pbb Deutsche Pfandbriefbank

Company Presentation

September 2022

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Agenda

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Business Model & Strategy

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

USP

- 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
- Sustainable finance defined as one key element of pbb's ESG strategy

FUNDING

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

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LENDING

- Pfandbrief-eligible senior loans
- Structuring expertise for complex/large transactions
  - ~150-200 deals per year
  - Ø deal size € ~50 mn
- Green Loans – pbb as sustainable finance bank and transformation partner

Value Proposition for Equity Investors

- High portfolio quality and risk standards
- Strong capital base
- Strong operating performance
- Attractive dividend yield
- Strategic initiatives to push growth

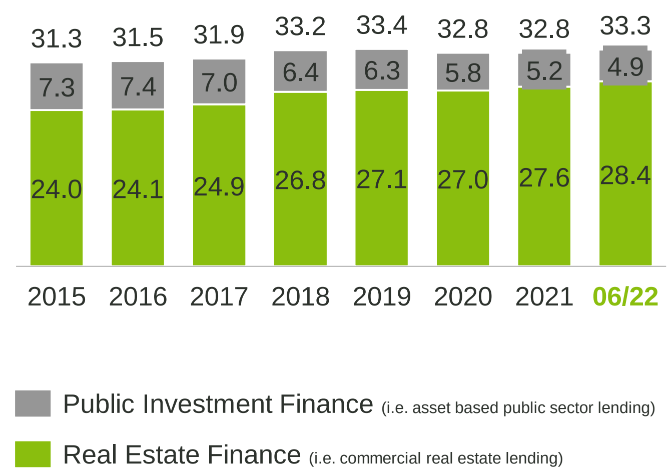
1 Excl. interim result, post proposed dividend 2021

Key figures (IFRS, 30/06/2022)

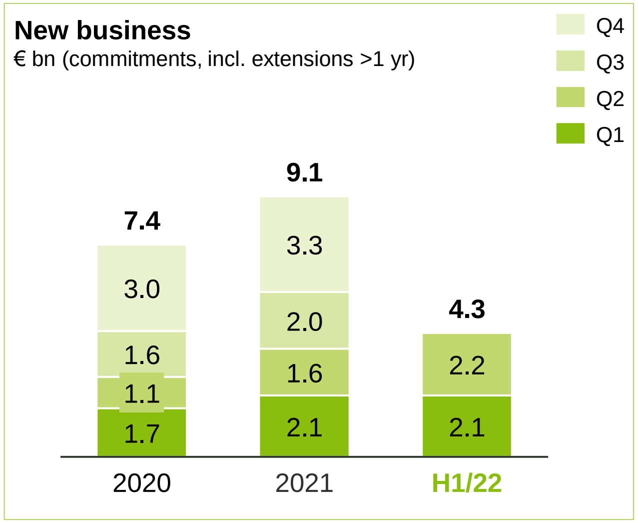
Total assets	€ 55.1 bn
Equity	€ 3.3 bn
RWA	€ 16.5 bn
CET1 ratio[1]	17.1%
Leverage ratio[1]	5.7%
RoE before taxes	6.4%
FTE	777

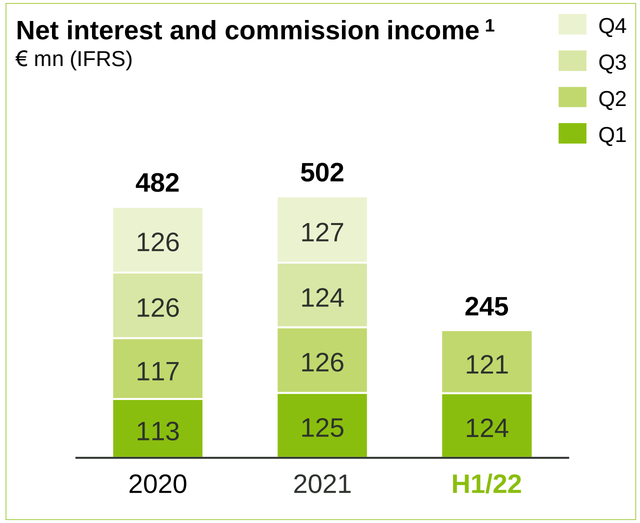
Strategic portfolio

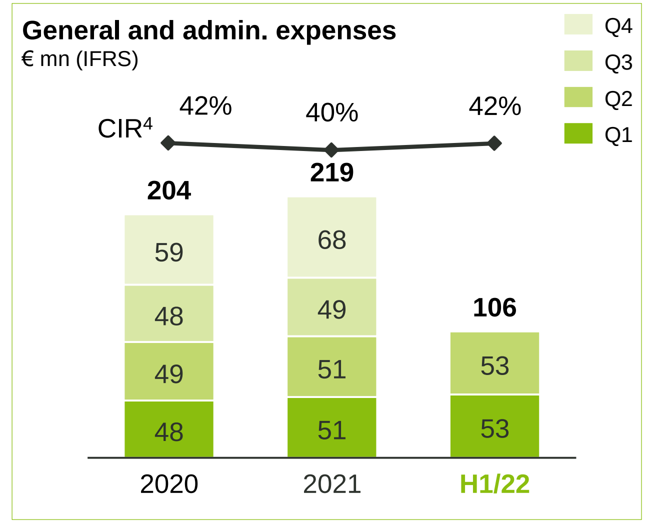
Financing volume in € bn

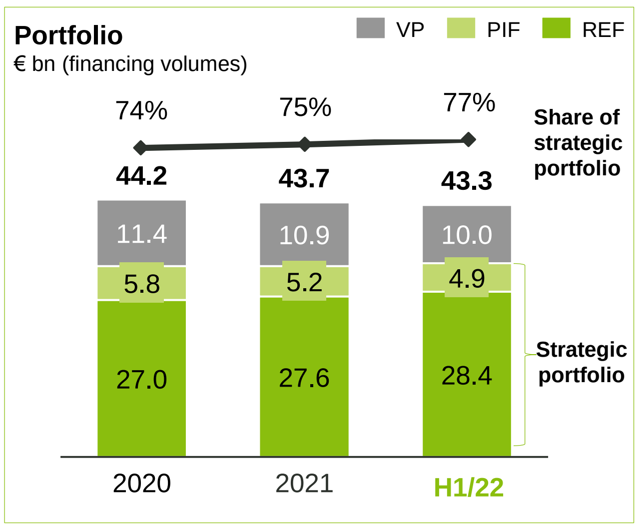


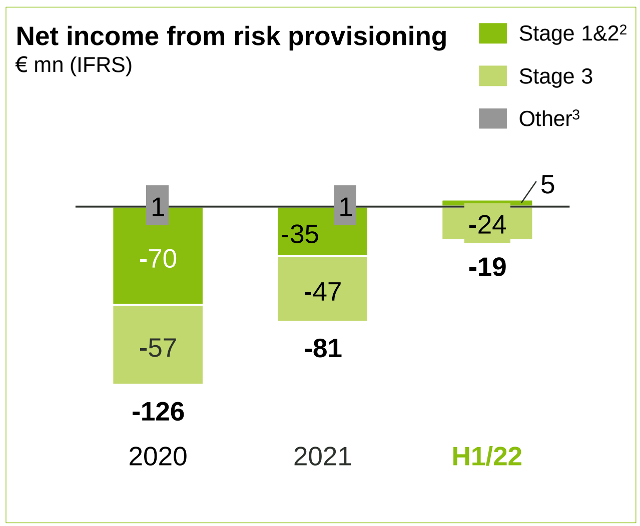
Operating and financial overview

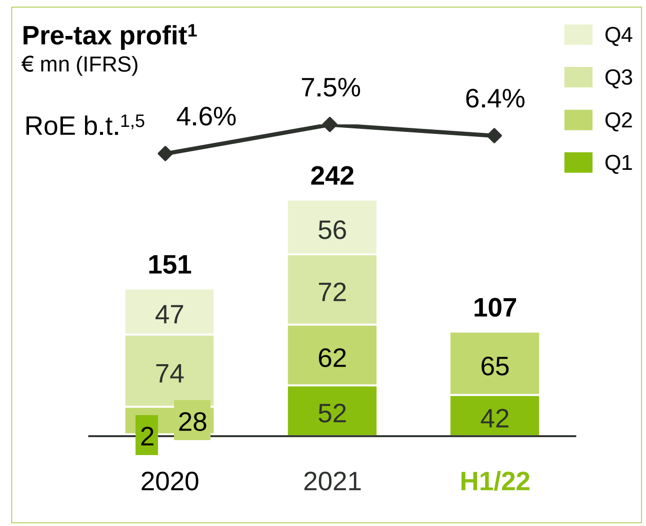












Note: Figures may not add up due to rounding 1 2020 figures retrospectively adjusted according to IAS 8.42 2 Incl. provisions in off balance sheet lending business 3 Recoveries from written-off financial assets
4 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income 5 After AT1 coupon (2020: € -17 mn; 2021: € -17 mn; H1/22: € -9 mn)

I. Business Model & Financial Performance

Stable returns and conservative risk approach shows good resilience even in global pandemic crisis – attractive dividend yield and total return of 27% since IPO

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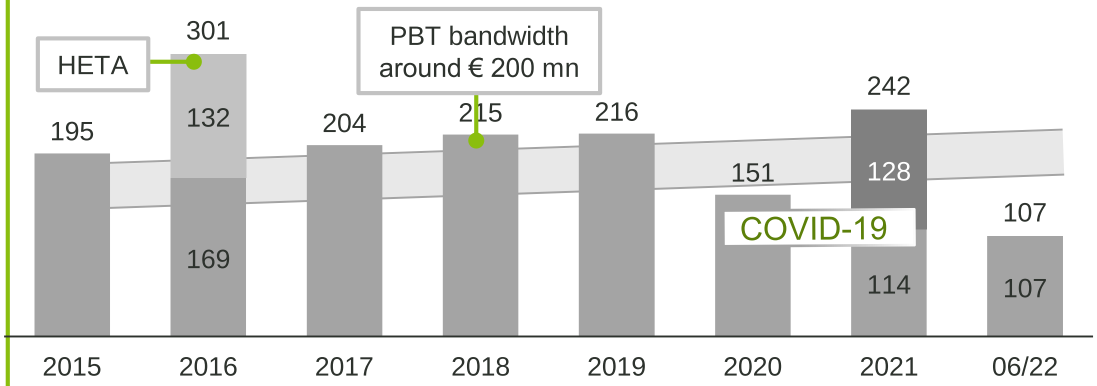
PBT (in € mn)



Stable and profitable PBT since IPO despite various one-off effects in 2020

+3.7%
p.a. till 12/21

Conservative risk approach reflected in build-up of model-based loan loss provisions during the pandemic including management adjustments

€ -245 mn
t/o € 106 mn stage 1&2 since 12/19

Dividend yield (DY)[1]

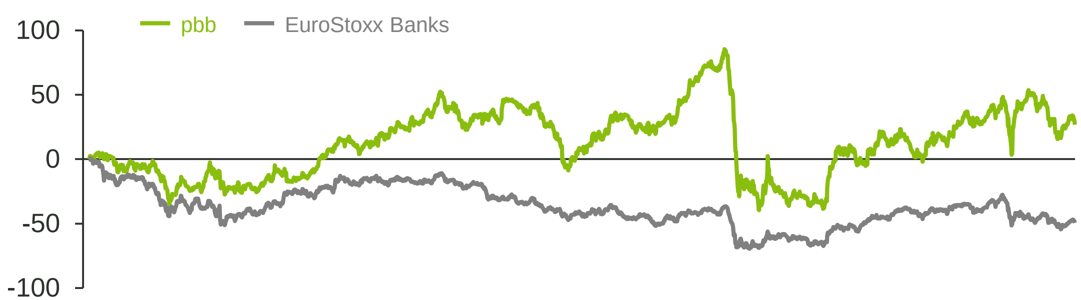
7.7% | 11.5% | 8.0% | 9.3% | -[2] | 6.6% | 11.1%

COVID-19

Attractive dividend yield since IPO

> € 700 mn
dividends distributed
≙ **~7.5% DY[3]**

Total shareholder return (TSR in %)[4,5]



Through the cycle, we have **reliably generated TSR** and outperformed the benchmark

+27%
TSR since IPO[4,5]
(vs. -49% of index)

