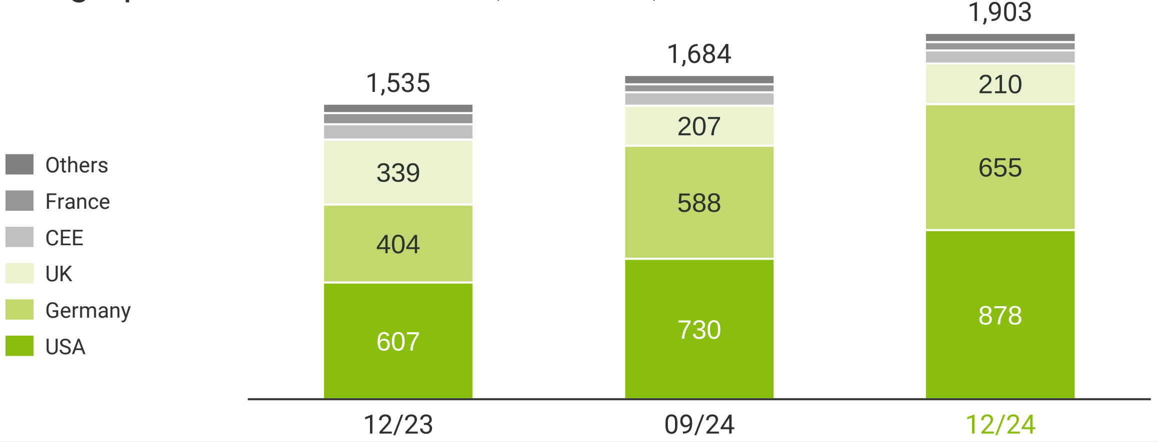


Note: Figures may not add up due to rounding
1. On the portfolio part, for which a revaluation was necessary
2. Non-Performing Exposure ratio = Non-performing loans and bonds / total Office portfolio (EaD)
3. Non-performing investment loans, based on commitments

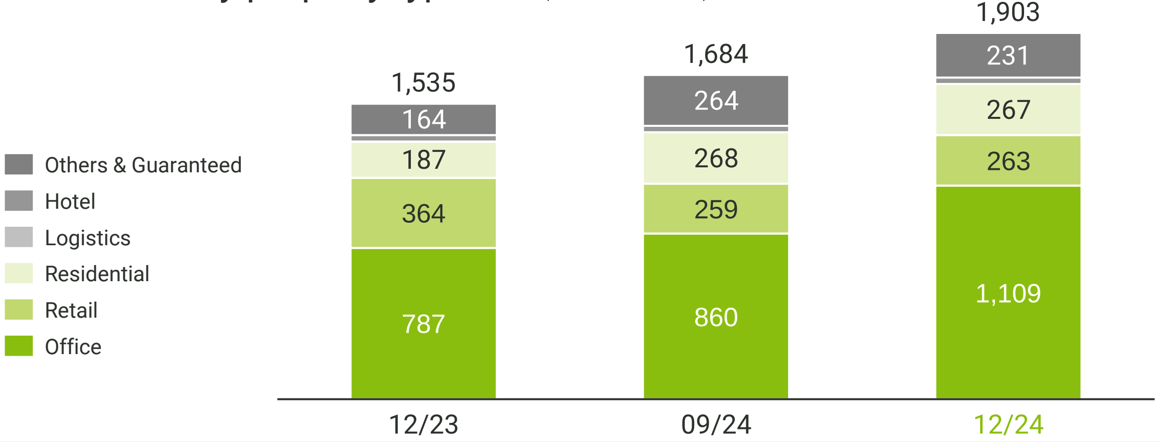
NPL PORTFOLIO

Active restructuring/work-out ongoing

Geographical breakdown € mn (EaD, Basel III)



Breakdown by property type € mn (EaD, Basel III)



- → USA: Increase y-t-d driven by new NPLs, mitigated by successful restructuring/workout; Q4/24 3 new additions only partial compensated by 1 repayment
- → Germany: Only development loans; 1 new development loan (€ 85 mn) in Q4/24 and repayment of 1 non-core loan (€ 20 mn) in Q4/24
- → UK: Decrease y-t-d from workout of shopping centres, Q4/24 FX changes

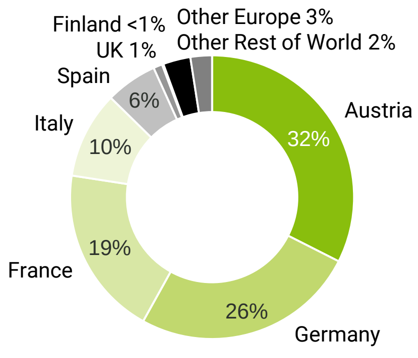
- → Office: Increase y-t-d mainly from US, increase in Q4/24 due to 4 new additions (3 US loans & 1 German development), only partial compensated by 1 repayment
- → Retail: Decrease y-t-d from workout of UK shopping centres
- → Residential: Increase y-t-d from EaD changes on existing cases
- → Others: Increase y-t-d mainly resulting form one new German land phase case in Q3/24, but with no LLP; Q4/24 decrease due to reclassification of 1 loan to office

