pbb Deutsche Pfandbriefbank AG

March 2021

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Business Model & Strategy

Leading commercial real estate lender in Europe, complemented by the US

USPs

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

FUNDING

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

LENDING

- Pfandbrief-eligible senior loans
- Structuring expertise for complex/large transactions
  - ~150-200 deals per year
  - Ø deal size € ~50 mn

Value Proposition for Equity Investors

- High portfolio quality and risk standards
- Strong capital base
- Strong operating performance

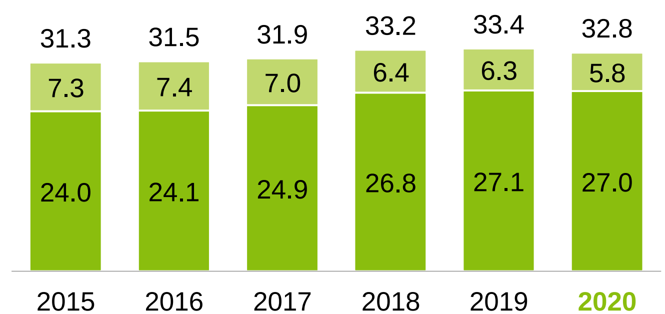
Key figures

(IFRS, 31/12/2020)

Total assets	€ 58.9 bn
Total equity	€ 3.3 bn
RWA	€ 17.7 bn
CET1 ratio[1]	16.1%
Leverage ratio[1]	6.0%
RoE before taxes	4.7%
FTE	782

Strategic portfolio

Financing volume



- Real Estate Finance (i.e. commercial real estate lending)
- Public Investment Finance (i.e. asset based public sector lending)

1 After approved year-end accounts

COVID-19

Operational stability of pbb during pandemic given at any time – comprehensive multidimensional risk approach implemented at an early stage

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Staff and operations

- **pbb fully operational across all areas at any time**
- **Senior COVID-19 crisis team** implemented in 03/20
- Early and far reaching implementation of **prevention measures**

Risk management

Portfolio

- Since Q1/20, implementation of **comprehensive measures to address potential negative impact of COVID-19**
  - **Corona-Task-Force**, comprising several working groups and covering specially affected clients/assets as well as special topics
  - Substantially increased **monitoring activities** on single transaction level based on vulnerability to Corona
  - **Intensified and extended reporting** to senior management including Management Board, Supervisory Board and relevant regulatory bodies (i.e. ECB, Bundesbank, BaFin)
  - pbb's strategy focuses **on tailor-made, mid- to long-term viable solutions** in cooperation with clients/sponsors and sponsor contributions; permanent dialogue with clients, leading to pro-active early action
  - **No participation in public or private moratoria initiatives**
- COVID-19 related **client requests on moderate level** (temporary covenant suspensions, changes in covenant structure and postponement of amortisation agreed)
  - Only partially required to be classified as "Forbearance" - **all cases are performing** (no regulatory defaults)
  - **Client requests widely spread** by regions (incl. Germany, UK, France, US, Poland) and mostly focusing on certain property types (incl. Retail ~45%, Hotel ~20%, Office ~20%)

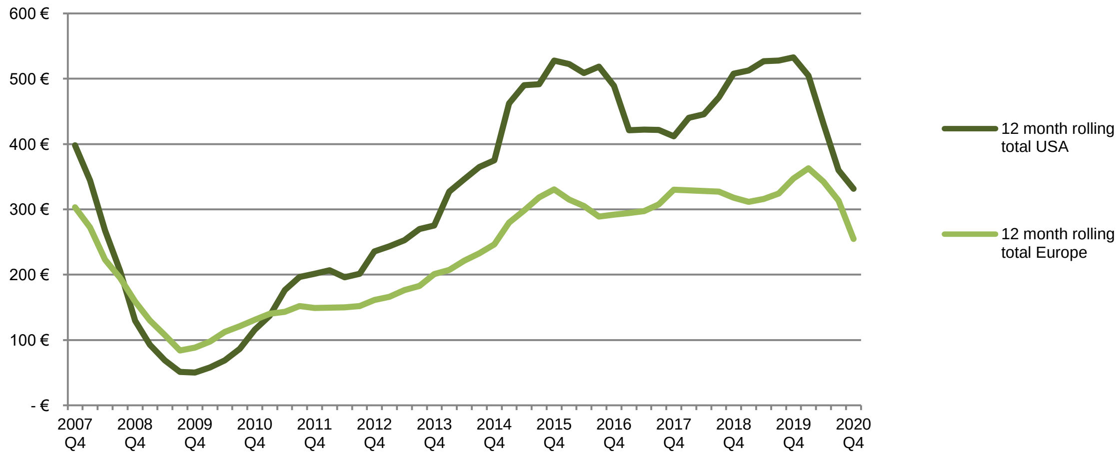
New business

- **Risk profile and requirements** for new business further tightened
- **Even more than before: focus** on prime A locations, top sponsors, low leverage lending, long-term stable cash flows with focus on tenant quality and lease roll-over risk, solid covenant structures
- Currently, **no new commitments on Hotels and Shopping Centres**; other Retail classes only highly selective with focus on neighborhood shopping/high street retail
- **Development loans subject to strong risk-mitigating factors**

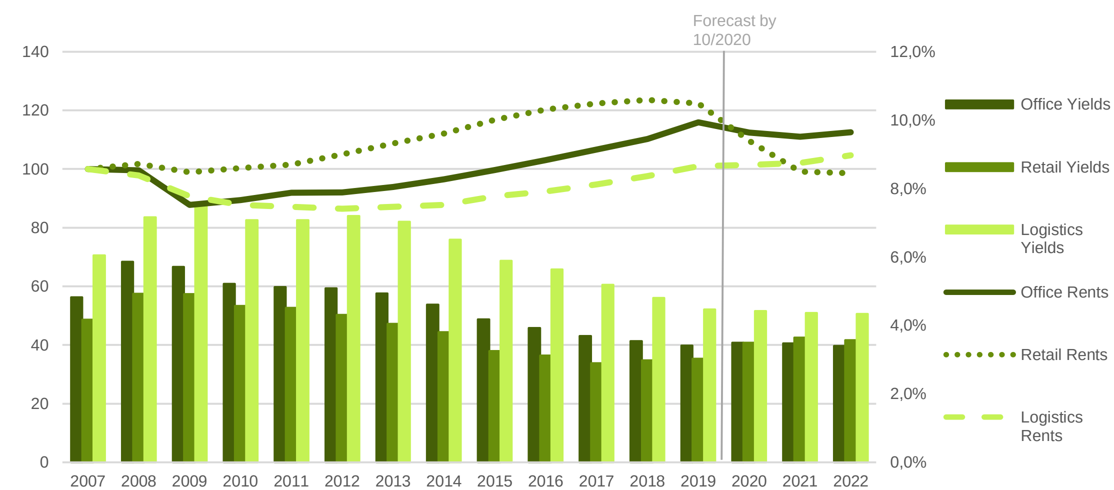
Markets

Despite drop in European and US Real Estate transactions, 2020 volumes are still well above global financial crisis 2008/2009

European and US Investment volume*
(€ bn)



European Prime Rents (2007=100; LHS) and Prime Yields (RHS)**



- European and US CRE **investment volumes** decreased in 2020 due to COVID-19 – US figures were down by 32% while Europe saw a decline by 27% compared to 2019
- Continental Europe:
  - Re-pricing is so far focussed on **retail and hotel** sectors
  - **Office** yields appear largely resilient for now, but on the back of relatively low volumes
  - **Yields** are expected to increase slightly in most continental markets
  - **Logistic** and **residential** assets are stable so far or see even increasing prices
- Germany:
  - **Office** properties are very expensive based on historic levels with record low yields
  - **Yields** are expected to stay on low level driven by continued low interest rates despite an increase in vacancy
  - Deals activity and investor sentiment towards **retail** property is down, except food-based and big box assets
  - Therefore yields will increase, most notably for **shopping centres**
- USA:
  - Overall still commercial property price growth in 2020
  - Weaker trends for the **office** and **retail** sectors, counteracted by strength in the **industrial** and **apartment** sectors
  - **Yields** generally unchanged compared to last year (except **Hotel**)

*All property types. Based on independent reports of properties and portfolios over € 5 million (over $ 2.5 mn for US), USD to EUR = end years fx rates Source: Real Capital Analytics (RCA) ** Source: Property Market Analysis (PMA) as of October 2020

Markets

Sub-segments in special focus: Overall, pbb well positioned, but concerns persist about further development of real estate market in the light of COVID-19 pandemic

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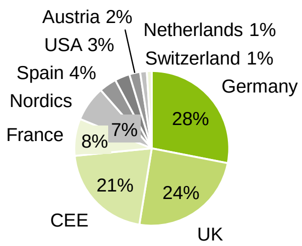
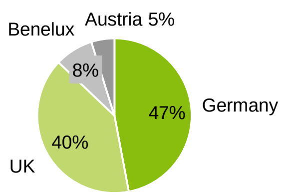
Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Retail € 4.3 bn (15%)		▪ Shopping centres: Increased pressure, fashion dominated shopping centres most impacted (decline in rents, shorter lease terms, etc.) ▪ Retail-parks/discounter with strong local demand: largely stable ▪ High street properties (exclusive prime locations in A-cities): moderate declines in rents and slight rise in yields ▪ Downward trend in secondary locations and smaller cities expected to intensify ▪ Further development very much dependent on further development of COVID-19 pandemic	▪ Declining consumer purchasing power and expected increase of financial difficulties/insolvencies leads to pressure on rents and allocable costs ▪ Duration of 2nd lockdown ▪ In weaker locations: purchasing power expected to decrease ▪ Structural changes accelerating – Online-Shopping – Hygiene/social distancing standards	▪ Selective approach with foresighted reduction of retail portfolio by 40% or € 2.8 bn since 2016 (12/20: € 4.3 bn; 12/19: € 4.9 bn; 12/16: € 7.1 bn,) ▪ Only investment loans, no developments ▪ Conservative risk positioning: avg. LTV of 51%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio ▪ Currently, no new commitments for shopping centres
Hotel (Business Hotels only) € 1.4 bn (5%)		▪ Most hotels have kept open during second lock down, but at rather low occupancy rates ▪ Operators with a wide variety of measures to cut costs/use downtime meaningful (e.g. renovations)/tap into additional capital/liquidity sources ▪ Present increased vaccination activity fosters expectation of a recovery from late Q2/2021, depending on easing travel restrictions ▪ Hotels dependent on international tourist and business travelers will not substantially recover in short-/mid-term ▪ Leisure hotels focused on domestic guests with good accessibility expected to recover faster	▪ Recovery of occupancy rates will take time ▪ Currently significantly suffering from restriction/lockdown measures ▪ Coverage of operational costs ▪ Market values and cash flows / leases expected to decrease ▪ Financial difficulties/insolvencies expected to increase ▪ Liquidity in transaction and of the sponsors	▪ Selective approach with relatively small portfolio volume of € 1.4 bn (12/19: € 1.4 bn) ▪ Focus on prime location secures base value of properties ▪ Conservative risk positioning: avg. LTV of 54%[1] provides good buffer and supports commitment of investors/sponsors ▪ Focus on strong sponsors with ability to inject more equity ▪ Currently, no new commitments