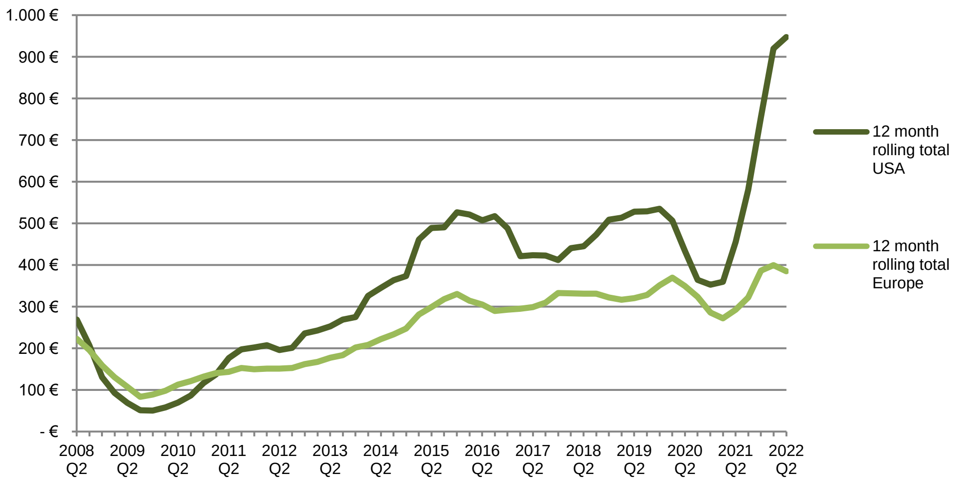
1 Based on XETRA year-end closing price 2 Based on ECB COVID-19 recommendation to refrain from making dividend distributions (27/03/2020) 3 Since IPO and including 2021 dividend of € 1.18 per share (pay-out 2022)
4 Total shareholder return indexed to IPO date (16/07/2015) and pbb's first Xetra daily closing price of €11.45 5 Source: Reuters (Xetra daily closing prices), data as of 19/08/2022

Agenda

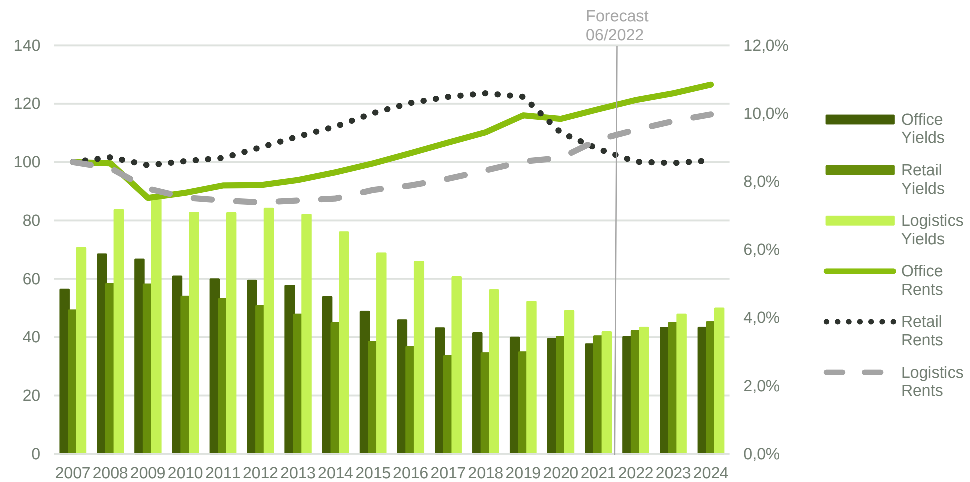
CRE Markets

Investment volumes remain solid in Q2/22, but expectations more subdued

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



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



- Despite slowing volume growth US CRE **investment volumes** still with strong performance in Q2 2022
- European property investment volume declined in the second quarter of 2022, as the emergence of a multitude of risks caused some investors to pause and reassess the outlook for commercial real estate
- Europe:
  - With the exception of **hotel and retail,** market values were in general relatively stable
  - Prime **office** yields are now expected to increase in all markets
  - **UK office** and **retail** values are expected to decline less due to relatively favorable pricing
  - **Logistic** expected to see decreasing prices while **residential** values are expected to decline less
- Germany:
  - **Office** markets are very expensive by historical standards and yields are expected to move out in the short and medium term
  - Investor sentiment deteriorates also for **logistic**, while **residential** and food-based or big box **retail** assets are expected to fare better
  - Yields for prime **high street shops** and **shopping centers** are projected to increase
- USA:
  - Overall still commercial property price growth
  - Weaker trends for the **office** sector, counteracted by strength in the **industrial** and **apartment** sectors
  - Yields for **office** properties are likely to increase slightly in the short term before stabilising again in the medium term

1All property types. Based on independent reports of properties and portfolios over € 5 million (over $ 2.5 mn for US), USD to EUR = end years FX rates Source: Real Capital Analytics (RCA) 2 Source: pbb Property Market Analysis (PMA) as of June 2022

Macroeconomic challenges

Inflation, increasing interest rates and slow down of global economic growth

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Economy

- Downside risks to the economic outlook have increased, due to elevated and persistent inflation, anticipated aggressive monetary policy tightening as well as the threat of a sudden end of Russian gas imports – economic forecasts downwardly revised
  - **Inflation** likely to stay high - broadly-based inflation on record levels in Europe (06/22: 9.6%) and the US (06/22: 9.1%), esp. driven by elevated energy and commodity prices, as well as increase service price inflation
  - **Interest rates** likely to increase – interest rates sharply increased in the UK by +150bp to 1.75% and in the US by +225bp to 2.50%[1], both in three steps in 2022, ECB increased on 21 July 2022 by 50bp to 0.50%[2]
  - Slow down of **economic growth** – pbb's scenario assumptions in line with ECB (reduction base case by -0.9%-pts. to +2.8% for Europe in 2022) and Bundesbank (reduction base case by -2.3%-pts. to +1.9% for Germany in 2022), but more conservative than current forecasts of economic institutes; downside scenario covers oil / gas embargo
  - **Ukraine conflict** continues unabated with only marginal first and second round effects on pbb – no direct exposure in/to Ukraine or Russia, indirect risks (incl. tenant risks) remain marginal, ECA-guaranteed PIF loan related to Russia with a non-guaranteed part of € 3mn sufficiently provisioned

CRE Markets

- **European property investment volume** declined by ~22% q-o-q and ~19% y-o-y in the second quarter as the emergence of a multitude of risks caused some investors to pause and reassess the outlook for commercial real estate.
- **Property prices** are still stable at the moment, but on the back of relatively few representative transactions. The market appears to be slowing in response to a worsening economic outlook and rising interest rates - yields trending upwards.
- **Developments** suffer from supply chain disruptions, rise in energy costs (esp. Germany) and scarcity of building materials, driving up construction costs – in addition, sector struggles with skills shortage; some relaxation recently (building material)
- **Real Estate** generally being decent **hedge on inflation** (core/prime), but
  - increasing interest rates will lower yield premium vs. gov. bonds further and increase the cost of debt – debt costs may exceed property yields (neg. leverage)
  - lower demand put property prices under pressure – higher resilience of core/prime (flight to quality)

1 Upper end of range 2 Main refinancing rate

New business

REF new business volume up by € 0.5 bn to € 4.3 bn y-o-y – average gross margin with ~170 bp back on previous year level

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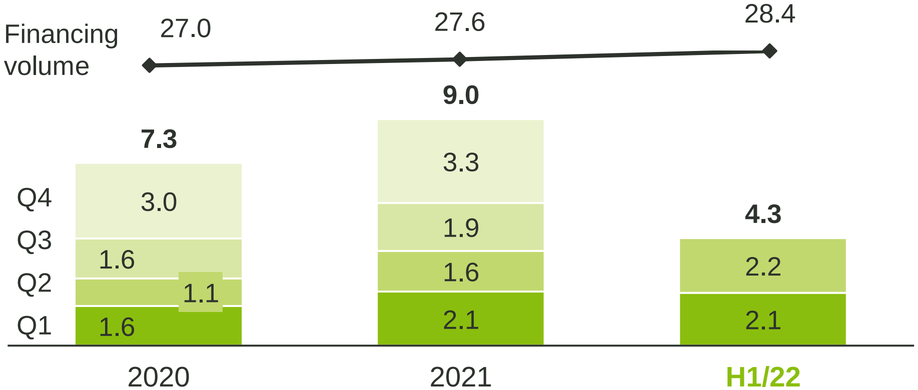
REF New business

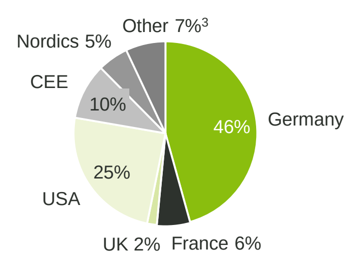
€ bn (commitments, incl. extensions >1 yr)

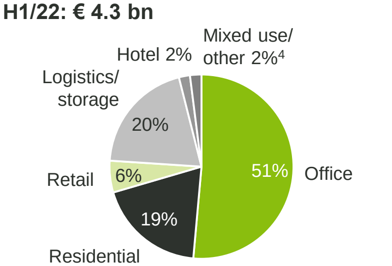


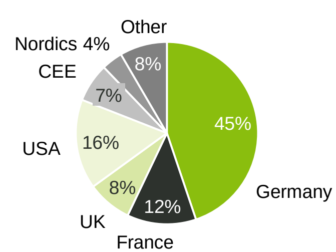
REF new business

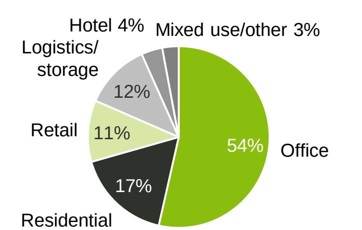
	H1/21	FY21	H1/22
Total volume (€ bn)	3.8	9.0	4.3
thereof: Extensions >1 year	*1.1*	*2.6*	*1.1*
No. of deals	72	166	68
Avg. maturity (years)[1]	~5.2	~4.8	~4.5
Avg. LTV (%)[2]	54	56	56
Avg. gross interest margin (bp)	~170	~170	~170

	Regions	Property types
New business (Commitments, incl. extensions > 1year)	H1/22: € 4.3 bn	H1/22: € 4.3 bn
Portfolio (EaD, Basel III)	30/06/22: € 30.1 bn	30/06/22: € 30.1 bn









Key drivers Q2/H1 2022

- **REF new business** of € 4.3 bn on solid level despite continued selective approach and increased competition
  - **Avg. gross interest margin** up on previous year level to ~170 bp in H1/22 (Q1/22: ~150 bp; 2021: ~ 170 bp), Q1/22 impacted by a few, partly large-volume low leverage lending loans
  - High share in **Germany, US** and **Office**
  - Low share in **France** and **UK**
  - Unchanged conservative risk positioning with **avg. LTV** of 56%[2]
  - **No new commitments** in property types Hotel and Retail Shopping Centres since March 2020 – only extensions at conservative conditions
  - Good **deal pipeline** supports solid new business level for Q3/22 – while CRE transaction levels decline, **new business volume** still expected at lower end of **guidance** of € 9.5-10.5 bn

ESG – Green Loans

- **Green Loan volume** further increased to more than € 1.0 bn (03/22: € 0.8 bn; 12/21: € 0.2 bn)

Note: Figures may not add up due to rounding 1 Legal maturities 2 New commitments; avg. LTV (extensions): H1/22: 61%; H1/21: 54% 3 Netherlands, Belgium, Spain, Austria 4 Land

Agenda

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2. Market environment & New business
3. Asset quality & Risk provisioning
4. Funding
5. Capitalisation
6. ESG
7. Summary & Outlook

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Contact details

Portfolio

Business approach reflected in stable risk parameters and low average LTV of 51%, which provides solid risk buffer

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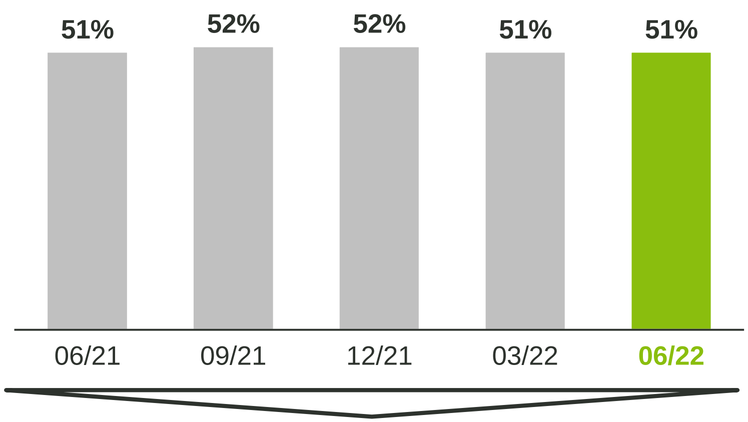
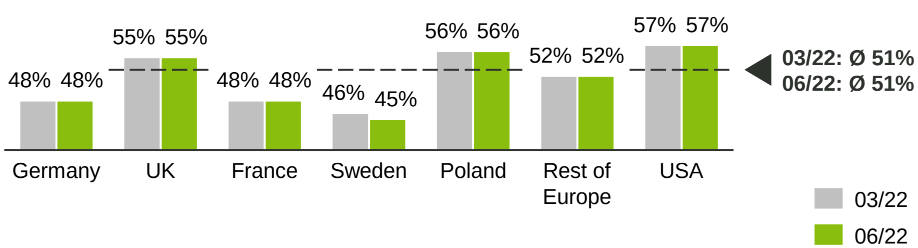
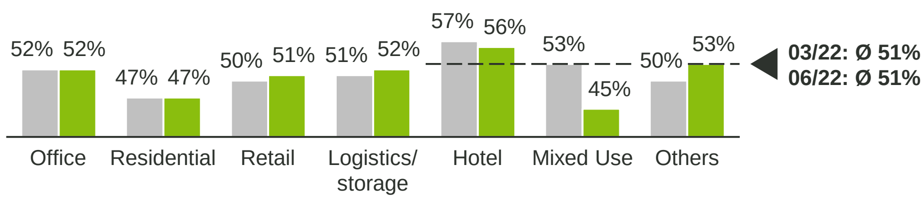
REF Portfolio: Avg. weighted LTVs