Note: Figures may not add up due to rounding

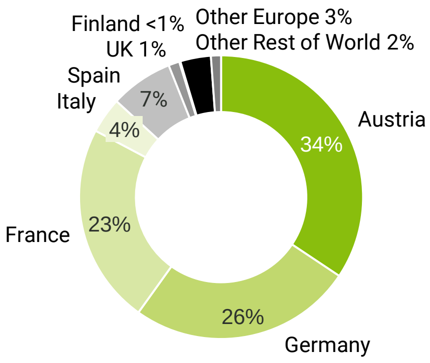
PORTFOLIO

Non-Core Unit (PIF & VP)

Regions

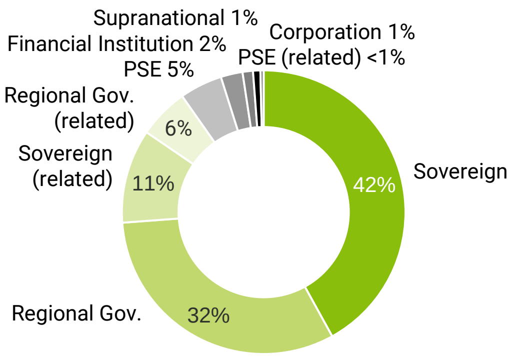


31/12/2023: € 13.2 bn

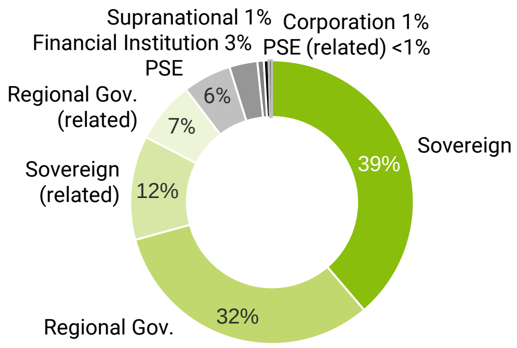


31/12/2024: € 10.2 bn

Borrower classification[1]

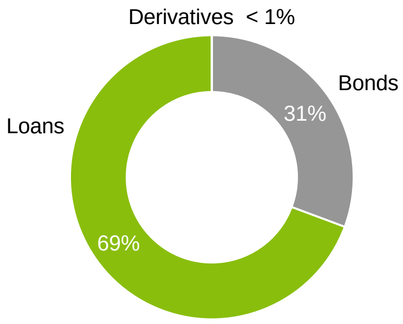


31/12/2023: € 13.2 bn

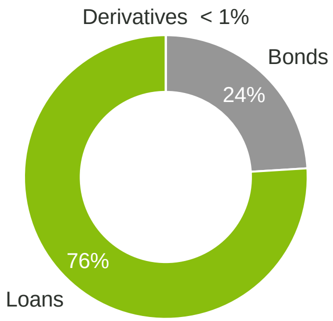


31/12/2024: € 10.2 bn

Product class

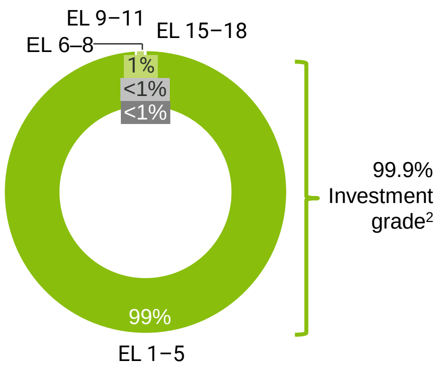


31/12/2023: € 13.2 bn

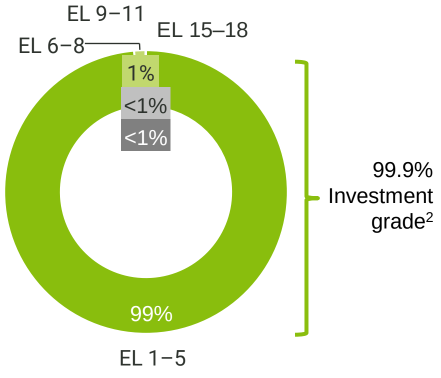


31/12/2024: € 10.2 bn

Internal ratings (EL classes)



