Annual Financial Statements 2024

Deutsche Pfandbriefbank AG

Combined Management Report

The Management Report of Deutsche Pfandbriefbank AG (pbb) and the Group Management Report are combined pursuant to section 315 (5) of the German Commercial Code (Handelsgesetzbuch – HGB) in connection with section 298 (2) HGB and is published in the Annual Report 2024 of Deutsche Pfandbriefbank Group (pbb Group).

The Annual Financial Statements and the Management Report combined with the Group Management Report for the financial year 2024 will be published by the operator of the German Company Register (Unternehmensregister).

pbb's Annual Financial Statements and pbb Group's Annual Report are also available online at www.pfandbriefbank.com.

Annual Financial Statements

Income Statement

Income Statement of Deutsche Pfandbriefbank AG for the time from 1 January to 31 December 2024

in € million			**2024**	**2023**
1. Interest income from				
a) lending and money market business	3,284			3,287
b) fixed-income and government-inscribed debt	168	3,452		217
2. Interest expenses		-3,065		-3,110
			387	394
3. Current income from				
a) equity shares and other variable-income securities		-		-
b) participating interests		-		-
c) investments in affiliated companies		-		-
			-	-
4. Income from profit pooling, profit transfer or partial profit transfer agreements			-	-
5. Commission income		9		7
6. Commission expenses		-7		-5
			2	2
7. Other operating income			59	122
8. General and administrative expenses				
a) personnel expenses				
aa) wages and salaries	-113			-123
ab) social security contributions and expenses for pensions and other employee benefits	-25	-138		-31
thereof: for pensions €7 million (31.12.2023: €12 million)				
b) other administrative expenses		-133		-123
			-271	-277
9. Amortisation/depreciation and write-downs of intangible and tangible assets			-9	-7
10. Other operating expenses			-56	-40
11. Write-downs of claims and certain securities as well as additions to provisions in the lending business		-127		-186
12. Income from write-ups of claims and certain securities as well as reversals of provisions in the lending business		-		-
			-127	-186
13. Write-downs and impairments to participating interests, investments in affiliated companies and securities treated as fixed assets		-		-
14. Income from write-ups to participating interests, investments in affiliated companies and securi-ties treated as fixed assets		116		32
			116	32
15. Additions to the fund for general banking risks			-62	-30
16. Expenses from assumption of losses			-	-
17. Result from ordinary activities			39	10
18. Extraordinary income			-	-
19. Extraordinary expenses			-	-
20. Extraordinary result			-	-
21. Income taxes		2		-9
22. Other tax unless reported under item no. 10		-1		-1
			1	-10
23. Net income/loss			40	-
24. Profit/loss carried forward from the previous year			-	-
			40	-
25. Withdrawals from additional paid-in capital			-	-
26. Refilling of profit participation capital/withdrawals from profit participation capital			-	-
27. Allocation to retained earnings/ Withdrawals from retained earnings			-20	-
28. Unappropriated retained earnings			**20**	**-**

Balance Sheet

Annual Balance Sheet of Deutsche Pfandbriefbank AG as at 31 December 2024

Assets

in € million			31.12.2024	31.12.2023
1. Cash reserve				
a) cash on hand		-		-
b) balances with central banks		69		43
thereof: with the Deutsche Bundesbank €69 million (31.12.2023: €43 million)				
			69	43
2. Loans and advances to other banks				
a) mortgage loans		-		-
b) public-sector loans		552		553
c) other loans and advances		3,577		5,273
thereof: repayable on demand €2,934 million (31.12.2023: €3,873 million)				-
thereof: collateralised by securities €0 million (31.12.2023: €0 million)				
			4,129	5,826
3. Loans and advances to customers				
a) mortgage loans		28,546		30,692
b) public-sector loans		6,932		8,233
c) other loans and advances		38		135
thereof: collateralised by securities €0 million (31.12.2023: €0 million)				
			35,516	39,060
4. Bonds and other fixed-income securities				
a) money market instruments				
aa) of public-sector issuers	-			-
thereof: eligible as collateral for Deutsche Bundesbank €0 million (31.12.2023: €0 million)				
ab) of other issuers	-			-
thereof: eligible as collateral for Deutsche Bundesbank €0 million (31.12.2023: €0 million)				
		-		-
b) Bonds and notes				
ba) of public-sector issuers	2,155			3,733
thereof: eligible as collateral for Deutsche Bundesbank €1,474 million (31.12.2023: €2,836 million)				
bb) of other issuers	1,560			1,493
thereof: eligible as collateral for Deutsche Bundesbank €1,469 million (31.12.2023: €1,407 million)				
		3,715		5,226
c) own debt securities		-		-
notional amount €0 million (31.12.2023: €0 million)				
			3,715	5,226
5. Equity shares and other variable-income securities			2	2
6. Participating interests			-	-
thereof: in banks €0 million (31.12.2023: €0 million)				
thereof: in financial services institutions €0 million (31.12.2023: €0 million)				
thereof: in Securities and Investment Institute €0 million (31.12.2023: €0 million)				
7. Investments in affiliated companies			82	1
thereof: in banks €0 million (31.12.2023: €0 million)				
thereof: in financial services institutions €0 million (31.12.2023: €0 million)				
thereof: in Securities and Investment Institute €0 million (31.12.2023: €4 million)				
8. Assets held in trust			-	-
thereof: loans on a trust basis €0 million (31.12.2023: €0 million)				
Carryover			**43,513**	**50,158**