1 Based on performing investment loans only, COVID-19 effects not yet fully reflected

Operating and financial overview

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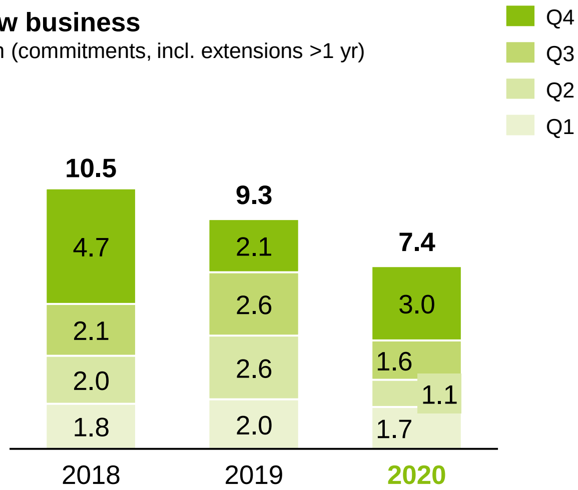
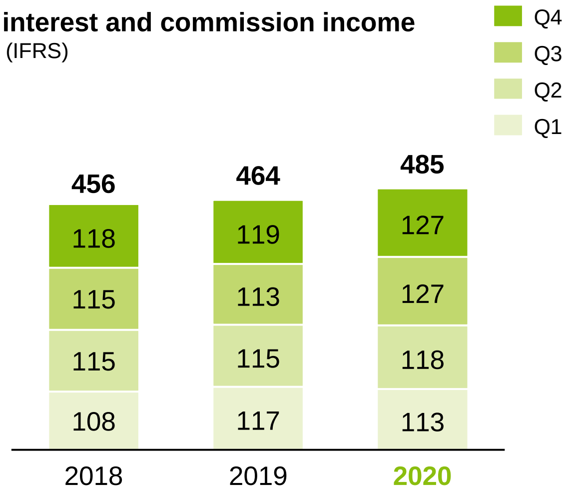
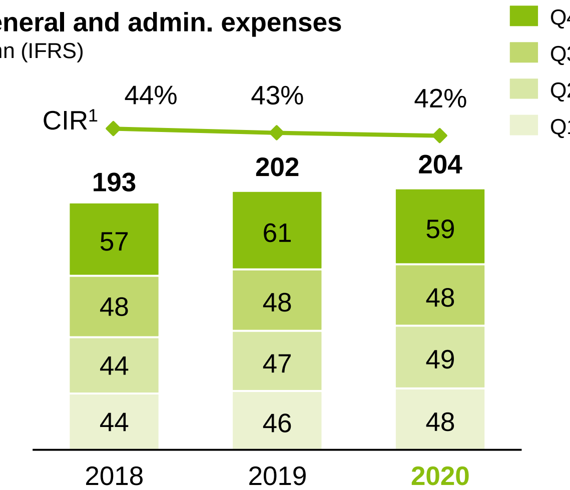
New business
€ bn (commitments, incl. extensions >1 yr)



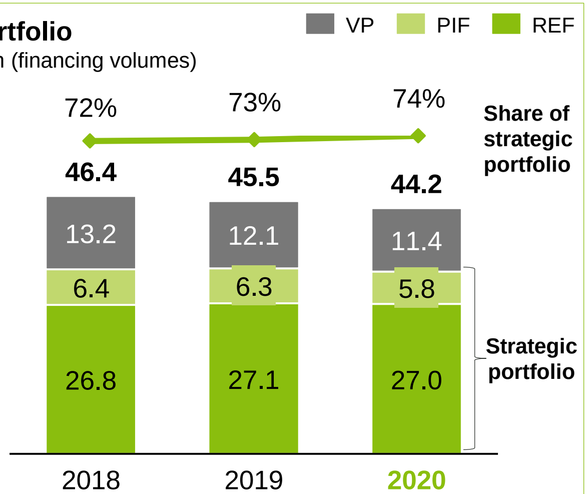
Net interest and commission income
€ mn (IFRS)



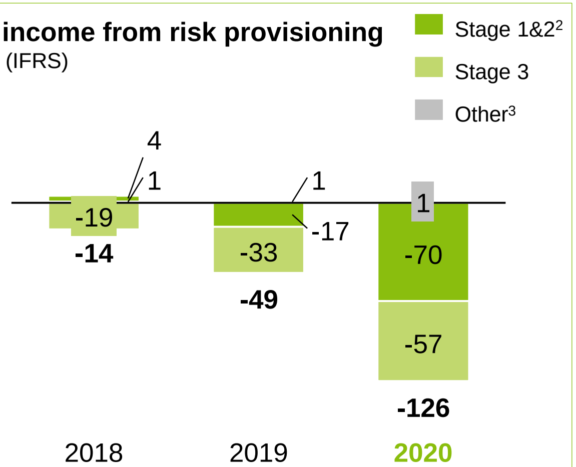
General and admin. expenses
€ mn (IFRS)



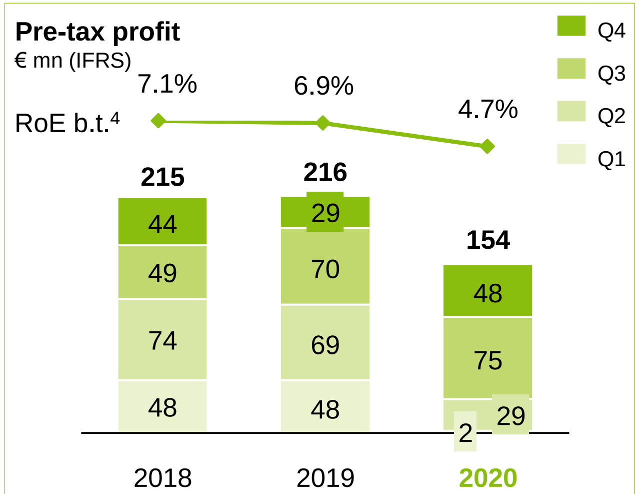
Portfolio
€ bn (financing volumes)



Net income from risk provisioning
€ mn (IFRS)



Pre-tax profit
€ mn (IFRS)



Note: Figures may not add up due to rounding 1 New definition: CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Incl. provisions in off balance sheet lending business 3 Recoveries from written-off financial assets 4 After AT1 coupon (2018: pro-rata € 12 mn; 2019: € 17 mn; 9M/20: pro-rata € 13 mn) assuming full payment of the discretionary coupon

Financials

Solid operating performance apart from COVID-19 pandemic related impacts

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Income statement

€ mn

	Q4/19	Q4/20	FY19	FY20
Operating Income	**135**	**155**	**506**	**529**
Net interest income	117	125	458	479
Net fee and commission income	2	2	6	6
Net income from fair value measurement	-5	4	-7	-8
Net income from realisations	17	6	48	26
Net income from hedge accounting	1	-	-2	4
Net other operating income	3	18	3	22
Net income from risk provisioning	-39	-42	-49	-126
General and administrative expenses	-61	-59	-202	-204
Expenses from bank levies and similar dues	-1	-1	-24	-26
Net income from write-downs and write-ups on non-financial assets	-5	-5	-18	-19
Net income from restructuring	-	-	3	-
Pre-tax profit	**29**	**48**	**216**	**154**
Income taxes	-5	-2	-37	-37
Net income	**24**	**46**	**179**	**117**

	Q4/19	Q4/20	FY19	FY20
RoE before tax[1] (%)	3.4	5.9	6.9	4.7
RoE after tax[1] (%)	2.7	5.6	5.7	3.4
CIR[2] (%)	48.9	41.3	43.5	42.2
EpS[1] (€)	0.14	0.29	1.20	0.74

Key drivers 2020:

- **NII** up, driven by lower refinancing costs (incl. pos. effect from TLTRO III since end of June) and improved floor income, despite slightly lower avg. strategic REF financing volume y-o-y (2020: € 26.9 bn, 2019: € 27.4 bn)
- **Fair value measurement** stable y-o-y – catch-up of significant COVID-19 pandemic related credit spread widening in Q1/20 during 2020
- **Net income from realisations** down y-o-y, reflecting lower prepayment fees
- **Net income from hedge accounting** includes positive one-off effect from conversion of reference rates to €STR in Q3/20 (€ 5 mn)
- **Other operating income** up – net releases of provisions for tax and legal matters
- **Risk provisioning** up y-o-y, driven by economic impacts from COVID-19 pandemic in stage 1&2 and additions for revaluations of already stage 3 provisioned UK shopping centres
- **GAE** stable – higher personnel expenses from IT insourcing and ramp up of capacities for regulatory projects mainly compensated by reduced non-personnel expenses
- Increased requirements on EU level resulted in slightly higher **bank levy**
- **RoE** and **EpS** taking into account AT1 coupon (2020: € -17 mn; 2019: € -17 mn)

1 After AT1 coupon (FY 2019/ FY 2020: € 17 mn) assuming full payment of the discretionary coupon

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

Risk provisioning: Build-up of provisions for future potential impacts from COVID-19

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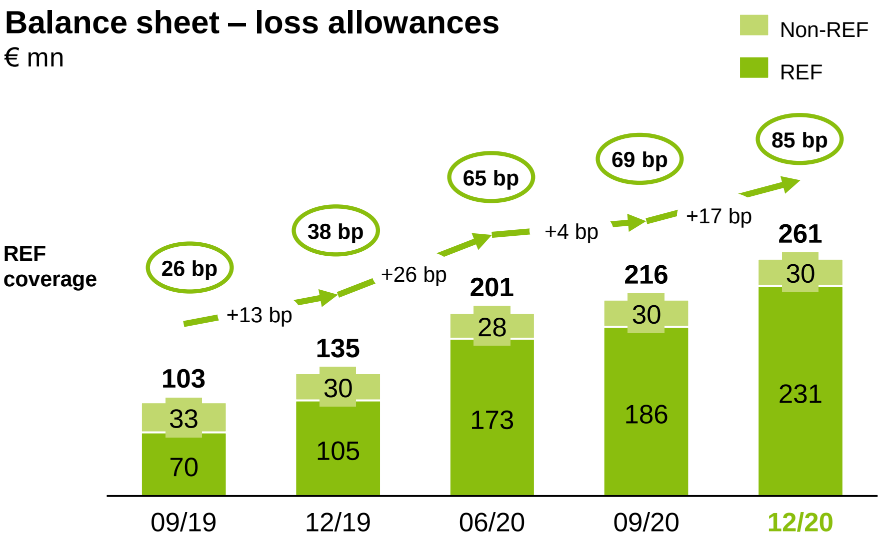
Net income from risk provisioning