31/12/2023: € 13.2 bn



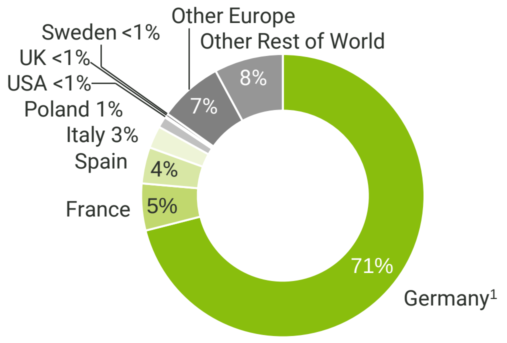
31/12/2024: € 10.2 bn

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

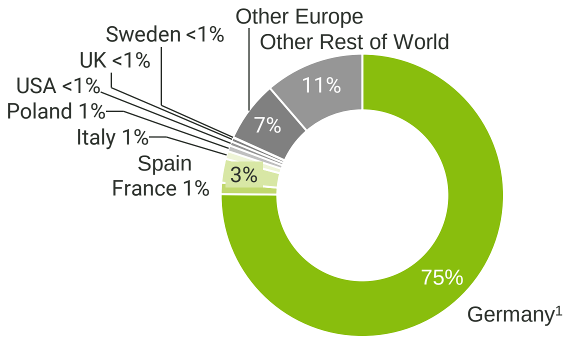
1. See appendix for definition of borrower classification
2. Internal EL Classes 1–8 = Investment grade; Internal EL classes 9–18 = Non-investment grade

PORTFOLIO
Consolidation and Adjustments (C&A)

Regions

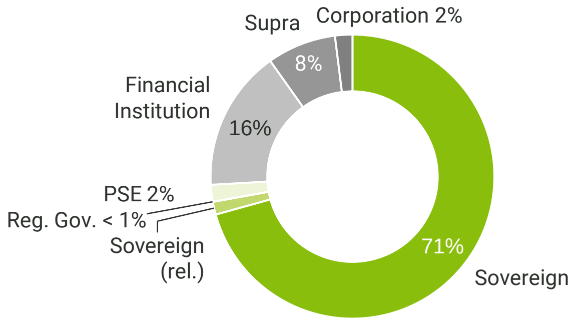


31/12/2023: € 5.1 bn

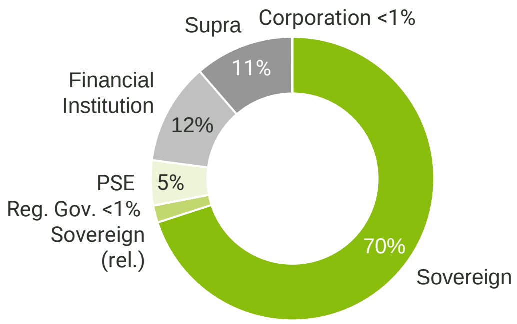


31/12/2024: € 3.9 bn

Borrower classification[2]

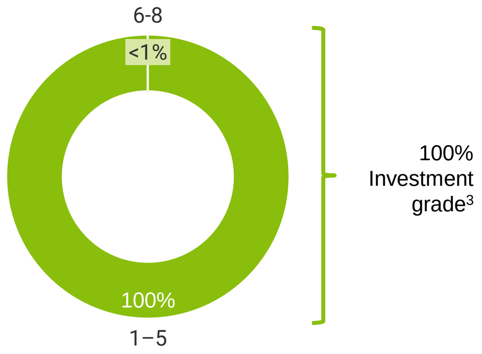


31/12/2023: € 5.1 bn

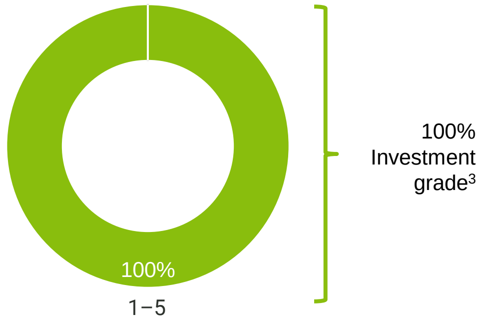


31/12/2024: € 3.9 bn

Internal ratings (EL classes)



31/12/2023: € 5.1 bn



31/12/2024: € 3.9 bn

Note: Figures may not add up due to rounding, EaD, Basel III
1. Incl. Bundesbank accounts (12/24: € 2.0 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