in € million			31.12.2024	31.12.2023
Carryover			**43,513**	**50,158**
9. Intangible assets				
a) internally generated commercial property rights and similar rights and assets		-		-
b) purchased concessions, commercial property rights and similar rights and assets as well as licences in such rights and assets		40		36
c) goodwill		-		-
d) down-payments		9		12
			49	48
10. Tangible assets			12	1
11. Sundry assets			117	175
12. Prepaid expenses				
a) from the issuance and loan business		91		116
b) other		88		111
			179	227
13. Overfunded plan assets			-	-
Total assets			**43,870**	**50,609**
Liabilities and equity				
in € million				
1. Liabilities to other banks				
a) registered Mortgage Pfandbriefe issued		317		399
b) registered Public Pfandbriefe issued		385		827
c) other liabilities		2,664		5,275
thereof: repayable on demand €384 million (31.12.2023: €388 million)				
			3,366	6,501
thereof: delivered to lender as collateral for received loans				
registered Mortgage Pfandbriefe €0 million (31.12.2023: €0 million)				
registered Public Pfandbriefe €0 million (31.12.2023: €0 million)				
2. Liabilities to customers				
a) registered Mortgage Pfandbriefe issued		3,687		3,475
b) registered Public Pfandbriefe issued		3,987		4,733
c) savings deposits				
ca) with agreed notice period of three months	-			-
cb) with agreed notice period of more than three months	-			-
			-	-
d) other liabilities		10,501		10,727
thereof: repayable on demand €860 million (31.12.2023: €1,130 million)				
			18,175	18,935
thereof: delivered to lender as collateral for received loans				
registered Mortgage Pfandbriefe €0 million (31.12.2023: €0 million)				
registered Public Pfandbriefe €0 million (31.12.2023: €0 million)				
3. Securitised liabilities				
a) bonds in issue				
aa) Mortgage Pfandbriefe	10,763			12,580
ab) Public Pfandbriefe	1,797			1,960
ac) other bonds	5,367			6,222
		17,927		20,762
b) other securitised liabilities		-		-
thereof: money market instruments €0 million (31.12.2023: €0 million)				
			17,927	20,762
Carryover			**39,468**	**46,198**

in € million		31.12.2024	31.12.2023
Carryover		**39,468**	**46,198**
4. Liabilities held in trust		-	-
thereof: liabilities on a trust basis €0 million (31.12.2023: €0 million)			
5. Sundry liabilities		83	64
6. Deferred income			
a) from issuance and loan business	133		187
b) other	133		195
		266	382
7. Provisions			
a) provisions for pensions and similar obligations	133		136
b) provisions for taxes	10		18
c) other provisions	73		76
		216	230
8. Subordinated liabilities		605	606
9. Additional Tier 1 capital instruments		317	317
10. Fund for general banking risks		139	77
11. Equity			
a) share capital		380	380
b) additional paid-in capital		1,639	1,639
c) retained earnings			
ca) legal reserve	13		13
cb) reserve for shares in a controlling or major shareholding entity	-		-
cc) statutory reserves	-		-
cd) other retained earnings	724		703
		737	716
d) unappropriated retained earnings		20	-
		2,776	2,735
Total liabilities and equity		**43,870**	**50,609**
1. Contingent liabilities			
a) contingent liabilities from settled rediscounted bills of exchange	-		-
b) liabilities from guarantees and indemnity agreements (regarding keepwell statements, see disclosures in the Notes)	99		63
c) liability arising from the provision of collateral for third-party liabilities	-		-
		99	63
2. Other commitments			
a) repurchase obligations from non-genuine sale and repurchase agreements	-		-
b) placement and underwriting obligations	-		-
c) irrevocable loan commitments	1,446		2,219
		1,446	2,219
Total of contingent liabilities and other commitments		**1,545**	**2,282**

Notes

ACCOUNTING POLICIES

1 Accounting Regulations

The Deutsche Pfandbriefbank AG (pbb), with its headquarters in Munich, is registered in the commercial register of the Amtsgericht (local court) Munich (HRB 41054).

The 2024 annual financial statements of pbb were prepared in accordance with the financial reporting principles set out in the German Commercial Code (Handelsgesetzbuch – “HGB”) and the additional provisions of the German Public Limited Companies Act (Aktiengesetz – “AktG”), the German Banking Act (Kreditwesengesetz – “KWG”) and the German Pfandbrief Act (Pfandbriefgesetz – “PfandBG”), as applicable to specific legal forms and institutions. The structure and the content of balance sheet and income statement is mainly prescribed by the German Accounting Directive for Banks and Financial Services Providers (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – “RechKredV”).