€ mn

	Q4/19	Q4/20	FY19	FY20
Net income from risk provisioning	-39	-42	-49	-126
thereof				
stage 1	*-15*	*-7*	*-15*	*-29*
stage 2	*-7*	*-14*	*-1*	*-32*
stage 3	*-18*	*-14*	*-33*	*-57*
Off balance sheet lending business	*-*	*-8*	*1*	*-9*
Recoveries	*1*	*1*	*-1*	*1*

Balance sheet – loss allowances

€ mn



Key drivers 2020:

- **Net income from risk provisioning** of € -126 mn (2019: € -49 mn) driven by model-based additions in stage 1&2 and revaluation driven additions in stage 3 for already stage 3 provisioned UK shopping centres
- **Stage 1&2:** Net additions[2] of € 70mn (2019: € 16 mn) driven by **downward adjustments of economic and real estate forecasts – further adjustments** in Q4/20 due to current developments (e.g. 2nd lockdown)
  - **No management overlays** or other relief measures
  - **No smoothing** of development of property valuations
  - **Migration from stage 1 to 2** affects loans with a gross book value of € 7.8 bn (Q4/20: € 0.2 bn) of which € 1.9 bn were repaid by end of 2020
- **Stage 3:** Net additions of € -57 mn (2019: € -33 mn) for **UK shopping centres**; no stage 3 additions for new cases
- Significant build-up of **loss allowances** on balance sheet over the last quarters – REF coverage of 85 bp more than tripled since 09/19
- **Coverage ratio:** Stage 3 coverage ratio[1] at 25% (09/20: 20%, 12/19: 11%)

  Additional collateral not taken into account – incl. these factors, REF coverage ratio at approx. 100%

1 Coverage ratio = credit loss allowances on financial assets in stage 3 / gross book values in stage 3 (loans and securities)

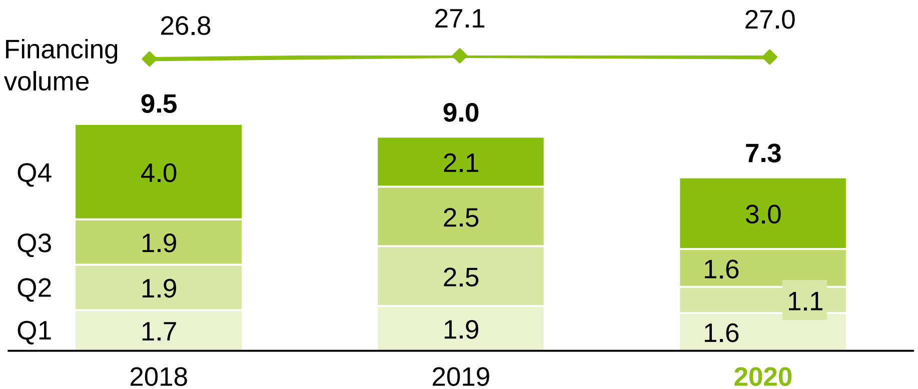
2 Incl. provisions in off balance sheet lending business

New business

REF new business volume of € 7.3 bn only slightly below initial guidance despite COVID-19 related lower investment activities – avg. REF gross interest margin up to ~180 bp y-o-y

REF New business

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



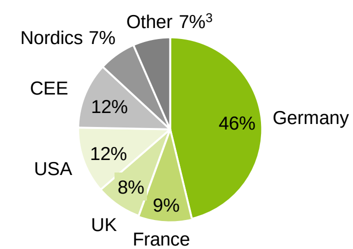
REF new business

	FY19	9M/20	FY20
Total volume (€ bn)	9.0	4.3	7.3
thereof: *Extensions >1 year*	*1.9*	*1.4*	*2.6*
No. of deals	155	94	142
Avg. maturity (years)[1]	~4.6	~4.0	~4.3
Avg. LTV (%)[2]	58	53	54
Avg. gross interest margin (bp)	~155	>180	~180

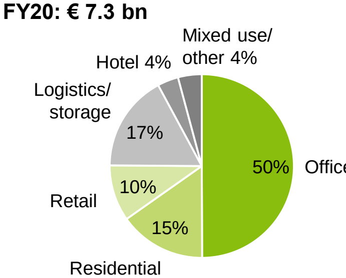
Regions | **Property types**

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

FY20: € 7.3 bn

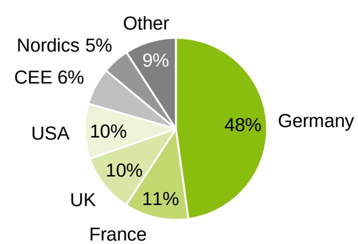


FY20: € 7.3 bn

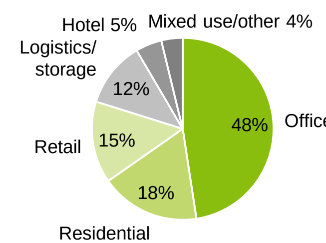


Portfolio (EaD, Basel III)

31/12/20: € 29.3 bn



31/12/20: € 29.3 bn



Key drivers 2020:

- **REF new business** of € 7.3 bn on solid level and only slightly below initial guidance of € 8-9 bn despite COVID-19 related lower investment activity
  - **Avg. gross interest margin** of ~180 bp significantly up y-o-y (2019: ~155 bp) with some weakening effect in Q4/20
  - Continued selective approach with focus on conservative risk positioning – **avg. LTV** improved y-o-y from 58% to 54%[2]
  - Only small **prepayments**, but higher share of **extensions** (2020: 36%; 2019: 21%) – no forced extensions
  - No **new loan commitments** in property types Hotel and Retail Shopping Centres since worldwide spread of COVID-19 in March 2020 – only extensions at conservative conditions
  - Good **deal pipeline** supports solid new business volume in Q1/21 at continued elevated margin level
- **PIF** new business of € 0.1 bn remains low in line with strategy

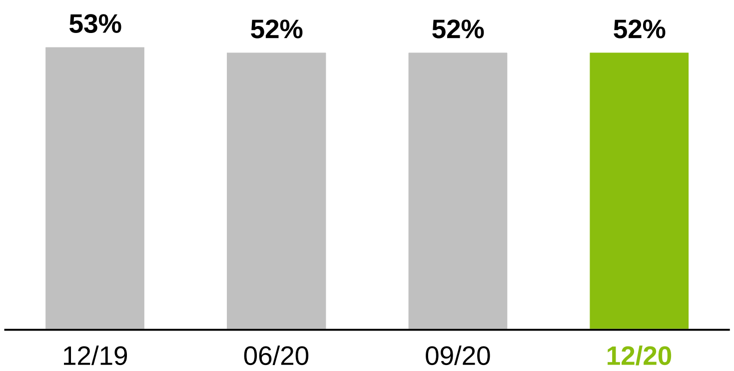
Note: Figures may not add up due to rounding 1 Legal maturities 2 New commitments; avg. LTV (extensions): 2020: 54%, 2019: 55% 3 Netherlands, Austria, Spain

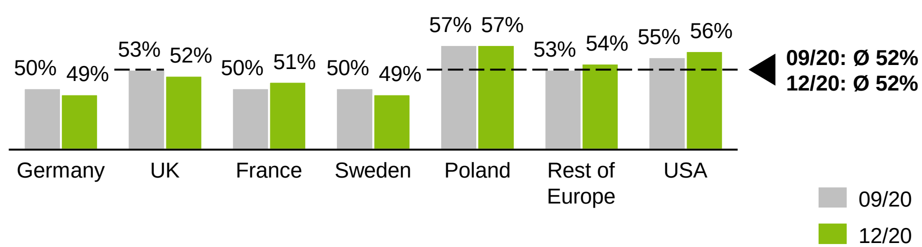
Portfolio

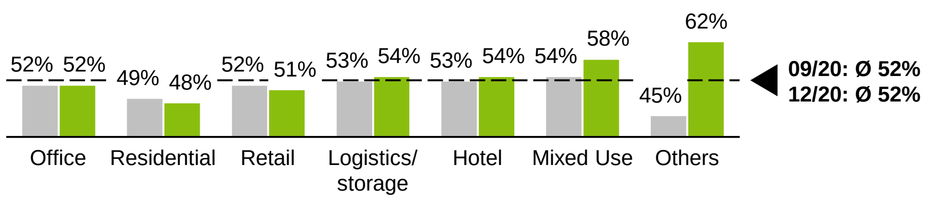
pbb's business approach reflected in stable risk parameters – average LTV of 52% provides solid risk buffer; so far, no significant valuation changes visible

REF Portfolio: Avg. weighted LTVs

% (commitments)[1]

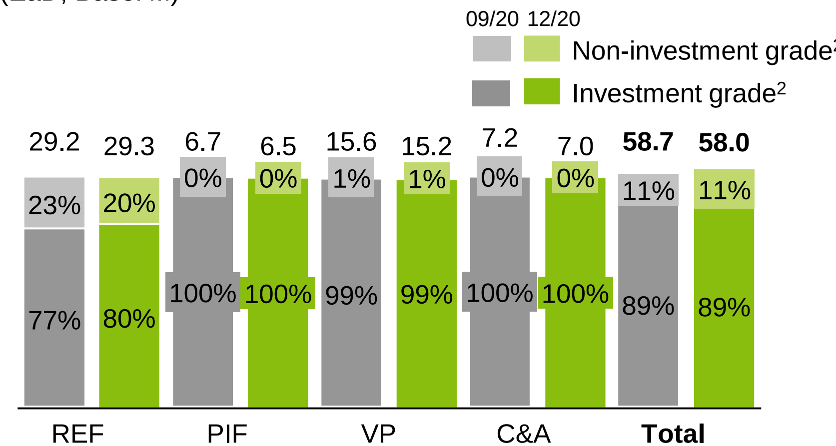






Total portfolio: Internal ratings (EL classes)

€ bn (EaD, Basel III)



Key messages

- **Avg. LTV** of 52% further improved y-o-y and stable q-o-q, reflecting pbb's business approach
  - Maturities with higher LTVs replaced by new business with lower LTVs
  - In some cases declines in market values – LTV impacts largely compensated by regular/special amortisation on portfolio level
  - Providing solid risk buffer
  - Only relatively small deviations between regions and property types
- Improvement of **internal ratings** q-o-q due to repayments
- Delayed **effects from COVID-19 pandemic** expected