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

APPENDIX

1. CMD Strategy Update
2. Financials
3. REF New Business
4. Portfolio profile
5. Funding & Ratings
6. ESG

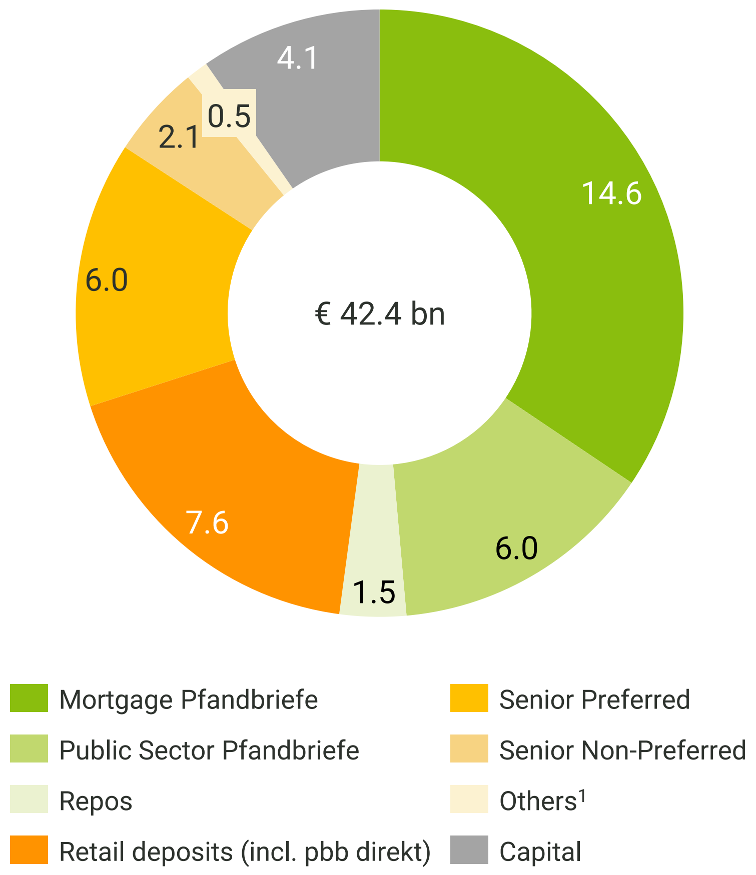
Contact Details

FUNDING AND LIQUIDITY

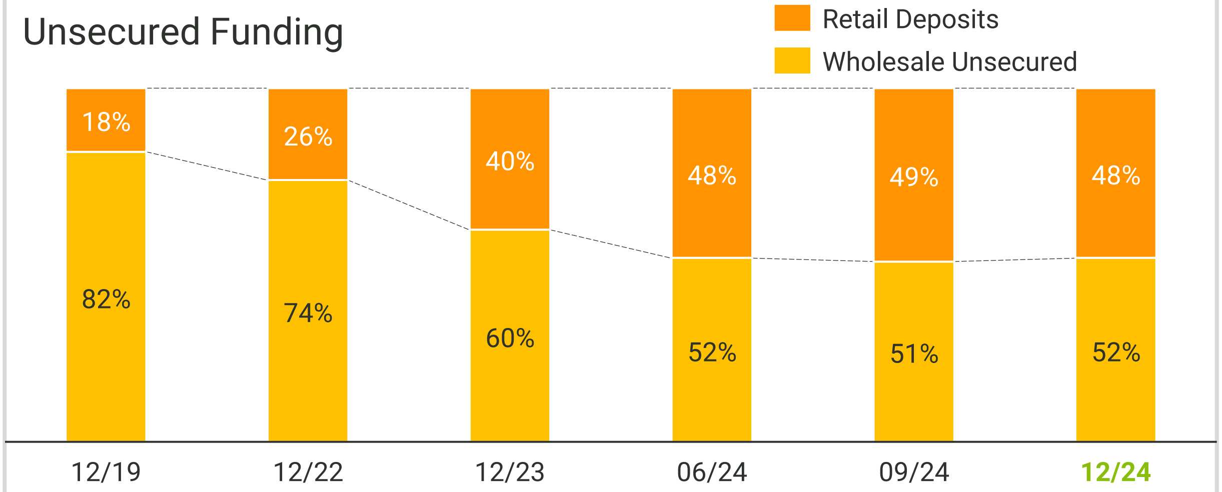
Diversified funding base

Diversified Funding Base

30/12/2024: € bn, nominal values



Unsecured Funding



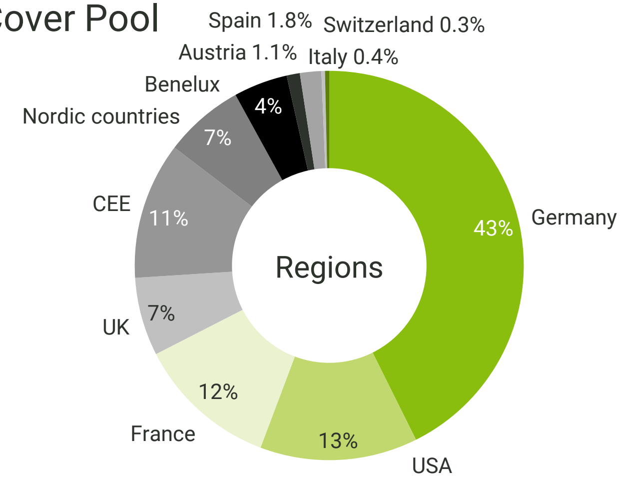
- → Over 50% resilient secured funding[2]
- → Broad toolbox for both, secured and unsecured funding
- → Capital market unsecured funding substituted with retail term deposits[3] in 2024

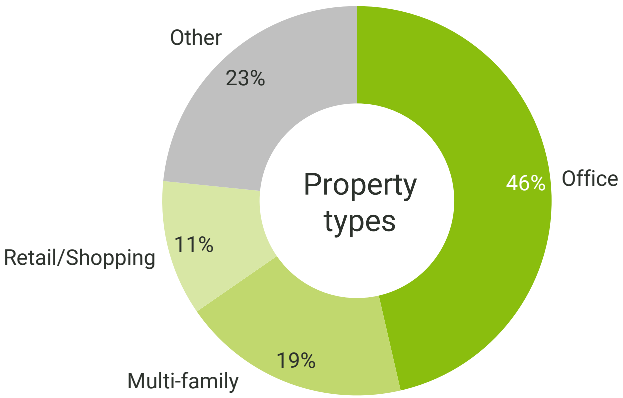
1. Others: e.g. institutional deposits and cash collateral
2. Pfandbriefe and Repos
3. includes € 0.6 bn overnight deposits as per 31/12/2024