The annual financial statements comprise income statement, balance sheet and notes to the financial statements. In addition, a management report was prepared pursuant to the requirements of section 289 HGB. pbb exercised the option of section 315 (5) HGB in connection with section 298 (2) HGB to combine the Group Management Report with the Management Report. The combined Management Report is included in Deutsche Pfandbriefbank Group’s (pbb Group) Annual Report 2024.

2 Accounting and Measurement Principles

The Management Board prepared and authorised these annual financial statements on 25 February 2025 under the going-concern assumption.

Cash reserve
Cash reserve is measured at notional amounts.

Loans and advances
Loans and advances are recognised at nominal value, in accordance with section 340e (2) of the HGB, with recognised loan loss provisions deducted. The difference between the nominal value and the actual payment has characteristics of interest and is reported as prepaid expenses. It is amortised in proportion to the principal and pro rata temporis, and recognised in the income statement under net interest income. Pro-rata interest and similar amounts are assigned to the (sub-)item they relate to.

Risk provisioning
All identifiable individual default risks in the lending business were covered by specific allowances and provisions in the amount of expected losses. In the context of specific impairments, the expected individual cash flows are determined on the basis of the expected value of various possible scenarios in order to adequately take into account acute default risk in accordance with the principle of commercial prudence.

As regards the measurement of specific impairments, expected individual cash flows also include interest and the discount to fair value, in addition to repayments. To the extent that the receivable underlying interest calculations has already been written down or written off because of non-recoverability, no interest income will be recognised. Gains or losses from discounting or unwinding of the discount in relation to risk provisioning are reported in “Write-downs and valuation allowances of loans and advances and specific securities, as well as additions to loan loss provisions” and “Income from amounts written back on loans and advances and specific securities, and from the reversal of loan loss provisions”, respectively.

Portfolio-based allowances and provisions in the lending business (general loan loss provisioning) are recognised for potential default risks in the lending business. When determining amounts for general loan loss provisioning, pbb applies a model-based procedure using the regulatory risk parameters (probability of default – PD, loss given default – LGD) and contractual information on loans and advances such as contractually agreed cash flows. Regulatory risk parameters are transformed appropriately. The transformation uses parameters that are based on historical loss experience. In the models for special purpose entities, the probabilities of default are transformed using the expected fair market values for real estate, expected 5-year swap rate per currency and the absolute change in the expected unemployment rate; for other than special purpose entities, the transformation uses the expected market values in real estate and the expected unemployment rate.

In 2024, pbb made a change to the measurement of the general loan loss provisions to reflect current loss experience. Since 2024, long-term default rates have been weighted more heavily than short-term defaults in the calibration of the PD models. In addition, the weighting of the risk factors included in the default rate model, such as loan-to-value, has been adjusted in line with historical experience. The change in general loan loss allowances resulted in an addition to risk provisions of €24 million, which was attributable to loans and advances to customers and thus had an impact of €-24 million on net income from risk provisioning (write-downs and credit loss allowances on loans and advances and certain securities as well as additions to provisions in the lending business).

General loan loss provisioning is determined through probability weighting of various scenarios. The baseline scenario used by pbb to determine general loan loss provisioning is weighted at 55% (31 December 2023: 55%): the positive scenario has a weighting of 5% (31 December 2023: 5%) and the negative scenario has a weighting of 40% (31 December 2023: 40%). For loan receivables which were subject to a significant increase in the risk of losses or default since the loan was granted, lifetime expected credit losses are recognised.

The management overlay in the amount of €31 million, which existed as at 31 December 2023, was fully reversed by pbb in the course of 2024. The management overlay had been created to reflect the emerging dynamics on the US real estate markets. The reversal was possible in particular because the market parameters have improved and uncertainty has decreased as a result of the interest rate cuts that have occurred and the improved property market value forecast.

The subject of IDW RS BFA 7 statement on accounting is the consideration of foreseeable counterparty risks in the lending business of credit institutions that have not yet been specified for individual borrowers. IDW RS BFA 7 enables IFRS reporting entities to also apply the IFRS 9 methodology to determine general loan loss provisions in accordance with the HGB. pbb utilises this option.

Use was made of the cross-offsetting option permitted under section 340f (3) of the HGB in conjunction with section 340c (2) of the HGB for the compensatory recognition of income and expenses.

Securities
Securities of the liquidity reserve are measured at the lower of cost or market value and recognised at their lower value as of the balance sheet date in accordance with section 253 (4) clause 1 of the HGB.

Securities treated as fixed assets are recognised at cost of purchase respectively at amortised cost in accordance with section 253 (3) HGB in conjunction with section 340e HGB. (modified lower-of-cost-or-market principle). In case of an expected permanent impairment, securities treated as fixed assets are carried at the lower fair value. The review as to whether there is an expected permanent impairment is performed regularly. A permanent impairment is deemed to exist, subject to a rebuttable presumption, when there are doubts – due to credit quality issues – as to whether the expected future cash flows can be recovered. A general allowance is recorded for potential default risks in relation to securities treated as fixed assets. They are determined based on expected losses. If the reason for a write-down ceases to exist, a write-up up to amortised cost has to be recognised.