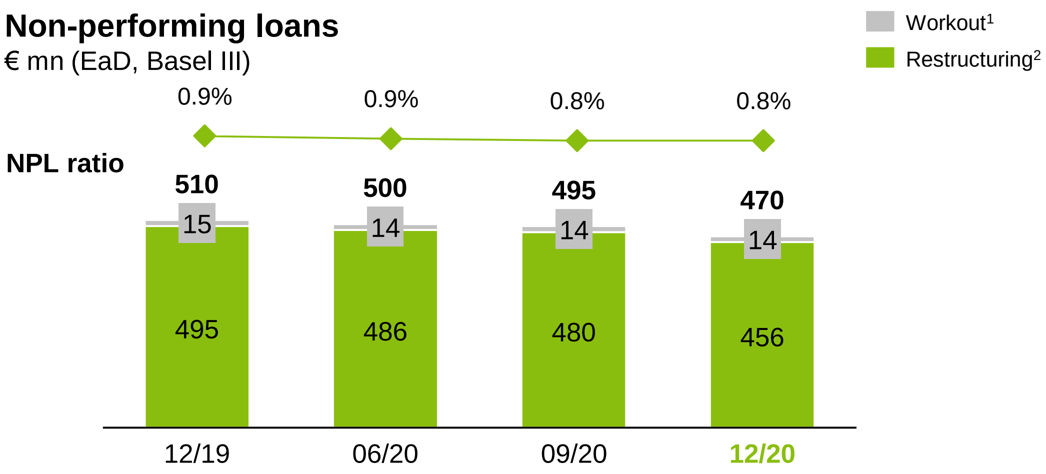
Note: Figures may not add up due to rounding 1 Based on performing investment loans only, values not fully reflecting COVID-19 effects 2 EL classes 1-8 = Investment grade; EL classes 9-18 = Non-investment grade,

Portfolio

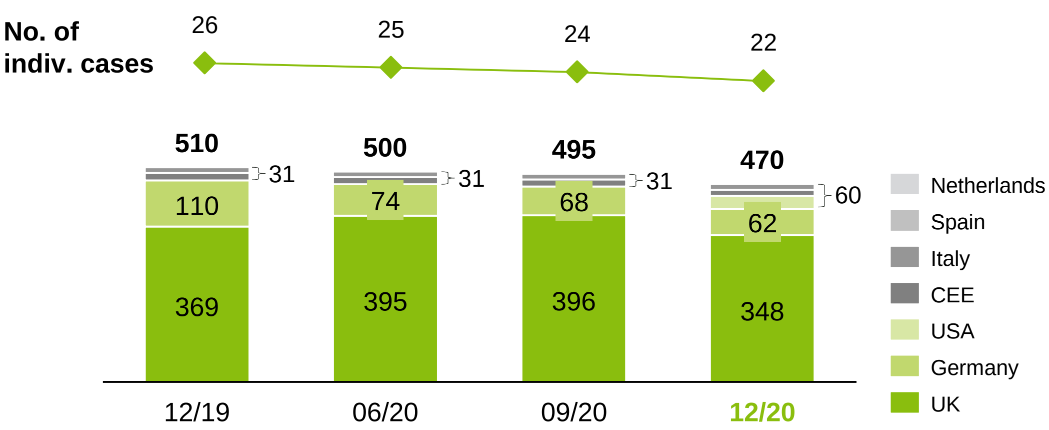
NPLs remain on low level – decrease of NPL portfolio by 8% y-o-y despite challenging environment due to COVID-19

Non-performing loans

€ mn (EaD, Basel III)



Non-performing loans – regions



Key drivers 2020

- **Non-performing loans** (NPLs) slightly down to € 470 mn (09/20: € 495 mn, 12/19: € 510 mn)
  - **Restructuring loans** down to € 456 mn (09/20: € 480 mn, 12/19: € 495 mn)
    - € 2 mn net reduction in Q4/20 from FX effects and repayments
    - Repayment of € 53 mn UK loan (Hotel) added in Q2/20; loan did not require any provisioning in stage 3
    - € 31 mn newly added US loan (High Street Office & Retail Building) in Q4/20 triggered by covenant breach, but no provisioning required due to sufficient collateral (loan amount well covered by current property value)
  - **Workout loans** stable at only € 14 mn (09/20: € 14 mn, 12/19: € 15 mn)
  - **NPL ratio**[3] of 0.8% remains on low level (09/20: 0.8%, 12/19: 0.9%)

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

Funding

Good funding activities in 2020 at relatively stable avg. funding spreads compared to 2019, supported by TLTRO III – strong start into 2021

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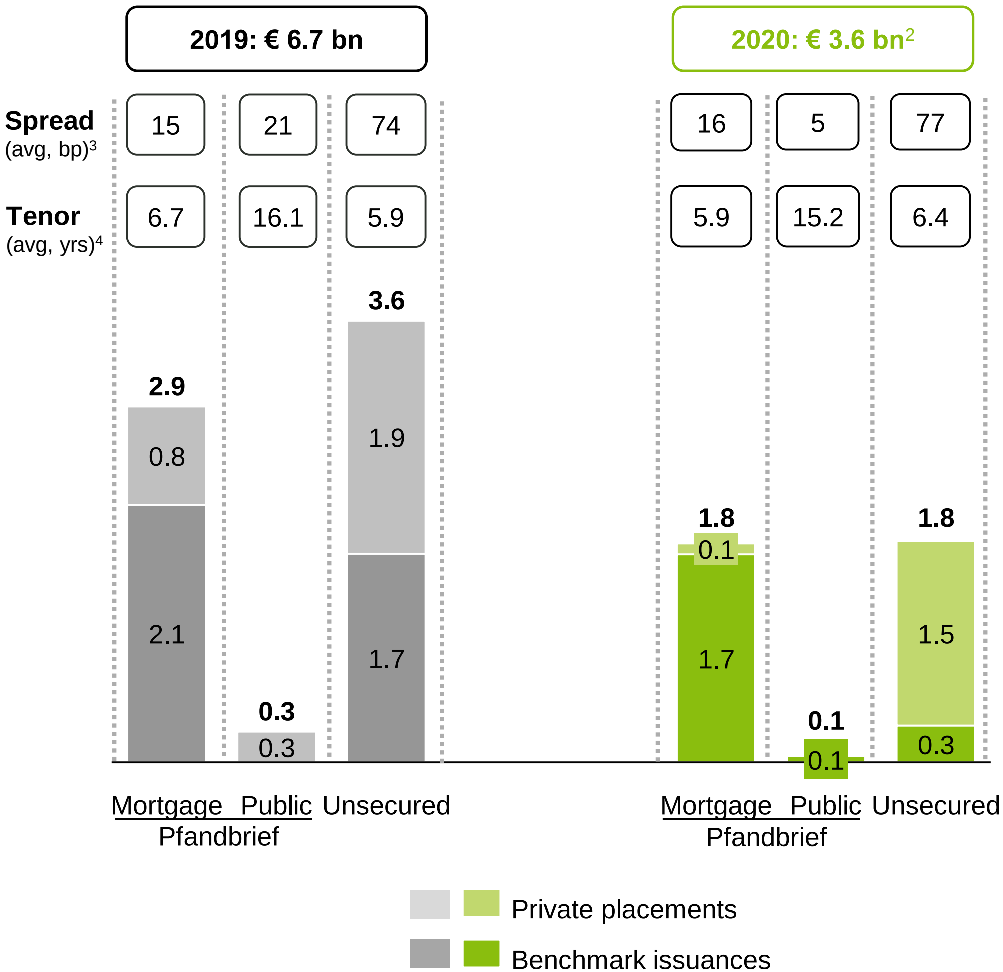
New long-term funding[1]

€ bn



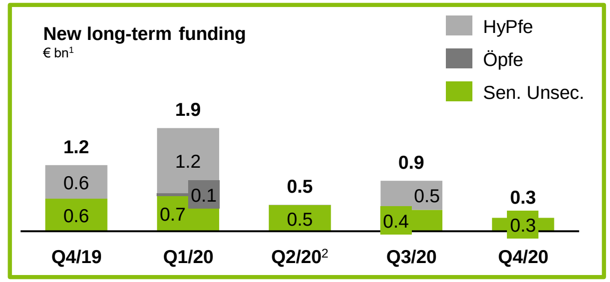
Funding 2020

- Good **funding activities** in 2020 at relatively stable avg. funding spreads compared to 2019
  - **Good access and timing** in capital markets despite market disruption due to pandemic
  - **Funding targets** fully met with funding largely collected prior to COVID-19 outbreak
- **Broadening of investor base,** with Benchmark Pfandbriefe in SEK and GBP (incl. first SONIA Benchmark)
- Strong demand for **Private Placements** (focus on senior preferred) supported by strong markets
- **Retail deposit** funding channels established and scalable – in 2020, wholesale funding need has been reduced by increasing deposit base (12/20: € 3.2 bn, 12/19: € 2.8 bn)
- € 7.5 bn participation in **TLTRO III** to optimise funding costs – TLTRO III provides an attractive and flexible source of funding
- **Frontloading of funding** resulting in reduced need for capital market funding in 2021 and **comfortable liquidity buffer,** sufficient to cover even internal stress test well beyond 6 months
- **ALM profile** and **liquidity position** remain comfortable (NSFR >100%; LCR >150%)
- **Strong start into 2021** with a USD 750 mn 3Y Pfandbrief Benchmark and an inaugural € 500 mn Green Senior Preferred 5Y Benchmark, both issued in January

Note: Figures may not add up due to rounding 1 Excl. retail deposit business 2 Excl. “own use” Pfandbriefe issued as collateral for TLTRO III 3 vs. 3M Euribor 4 Initial weighted average maturity 5 Initial weighted average maturity of term deposits