MORTGAGE COVER POOL

Diversification by countries and property types

Mortgage Cover Pool



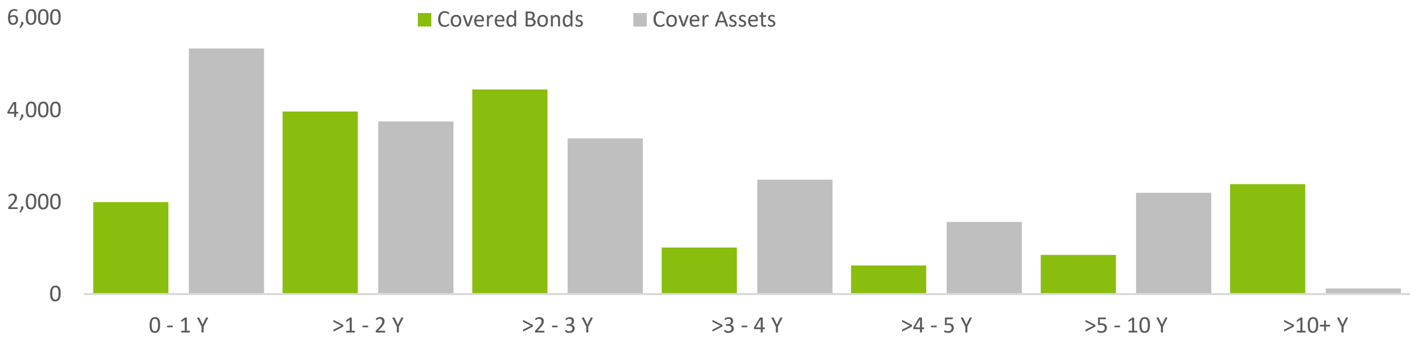


Key metrics

Mortgage cover pool (nominal)	31/12/2024
Pfandbriefe outstanding	€ 15.3 bn
Cover funds	€ 18.9 bn
Over-collateralisation (Nominal/NPV)	23.5% / 24.4%
No. of loans	1,334
No. of properties	3,202
Payments ≥ 90 days overdue	€ 0 mn
Weighted average LTV (based on market value)	36.5%

Maturity Profile

(nominal values, € bn)



PFANDBRIEF COVER POOL

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

Interest Service Cover

(explanatory calculation for existing loans)