% (commitments)[1]

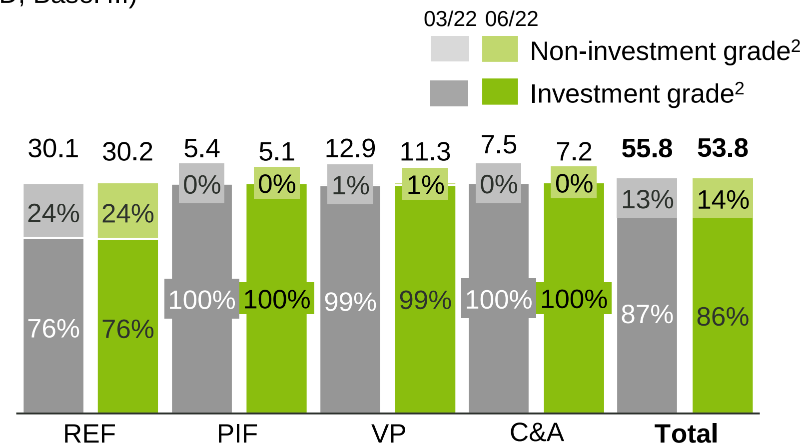






Total portfolio: Internal ratings (EL classes)

€ bn (EaD, Basel III)



Key messages

- **Avg. LTV** of 51% slightly improved y-o-y, stable q-o-q, reflecting pbb's business approach – LTV changes in regions and loan types reflect structural portfolio changes due to repayments and new business
- Stable development of **internal ratings** q-o-q
- **Ukraine/Russia:**
  - **No direct exposure** in/to Ukraine, Russia and Belarus
  - **Secondary risks minor**

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

Special focus: Developments

Due to rather strict credit quality approach, at present pbb's development portfolio is not of particular concern

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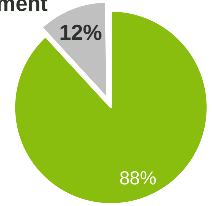
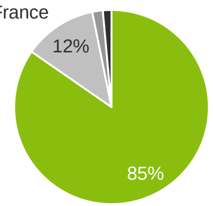
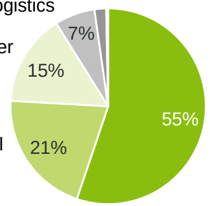
REF portfolio: Loan types
30/06/2022: € 30.2 bn (EaD, Basel III)



Developments: Countries
30/06/2022: € 3.5 bn (EaD, Basel III)



Developments: Property Types
30/06/2022: € 3.5 bn (EaD, Basel III)



Note: Figures may not add up due to rounding

Portfolio profile

- **Portfolio share** of 12% with focus on Office (55%) and Residential (21%), mainly in Germany (85%) and France (12%)
- Strong focus on **risk-mitigating factors**:
  - Experienced sponsors
  - Good locations / excellent infrastructure
  - High pre letting / pre-sales requirements for new transactions, alternatively high equity injections, substantial recourse elements
  - Long stop dates in lease and sales contracts providing comfortable buffers in terms of construction delays
  - Loan disbursements strictly linked to respective project and corresponding construction/letting progress
  - Adequate risk and cost buffers applied in risk assessment / calculation
- Close **monitoring** of construction progress, cost developments and letting process
- **No default cases in development portfolio yet**

Current developments

- **Sales of condominiums** (business line in Germany only) seem to have plateaued and in some locations trend to slow down. However, **pbb with substantial risk buffers** in terms of e.g. loan provided per sqm, property quality, sponsor quality.
- **Increasing construction costs** (due to, inter alia, increasing costs for raw material) **addressed** via consequently including elements like **cost overrun guarantees** of sponsors (recourse) and **substantial cost buffers** in budgets.
- **Risk of delayed sale / reduced price** addressed by **very strict selection criteria**

Risk provisioning

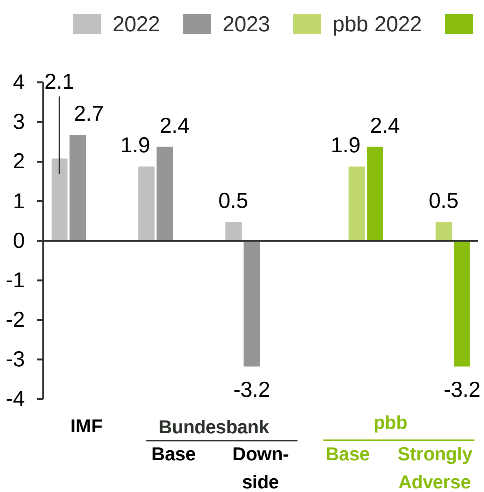
Risk provisioning down y-o-y – scenarios adequately cover current macroeconomic forecasts, management overlay maintained

Net income from risk provisioning

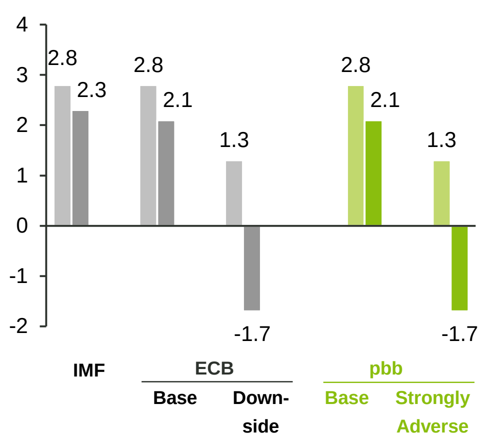
€ mn

	Q2/21	Q2/22	H1/21	H1/22
Net income from risk provisioning	-23	-1	-33	-19
thereof				
stage 1	*-2*	*5*	*-9*	*8*
stage 2	*-10*	*14*	*-10*	*8*
stage 3	*-8*	*-16*	*-13*	*-24*
Off-balance sheet lending business	*-3*	*-4*	*-1*	*-11*
Recoveries	*-*	*-*	*-*	*-*

GDP Germany (%)



GDP Eurozone (%)



Key drivers Q2/H1 2022

- **Net income from risk provisioning** of € -1 mn in Q2/22 (H1/22: € -19 mn; H1/21: € -33 mn) – net releases in stage 1&2 compensate for additions in stage 3
- **Stage 1&2: Net release[1]** of € 15 mn in Q2/22 (H1/22: € 5 mn; H1/21: € -20 mn)
  - Release in Q2/22 prompted by actual observed risk parameters being less severe than assumed at beginning of the year
  - Most recent model-/risk-parameters revised downward in line with actual economic forecasts till 2024
  - Downside (Strongly Adverse) scenario takes into account recession and oil/gas embargo, high weighting of 40% for downside scenario maintained
  - **Management overlay** stable with € 42 mn (03/22: € 44 mn; 12/21: € 54 mn); this corresponds to more than 20% of loss allowances in stage 1&2
- **Stage 3:** Net additions of € -16 mn in Q2/22 (H1/22: € -24 mn; H1/21: € -13 mn)
  - additions for 2 UK shopping centres (€ -22 mn) in Q2/22 (decrease of market value)
  - release for office building in Poland (€ 6 mn)
- **Coverage ratio:** Stage 3 coverage ratio[2] at 33% (06/21: 24%; 12/21: 30%); gap covered by colateral

1 Incl. provisions in off balance sheet lending business

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

Risk provisioning

NPLs remain on low level – solid loss allowances on balance sheet

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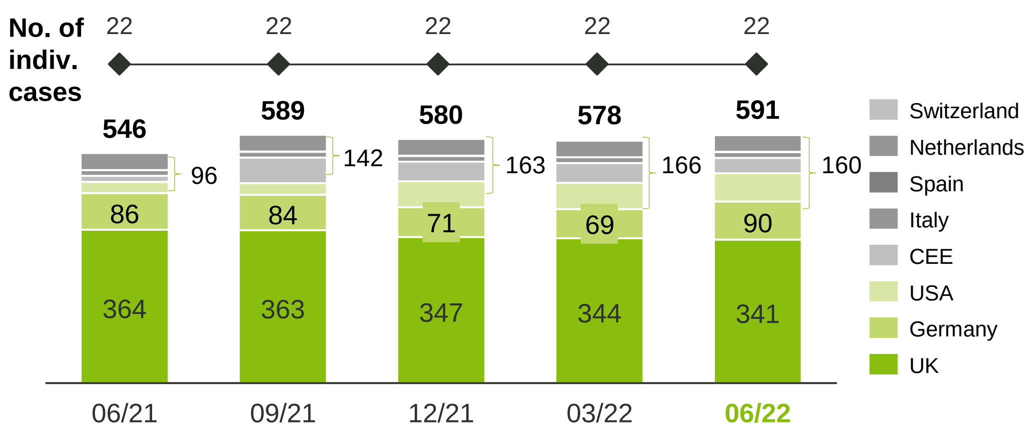
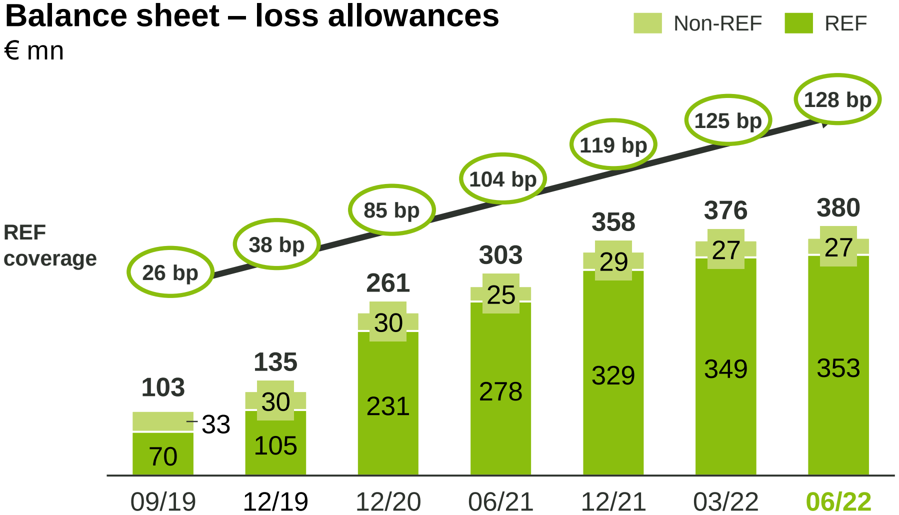
Non-performing loans – regions

€ mn (EaD, Basel III)



Balance sheet – loss allowances

€ mn



Key drivers Q2/H1 2022

- **Non-performing loans** (NPLs) remain on low level
  - **Restructuring loans** slightly up at € 577 mn (03/22: € 564 mn)
    - newly added € 27 mn ECA-guaranteed PIF loan (100% Euler-Hermes guaranteed, no provisioning necessary)
    - € 1 mn net increase in Q2/22 mainly from FX effects

    partially compensated by incoming payments from
    - € -10 mn office loan, Poland (release of € 6 mn risk provisioning)
    - € -5 mn ECA-guaranteed PIF loan with ties to Russia
  - **Workout loans** stable at only € 14 mn
- **NPL ratio**[3] of 1.1% remains on low level (03/22: 1.0%; 12/21: 1.0%)
- **pbb with significant build-up of loss allowances**, while loss allowances in the German banking sector were mainly reduced in 2021 (KPMG benchmarking analysis[4])
- Solid **loss allowances on balance sheet**
  - **REF coverage** of 128 bp
  - Approx. 50% **stage 1&2** allowances

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
4 Source: KPMG: Benchmarkuing Kreditrisikovorsorge – Analyse von Kreditrisiken in deutschen Bankbilanzen zum 31.12.2021