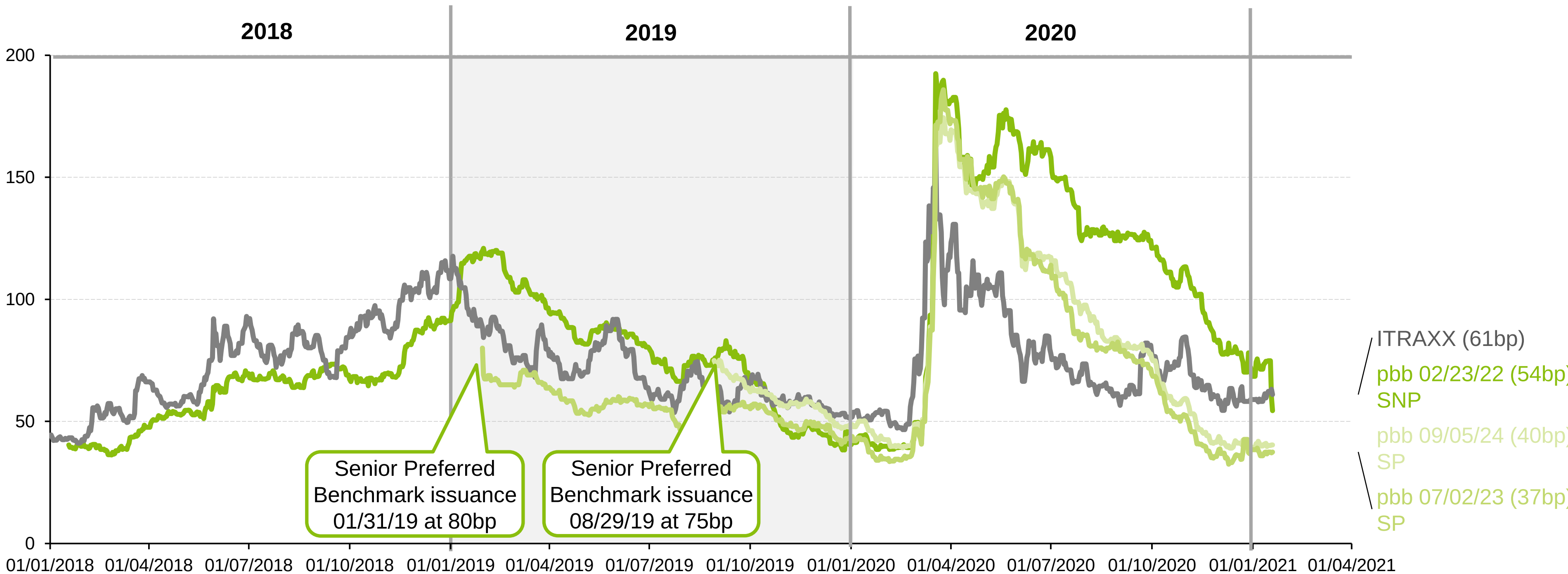
Funding

Encouraging secondary market performance after COVID-19 widening in March



Spread development of pbb Senior Benchmarks vs iTraxx Bank Senior

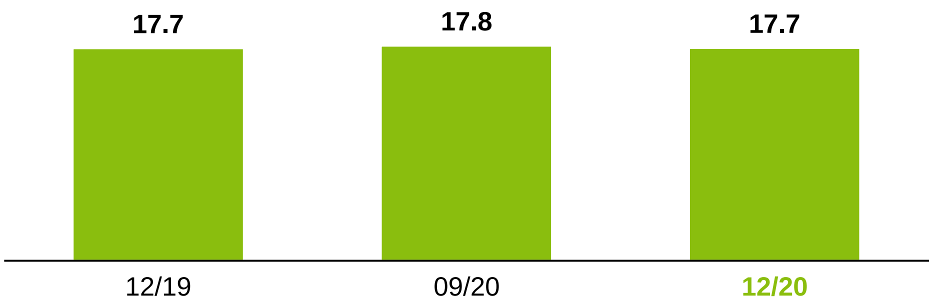
(Spread in bp vs. 6m Euribor)



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

Capital
Capitalisation remains strong

Basel III: RWA
€ bn (IFRS)



Basel III: Equity and capital ratios
(IFRS)

Capital in € bn	12/19 reported	12/19 full profit retention[1]	09/20[2]	12/20[3]
CET 1	2.7	2.8	2.7	2.9
AT 1	0.3	0.3	0.3	0.3
Tier 2	0.6	0.6	0.6	0.6
Total Equity	**3.6**	**3.7**	**3.6**	**3.8**

Capital ratios in %	12/19 reported	12/19 full profit retention[1]	09/20[2]	12/20[3]
CET 1	15.2	15.9	15.3	16.1
Tier 1	16.9	17.5	17.0	17.8
Own funds	20.4	21.1	20.4	21.4
Leverage ratio	5.4	5.6	5.7	6.0

RWA development 2020:

- RWA stable y-o-y as a result of the recalibration to expected Basel IV levels in Q4/19, which tends to enhance the stability of risk-weights
  - So far, no significant systematic deterioration in the portfolio
  - RWA increase from individual deteriorations due to COVID-19 and new business compensated by relief out of repayments, FX and maturity effects
  - However, potential future impacts on RWA due to COVID-19 driven reclassification effects

Capital ratios:

- CET 1 ratio of 16.1%[3] up (09/20: 15.3%[2], 12/19: 15.9%[1])
- Increase in regulatory CET 1 capital y-o-y resulting from reduced EL shortfall due to build-up of risk provisions

SREP requirements:

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

Note: Figures may not add up due to rounding
1 Retrospectively adjusted, incl. full-year result 2019, based on resolution of AGM to allocate the distributable profit 2019 to other revenue reserves on 28 May 2020 2 Excl. interim result, incl. full-year result 2019 3 After approved year-end accounts

Strategic Initiatives

Digitalisation: pbb's digital transformation follows 3 strategic directions – strong focus on process efficiency and customer interaction

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Digital Transformation of pbb

Fields of action	Approach	Solution	Strategic & operative Target
Customer	**Positive customer experience** through a modern and efficient cooperation between bank and customer	Digitalisation of the customer interface by building a **client portal for REF customers** and thus establishing an **integral workflow** between customer and bank First **launch** end of March 2021	✓ **Customer satisfaction / retention** ✓ **Efficiency gains on both sides** - for customer and bank
Efficiency	**Improving existing processes** through automation	Digitisation of processes based on new technologies across the **entire value chain**	✓ **Velocity ("time to yes")** ✓ **Quality** ✓ **Cost savings**
Product & Service	**Transfer and development** of pbb's capabilities to **(new) digital products and services**	**CAPVERIANT** as new **platform business model** for public sector financing **Strategic acquisition** of ~ 28.5% stake **by CDC** in 01/21 – joint goal digitisation of municipal business in France Additional **expansion** of the **pbb business model** (e.g. TOC, realGreen)	✓ **Development of pbb business model** ✓ **Diversification and strengthening of income**

Strategic Initiatives

ESG structurally anchored in pbb – ESG criteria integrated into credit process/lending, factors more strongly integrated into risk management and ecological footprint extended

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Focus / Achievements 2020

CSR Committee

- **Board Member** involvement and **responsibility**
- Comprising representatives from **all relevant business areas**
- Taking decisions on CSR **strategy and measures**

Environment

Project Green

Green building criteria – Lending, Funding

Risk Management

Ecological Footprint

- Project to structurally **integrate "Green Building" criteria into credit process/lending** launched already in 2019 – **set of criteria has been identified, focus 2020 on measurement** ✓
  - **Green Bond** Framework in place since Q2/20 – first Green Bond successfully issued in January 2021 ✓
  - **Green Loan** concept currently under development ✓
- **ESG factors** more strongly/explicitly **integrated into risk management landscape** (risk strategy, risk inventory, risk monitoring)
- Reporting on pbb's own **ecological footprint** gradually extended – disclosure according to **scope 1-3** ✓

Social

- Employee matters
- Diversity

- **COVID-19 pandemic** – prevention management for health and safety of staff as well as balancing of work and private challenges ✓
- Employee/talent development, **promotion of women** and **diversity** as well as **employer branding** ✓

Governance

- Governance structure / Remuneration
- Compliance
- Human rights

- Implementation of **explicit guidelines**
  - **human rights** ✓
  - **Code of conduct for suppliers** under development ✓

Summary & Outlook
pbb well positioned to manage challenges ahead

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Summary 2020	Guidance 2021
■ **Solid performance** with PBT of € 154 mn	■ **Better PBT** compared to 2020, based on **solid operating performance** but **depending on COVID-19** developments and subsequent impact on loan-loss provisions
■ **NII** remains robust, supported by positive effects from market funding and TLTRO III	■ **NII** stable to slightly higher, supported by continued low funding costs (incl. TLTRO) and floor income
■ **Operating costs** are under control	■ **Operating costs** stable
■ **Risk provisioning** with strong build-up of provisions against future pandemic impact on loans	■ **Risk provisioning** lower, depending on future potential impacts from COVID-19 pandemic; economic impacts expected to become more visible in H2/21
■ Solid **REF new business volume** with strong increase in **avg. gross interest margin**	■ **REF new business volume** of € 7.0-8.0 bn relatively stable, but moderate decrease of **avg. gross interest margins**
■ Strategic **REF** financing volume largely stable, high risk standards retained	■ Moderate growth in strategic **REF** financing portfolio
■ Strong **CET1 ratio** with 16.1%	■ Significantly **above SREP requirements**
■ **Dividend** proposal of € 0.26 per share based on upper ceiling of ECB recommendation	■ **Reassessment of dividend payment** in Q4/21; **dividend policy** of 50% regular dividend plus 25% supplementary dividend[1] remains valid

1 Based on PAT and after AT1 coupon payment

Appendix

Markets

Impact from COVID-19 pandemic very much depending on stringency and duration of measures with accelerating effect on structural challenges – overall, pbb well positioned

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COVID-19 Pandemic Challenges

Key drivers

- Stringency of measures
- Duration of measures

- Economy affected by hygiene/social distancing standards as well as government measures to fight the pandemic, esp.
  - Retail: Significantly less frequented
  - Hotel: No/low occupancy
- Unemployment and insolvencies expected to increase with effects on overall economic growth and subsequently on property values and cash flows

Catalyst

Structural Challenges

Key drivers

- Digitalisation
- ESG

- Structural transformation of Retail sector towards online shopping
- Increasing trend towards working from home
- Working in office more influenced by hygiene/social distancing standards to remain mid-/long-term
- Growing large metropolitan areas (density, traffic infrastructure and commuting challenges)
- Environmental requirements (carbon emission reduction, accelerated aging of properties)
- CRE and environmental risk management

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- Selective business approach with overall conservative risk positioning and strong risk monitoring

Focus on:
- Prime A locations
- Top sponsors
- Low leverage lending
- Long-term stable cash flows with focus on tenant quality and lease roll-over risk
- Solid covenant structures

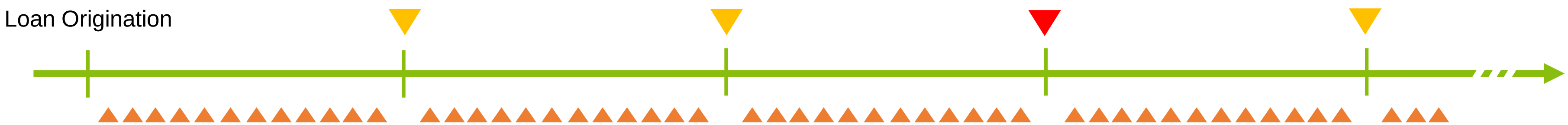
- mitigates the risk of future volatility in property market values
- provides for solid risk buffers
- allows for early action
- increases commitment of investors/sponsors and thus willingness to inject more equity into the transaction