The fair values are generally determined using transaction or stock exchange prices as at the relevant reporting date. If such prices are not available, recognised measurement models are used where the model parameters are derived from comparable market transactions. Internal measurement models were used when there were no transaction or stock exchange prices available for transactions. Market parameters or market prices arising from involuntary liquidation or distressed sales are not used for measurement purposes.

No securities were reclassified between current and non-current assets in the 2024 and 2023 financial years.

Securities lending and repurchase transactions
Repurchase transactions are reported in accordance with the principles set out in section 340b of the HGB: pbb continues to carry securities lent, given beneficial ownership, whilst borrowed securities are not carried on the balance sheet. Cash collateral pledged for securities lending transactions is carried as a receivable (depending on the counterparty, in loans and advances to banks or loans and advances to customers), whilst collateral received is carried as a liability (liabilities to banks or liabilities to customers).

Investments in affiliated companies and participating interests
Investments in affiliated companies and participating interests are recognised at cost of purchase, reduced, if appropriate, by impairment write-downs to the lower fair value. Write-ups are recorded if the reasons for the write-down cease to exist.

pbb has performed impairment tests on its significant participating interests in accordance with section 253 (3) of the HGB. Measurement was carried out in accordance with the IDW S1 in conjunction with IDW RS HFA 10 standard.

In January 2024, pbb established Niagara Asset Management LLC, Atlanta, USA, as a wholly-owned subsidiary. As part of a salvage acquisition carried out with syndicate partners, Niagara Asset Management LLC redeemed a financing provided by pbb in March 2024 and, following the transaction, holds 21.7% of the shares in the company 161 North Clark Holdco LLC, New York City, USA, and a loan to another company outside the pbb Group on its statement of financial position.

In March 2024, pbb Beteiligungs GmbH, Munich, Germany, was established, whose sole shareholder is pbb and which has concluded a profit and loss transfer and control agreement with pbb. The share capital of the company amounts to €25,000. As of the balance sheet date, pbb Beteiligungs GmbH had no assets other than the shareholder contribution.

In June and December 2024, pbb established three wholly-owned subsidiaries, Alabama One Asset Management LLC, Alabama Two Asset Management LLC and Alabama Three Asset Management LLC, each based in Atlanta, USA. The companies were used to restructure three property financings of pbb in the USA. The company Alabama One Asset Management LLC holds two subordinated tranches in a property financing. Both tranches have a different priority to each other, with the senior tranche being partially utilised. The company Alabama Two Asset Management LCC holds a subordinated tranche of a property financing. The company Alabama Three Asset Management LLC holds three tranches in a property financing. These tranches have different priority to each other. In addition, third parties outside the Group have provided new financing in the form of medium-ranking tranches.

SOMA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Darmstadt KG, Düsseldorf, in which pbb held a 33.33% interest, was dissolved in February 2024.

Intangible assets
Purchased intangible assets are carried at cost (not exceeding amortised cost), reduced by amortisation and, where necessary, write-downs. Software products that are closely related in terms of technology and function are combined and accounted for as a single asset. Amortisation is determined using the asset’s useful life. The capitalisation option of the § 248 (2) HGB for internally generated intangible assets held as fixed assets is not exercised.

Tangible assets
Tangible assets are measured at cost of purchase or production, reduced by depreciation and, where necessary, impairment write-downs. Depreciation is recorded on a straight-line basis and is subject to the depreciation rates that correspond to the estimated useful lives which are also used for tax purposes. Leasehold improvements have useful lives of 5 to 15 years; IT-equipment (in its broader sense) 3 to 5 years; other operating and office equipment 3 to 25 years.

Low-value assets with a cost of not more than €250 are written off in full during the year of acquisition. A collective account pursuant to section 6 (2a) of the German Income Tax Act (Einkommensteuergesetz – "EStG") was recorded for depreciable movable assets with a cost of more than €250 and up to €1,000. This collective account is depreciated on a straight-line basis over a period of five years.

Overfunded plan assets
Reinsurance claims assigned to employees represent assets which are protected from access by all other creditors, and which are exclusively intended to settle liabilities from retirement benefit obligations or comparable long-term obligations. Therefore, these claims are measured at fair value in accordance with section 253 (1) sentence 4 HGB in conjunction with section 246 (2) sentence 2 HGB, and netted against provisions related to the respective benefit plan. The relevant repurchase values are used as fair values. Accordingly, expenses and income from reinsurance and from the discounting of the associated pension provisions are netted. Any excess of plan assets over post-employment benefit liabilities is reported in a separate line item and is designated accordingly.