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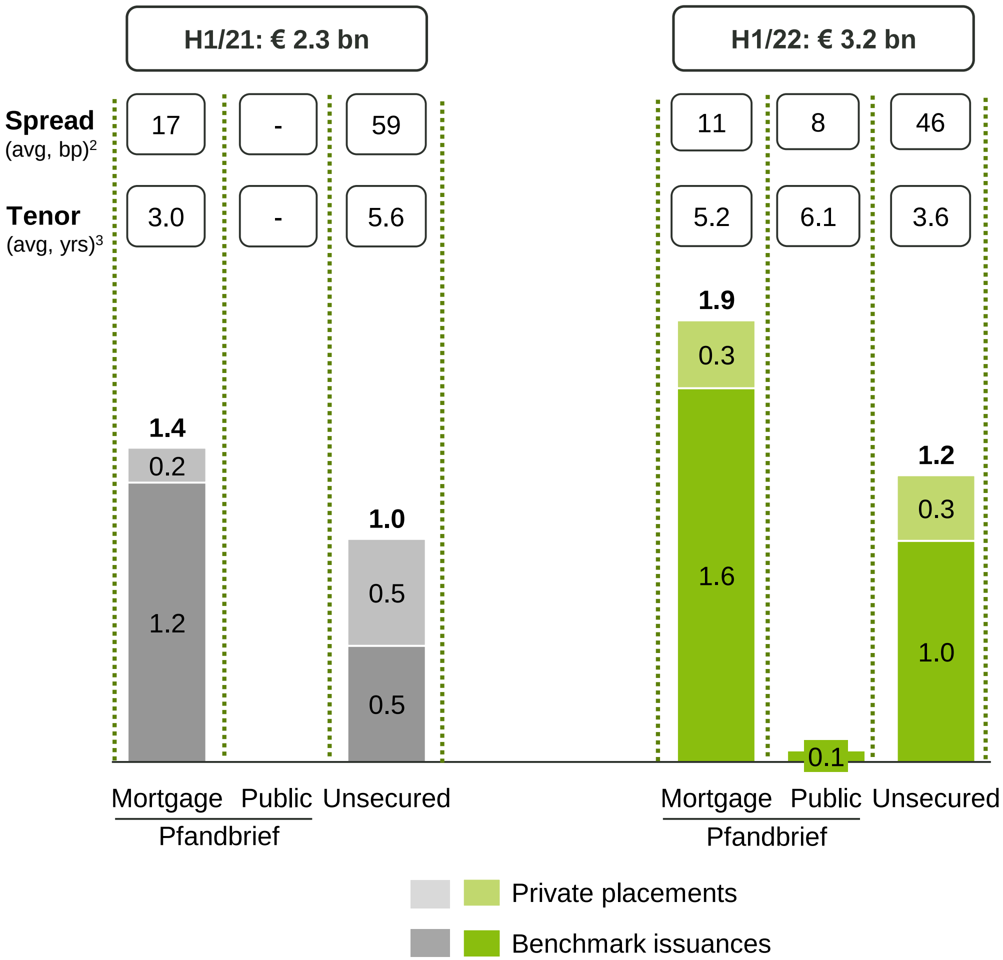
Funding

Strong funding in H1/22 – focus on Pfandbriefe, asset matching currencies and Green refinancing

New long-term funding[1]
€ bn



Funding Q2/H1 2022

- Strong **Pfandbrief** funding ytd.:
  - US$ 750 mn Pfandbrief
  - € 1.5 bn Pfandbrief Benchmarks (2 x € 750 mn in April and July)
  - € 250 mn Pfandbrief taps

  Additionally, pbb has again successfully placed SEK Pfandbriefe with Nordic investors
- € 750 mn **Green Senior Preferred** Benchmark issued in January 2022 and € 200 mn tap of a Green Senior Preferred Benchmark in April 2022
- **Retail deposit** funding increased, counterbalancing higher capital market spreads – in H1/22 pbb direkt deposits amounted to € 3.4 bn (Q/22: € 3.2 bn; H1/21: € 3.2 bn)
- **ALM profile** and **liquidity position** remain comfortable (NSFR >100%; LCR >150%)

ESG – Green Bonds

- Green Bond **volume further increased** – as of 06/22, outstanding volume at € 1.95 bn (03/22: € 1.75 bn)
- With three Green Benchmarks and one tap, pbb is **one of the most active issuers** in Green senior funding

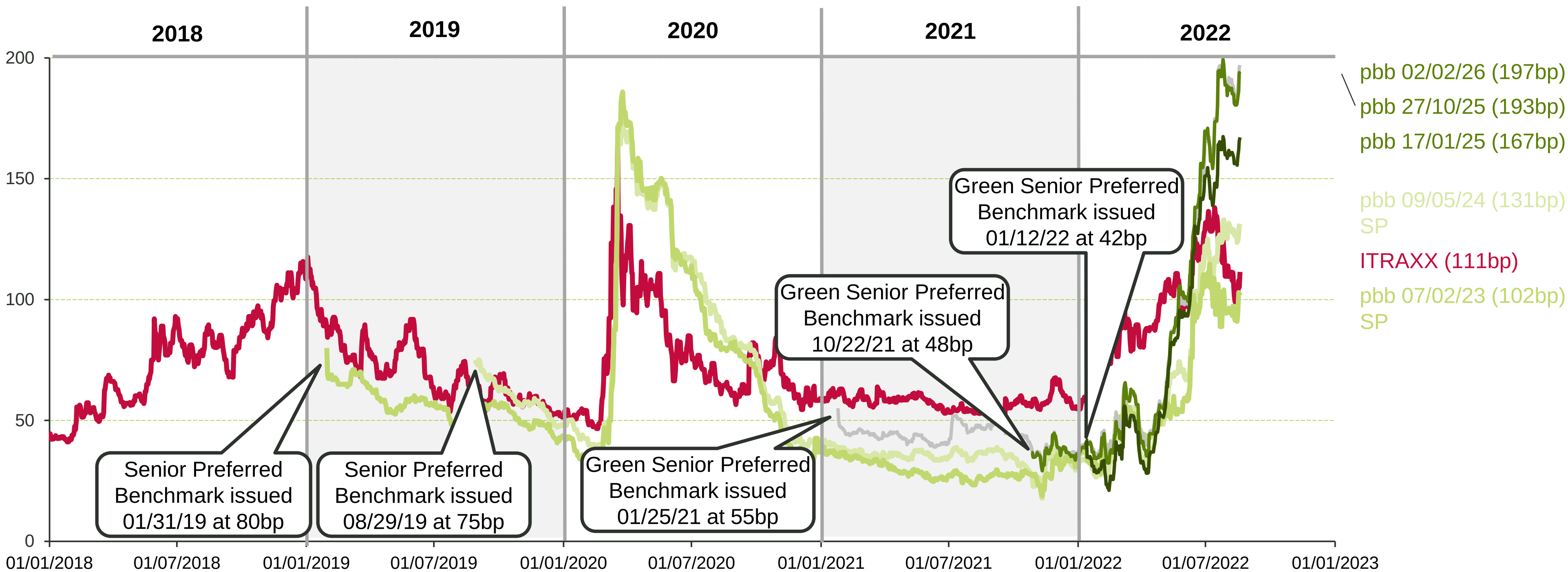
Note: Figures may not add up due to rounding 1 Excl. retail deposit business and "own-use" Pfandbriefe 2 vs. 3M Euribor 3 Initial weighted average maturity

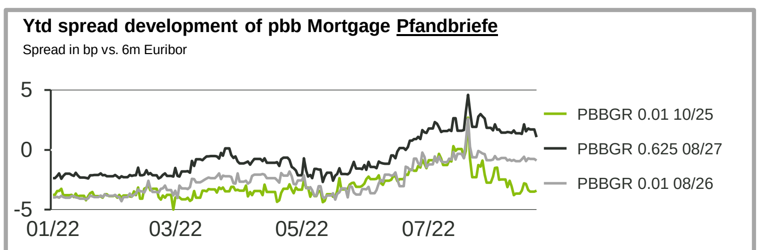
Funding

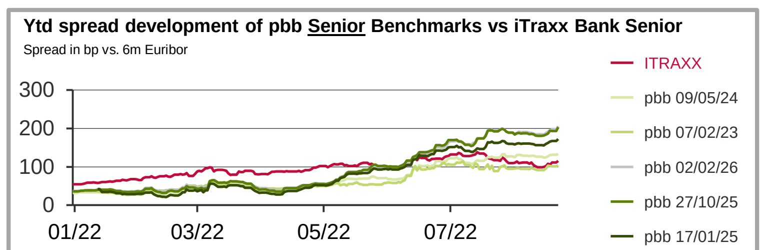
Widening secondary spreads reflect high volatility and uncertainty in capital markets

Spread development of pbb Senior Benchmarks vs iTraxx Bank Senior

(Spread in bp vs. 6m Euribor)







Source: Bloomberg (as of 19/08/2022)

Agenda

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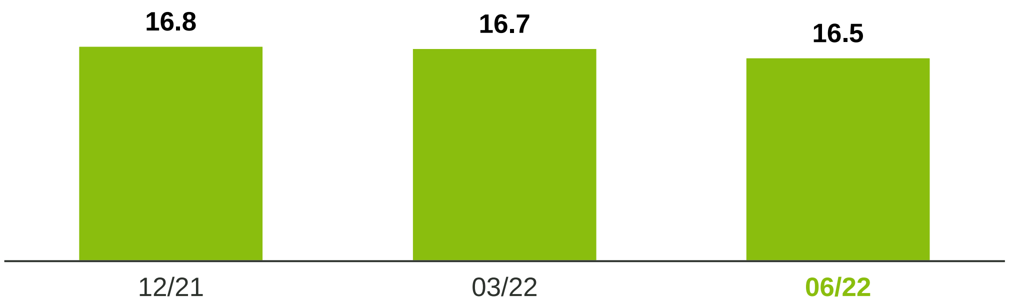
Capitalisation

Capitalisation remains strong

pbb DEUTSCHE PFANDBRIEFBANK

Basel III: RWA

€ bn (IFRS)



Basel III: Equity and capital ratios

(IFRS)

Capital in € bn	12/21[1]	03/22[2]	06/22[3]
CET 1	2.9	2.8	2.8
AT 1	0.3	0.3	0.3
Tier 2	0.6	0.6	0.6
Total Equity	**3.8**	**3.7**	**3.7**

Capital ratios in %	12/21[1]	03/22[2]	06/22[3]
CET 1	17.1	16.9	17.1
Tier 1	18.9	18.7	18.9
Own funds	22.4	22.1	22.4
Leverage ratio	6.0	6.0	5.7[4]

RWA development Q2/H1 2022

- RWA down mainly due to
  - Maturity, interest rate movements; reclassification and syndication effects
  - Smaller opposite effect from increase in REF portfolio and FX effects
  - No material RWA effect from individual rating deteriorations
- RWA already calibrated towards Basel IV (fully-loaded) – thus, no major further effects expected from implementation

Capital ratios

- CET 1 ratio stable y-o-y and slightly up q-o-q to 17.1%[3] (03/22: 16.9%[2], 12/21: 17.1%[1]) – decrease in regulatory CET 1 capital vs. 12/21 mainly resulting from EL shortfall; interim profit not included

Capital requirements

- Unchanged P2R of 2.5% results in the following SREP requirements (incl. anticipated countercyclical buffer):
  - CET 1 ratio: 8.86%
  - Tier 1 ratio: 10.83%
  - Own funds ratio: 13.45%
- pbb intends to account for upcoming changes of country-specific countercyclical buffers and German sectoral systemic risk buffer with increase of already anticipated countercyclical buffer from 45bp to ~75bp in 2023

Note: Figures may not add up due to rounding 1 Incl. full-year result, post proposed dividend 2021 2 Excl. interim result, post proposed dividend 2021 3 Excl. interim result 4 Regulatory technical reasons (exemption for Central Bank deposits expired)

Agenda

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ESG Governance

ESG Program provides for holistic approach with clear responsibilities assigned – significant progress positively acknowledged by ECB

pbb
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Holistic approach in pbb's bank management

Management and Supervisory Board

ESG Committee
- Setting the ESG strategy as well as objectives and measures to achieve it
- Approval of materiality analysis and the definition of non-financial performance indicators
- Tracking project progress

ESG Program Management
- Overall coordination of the program and PMO across all work areas
- Steering and tracking of the program
- Internal and regulatory reporting
- Internal point of contact

ESG Expert Group
- Tracking and discussion of program progress
- Platform for discussion of cross-divisional tasks
- Platform for knowledge exchange and to discuss ESG-relevant questions

Green Financing Committee
- Initiation, implementation and monitoring of initiatives related to green financing
- Consulting on topics with a special focus on green bonds and green loans

Environmental
- Monitoring and execution of tasks related to E-matters, focusing on topics related to green financing (e.g. green loans, green assets, green bonds) and pbb's environmental footprint
- Provision of E-expertise with specific knowledge about pbb as financier, capital markets participant and bank

Social
- Monitoring and execution of tasks related to "S-matters (e.g. remuneration/ benefits, diversity/ compatibility, safety, health, human rights, social/ cultural commitment, employer attractiveness/ securing young talent, training

Governance
- Monitoring and execution of tasks related to regulatory legal and governance requirements in the ESG context
- Execution of tasks related to customer relations, business partners, reputation management, ethical principles
- Dealing with rules of procedure and organizational structures

ESG Risks
- Monitoring and execution of tasks related to necessary adjustments and developments with respect to ESG risks (e.g. in consideration regulatory requirements and guidelines)
- Integrated consideration of necessary data models for ESG risks
- In line with ECB's expectations, current focus on climate risks