- Currently, no Hotels and Shopping Centres; Retail only highly selective with focus on neighborhood shopping/high street retail
- Development loans subject to strong risk-mitigating factors (e.g. high levels of pre-letting/-sales and upfront equity, long-stop dates in lease contracts, no business plans based on increasing rents and/or further yield)

COVID-19

Monitoring process at pbb intensified given COVID-19 situation – multi-level valuation review process

Valuation review cycle (simplified)

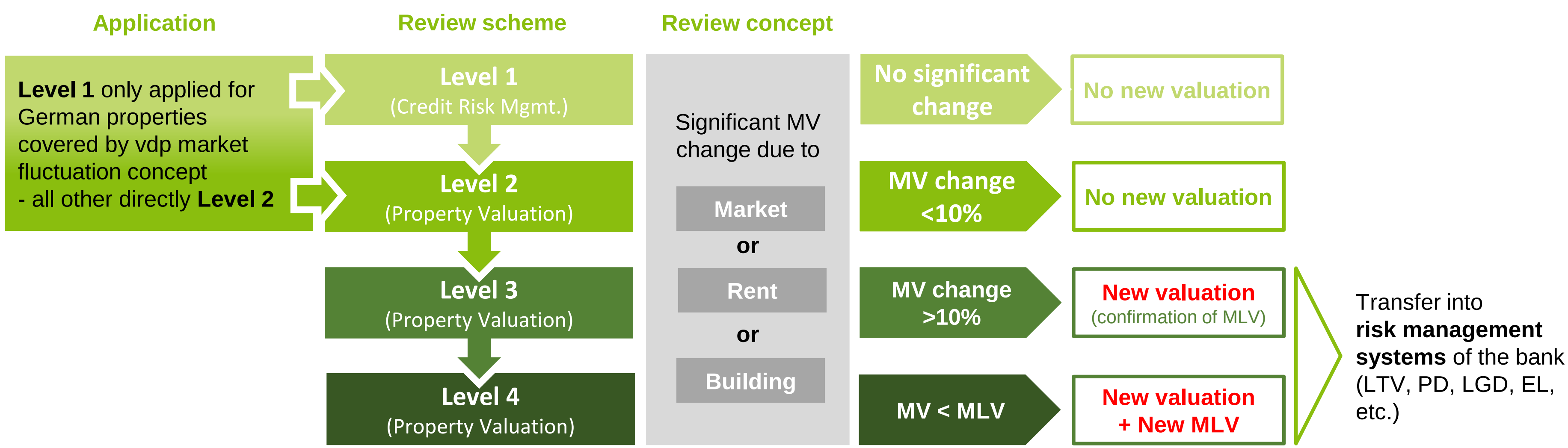


- **Regular annual review** (Level 1/2) – new property valuation mandatory in case of significant changes (Level 3/4)
- **Mandatory new property valuation** (Level 3) **after 3 years**
- **Monthly COVID-19 review of total portfolio** (since March 2020)

In addition, reviews on a continuous basis:

- **Event triggered review** – new property valuation mandatory in case of significant changes (e.g. special events/reasons, extreme market fluctuations, transfer to watchlist, default, etc.)
- **Credit review** (e.g. covenant testing, credit rating screening, tenant monitoring, early warning signals, forward-looking assessment, etc.)

Valuation review process (simplified)



Key figures
pbb Group

Income statement (€ mn)	2017	2018	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20	Q4/20	FY/20
Net interest income	407	450	116	113	112	117	458	111	117	126	125	479
Net fee and commission income	8	6	1	2	1	2	6	2	1	1	2	6
Net income from fair value measurement	-5	-9	-2	-5	5	-5	-7	-17	1	4	4	-8
Net income from realisations	45	32	6	10	15	17	48	14	2	4	6	26
Net income from hedge accounting	-1	-1	-1	-	-2	1	-2	-1	-1	6	-	4
Net other operating income	-1	-7	-1	-1	2	3	3	1	3	-	18	22
Operating Income	**453**	**471**	**119**	**119**	**133**	**135**	**506**	**110**	**123**	**141**	**155**	**529**
Net income from risk provisioning	-10	-14	-1	1	-10	-39	-49	-34	-36	-14	-42	-126
General and administrative expenses	-199	-193	-46	-47	-48	-61	-202	-48	-49	-48	-59	-204
Expenses from bank levies and similar dues	-28	-25	-21	-1	-1	-1	-24	-21	-4	-	-1	-26
Net income from write-downs and write-ups on non-financial assets	-14	-15	-4	-4	-5	-5	-18	-5	-5	-4	-5	-19
Net income from restructuring	2	-9	1	1	1	-	3	-	-	-	-	-
Pre-tax profit	**204**	**215**	**48**	**69**	**70**	**29**	**216**	**2**	**29**	**75**	**48**	**154**
Income taxes	-22	-36	-8	-10	-14	-5	-37	-	-8	-27	-2	-37
Net income	**182**	**179**	**40**	**59**	**56**	**24**	**179**	**2**	**21**	**48**	**46**	**117**

Key ratios (%)	2017	2018	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20	Q4/20	FY/20
CIR[1]	47.0	44.2	42.0	42.9	39.8	48.9	43.5	48.2	43.9	36.9	41.3	42.2
RoE before tax	7.3	7.1	6.0	9.0	9.2	3.4	6.9	-0.3	3.4	9.7	5.9	4.7
RoE after tax	6.5	5.9	4.9	7.6	7.3	2.7	5.7	-0.3	2.3	6.0	5.6	3.4

Balance sheet (€ bn)	12/17	12/18	03/19	06/19	09/19	12/19	12/19	03/20	06/20	09/20	12/20	12/20
Total assets	58.0	57.8	60.3	60.1	59.8	56.8	56.8	56.6	60.7	60.2	58.9	58.9
Equity	2.9	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3
Financing volume	45.7	46.4	47.1	46.4	46.3	45.5	45.5	45.0	44.5	44.4	44.2	44.2

Regulatory capital ratios[2]	12/17	12/18	03/19	06/19	09/19	12/19	12/19	03/20	06/20	09/20	12/20	12/20
RWA (€ bn)	14.5	14.6	14.3	13.6	14.3	17.7	17.7	17.3	17.4	17.8	17.7	17.7
CET 1 ratio – phase in (%)	17.6[3]	18.5[3]	18.8[4]	19.4[5]	18.3[5]	15.9[6]	15.9[6]	16.3[7]	15.8[7]	15.3[7]	16.1[8]	16.1[8]

Personnel	12/17	12/18	03/19	06/19	09/19	12/19	12/19	03/20	06/20	09/20	12/20	12/20
Employees (FTE)	744	750	743	746	750	752	752	749	763	772	782	782

Note: annual results 2017, 2018, 2019 and 2020 audited, interim results Q1 and Q3 2019/20 unaudited, interim results Q2 2019/20 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Basel III transition rules 3 Incl. full-year result, post dividend 4 Excl. interim result, post dividend 2018 5 Excl. interim result
6 Adjusted, incl. full-year result 2019, based on resolution of AGM to allocate the distributable profit 2019 to other revenue reserves on 28 May 2020 7 Excl. interim result, incl. full-year result 2019 8 After approved year-end accounts

Key figures
Real Estate Finance (REF)

Income statement (€ mn)	2017[3]	2018	Q1/19[4,5]	Q2/19[5]	Q3/19[5]	Q4/19[5]	2019[5]	Q1/20	Q2/20	Q3/20	Q4/20	FY/20
Net interest income	334	372	98	96	96	98	388	93	96	105	105	399
Net fee and commission income	9	6	1	2	2	2	7	2	1	1	2	6
Net income from fair value measurement	-	-8	-	-5	-	-3	-8	-4	1	-2	-1	-6
Net income from realisations	45	27	6	11	14	17	48	11	2	4	7	24
Net income from hedge accounting	-1	-1	-1	1	-2	1	-1	-1	-	3	1	3
Net other operating income	-19	-5	-1	1	-	2	2	2	5	-	12	19
Operating Income	**368**	**391**	**103**	**106**	**110**	**117**	**436**	**103**	**105**	**111**	**126**	**445**
Net income from risk provisioning	-8	-22	-2	-	-13	-42	-57	-33	-39	-13	-44	-129
General and administrative expenses	-158	-154	-37	-39	-39	-49	-164	-41	-42	-41	-51	-175
Expenses from bank levies and similar dues	-15	-14	-12	-1	-1	-	-14	-12	-3	-	-1	-16
Net income from write-downs and write-ups on non-financial assets	-12	-12	-3	-4	-3	-5	-15	-4	-4	-4	-4	-16
Net income from restructuring	2	-7	1	1	1	-	3	-	-	-	-	-
Pre-tax profit	**177**	**182**	**50**	**63**	**55**	**21**	**189**	**13**	**17**	**53**	**26**	**109**

Key ratios (%)	2017	2018	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20	Q4/20	FY/20
CIR[1]	46.2	42.5	38.8	40.6	38.2	46.2	41.1	43.7	43.8	40.5	43.7	42.9
RoE before tax	15.4	12.9	12.6	15.1	13.2	4.4	11.3	2.4	3.4	11.6	5.1	5.6

Key figures (€ bn)	12/17	12/18	03/19	06/19	09/19	12/19	12/19	03/20	06/20	09/20	12/20	12/20
Equity[2]	1.2	1.4	1.4	1.3	1.4	1.7	1.7	1.7	1.7	1.8	1.9	1.9
RWA	8.3	8.3	8.0	7.7	8.6	15.8	15.8	15.4	15.5	16.1	16.0	16.0
Financing volume	24.9	26.8	27.8	27.7	27.7	27.1	27.1	26.8	26.7	26.8	27.0	27.0

Note: annual results 2017, 2018, 2019 and 2020 audited, interim results Q1 and Q3 2019/20 unaudited, interim results Q2 2019/20 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Equity now allocated according to going concern view instead of liquidation approach 3 Adjusted acc. to IFRS 8.29
4 Segment allocation of net income from realisations retrospectively adjusted 5 Segment allocation of net interest income and equity retrospectively adjusted

Key figures
Public Investment Finance (PIF)

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Income statement (€ mn)	2017[3]	2018	Q1/19[4,5]	Q2/19[5]	Q3/19[5]	Q4/19[5]	2019[5]	Q1/20	Q2/20	Q3/20	Q4/20	FY/20
Net interest income	30	34	9	9	9	10	37	9	10	10	9	38
Net fee and commission income	-	1	-	-	-	-	-	-	-	-	-	-
Net income from fair value measurement	-2	-2	-	-1	-	-1	-2	-1	-	-	-	-1
Net income from realisations	-	5	-	-	1	-	1	1	-	-	-	1
Net income from hedge accounting	-	-	-	-	-	-	-	-	-	1	-1	-
Net other operating income	-2	-	-	-1	1	-	-	-	1	-	2	3
Operating Income	**26**	**38**	**9**	**7**	**11**	**9**	**36**	**9**	**11**	**11**	**10**	**41**
Net income from risk provisioning	-6	4	-	-	-	-	-	-	-	-1	-	-1
General and administrative expenses	-27	-27	-6	-5	-6	-8	-25	-4	-5	-5	-5	-19
Expenses from bank levies and similar dues	-4	-4	-3	-	-	-	-3	-3	-	-	-	-3
Net income from write-downs and write-ups on non-financial assets	-1	-2	-1	-	-1	-	-2	-1	-	-	-1	-2
Net income from restructuring	-	-1	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**-12**	**8**	**-1**	**2**	**4**	**1**	**6**	**1**	**6**	**5**	**4**	**16**