€ 5.0 mn rent p.a. at 5% property yield
results in a market
value of € 100 mn

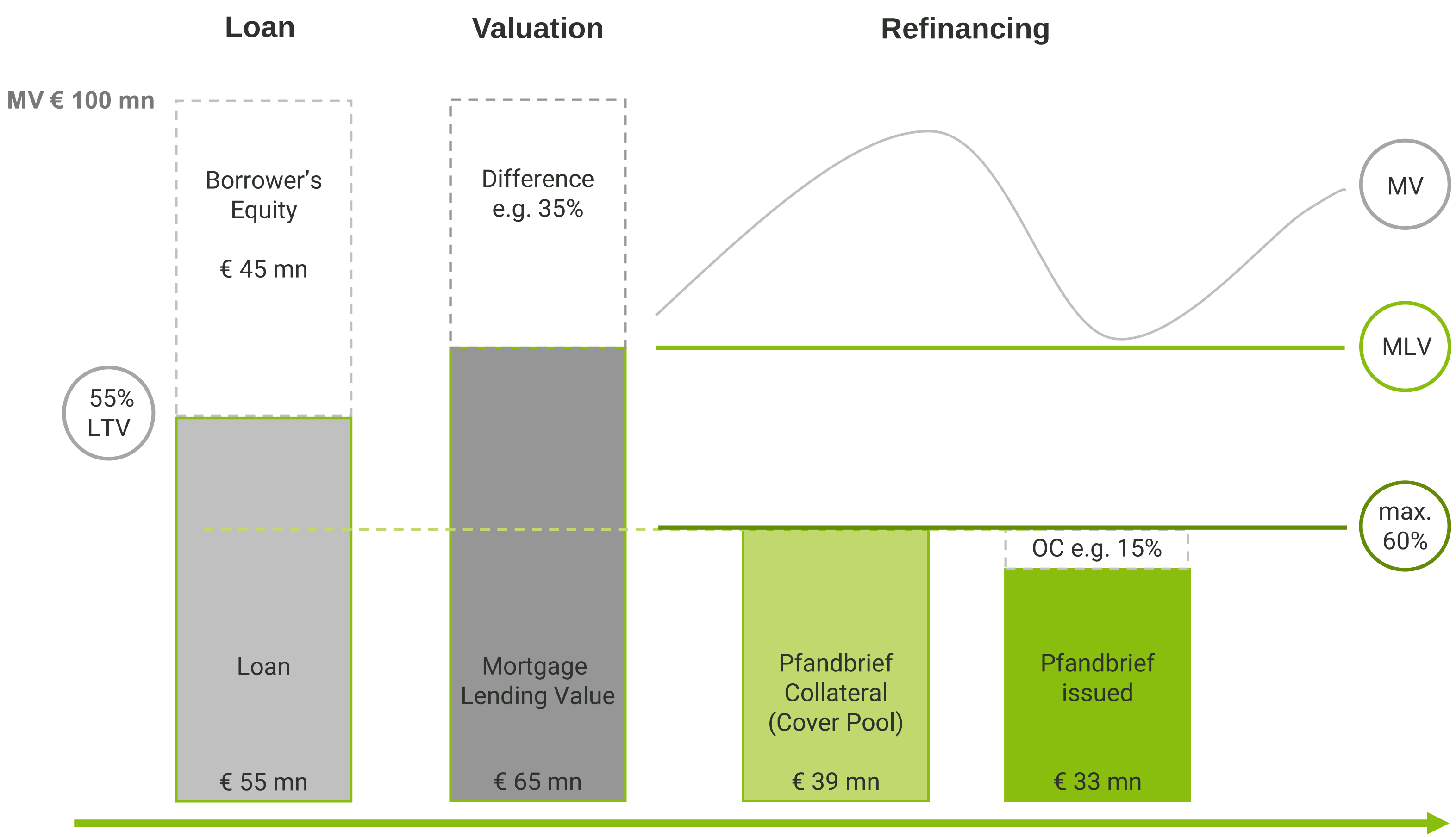
minus

€ 2.8 mn interest payment p.a.
for a € 55 mn loan
at 5% interest rate

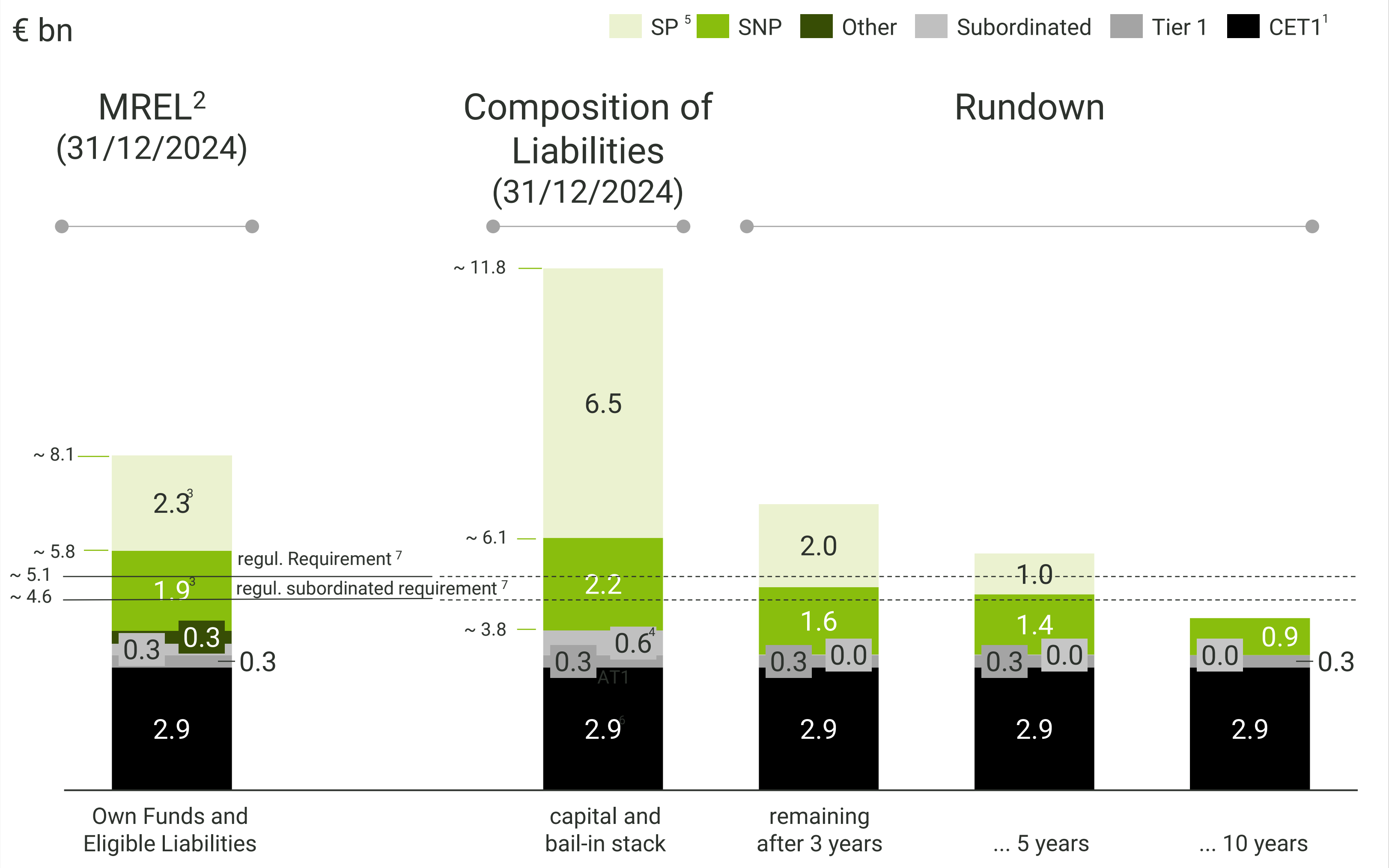
€ 2.2 mn excess cash

$$\frac{€\ 5.0\ \text{mn rent}}{€\ 2.8\ \text{mn interest}} = \sim 180\%\ \text{ISC}$$

Loan-to-Value Ratio



Own Funds and Eligible Liabilities exceed regulatory requirements



- 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. expected profit retention 2024 2. Requirement set by SRB for 2024 (higher value of the requirement in relation to the Total Risk Exposure Amount (TREA) and in relation to the Leverage Ratio Exposure (LRE); replaces former TLOF measure. As of 31 December 2024, MREL capacity (subordinated only) amounts to ~28.0% TREA / ~13.3% LRE 3. MREL eligible Senior Non-Preferred Debt or Senior 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. highest MREL requirement in relation to TREA or LRE