Communication / Disclosure
- Monitoring and execution of tasks related to ESG financial and non-financial disclosures
- Responsible for the group-wide ESG communication in line with regulatory and market requirements

Strategy
- Development of ESG strategy
- Alignment with risk strategy

Planning/ Portfolio
- Long-term strategic planning for the management of ESG risks according to business/risk strategy

ESG-Data
- Interface to all projects and working groups for the inclusion of required ESG related data
- Establishment of a central data model
- Central control of data procurement

=Committees =Projects =Working groups

Sustainable Finance

pbb as sustainable finance bank and transformation partner – ~30% green REF portfolio share targeted by 2024/2025

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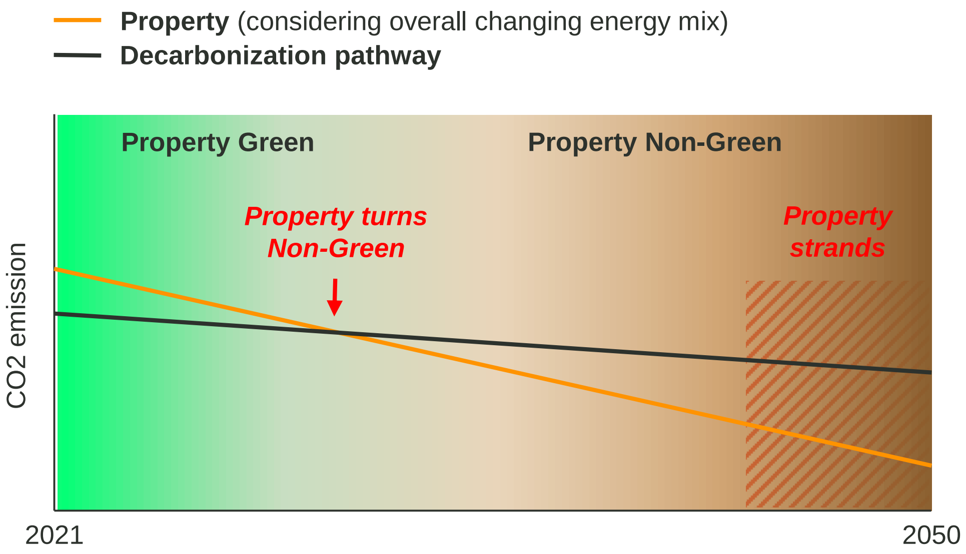
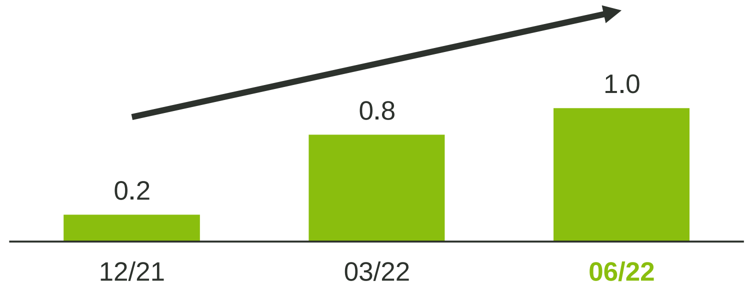
Sustainble Finance

- Systematic collection of sustainability criteria of financed properties integral part of pbb's credit process
  - **Green Loan** products (explicit loan documentation) actively marketed – decarbonization pathway to place increasing exit risk on existing properties if not modernized, providing for additional business opportunities (Green capex facilities)
  - **Green REF portfolio share** (i.e. green loan eligible assets) of ~30% targeted by 2024/2025
  - **Green Bonds** integral part of funding strategy – with three Green benchmarks and one tap, pbb is one of the most active issuers in green senior funding

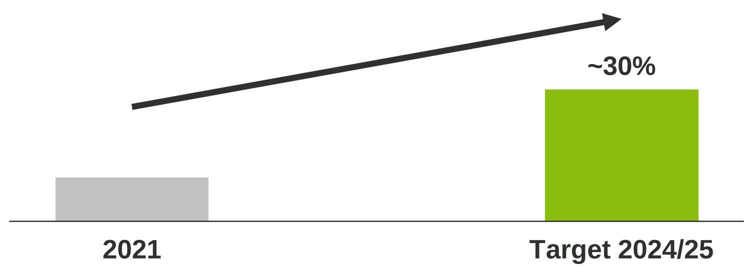
Decarbonization pathway (simplified/illustrative)
(IFRS)



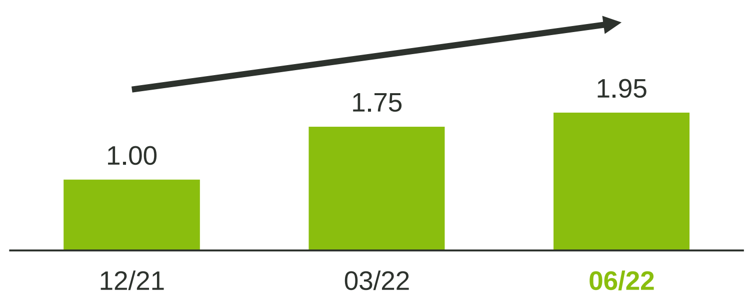
Green Loans (with explicit loan documentation)
€ bn



Green REF portfolio share (green loan eligible assets)
%



Green Bonds
€ mn



Sustainable Finance

pbb's Green Bond and Green Loan and Frameworks aligned with current regulation and market standards

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pbb Scoring Model

MAX SCORE: 100 Points

I. Energy Efficiency	II. Building Certification	III. Additional Sustainability Factors
• Energy demand/-consumption [kWh/(m²·a)] **OR** • Energy Reduction in Planning [kWh/(m²·a)]	• "Green" building certification	• Surface sealing (green field vs. brown field) • Type of/distance to public transportation • Local supply • Materials recycling* • Type of heating • Consumption of green energy • Biodiversity* • Existing energy/ environmental management*
MAX SCORE: 50 Points	**MAX SCORE: 20 Points**	**MAX SCORE: 30 Points**
MAX SCORE: 70 Points		

Criteria

pbb Green Bond

Minimum score for pbb Green Loan: ≥ 60 Points

OR

Compliance with EU Taxonomy

pbb Green Loan

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

CO_2 Footprint

Further expansion of pbb's reporting scope in progress – systematic collection of sustainability criteria of financed properties

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Scope	General description	Specific subject	Emissions (in t CO2)		CO_2 compensation
			2020	2021	
Scope 1	The emissions from owned or operated assets (e.g., emissions from a company's fleet of vehicles)	**Company cars[1]**	**387**	**383**	Climate-neutral via certificates
Scope 2	The emissions from purchased energy	**Indirect emissions from purchased electricity - Germany**	**0**	**0**	Renewable energy sources
		Indirect emissions from purchased electricity – Rest	**7**	**7**	Party renewable energy sources/partly climate-neutral in certificates
Scope 3	The emissions from everything else – from upstream (e.g. suppliers) and downstream (distributors, product use, etc.) activities	**Office consumer goods[2]**	**8**	**6**	Climate-neutral via certificates
		Business travel	**153**	**63**	Climate-neutral via certificates
		Events (Annual Press Briefing, Analyst Conferences, virtual AGM)	**2**	**9**	Climate-neutral via certificates
			557	**468**	

1 Calculation based on the contractually agreed upon annual mileage 2 Only paper; calculation in accordance with https://www.papiernetz.de/informationen/nachhaltigkeitsrechner/

ESG Ratings

Progress also positively acknowledged by ESG rating agencies with above sector average ratings – upgrade from MSCI from A to AA

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▶ pbb rating/score

ISS ESG	
A+ (Prime)	
A (Prime)	
A- (Prime)	
B+ (Prime)	
B (Prime)	
B- (Prime)	
C+ (Prime)	
C (Prime)	▶ **50.9**
C-	
D+	
D	
D-	

LAST UPDATE: March 2022

- "Prime" Rating since initiation in 2012
- ISS ESG confirms „Very High" transparency level

MSCI	
AAA (8.571-10.0)	
AA (7.143-8.571)	▶ **7.9**
A (5.714-7.143)	
BBB (4.286-5.714)	
BB (2.857-4.286)	
B (1.429-2.857)	
CCC (0.0-1.429)	

LAST UPDATE: May 2022

- Second-best rating on MSCI rating scale
- Recent upgrade from "A" to „AA" in 03/22 mainly reflects strongly increased "E" score

Moody's ESG Solutions	
80-100	
60-80	
40-60	▶ **44**
20-40	
0-20	

LAST UPDATE: April 2022

- Solid rating with score of 44 (scale of 100)
- „Limited" Performance Level since 2019

ESG Ratings

- **Progress** also positively acknowledged by ESG rating agencies with **above sector average ratings**
  - ISS ESG confirms "Very High" **transparency level**
  - **Recent upgrade** (03/22) from **MSCI from A to AA** mainly reflects strongly increased Environmental score
- **No involvement in controversial activities** identified by agencies depicted

Agenda

Summary & Outlook

Initiatives – good progress achieved

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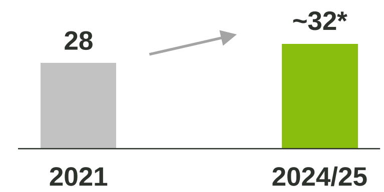
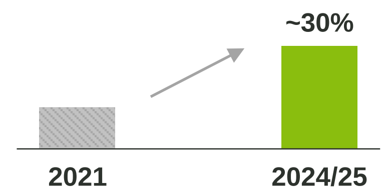
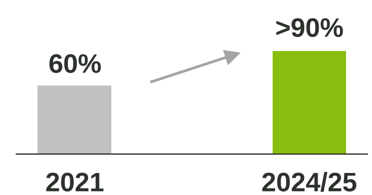
Initiatives	Key measures	Status quo H1/22
1 Organic growth	**Product expansion** (Loan-on-loan, non-senior lending)	**All prerequisites** for respective product lines **in place; origination started**
	Build-out US business	**Strong origination focus** on the **US** – **new business share of 25%** in H1/22 (portfolio 06/22: 16%); portfolio thus increased by € 1.2 bn in H1/22 to € 4.9 bn
	Low-leverage lending	Low-leverage lending remains core element in current market situation with **rd. 35-40% new business share** in H1/22
2 "Green" finance	**Green loans**	pbb embarking as **transition lender** for real estate industry
	Green development loans	**"Green" finance products** integral part of our loan origination and actively marketed
	Green capex facilities	**Green Loan** volume further increased to more than € 1.0 bn (03/22: € 0.8 bn; 12/21: € 0.2 bn)
3 Digitalization	**Value-add through digital client interface**	**Client Portal** well accepted – still some volatility in usage rate: new business usage rate at 61% (based on number of deals)
	State of the art infrastructure and capabilities	**Efficiency measures** constantly pushed forward to cover entire primary process
	Scalable platform to allow further growth	Significant rise in **business activity** on Capveriant platform – quadrupling of transactions placed on platform compared to H1/21



REF portfolio (in € bn)
(*incl. green finance)



Green REF portfolio share



Client portal usage
(*business supported by client portal)

Summary & Outlook

PBT remains on track despite current geopolitical and economic developments – full-year PBT guidance of € 200-220 mn confirmed

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Strong H1/22 result with PBT of € 107 mn

- **NII** remains on high level – lower floor income, largely compensated by increased average REF financing volume
- **GAE** slightly up as expected – costs under control
- **Risk provisions** on moderate level, management overlay stable at € 42 mn – underlines conservative risk profile of our portfolio
- **New business** at solid volume, stable margins and low avg. LTV – continuing our selective approach
- **Capitalisation** stays comfortable

Full-year PBT guidance of € 200-220 mn confirmed

- While CRE transaction levels decline, **new business volume** still expected at lower end of guidance of € 9.5-10.5 bn
- **NII** slightly lower y-o-y due to fading out of supportive income elements, i.e. TLTRO benefit (expiry in 06/22) and lower floor income due to rising interest rates
- **Operating costs** largely stable y-o-y
- **Risk provisioning** lower y-o-y

In case of further or even worsening market disruptions, guidance to be newly assessed by pbb

Appendix

Appendix

Financials

Solid operating performance continued

DEUTSCHE PFANDBRIEFBANK

Income statement

€ mn	Q2/21	Q2/22	H1/21	H1/22
Operating Income	**141**	**123**	**287**	**272**
Net interest income	123	120	246	242
Net fee and commission income	3	1	5	3
Net income from fair value measurement	0	5	2	14
Net income from realisations	17	5	38	10
Net income from hedge accounting	-2	-2	-3	-1
Net other operating income	0	-6	-1	4
Net income from risk provisioning	-23	-1	-33	-19
General and administrative expenses	-51	-53	-102	-106
Expenses from bank levies and similar dues	-1	-	-29	-31
Net income from write-downs and write-ups on non-financial assets	-4	-4	-9	-9
Pre-tax profit	**62**	**65**	**114**	**107**
Income taxes	-7	-10	-17	-16
Net income	**55**	**55**	**97**	**91**