Derivatives
Derivative financial instruments are used primarily to hedge interest rate and currency risks within the context of the overall bank's risk management. The bank enters into customer derivatives which customers use for protection against interest rate risks. The customer derivatives are regularly hedged by offsetting transactions on the interbank market or controlled within the framework of macro interest rate management. The derivative contracts are regularly hedged by compensating transactions at the interbank market. Financial instruments are accounted for as part of valuation units pursuant to section 254 HGB as well as within the framework of an overall analysis of the interest rate risk of the banking ledger (banking ledger management). Currency-related derivative financial instruments are recognised within the context of currency translation in accordance with section 340h HGB. Interest income and expenses arising from derivative financial transactions are reported on a gross basis.

Liabilities
Liabilities are recognised at settlement price. The difference between settlement price and issue price of the liabilities is recorded as prepaid expenses or deferred income in accordance with the option provided for under section 250 (3) HGB. It is amortised in proportion to the principal and pro rata temporis, and recognised in the income statement in net interest income. Pro-rata interest and similar amounts are assigned to the (sub-)item they relate Zero-coupon bonds are recognised at their issue price plus pro rata interest based on the issue yield.

In the financial year 2022, pbb participated in the ECB's Targeted Longer Term Refinancing Operations (TLTRO III) with a nominal volume of €8.4 billion. The last tranche of the TLTRO liability in the amount of €0.9 billion was repaid in June 2024.

Provisions
Provisions are recognised for uncertain liabilities and pending losses in the required settlement amount, as determined based upon prudent commercial judgement. If the original remaining term of a provision is more than one year, in principle the provision is discounted using the interest rates for matching maturities, as published by Deutsche Bundesbank. To the extent that provisions are recognised for pending losses arising from the fair value measurement of executory contracts determined on the basis of market value calculations using present values, such provisions are not discounted in accordance with IDW RS HFA 4 no. 44, but instead recorded at their negative fair value. The discounting option is not exercised for provisions with an original remaining term of up to one year. Unwinding effects relating provisions are calculated on a monthly basis.

The measurement of the provisions for legal risks is mainly based on the amount in dispute and potential utilisations. These are determined by pbb on the basis of opinions prepared by external lawyers.

Gains or losses from discounting and unwinding of the discount in relation to provisions which are not related to the banking business are reported in other operating income or other operating expenses, whereas gains or losses from discounting and unwinding of the discount in relation to provisions related to banking business (excluding risk provisions) are reported in interest income or interest expense.

The provisions for pensions and similar obligations are measured using the projected unit credit method. This method represents an appropriate method which is based on verifiable criteria.

Calculations were based on the following assumptions:
- Discount rate: 1.90% p.a. (31 December 2023: 1.82% p.a.)
- Rate of increase in future compensation: 2.50% p.a. (31 December 2023: 2.50% p.a.)
- Rate of increase in pension obligations: 2.25% p.a. (31 December 2023: 2.50% p.a.)
- Mortality tables: actuarial tables issued by K. Heubeck in 2018 ("Richttafeln 2018 G")

Age-related fluctuations were taken into account for the calculation. A 0% salary trend was assumed for Management Board members in office during the financial years 2024 and 2023.

Provisions for pension obligations were discounted in the financial year 2024 in accordance with section 253 (2) HGB using the average market interest rate over the past ten years, which results from an assumed remaining term of 15 years. The difference between the recognition of provisions for pensions as at 31 December 2024 using the average market interest rate over the past ten years of 1.90% (31 December 2023: 1.82%) and the average market interest rate over the past seven years of 1.97% (31 December 2023: 1.74%) is negative in the reporting year. A positive difference resulting from the valuation of the pension obligations using the 10-year average interest rate compared to the valuation using the 7-year average interest rate is subject to a distribution block (Section 253 (6) sentence 2 HGB). As the historical interest rate trend meant that the 7-year average interest rate was higher than the 10-year average interest rate as at the reporting date, this resulted in a negative difference of €3 million, meaning that there was no restriction on distribution as at 31 December 2024.

The application of statement IDW RH FAB 1.021 for the valuation of provisions for reinsured pension obligations resulted in a reduction of claims from reinsurance policies in the amount of €18 million (2023: €15 million). This resulted in an expense of €3 million in 2024 (2023: €1 million). Implementation of the Accounting Practice Statement was carried out using the actuarial reserve procedure, selecting the liability method (Passivprimat). Using the biometric factors specified by the German Association of Actuaries (DAV), a multiplicative reestimation of the biometric calculation bases between the Klaus Heubeck 2018 G mortality tables and the DAV tables was carried out.

Contingent liabilities and other commitments are disclosed as off-balance sheet items at notional value less any recognised provisions.

Valuation units
As a result of the increasing shift in pbb's interest rate risk management from an individual to an overall interest rate book approach, interest rate hedging derivatives are generally allocated to macro interest rate hedging. Accordingly, they are also assessed and measured as part of overall bank risk management. There were no valuation units (micro hedges) as at 31 December 2024 and 31 December 2023.