MANDATED RATINGS

Bank ratings	S&P	
Long-term	**BBB-**	
Outlook	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

Disclaimer:

The rating information published in this presentation and on our web site are a service for our investors. The information does not necessarily represent the opinion of Deutsche Pfandbriefbank AG. Ratings should not serve as a substitute for individual analysis. The information provided should not be seen as a recommendation to buy, hold or sell securities. Deutsche Pfandbriefbank AG does not assume any liability, including for the completeness, timeliness, accuracy and selection of such information, or for any potential damages which may occur in connection with this information.

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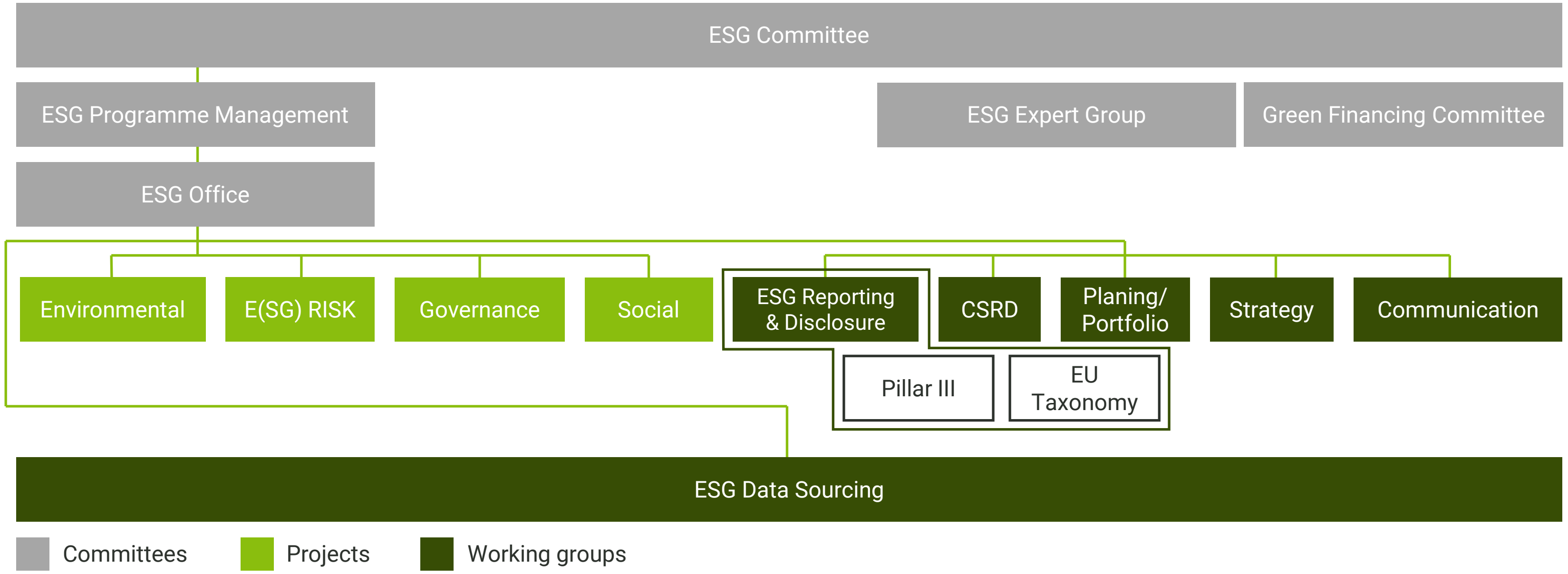
1. S&P: Stand-alone credit profile 2. S&P: "Senior Unsecured Debt" 3. S&P: "Senior Subordinated Debt"