	Q2/21	Q2/22	H1/21	H1/22
RoE before tax[1] (%)	7.8	7.9	7.1	6.4
RoE after tax[1] (%)	6.9	6.7	6.0	5.4
CIR[2] (%)	39.0	46.3	38.7	42.3
EpS[1] (€)	0.38	0.38	0.66	0.62

Key drivers Q2/H1 2022

- **NII** relatively stable y-o-y – mainly affected by lower floor income, largely compensated by increased average REF financing volume
- **Fair value measurement** up y-o-y – mainly impacted by credit spread and cross-currency effects
- **Net income from realisations** down y-o-y – previous year strongly benefitted from higher individually driven prepayment fees
- **Net other operating income** up y-o-y – release of provisions mainly for tax and legal topics in Q1/22, overcompensates for negative FX changes in Q2/22
- **Risk provisioning** down y-o-y – scenarios adequately cover current macroeconomic forecasts (high weighting of 40% for downside scenario maintained); management overlay stable at € 42 mn
- **GAE** slightly up y-o-y – mainly higher project costs
- **Bank levy** up y-o-y – increased target volume of the European Deposit Protection Fund resulted in higher fee (H1/22: € -31 mn, H1/21: € -29 mn, 2021: € -29 mn)
- **RoE** and **EpS** taking into account AT1 coupon[1]

1 After AT1 coupon (Q2/H1 2021: pro-rata € 4 mn / € 9 mn; Q2/H1 2022: pro-rata € 4 mn / € 9 mn) 2 CIR = (GAE + net income from write-downs and write-ups on non-financial assets) / operating income

Key figures
pbb Group

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	H1/22
Net interest income	458	476[8]	123	123	123	125	494	122	120	242
Net fee and commission income	6	6	2	3	1	2	8	2	1	3
Net income from fair value measurement	-7	-8	2	-	1	7	10	9	5	14
Net income from realisations	48	26	21	17	17	26	81	5	5	10
Net income from hedge accounting	-2	4	-1	-2	1	2	-	1	-2	-1
Net other operating income	3	22	-1	-	-1	-	-2	10	-6	4
Operating Income	**506**	**526**	**146**	**141**	**142**	**162**	**591**	**149**	**123**	**272**
Net income from risk provisioning	-49	-126	-10	-23	-17	-31	-81	-18	-1	-19
General and administrative expenses	-202	-204	-51	-51	-49	-68	-219	-53	-53	-106
Expenses from bank levies and similar dues	-24	-26	-28	-1	1	-1	-29	-31	-	-31
Net income from write-downs and write-ups on non-financial assets	-18	-19	-5	-4	-5	-6	-20	-5	-4	-9
Net income from restructuring	3	-	-	-	-	-	-	-	-	-
Pre-tax profit	**216**	**151**	**52**	**62**	**72**	**56**	**242**	**42**	**65**	**107**
Income taxes	-37	-30[8]	-10	-7	-11	14	-14	-6	-10	-16
Net income	**179**	**121**	**42**	**55**	**61**	**70**	**228**	**36**	**55**	**91**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	H1/22
CIR[1]	43.5	42.4[8]	38.4	39.0	38.0	45.7	40.4	38.9	46.3	42.3
RoE before tax	6.9	4.6[8]	6.4	7.8	8.9	6.7	7.5	4.8	7.9	6.4
RoE after tax	5.7	3.6[8]	5.1	6.9	7.5	8.5	7.0	4.1	6.7	5.4

Balance sheet (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22
Total assets	56.8	58.9	58.1	59.0	58.8	58.4	56.3	55.1
Equity	3.2	3.3	3.3	3.3	3.4	3.4	3.4	3.3
Financing volume	45.5	44.2	44.6	43.4	43.4	43.7	43.8	43.3

Regulatory capital ratios[2]	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22
RWA (€ bn)	17.7	17.7	18.3	18.0	18.1	16.8	16.7	16.5
CET 1 ratio – phase in (%)	15.9[3]	16.1[4]	15.4[5]	15.4[6]	14.9[6]	17.1[7]	16.9[9]	17.1[10]

Personnel	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22
Employees (FTE)	752	782	779	779	782	784	780	777

Note: annual results audited, interim results Q1 2021/22 and Q3 2021 unaudited, interim results Q2 2021/22 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 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 4 After approved year-end accounts 5 Excl. Interim result, post proposed dividend 2020 6 Excl. Interim result 7 Incl. full-year result, post proposed dividend 2021 8 2020 figures retrospectively adjusted according to IAS 8.42 9 Excl. Interim result, post proposed dividend 2021 10 Excl. Interim result

Key figures
Real Estate Finance (REF)

pbb
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Income statement (€ mn)	**2019**[3]	**2020**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**2021**	**Q1/22**	**Q2/22**	**H1/22**
Net interest income	388	396[4]	104	104	103	106	417	104	103	207
Net fee and commission income	7	6	2	3	1	2	8	2	1	3
Net income from fair value measurement	-8	-6	1	-	1	4	6	6	4	10
Net income from realisations	48	24	21	17	17	26	81	5	5	10
Net income from hedge accounting	-1	3	-1	-1	1	1	-	1	-1	-
Net other operating income	2	19	-1	1	-1	-	-1	8	-4	4
Operating Income	**436**	**442**	**126**	**124**	**122**	**139**	**511**	**126**	**108**	**234**
Net income from risk provisioning	-57	-129	-11	-23	-15	-30	-79	-19	-3	-22
General and administrative expenses	-164	-175	-44	-44	-43	-58	-189	-46	-47	-93
Expenses from bank levies and similar dues	-14	-16	-17	-1	1	-1	-18	-20	-	-20
Net income from write-downs and write-ups on non-financial assets	-15	-16	-4	-4	-4	-5	-17	-4	-4	-8
Net income from restructuring	3	-	-	-	-	-	-	-	-	-
Pre-tax profit	**189**	**106**	**50**	**52**	**61**	**45**	**208**	**37**	**54**	**91**

Key ratios (%)	**2019**	**2020**	**Q1/21**	**Q2/21**	**Q3/21**	**Q4/21**	**2021**	**Q1/22**	**Q2/22**	**H1/22**
CIR[1]	41.1	43.2[4]	38.1	38.7	38.5	45.3	40.3	39.7	47.2	43.2
RoE before tax	11.3	5.5	10.0	10.2	11.4	8.2	9.9	6.3	9.0	7.8

Key figures (€ bn)	**12/19**	**12/20**	**03/21**	**06/21**	**09/21**	**12/21**	**03/22**	**06/22**
Equity[2]	1.7	1.9	1.9	2.1	2.1	2.1	2.0	2.3
RWA	15.8	16.0	16.6	16.2	16.4	15.1	15.1	15.1
Financing volume	27.1	27.0	27.5	26.8	27.0	27.6	28.0	28.4

Note: annual results audited, interim results Q1 2021/22 and Q3 2021 unaudited, interim results Q2 2021/22 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income
2 Equity allocated according to going concern view instead of liquidation approach
3 Segment allocation of net interest income and equity retrospectively adjusted
4 2020 figures retrospectively adjusted according to IAS 8.42

Key figures
Public Investment Finance (PIF)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2019[3]	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	H1/22
Net interest income	37	38	9	9	10	9	37	8	8	16
Net fee and commission income	-	-	-	-	-	-	-	-	-	-
Net income from fair value measurement	-2	-1	-	-	-	1	1	1	-	1
Net income from realisations	1	1	-	-	1	1	2	-	-	-
Net income from hedge accounting	-	-	-	-	-	-	-	-	-	-
Net other operating income	-	3	-	-	-1	1	-	1	-1	-
Operating Income	**36**	**41**	**9**	**9**	**10**	**12**	**40**	**10**	**7**	**17**
Net income from risk provisioning	-	-1	-	-	-	-	-	-2	1	-1
General and administrative expenses	-25	-19	-4	-5	-4	-6	-19	-4	-4	-8
Expenses from bank levies and similar dues	-3	-3	-4	-	-	-	-4	-4	1	-3
Net income from write-downs and write-ups on non-financial assets	-2	-2	-1	-	-	-1	-2	-1	-	-1
Net income from restructuring	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**6**	**16**	**-**	**4**	**6**	**5**	**15**	**-1**	**5**	**4**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	H1/22
CIR[1]	75.0	51.2	55.6	55.6	40.0	58.3	52.5	50.0	57.1	52.9
RoE before tax	2.7	8.0	-0.6	11.7	14.0	11.5	9.1	-3.0	15.4	5.7

Key figures (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22
Equity[2]	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1
RWA	0.8	0.8	0.7	0.7	0.7	0.7	0.7	0.6
Financing volume	6.3	5.8	5.7	5.5	5.4	5.2	5.0	4.9

Note: annual results audited, interim results Q1 2021/22 and Q3 2021 unaudited, interim results Q2 2021/22 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income 2 Equity allocated according to going concern view instead of liquidation approach 3 Segment allocation of net interest income and equity retrospectively adjusted

Key figures
Value Portfolio (VP)

DEUTSCHE PFANDBRIEFBANK

Income statement (€ mn)	2019[3]	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	H1/22
Net interest income	29	38	9	10	9	10	38	9	9	18
Net fee and commission income	-1	-	-	-	-	-	-	-	-	-
Net income from fair value measurement	3	-1	1	-	-	2	3	2	1	3
Net income from realisations	-1	1	-	-	-1	-1	-2	-	-	-
Net income from hedge accounting	-1	1	-	-1	-	1	-	-	-1	-1
Net other operating income	1	-	-	-1	1	1	-1	1	-1	-
Operating Income	**30**	**39**	**10**	**8**	**9**	**11**	**38**	**12**	**8**	**20**
Net income from risk provisioning	8	4	1	-	-2	-1	-2	3	1	4
General and administrative expenses	-13	-10	-3	-2	-2	-4	-11	-3	-2	-5
Expenses from bank levies and similar dues	-7	-7	-7	-	-	-	-7	-7	-1	-8
Net income from write-downs and write-ups on non-financial assets	-1	-1	-	-	-1	-	-1	-	-	-
Net income from restructuring	-	-	-	-	-	-	-	-	-	-
Pre-tax profit	**17**	**25**	**1**	**6**	**4**	**6**	**17**	**5**	**6**	**11**

Key ratios (%)	2019	2020	Q1/21	Q2/21	Q3/21	Q4/21	2021	Q1/22	Q2/22	H1/22
CIR[1]	46.7	28.2	30.0	25.0	33.3	36.4	31.6	25.0	25.0	25.0
RoE before tax	1.7	3.9	0.3	5.0	3.1	4.9	3.3	4.3	5.8	4.8

Key figures (€ bn)	12/19	12/20	03/21	06/21	09/21	12/21	03/22	06/22
Equity[2]	0.6	0.5	0.4	0.4	0.4	0.4	0.5	0.4
RWA	0.5	0.4	0.4	0.4	0.3	0.3	0.3	0.3
Financing volume	12.1	11.4	11.4	11.1	11.0	10.9	10.8	10.0

Note: annual results audited, interim results Q1 2021/22 and Q3 2021 unaudited, interim results Q2 2021/22 unaudited, but reviewed
1 CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income
2 Equity allocated according to going concern view instead of liquidation approach
3 Segment allocation of net interest income and equity retrospectively adjusted

Balance sheet

Specialist lender with attractive German Pfandbrief as major funding instrument

DEUTSCHE PFANDBRIEFBANK

Balance sheet

IFRS, € bn

Assets	30/06/22	31/12/21	Liabilities & equity	30/06/22	31/12/21
Financial assets at fair value through P&L	**1.0**	**1.2**	**Financial liabilities at fair value through P&L**	**0.7**	**0.6**
thereof			thereof		
Positive fair values of stand-alone derivatives	0.5	0.5	Negative fair values of stand-alone derivatives	0.7	0.6
Debt securities	0.1	0.1	**Financial liabilities measured at amortised cost**	**49.7**	**52.7**
Loans and advances to customers	0.3	0.5	thereof		
Financial assets at fair value through OCI	**1.2**	**1.3**	Liabilities to other banks (incl. central banks)	10.3	10.6
thereof			thereof		
Debt securities	0.9	0.9	*Registered Mortgage Pfandbriefe*	*0.4*	*0.3*
Loans and advances to customers	0.3	0.3	*Registered Public Pfandbriefe*	*0.6*	*0.5*
Financial assets at amortised cost (after credit loss allowances)	**46.8**	**48.1**	Liabilities to other customers	17.8	20.1
thereof			thereof		
Debt securities	5.7	6.9	*Registered Mortgage Pfandbriefe*	*3.1*	*3.7*
Loans and advances to other banks	3.5	2.6	*Registered Public Pfandbriefe*	*6.5*	*7.9*
Loans and advances to customers	37.4	38.4	Bearer Bonds	21.0	21.3
Positive fair values of hedge accounting derivatives	**0.4**	**1.0**	thereof		
Other assets	**5.7**	**6.8**	*Mortgage Pfandbriefe*	*11.6*	*12.3*
			Public Pfandbriefe	*2.1*	*2.2*
			Subordinated liabilities	0.6	0.7
			Negative fair values of hedge accounting derivatives	**1.2**	**1.4**
			Other liabilities	**0.2**	**0.3**
			Equity (attributable to shareholders)	**3.0**	**3.1**
			AT1-capital	**0.3**	**0.3**
Total Assets	55.1	58.4	**Total liabilities & equity**	55.1	58.4