Loss-free valuation
In accordance with the statement of the IDW (IDW RS BFA 3 new version) regarding the loss-free measurement of interest-bearing transactions included in the banking ledger, pbb conducted a loss free measurement using the present value method as at the balance sheet date. The valuation object analysed is, in accordance with risk management, an interest ledger of on-balance sheet and off-balance sheet transactions. The calculated present value margin of the existing transactions in the interest rate portfolio is compared to imputed funding costs as well as any administrative and risk costs incurred on existing exposures that are included until the interest rate transactions mature and which are determined using present values. There was no surplus of liabilities in relation to the valuation object as at 31 December 2024 and 31 December 2023.

Negative Interest
pbb reports negative interest on financial assets in interest expenses, and positive interest on financial liabilities in interest income.

IBOR-reform
Interbank offered rates (IBOR) are used as reference rates when determining the prices of numerous financial instruments and calculating the related cash flows. Given the weaknesses of interbank rates used to date, which became evident for the first time as part of the LIBOR scandal, legislators and regulatory authorities worldwide have been working on establishing a system of transaction-based risk-free reference interest rates or to reform the determination of reference interest rates.

The European Money Markets Institute (EMMI) revised the calculation methodology of the EURIBOR interest rate in 2019 and switched to a hybrid method. EMMI has been calculating and publishing the reformed EURIBOR interest rate since July 2019. The EU-BMR conformity of the revised EURIBOR interest rate enables market participants, and thus also pbb, to use EURIBOR interest rates as a reference rate for both existing and new contracts until further notice. pbb expects the EURIBOR rate to remain the reference rate for at least the next few years.

Regarding the potential impact on financial reporting under German commercial law, the Corporate Reporting Committee of the Institute of Public Auditors in Germany (IDW), in cooperation with the IDW's Banking Committee, issued the Accounting Practice Statement "Consequences of changes to certain reference interest rates ('IBOR reform') for financial instruments for accounting and financial reporting under German commercial law" (IDW RH FAB 1.020) in September 2019. pbb has taken this accounting guidance into consideration in the preparation of its annual financial statements for 2024.

Foreign currency translation
Foreign currency assets, liabilities and off-balance sheet items are translated using the average spot exchange rate as at the balance sheet date as part of specific coverage pursuant to section 340h HGB in conjunction with section 256a HGB. The concept of specific coverage used by pbb for currency translation only includes foreign currency assets and liabilities which have identical amounts and currencies. The fulfilment of these two criteria is ensured through an internal funding model. For the sake of clarity and convenience, the resulting currency translation gains and losses, in deviation from section 340a (1) HGB in conjunction with section 277 (5) sentence 2 HGB, were not reported as separate items of other operating income or other operating expenses in the income statement. The corresponding disclosures were made in the notes to the income statement items nos. 7 and 10, respectively. Open foreign currency positions resulting from hedged items are closed largely by means of spot transactions or suitable derivatives. Currency translation gains or losses from fractional amounts in a currency are generally accounted for on a portfolio basis. Income and expenses in foreign currencies are recorded using the exchange rates applicable at the respective transaction dates. Against this overall background, the special rules applicable to foreign currency translation under commercial law at financial institutions (IDW RS BFA 4) were fully complied with.

Deferred taxes
Deferred taxes are determined for temporary differences between the carrying amount of assets, liabilities, deferred income and prepaid expenses as determined under the commercial law (HGB) and under tax law. In connection with the recognition of deferred taxes pursuant to section 274 (1) HGB, pbb generally exercises the option to offset deferred tax assets against deferred tax liabilities. Any excess of deferred tax assets over deferred tax liabilities is not recognised.

Deferred tax assets are recognised at pbb in particular for other provisions not accepted for tax purposes, for differences in the measurement of pension provisions in the balance sheet and tax accounts, measurement differences due to a so-called unilateral termination of discontinued hedging relationships, differences in the recognition of a non-interest-bearing liability and for differences in the recognition of allowances for credit losses and intangible assets. Deferred tax liabilities were recognised as of the balance sheet date for differences in the measurement of a so-called unilateral termination of discontinued hedging relationships. The existing tax loss carryforwards increase the deferred tax assets in an amount that is equivalent to their realisation. The measurement of deferred taxes was based on a combined income tax rate of 27.67% (2023: 27.67%) which comprises corporation tax, trade tax and solidarity surcharge.

pbb applies the exemption from recognising deferred taxes resulting from the implementation of the global minimum tax rules by the respective countries. pbb does not operate in countries with a tax rate below the 15% threshold.

Prepaid expenses and deferred income

Amounts paid or received before balance sheet date which represent expenses or income after balance sheet date have to be recognised as prepaid expenses and deferred income pursuant to section 250 (1), (2) HGB. pbb recognises discounts from debt securities and loans received and premiums from loans and advances granted as prepaid expenses, and discounts from loans and advances granted and premiums from debt securities and loans received as deferred income. Prepaid expenses and deferred income in connection with derivatives are recognised for option and upfront premiums.

Notice

The annual financial statements are prepared in euros and generally rounded to the nearest million euros (€ million). Information is presented in accordance with the principle of materiality. Minor differences may occur regarding the figures added, due to rounding. All amounts of less than €500,000 are shown as a zero, or a zero balance indicated by a hyphen.