APPENDIX

ESG Programme



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

→ ESG at core of pbb's strategy:
- pbb can help to reduce the real estate sector`s significant CO_2 impact
- Green finance bank and transformation partner
- Current KPIs set initial roadmap for establishing green products, science-based decarbonization path for aligning pbb`s CRE portfolio with Paris 1.5° C target by 2050

→ ESG risk structurally integrated in risk management landscape and overall business strategy
- Comprehensive monitoring and steering of physical and transitional risks in REF exposure – portfolio & individual loan basis
- ESG risk assessment integral part of credit process

→ Comprehensive ESG program in place
- Management Board responsibility – ESG targets part of remuneration
- Operationally, all ESG dimensions covered with clear responsibilities assigned, e.g. EU taxonomy alignment for REF business

→ Progress reflected in above industry-average ESG Ratings

ESG

pbb continues to execute on its strategy

DEUTSCHE PFANDBRIEFBANK

2017:
1st Non-financial Report (NFRD)

2020:
Introduction of Green Bond Framework

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

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

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

2024:
Refinement of ESG KPIs regarding inclusion of decarbonization path

2025:
1st Non-financial Report (CSRD)

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

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

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

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

pbb Scoring Model

MAX SCORE: 100 Points

Criteria

I. Energy Efficiency

- 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

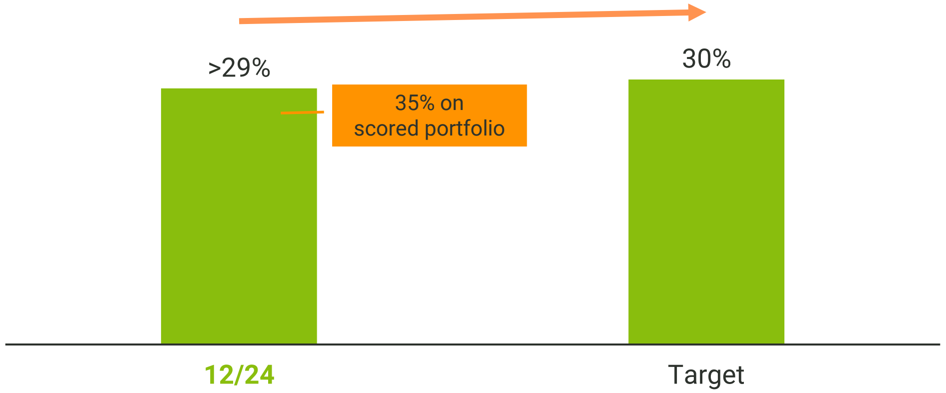
Compliance with EU Taxonomy

pbb Green Loan Framework Eligible

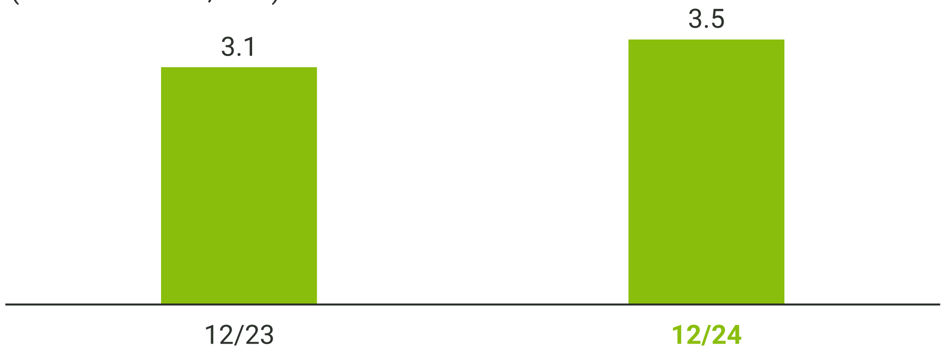
1. Aligned with the EU Taxonomy
2. Selected criteria are stricter, when the building is considered for pbb Green Bond Framework Eligibility.
3. Do Not Significant Harm Principles according to EU Taxonomy

ESG
Continued progress in sustainable finance activities

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



Green Bonds
(nominal volume, € bn)



- 85% of REF portfolio scored – scoring of remaining portfolio ongoing
- Green share of total REF portfolio currently at 29% resp. € 9.0 bn (35% based on scored portfolio of 85%) vs. target of >30% for 2026

- 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

APPENDIX

CONTACT DETAILS

DEUTSCHE PFANDBRIEFBANK

Grit Beecken

Head of Communications, Marketing and Investor Relations

+49 (0)89 2880 28787

grit.beecken@pfandbriefbank.com

Axel Leupold

Investor Relations

+49 (0)89 2880 23648

axel.leupold@pfandbriefbank.com

Michael Heuber

Head of Investor Relations

+49 (0)89 2880 28778

michael.heuber@pfandbriefbank.com

Website

www.pfandbriefbank.com/investor-relations.html

Parkring 28, 85748 Garching/Germany

+49 (0) 89 28 80-0

www.pfandbriefbank.com