Share of Pfandbriefe of refinancing liabilities

49% / 51%

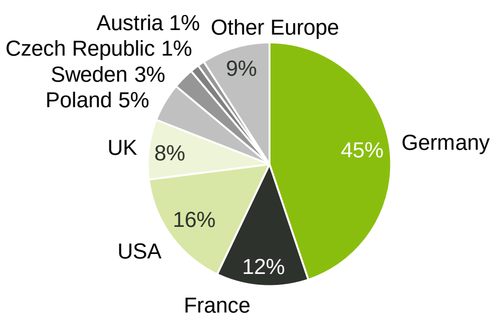
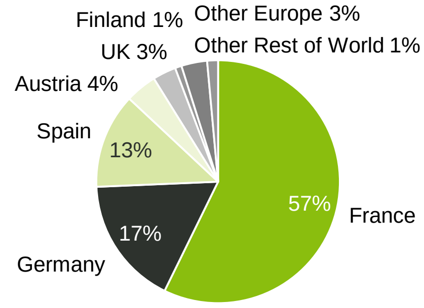
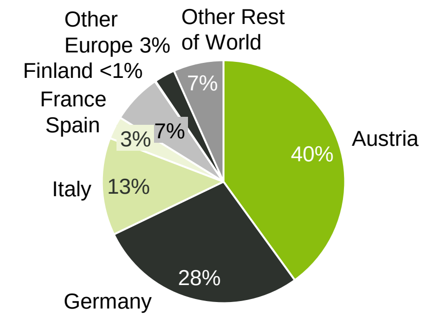
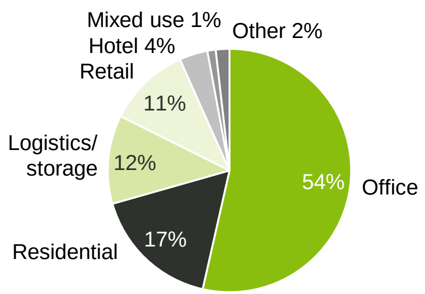
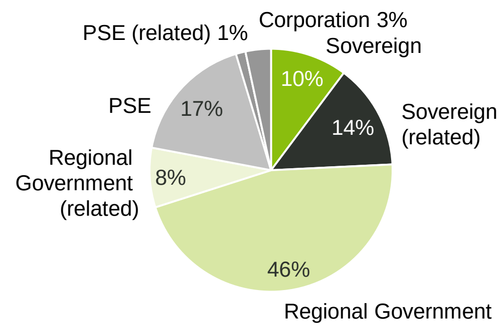
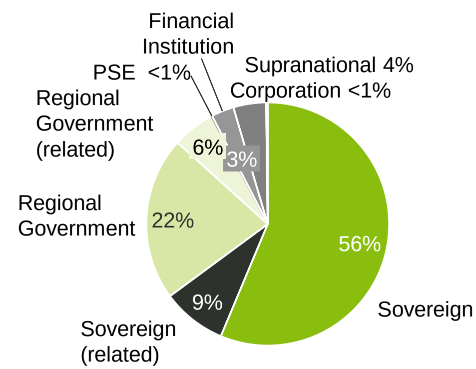
Note: Figures may not add up due to rounding

Appendix

Portfolio

Well diversified portfolio with continued focus on European markets, particularly on Germany

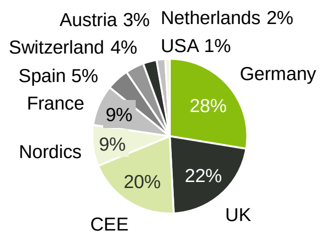
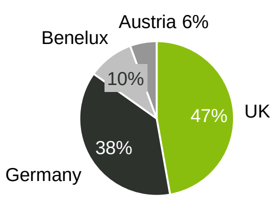
30/06/2022 (EaD, Basel III)

	Real Estate Finance	Public Investment Finance	Value Portfolio
by region			
by property type / borrower classification¹			
Vol.	**€ 30.2 bn**	**€ 5.1 bn**	**€ 11.3bn**
Strategy	**Strategic portfolio – moderate growth targeted**	**Strategic portfolio – in "hold" mode**	**Non-strategic portfolio – in run-down mode**

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

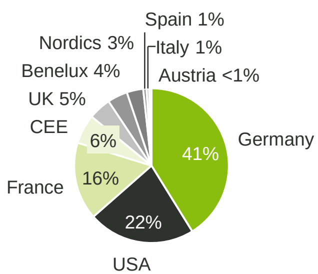
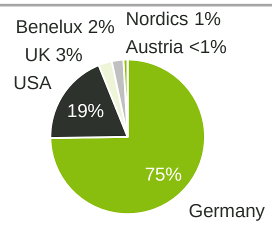
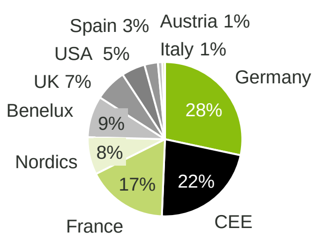
REF Portfolio
Sub-segments

DEUTSCHE PFANDBRIEFBANK

Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Retail € 3.3 bn (11%)		▪ 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 positive development. ▪ High street properties: declines in rents and rise in yields. ▪ Downward trend in secondary locations and smaller cities expected to intensify. ▪ Specialized Retail (e.g. FOC) is doing good as Pre-Corona.	▪ Short Term: threads to income stability as well as decreasing consumer spendings/consumer confidence (war in Ukraine leading inter alia to strong increase of energy costs) will hamper further recovery of retail markets post COVID-19 pandemic. ▪ Mid Term: structural changes (online sale, change of high street retailer structure from smaller regional chains/owner occupied shops towards national/international chains and brands) leading to continued pressure on rents and to substantial oversupply of space in particular outside A-locations	▪ Selective approach with foresighted reduction of retail portfolio by ~55% or € 3.8 bn since 2016 (03/22: € 3.2 bn; 12/16: € 7.1 bn). ▪ Only investment loans, almost no development loans ▪ Conservative risk positioning: avg. LTV of 51%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio ▪ Current strategy is no new commitments for shopping centres
Hotel (Business Hotels only) € 1.1 bn (4%)		▪ Rising competition leads to insolvencies for operators and licencees and rebuild secondary hotels for other uses (temporary office, longstay, etc.). ▪ Hotels dependent on international tourist and business travelers still not expected to substantially recover in short-/mid-term. ▪ Leisure hotels focused on domestic guests with good accessibility will recover faster. Nevertheless this summer a lot of tourist get back to international destinations.	▪ Recovery in progress, however to pre-Corona-levels not expected before 2024/25 ▪ Airport/Fair hotels being late in recovery cycle due to inter alia changing travel habits as well as fairs still substantially from pre-COVID-level of activity. ▪ Recovery of business hotels expected to focus first on central locations, fringe locations expected to be late in recovery, too. ▪ Shortage of qualified personnel in parts of the industry	▪ Selective approach and strict adherence to conservative underwriting standards in particular during the hot phase of hotel investment market in 2018/19 resulting in a relatively small portfolio volume of € 1.2 bn ▪ Focus on prime location secures base value of properties ▪ Conservative risk positioning: avg. LTV of 56%[1] provides good buffer and supports commitment of investors/sponsors ▪ Focus on strong sponsors with ability to inject more equity ▪ Currently, strategy is no new commitments

1 Based on performing investment loans only

REF Portfolio
Sub-segments

Property type	Regions	Evaluation of current situation	Challenges	Risk positioning
Office € 16.2 bn (43%)		▪ Slight rise in vacancies; but still on comparatively low levels. ▪ Office investment volumes are now again below pre-COVID levels. Only 1a-properties with a long term lease with a good tenant are still in the purchase processes. ▪ The expectation is that yields will increase over the next 6 month by 50 bps, this is expected to happen to prime properties with long-term leases to first-class tenants in the later stage as well. ▪ More important criteria is the ESG aspect of the properties which is a main argument for the selling. Without a good 'Green-' rating or very good energy consumptions balance office properties are expected to not get a market in the future.	▪ Financial difficulties of tenants / insolvencies expected to increase due to impact of Ukraine war on overall economy ▪ Increased reletting/extension risks with pressure on rental level ▪ Good locations expected to remain stable ▪ Structural changes – Work from home – Hygiene/social distancing standards – Focus on green buildings expected to negatively affect older buildings in weaker locations mid/long term	▪ Focus on good locations ▪ Conservative risk positioning: avg. LTV of 53%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio with focus in Germany, main cities in the US (e.g. New York, Boston, Washington) and France (almost completely Paris/Isle de France region) ▪ In new business transactions detailed analysis of "green profile" of properties including associated risk
Residential € 5.1 bn (17%)		▪ At present the multifamily market seems to be stable. Especially in countries with strong social welfare programs. ▪ Growth in rental prices seen so far expected to soften in future, due to rising cost for the energy. Nevertheless inflation coupled rental contracts leads to rising rents. ▪ Condo market expected to soften because of the rising prices for financing. Longer timeline in the selling process.	▪ Call for/imposed increased rent regulation could impact value and cash flow ▪ Increasing interest level might put pressure on value. ▪ Stock listed residential companies have come under massive pressure since Q1/22 and often lost substantially in market capitalization.	▪ Conservative risk positioning ▪ Portfolio volume of € 5.1 bn with conservative avg. LTV of 47%[1] provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio with strong focus on Germany
Logistics € 3.6 bn (12%)		▪ Logistic properties are still very popular for investors. ▪ Prices have decoupled from overall trend and increased in last years. The expectation is now a yield widening by a minimum of 50 bps in the next half year. ▪ The benefitting from increasing focus on e-commerce and the need of more resilient supply chains rents expected to rise. ▪ Total return is balanced out by rising yields and rising rents.	▪ Currently still taking advantage from strategic developments like: – Online-shopping – Need for more resilient supply chains in the industry sector – Professionalisation of entire industry ▪ Monoline logistics centres ▪ Limited availability of new space in some countries ▪ Due to partially overheated prices, market correction expected.	▪ Strategic approach; expert team since 2014; share increase since 2013 from 8% to 12% ▪ Focus on locations: good infra-structure, connection to a variety of different transportation routes ▪ Conservative risk positioning: avg. LTV of 51% provides good buffer and supports commitment of investors/sponsors ▪ Well diversified portfolio ▪ High quality of sponsors

1 Based on performing investment loans only

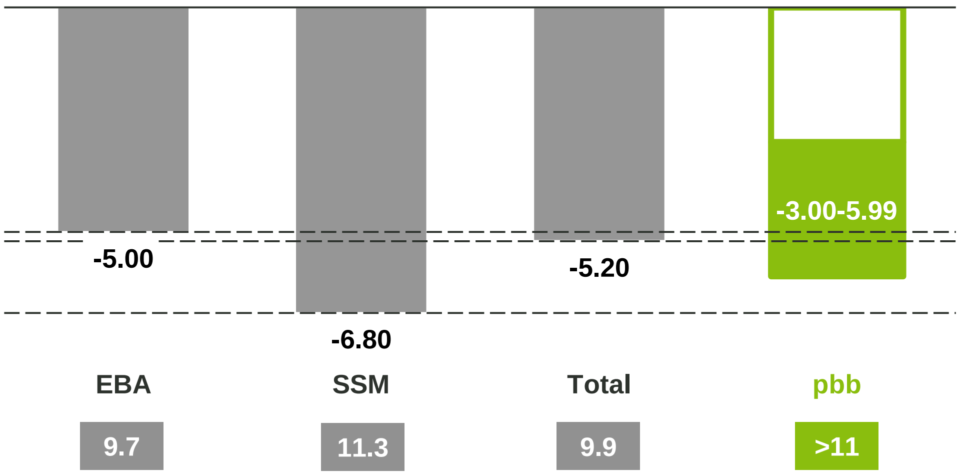
Appendix

ECB stress test 2021

Stress test results demonstrate pbb's resilience to crisis and capital strength

Stress test result 2021

Max. CET 1 ratio depletion in adverse scenario (pp.) / Min. CET 1 ratio (%)



- ECB stress test result 2021 demonstrates pbb's resilience to crisis and capital strength
- In the adverse scenario, pbb in each case – maximum CET 1 ratio depletion, minimum CET1 ratio and minimum Tier 1 leverage ratio – ranks in the second best category
- The maximum CET 1 ratio depletion at pbb (within range of 3.00-5.99 pp.) is well below the average figure of its peers (SSM banks: avg. -6.8 pp.) and well below overall average
- With a CET 1 ratio of above 11%, pbb remains well above its regulatory requirements even in adverse stress