NOTES TO THE INCOME STATEMENT

3 Net Interest Income (Income Statement Items Nos. 1 & 2)

Interest income from lending and money-market transactions include early repayment or non-utilisation fees of €3 million (2023: €3 million).

Interest expenses relating to Mortgage Pfandbriefe, Public Sector Pfandbriefe and other debt securities amounted to €754 million (2023: €746 million).

Claims from finance lease agreements in the amount of €130 million (31 December 2023: €144 million), which are reported under receivables from customers, resulted in interest income of €3 million (31 December 2023: €3 million).

There was no negative interest from non-derivative financial assets to be recognised in interest expense (2023: no negative interest from non-derivative assets). Within interest income, there was no positive interest from non-derivative financial liabili-ties (2023: no positive interest from non-derivative financial liabilities). Swap transactions resulted in net positive interest ex-penses of €1 million (2023: net negative interest income of €-2 million).

4 Net Commission Income (Income Statement Items Nos. 5 & 6)

Commission income mainly results from upfront fees of €7 million (2023: €6 million) and from guarantee commissions of €2 million (2023: €1 million). The commission expenses include €5 million fees from deposit business (2023: €3 million) and fees from custodial business of €1 million (2023: €1 million).

5 Other Operating Income (Income Statement Item No. 7)

Other operating income includes reversals of other provisions in the non-lending business in the amount of €22 million (2023: Reversals of other provisions in non-lending business in the amount of €57 million). Income relating to other periods totalled €5 million (2023: €1 million). There was no income from currency translation (2023: no income). Income from price gains on own debt securities totalled €30 million (2023: €37 million). In the previous year, there was also income of €24 million from the expiry of potential repayment claims from a past synthetic securitisation transaction of a predecessor institution of pbb.

The balance of net interest income from reinsurance policies and expenses from the unwinding of discounting pension obligations was a net income of €1 million (2023: €1 million).

Income from the unwinding of discounting other provisions was €3 million (2023: €2 million).

6 General and Administrative Expenses (Income Statement Item No. 8)

General and administrative expenses consist of personnel expenses of €138 million (2023: €154 million) and non-personnel expenses of €133 million (2023: €123 million).

7 Other Operating Expenses (Income Statement Item No. 10)

Other operating expenses include mainly additions to other provisions in non-lending business of €12 million (2023: €8 million). Price losses on own debt securities resulted in expenses totalling €38 million (2023: €4 million). In addition, the item included expenses and contributions as well as allocations for the European bank levy and BaFin totalling €1 million (2023: €22 million, taking into account collateral recognised directly in equity amounting to 22.5% of the total bank levy). Currency translation resulted in expenses of €4 million (2023: €0 million).

Expenses from the compounding of other provisions are recognised under other operating expenses and amounted to €1 million (2023 : €1 million).

8 Write-downs, Write-ups and Impairments to Receivables and Certain Securities and Additions and Reversals of Provisions in Credit Business (Income Statement Items Nos. 11 & 12)

The write-downs, write-ups and and impairments to receivables and certain securities and additions and reversals of provisions in credit business in the net amount of €127 million (2023: net €186 million) consisted of portfolio-based allowances (net reversal) in the amount of €7 million (2023: net reversal in the amount of €10 million), net release from specific allowances and sale of securities and loans in the amount of €134 million (2023: net €197 million). In the 2024 financial year, recoveries on receivables written off amounted to less than €1 million (2023: recoveries of €1 million on receivables written off).

The reversal of the management overlay existing as at 31 December 2023 is explained in more detail in the general account-ing and valuation principles.

9 Write-downs, Write-ups and Impairments to Participating Interests, Investments in Affiliated Companies and Securities Treated as Fixed Assets (Income Statement Items Nos. 13 & 14)

In the financial year 2024, there was net income totalling €116 million (2023: net income of €32 million) from write-ups, sales proceeds and expenses from write-downs of securities treated as fixed assets, shares in affiliated companies and securities treated as fixed assets. Net income totalling €117 million was attributable to gains on disposal and €1 million to the reversal of general valuation allowances (2023: Net income totalling €32 million from sales gains and €0 million from the reversal of portfolio-based allowances) on securities held as fixed assets. Write-downs on shares in participations and affiliated companies totalled €2 million (2023: €0 million).

10 Extraordinary Result (Income Statement Item No. 20)

The extraordinary result amounted to €0 million (2023: €0 million).

11 Income Taxes (Income Statement Item No. 21)

In 2024, income totalling €2 million, which resulted from income of €12 million for previous years and expenses of €10 million for the current year.

In 2023, the expenses of €9 million were made up of expenses of €15 million for the current year and income of €6 million for previous years.

The pbb Group falls within the scope of the global minimum tax regulations. The global minimum tax is levied at the level of Deutsche Pfandbriefbank AG as the ultimate parent company for the first time for the reporting period in Germany. In addition, pbb is also subject to comparable regulations in the United Kingdom as well as in France, Spain and Sweden for its permanent establishments located in these countries.