Key ratios (%)	2017	2018	Q1/19	Q2/19	Q3/19	Q4/19	2019	Q1/20	Q2/20	Q3/20	Q4/20	FY/20
CIR[1]	>100	76.3	77.8	71.4	63.6	88.9	75.0	55.6	45.5	45.5	60.0	51.2
RoE before tax	-8.0	5.4	-3.5	3.3	7.4	1.5	2.7	1.6	11.4	9.8	8.4	7.9

Key figures (€ bn)	12/17	12/18	03/19	06/19	09/19	12/19	12/19	03/20	06/20	09/20	12/20	12/20
Equity[2]	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2
RWA	1.6	1.4	1.4	1.5	1.4	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Financing volume	7.0	6.4	6.4	6.4	6.3	6.3	6.3	6.3	6.0	5.9	5.8	5.8

Note: annual results 2017, 2018, 2019 and 2020 audited, interim results Q1 and Q2 2019/20 unaudited, interim results Q2 2019/20 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Equity now allocated according to going concern view instead of liquidation approach 3 Adjusted acc. to IFRS 8.29
4 Segment allocation of net income from realisations retrospectively adjusted 5 Segment allocation of net interest income and equity retrospectively adjusted

Key figures
Value Portfolio (VP)

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Income statement (€ mn)	**2017**[3]	**2018**	**Q1/19**[4,5]	**Q2/19**[5]	**Q3/19**[5]	**Q4/19**[5]	**2019**[5]	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**FY/20**
Net interest income	37	39	8	7	6	8	29	8	10	10	10	38
Net fee and commission income	-1	-1	-	-	-1	-	-1	-	-	-	-	-
Net income from fair value measurement	-3	1	-2	1	5	-1	3	-12	-	6	5	-1
Net income from realisations	-	-	-	-1	-	-	-1	2	-	-	-1	1
Net income from hedge accounting	-	-	-	-1	-	-	-1	-	-	2	-	1
Net other operating income	20	-2	-	-1	1	1	1	-1	-1	-	4	-
Operating Income	**53**	**37**	**6**	**5**	**11**	**8**	**30**	**-3**	**3**	**18**	**18**	**39**
Net income from risk provisioning	4	4	1	1	3	3	8	-1	3	-	2	4
General and administrative expenses	-14	-12	-3	-3	-3	-4	-13	-3	-2	-2	-3	-10
Expenses from bank levies and similar dues	-9	-7	-6	-	-	-1	-7	-6	-1	-	-	-7
Net income from write-downs and write-ups on non-financial assets	-1	-1	-	-	-1	-	-1	-	-1	-	-	-1
Net income from restructuring	-	-1	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**33**	**20**	**-2**	**3**	**10**	**6**	**17**	**-13**	**5**	**16**	**17**	**25**

Key ratios (%)	**2017**	**2018**	**Q1/19**	**Q2/19**	**Q3/19**	**Q4/19**	**2019**	**Q1/20**	**Q2/20**	**Q3/20**	**Q4/20**	**FY/20**
CIR[1]	28.3	35.1	50.0	60.0	36.4	50.0	46.7	n/a	50.0	11.1	16.7	28.2
RoE before tax	2.8	1.4	-1.3	1.1	5.6	3.2	1.7	-9.1	2.8	11.0	12.8	3.9

Key figures (€ bn)	**12/17**	**12/18**	**03/19**	**06/19**	**09/19**	**12/19**	**12/19**	**03/20**	**06/20**	**09/20**	**12/20**	**12/20**
Equity[2]	1.1	1.1	1.1	0.9	0.8	0.6	0.6	0.6	0.6	0.5	0.5	0.5
RWA	3.5	4.0	4.0	3.7	3.6	0.5	0.5	0.5	0.5	0.4	0.4	0.4
Financing volume	13.8	13.2	12.9	12.3	12.3	12.1	12.1	11.9	11.8	11.7	11.4	11.4

Note: annual results 2017, 2018, 2019 and 2020 audited, interim results Q1 and Q3 2019/20 unaudited, interim results Q2 2019/20 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Equity now allocated according to going concern view instead of liquidation approach 3 Adjusted acc. to IFRS 8.29
4 Segment allocation of net income from realisations retrospectively adjusted 5 Segment allocation of net interest income and equity retrospectively adjusted

Balance sheet

Specialist lender with attractive German Pfandbrief as major funding instrument

DEUTSCHE PFANDBRIEFBANK

Balance sheet

IFRS, € bn

Assets	31/12/20	31/12/19	Liabilities & equity	31/12/20	31/12/19
Financial assets at fair value through P&L	**1.4**	**1.3**	**Financial liabilities at fair value through P&L**	**0.6**	**0.8**
thereof			thereof		
Positive fair values of stand-alone derivatives	0.7	0.7	Negative fair values of stand-alone derivatives	0.6	0.8
Debt securities	0.1	0.1	**Financial liabilities measured at amortised cost**	**52.6**	**49.7**
Loans and advances to customers	0.5	0.5	thereof		
Financial assets at fair value through OCI	**1.5**	**1.7**	Liabilities to other banks (incl. central banks)	9.8	4.2
thereof			thereof		
Debt securities	1.4	1.3	*Registered Mortgage Pfandbriefe*	*0.3*	*0.3*
Loans and advances to customers	0.1	0.4	*Registered Public Pfandbriefe*	*0.5*	*0.3*
Financial assets at amortised cost (after credit loss allowances)	**48.7**	**50.2**	Liabilities to other customers	22.6	24.0
thereof			thereof		
Debt securities	7.5	7.7	*Registered Mortgage Pfandbriefe*	*4.3*	*4.6*
Loans and advances to other banks	1.9	2.4	*Registered Public Pfandbriefe*	*9.1*	*9.9*
Loans and advances to customers	39.3	40.2	Bearer Bonds	19.5	20.9
Positive fair values of hedge accounting derivatives	**1.7**	**2.2**	thereof		
Other assets	**5.6**	**1.4**	*Mortgage Pfandbriefe*	*10.7*	*12.4*
			Public Pfandbriefe	*2.3*	*3.0*
			Subordinated liabilities	0.7	0.7
			Negative fair values of hedge accounting derivatives	**1.9**	**2.6**
			Other liabilities	**0.5**	**0.5**
			Equity (attributable to shareholders)	**3.0**	**2.9**
			AT1-capital	**0.3**	**0.3**
Total Assets	**58.9**	**56.8**	**Total liabilities & equity**	**58.9**	**56.8**

Share of Pfandbriefe of refinancing liabilities

52% / 61%

Note: Figures may not add up due to rounding

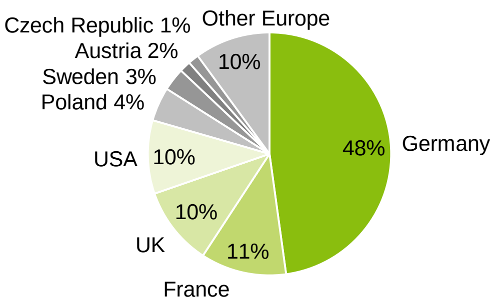
Portfolio

Stable and well diversified portfolio with continued focus on European markets, particularly on Germany

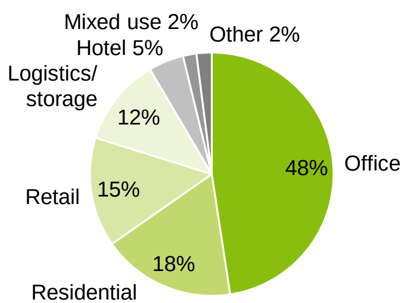
31/12/2020 (EaD, Basel III)

Real Estate Finance

by region



by property type / borrower classification[1]

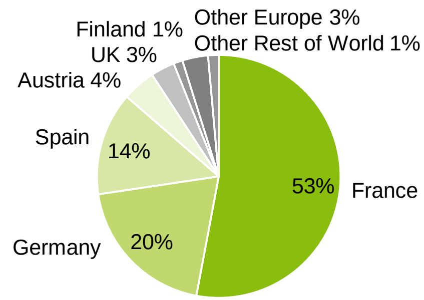


Vol. € 29.3 bn

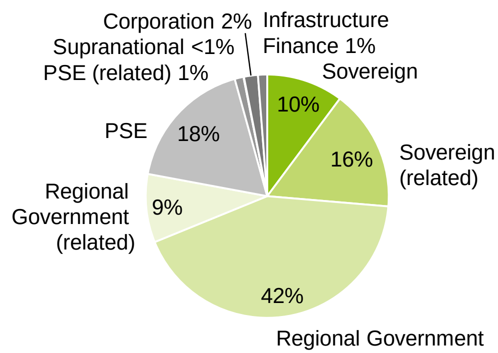
Strategy: Strategic portfolio – moderate growth targeted

Public Investment Finance

by region



by property type / borrower classification[1]

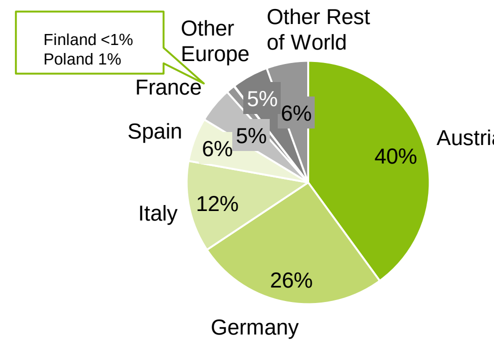


Vol. € 6.5 bn

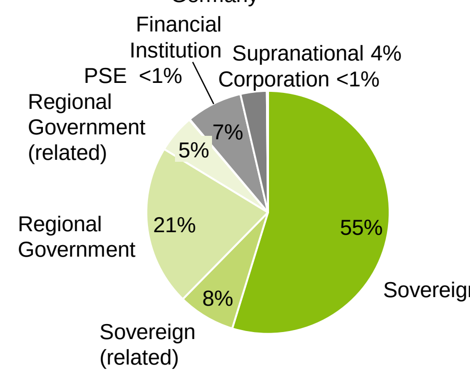
Strategy: Strategic portfolio – in “hold” mode

Value Portfolio

by region



by property type / borrower classification[1]