German SSM banks

		High-level individual results by range adverse scenario, FL	
Institution	Sample	Maximum CET1 ratio (FL) depletion by ranges	Minimum CET1 ratio (FL) by ranges
Deutsche Pfandbriefbank AG	**SSM**	**300 to 599 bps**	**11% ≤ CET1R < 14%**
Bank A	SSM	300 to 599 bps	11% ≤ CET1R < 14%
Bank B	SSM	300 to 599 bps	11% ≤ CET1R < 14%
Bank C	SSM	300 to 599 bps	8% ≤ CET1R < 11%
Bank D	SSM	300 to 599 bps	8% ≤ CET1R < 11%
Bank E	SSM	600 to 899 bps	11% ≤ CET1R < 14%
Bank F	SSM	> 900bps	CET1R ≥ 14%
Bank G	SSM	> 900bps	8% ≤ CET1R < 11%

Source: ECB

Appendix

1. Financials
2. Portfolio
3. ECB stress test 2021
4. **Funding**
5. Ratings

Contact details

Funding

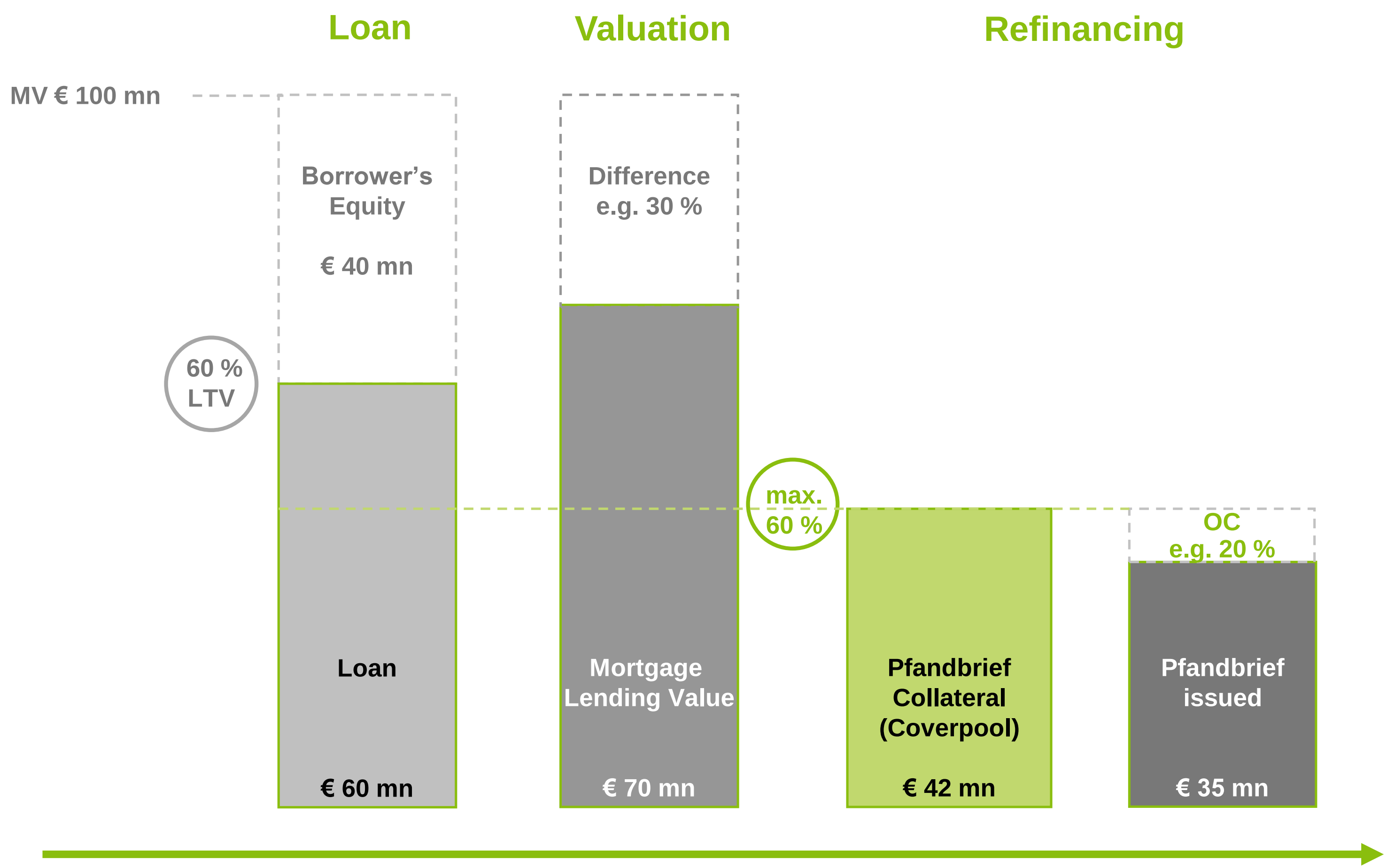
Public benchmark issuances since 2018

Types	WKN	Launch Date	Maturity Date	Size	Spread[1]	Coupon	Issue/Reoffer Price
Senior Unsecured	A2GSLC6	16.01.2018	23.02.2022	EUR 500 mn	+40 bp	0.625%	99.956%
Mortgage Pfandbrief (1st Tap)	A2E4ZE	24.01.2018	05.09.2022	EUR 250 mn	-18 bp	0.05%	99.579%
Mortgage Pfandbrief	A2GSLF	08.03.2018	15.03.2023	EUR 750 mn	-13 bp	0.25%	99.520%
Additional Tier 1	XS1808862657	12.04.2018	Perpetual	EUR 300 mn	+538 bp	5.75%	100.00%
Mortgage Pfandbrief (1st Tap)	A2E4ZK	24.04.2018	04.12.2020	GBP 50 mn	+26 bp[2]	1.00%	98.958%
Mortgage Pfandbrief	A2GSLL	15.05.2018	22.05.2024	EUR 500 mn	-9 bp	0.500%	99.912%
Mortgage Pfandbrief	A2GSLV	22.08.2018	30.08.2027	EUR 500 mn	-2 bp	0.625%	98.933%
Mortgage Pfandbrief	A2LQNH	19.09.2018	16.12.2021	GBP 300 mn	+32 bp[2]	1.50%	99.802%
Mortgage Pfandbrief	A2LQNK	13.11.2018	22.11.2021	USD 600 mn	+35 bp[3]	3.375%	99.603%
Mortgage Pfandbrief	A2LQNP	21.01.2019	29.01.2024	EUR 500 mn	+8 bp	0.25%	99.812%
Senior Preferred	A2LQNQ	31.01.2019	07.02.2023	EUR 500 mn	+80 bp	0.75%	99.679%
Mortgage Pfandbrief (1st Tap)	A13SWE	31.01.2019	01.03.2022	EUR 100 mn	+2 bp	0.20%	100.74%
Public Sector Pfandbrief (1st Tap)	A13SWG	05.02.2019	20.04.2035	EUR 100 mn	+17 bp	1.25%	99.476%
Mortgage Pfandbrief (1st Tap)	A2GSLL	07.02.2019	22.05.2024	EUR 100 mn	-9 bp	0.50%	101.638%
Mortgage Pfandbrief (2nd Tap)	A13SWE	04.03.2019	01.03.2022	EUR 100 mn	-3 bp	0.20%	100.81%
Public Sector Pfandbrief (2nd Tap)	A13SWG	04.03.2019	20.04.2035	EUR 150 mn	+14 bp	1.25%	100.057%
Senior Preferred (1st Tap)	A2LQNQ	06.03.2019	07.02.2023	EUR 250 mn	+72 bp	0.75%	100.004%
Senior Preferred	CH0419041246	15.05.2019	05.06.2023	CHF 125 mn	+65 bp[4]	0.125%	100.12%
Mortgage Pfandbrief	A2NBJ7	22.05.2019	31.05.2022	USD 600 mn	+32 bp[3]	2.50%	99.851%
Mortgage Pfandbrief (1st Tap)	A2GSLV	12.06.2019	30.08.2027	EUR 100 mn	0 bp	0.625%	104.138%
Senior Preferred	A2NBKK	29.08.2019	05.09.2024	EUR 500 mn	+75 bp	0.125%	99.498%
Mortgage Pfandbrief (3rd Tap)	A13SWE	10.09.2019	01.03.2022	EUR 50 mn	-0.5 bp	0.20%	101.795%
Mortgage Pfandbrief (1st Tap)	A2YNVK	25.09.2019	31.05.2022	USD 50 mn	32 bp[3]	2.50%	101.619%
Mortgage Pfandbrief	A2YNVM	09.10.2019	16.10.2025	EUR 500 mn	+5 bp	0.01%	101.984%
Senior Preferred	A2YNVU	13.11.2019	21.11.2022	GBP 250 mn	+114 bp[2]	1.75%	99.849%
Mortgage Pfandbrief (1st Tap)	A1X3LT	19.11.2019	21.01.2022	EUR 100 mn	0 bp	1.875%	104.77%
Mortgage Pfandbrief	A2YNVY	14.01.2020	21.01.2028	EUR 750 mn	+5 bp	0.10%	99.992%
Mortgage Pfandbrief (2nd Tap)	A1X3LT	15.01.2020	21.01.2022	EUR 150 mn	0 bp	1.875%	104.36%
Mortgage Pfandbrief (1st Tap)	A2LQNP	22.01.2020	29.01.2024	EUR 250 mn	+1 bp	0.25%	101.919%
Senior Preferred	A2YNV3	23.01.2020	28.07.2023	EUR 300 mn	+55 bp	3m-Euribor+90 bp	101.237%
Public Sector Pfandbrief (3rd Tap)	A13SWG	18.02.2020	20.04.2035	EUR 50 mn	+0 bp	1.25%	116.16%
Mortgage Pfandbrief	A289PQ	24.09.2020	29.09.2023	GBP 500 mn	+38 bp[6]	SONIA +100 bp	101.844%
Mortage Pfandbrief	A3H2ZW	13.01.2021	20.01.2023	USD 750 mn	+23bp[3]	0.50%	99.93%
Senior Preferred (Green)	A3H2ZX	25.01.2021	02.02.2026	EUR 500 mn	+55 bp	0.10%	100.00%
Mortgage Pfandbrief	A3H2Z8	20.04.2021	27.04.2024	GBP 500 mn	+27 bp[6]	SONIA +100 bp	102.178%
Mortgage Pfandbrief	A3E5K7	25.08.2021	20.08.2026	EUR 500 mm	+0 bp	0.01%	101.747%
Mortgage Pfandbrief (2nd Tap)	A2GSLV	26.08.2021	30.08.2027	EUR 50 mn	-1 bp	0.625%	105.890%
Mortgage Pfandbrief (1nd Tap)	A2YNVM	26.08.2021	16.10.2025	EUR 50 mn	-1,9 bp	0.01%	101.880%
Mortgage Pfandbrief (2nd Tap)	A2YNVM	16.09.2021	16.10.2025	EUR 50 mn	-2 bp	0.01%	101.540%
Mortgage Pfandbrief (3nd Tap)	A2YNVM	21.09.2021	16.10.2025	EUR 100 mn	-2 bp	0.01%	101.490%
Mortgage Pfandbrief	A3E5KY5	14.10.2021	11.10.2024	USD 750 mn	+20bp[3]	0.875%	99.778%
Senior Preferred (Green)	A3T0X22	20.10.2021	27.10.2025	EUR 500 mn	+48 bp	0.25%	99.754%
Senior Preferred (Green)	A3T0X97	12.01.2022	17.01.2025	EUR 750 mn	+42 bp	0.25%	99.798%
Mortage Pfandbrief	A3TOYD	09.02.2022	14.02.2025	USD 750 mn	+43 bp[7]	1.875%	99.767%
Mortgage Pfandbrief (1st Tap)	A3E5K7	17.02.2022	20.08.2026	EUR 50 mm	-3 bp	0.01%	98.70%
Mortage Pfandbrief	A3TOYH	06.04.2022	13.04.2026	EUR 750 mn	+1 bp	1.00%	99.727%
Mortgage Pfandbrief (2nd Tap)	A3E5K7	07.04.2022	20.08.2026	EUR 50 mm	-2 bp	0.01%	98.35%
Senior Preferred (Green) (1st Tap)	A3T0X22	11.04.2022	27.10.2025	EUR 200 mn	+55 bp	0.25%	95.045%
Mortage Pfandbrief	A30WFU	19.07.2022	26.07.2027	EUR 750 mn	+6 bp	1.75%	99.872%

1 vs. mid-swap 2 vs. 3m GBP-Libor 3 vs. 3m USD-Libor 4 vs. 6m CHF-Libor 5 vs 3m Euribor 6 vs SONIA 7 vs SOFR

Funding

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



Appendix

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Mandated Ratings

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

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

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

Definition of borrower classifications

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

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