Vol. € 15.2 bn

Strategy: Non-strategic portfolio – in run-down mode

Note: Figures may not add up due to rounding 1 See appendix for definition of borrower classification

Markets
Sub-segments

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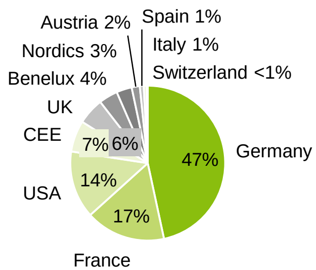
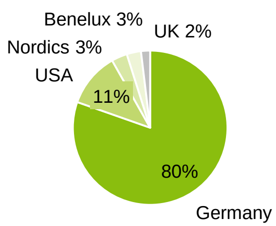
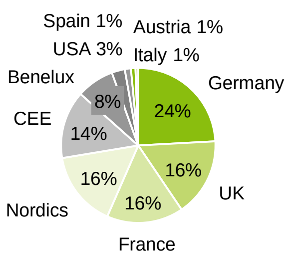
Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Office € 13.9 bn (48%)		■ Already slight rise in vacancies ■ Yields slightly increased in a few markets and some further yield softening can be expected. ■ Prime properties with long-term leases to first-class tenants do however even see yield compression.	■ Financial difficulties of tenants / insolvencies expected to increase ■ Increased reletting/extension risks with pressure on rental level ■ Good locations expected to remain stable ■ Structural changes – Work from home – Hygiene/social distancing standards	■ Focus on top locations ■ Conservative risk positioning: avg. LTV of 52%[1] provides good buffer and supports commitment of investors/sponsors ■ Well diversified portfolio with focus in Germany
Residential € 5.2 bn (18%)		■ At present, markets are relatively stable, especially in countries with strong social welfare programs ■ Negative impact on occupancy ratios in US and UK ■ Growth in rental and sales prices seen so far expected to soften in future ■ Stabilising element: investors tend to classify residential as solid asset class with partially increasing demand	■ Unemployment expected to increase ■ Increasing vacancy rates in US and UK market expected ■ 'Work from home' could encourage migration from city to country	■ Focus on good locations ■ Conservative risk positioning ■ Portfolio volume of € 5.2 bn with conservative avg. LTV of 48%[1] provides good buffer and supports commitment of investors/sponsors ■ Well diversified portfolio with strong focus on Germany
Logistics € 3.4 bn (12%)		■ Logistic properties are very popular for investors ■ Prices have decoupled from overall trend and increased in last years ■ Benefitting from increasing focus on e-commerce and the need of more resilient supply chains ■ Further price increases possible in a short term	■ Currently taking advantage of the pandemic crisis ■ Increasing focus on online-shopping ■ Need for more resilient supply chains in the industry sector ■ Monoline logistics centres ■ Limited availability of new space ■ In some markets trend to overheated prices	■ Focus on locations with good infrastructure and connection to a variety of different transportation routes ■ Conservative risk positioning: avg. LTV of 54%[1] provides good buffer and supports commitment of investors/sponsors ■ Well diversified portfolio ■ High quality of sponsors

1 Based on performing investment loans only, COVID-19 effects not yet fully reflected

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

Funding

Strong success for pbb's latest benchmark issuances

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pbb DEUTSCHE PFANDBRIEFBANK

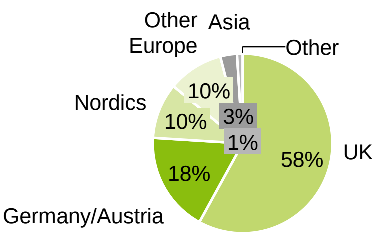
Inaugural £500mn

SONIA-linked Hypothekenfandbrief

September 2020

Order ~ 2bn GBP

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



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

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

Bankers said the outcome was impressive

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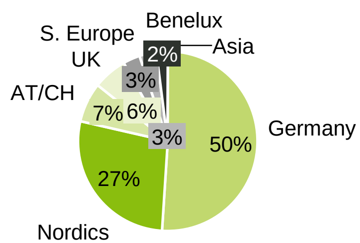
$750mn

3-year 0.500% Hypothekenpfandbrief

January 2021

Order ~1.3bn USD

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



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

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

Source: Credit Suisse

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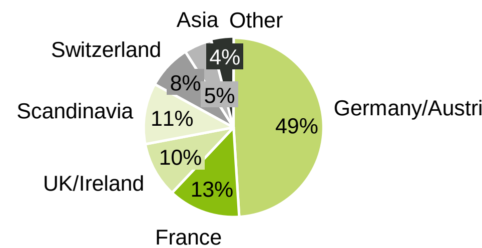
Inaugural €500mn

5-year GREEN Senior Preferred Bond

January 2021

Order ~1.2bn EUR

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

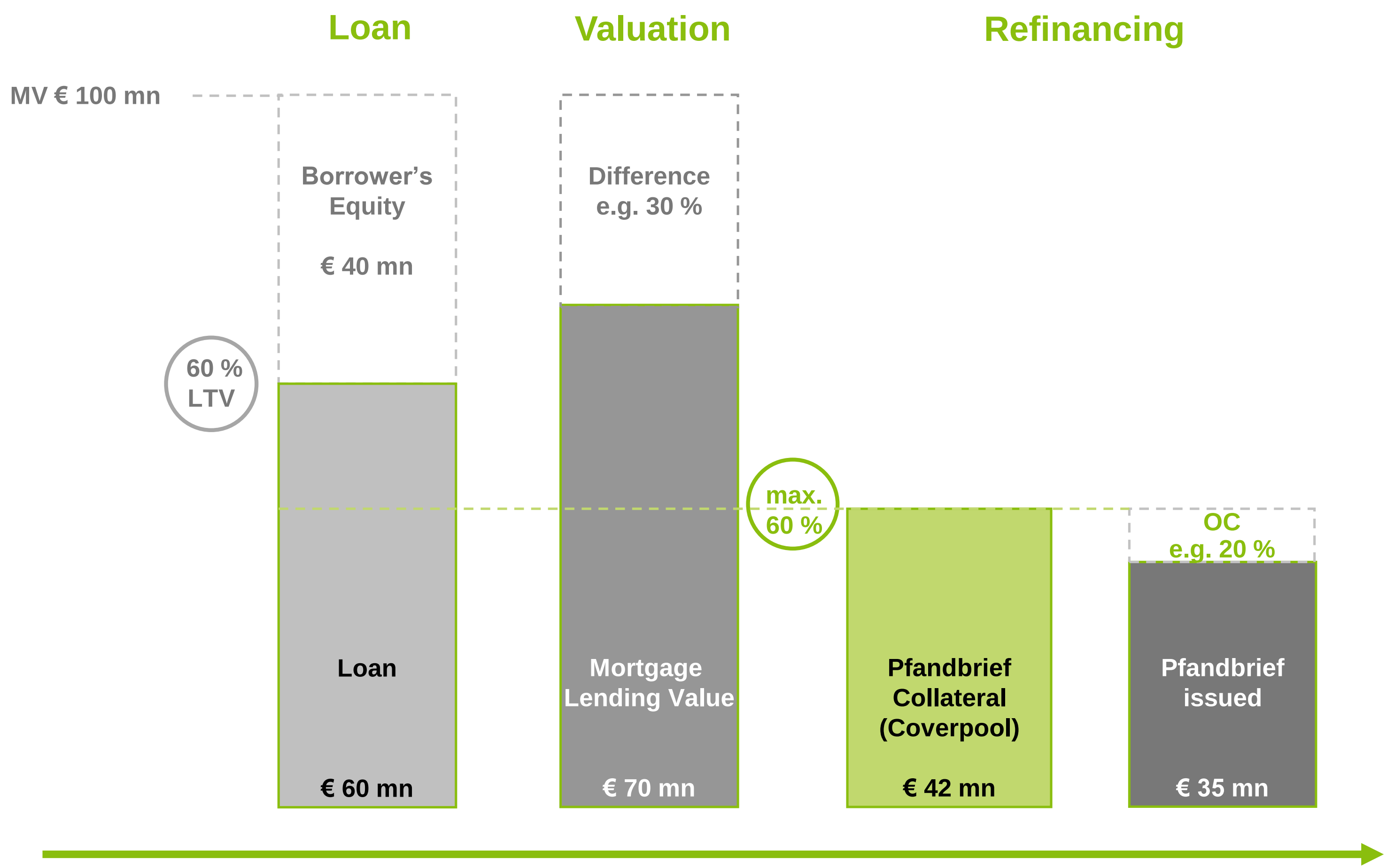


"…The final c. €1.2 bn order book counted 126 individual investors, predominantly banks and asset managers.The domestic bid was expectedly strong, but buyers from France and Scandinavia also took a notable 13% and 11% share, respectively…"

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

Funding

Pfandbrief funding – effect of the Mortgage Lending Value (very simplified example)



Mandated Ratings

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

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

Disclaimer:

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Note: The above list does not include all ratings 1 Stand-alone credit profile 2 "Senior Unsecured Debt" 3 "Senior Subordinated Debt"

CSR Ratings

CSR ratings reflect excellent standing and continuous improvement

pbb
DEUTSCHE PFANDBRIEFBANK

„Prime“ Rating from ISS ESG since initiation in 2012

Corporate ESG Performance

Prime

RATED BY ISS ESG

„A“ Rating from MSCI since initiation in 2013

ESG RATING A

2016

imug UNCOVERED BONDS – RATING 2016 POSITIVE B

imug HYPOTHEKENPFANDBRIEFE – RATING 2016 NEUTRAL CCC

imug ÖFFENTLICHE PFANDBRIEFE – RATING 2016 POSITIVE BBB

2017

imug SUSTAINABILITY RATING – RATING 2017 POSITIVE BB

imug HYPOTHEKENPFANDBRIEFE – RATING 2017 POSITIVE B

imug ÖFFENTLICHE PFANDBRIEFE – RATING 2017 VERY POSITIVE A

Top 3 “Best of same Sector“

2018

imug SUSTAINABILITY RATING – RATING 2018 POSITIVE BB

imug HYPOTHEKENPFANDBRIEFE – RATING 2018 POSITIVE BB

imug ÖFFENTLICHE PFANDBRIEFE – RATING 2018 VERY POSITIVE A

Top 3 “Stress Test Sustainability – How good are the 25 largest German banks?“[2]

2019

imug SUSTAINABILITY RATING – RATING 2018 POSITIVE BB

imug HYPOTHEKENPFANDBRIEFE – RATING 2018 POSITIVE BB

imug ÖFFENTLICHE PFANDBRIEFE – RATING 2018 VERY POSITIVE A

1 formerly “oekom” 2 imug Impuls 2019 “Stresstest Nachhaltigkeit – Wie gut sind die 25 größten deutschen Banken?”, 2 December 2019

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