No minimum tax was incurred in any country during the reporting period.

NOTES TO THE BALANCE SHEET

12 Mortgage Loans (Assets Side Items Nos. 2 & 3)/Pfandbriefe Outstanding (Liabilities Side Items Nos. 1, 2 & 3)

Cover statement

in € million	31.12.2024	31.12.2023
A. Mortgage Pfandbriefe		
Cover assets		
Loans and advances to other banks		
a) Mortgage loans	-	-
Loans and advances to customers		
a) Mortgage loans	18,129	19,202
Tangible assets (land charges on the Bank's own property)	-	-
Sundry assets	-	-
	18,129	19,202
Further cover assets		
Other loans and advances to other banks	-	-
Bonds and other fixed-income securities	724	1,708
Claims from derivatives	-	-
Total cover assets	**18,853**	**20,910**
Total Mortgage Pfandbriefe requiring cover	15,268	16,952
thereof liabilities from derivatives	-	-
Over-collateralisation	**3,585**	**3,958**
B. Public Pfandbriefe		
Cover assets		
Loans and advances to other banks		
a) Mortgage loans	-	-
b) Public-sector loans	250	250
Loans and advances to customers		
a) Mortgage loans	3	4
b) Public-sector loans	7,064	8,329
Bonds and other fixed-income securities	934	920
	8,251	9,503
Further cover assets		
Other loans and advances to other banks	-	-
Claims from derivatives	-	-
Total cover assets	**8,251**	**9,503**
Total Public Pfandbriefe requiring cover	6,550	8,670
thereof liabilities from derivatives	-	-
Over-collateralisation	**1,701**	**833**

13 Maturities of Selected Balance Sheet Items

Maturities of selected balance sheet items

in € million	31.12.2024	31.12.2023
Loans and advances to other banks (assets side item no. 2)	**4,129**	**5,826**
Repayable on demand	2,934	3,873
Loans and advances with duration	1,195	1,953
up to 3 months	645	1,403
more than 3 months to 1 year	-	-
more than 1 year to 5 years	250	250
more than 5 years	300	300
Loans and advances to customers (assets side item no. 3)	**35,516**	**39,060**
of undetermined duration	22	3
up to 3 months	3,041	3,682
more than 3 months to 1 year	5,468	5,154
more than 1 year to 5 years	18,184	19,175
more than 5 years	8,801	11,046
Bonds and other fixed-interest securities (assets side item no. 4)	**3,715**	**5,226**
thereof maturing in the subsequent year	485	821
Liabilities to other banks (liabilities side item no. 1)	**3,366**	**6,501**
Repayable on demand	384	388
Liabilities with agreed duration or notice period	2,982	6,113
up to 3 months	1,717	1,542
more than 3 months to 1 year	325	2,879
more than 1 year to 5 years	637	1,121
more than 5 years	303	571
Liabilities to customers (liabilities side item no. 2)	**18,175**	**18,935**
Repayable on demand	860	1,130
Liabilities with agreed duration or notice period	17,315	17,805
up to 3 months	1,806	1,818
more than 3 months to 1 year	2,239	2,262
more than 1 year to 5 years	5,087	5,440
more than 5 years	8,183	8,285
Securitised liabilities (liabilities side item no. 3)	**17,927**	**20,762**
a) bonds in issue	17,927	20,762
thereof maturing in the subsequent year	3,961	5,177
b) other securitised liabilities	-	-
up to 3 months	-	-
more than 3 months to 1 year	-	-
more than 1 year to 5 years	-	-
more than 5 years	-	-

14 Subordinated Assets (Assets Side Items Nos. 2, 3, 4 & 11)

There are no subordinated assets to be recognised neither as of 31. December 2024 nor as of 31 December 2023.

15 Breakdown Of Marketable Securities and Other Financial Investments (Assets Side Items Nos. 4, 5, 6 & 7)

The marketable securities disclosed under corresponding balance sheet items are attributable to listed or unlisted criterion as follows:

Marketable securities and other financial investments

	listed		unlisted	
in € million	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Bonds and other fixed-income securities	3,449	4,903	266	323
Equity shares and other variable-income securities	-	-	2	2
Participating interests	-	-	-	-
Investments in affiliated companies	-	-	-	-

16 Bonds and Other Fixed-Income Securities (Assets Side Item No. 4)

Of the bonds and other fixed-income securities (assets side item No. 4), pbb holds third-party bonds with a carrying amount of €3,715 million (31 December 2023: €5,226 million). Of this amount, €2,733 million (31 December 2023: €4,205 million) are treated as fixed assets, and €982 million (31 December 2023: €1,021 million) are treated as current assets.

As at 31 December 2024 the fair value of the securities held as fixed assets with unrealised depreciation amounted to €1,119 million and was therefore lower than the carrying amount of €1,194 million. The write-downs not recognised as at 31 December 2024 amounted to €75 million.

As at 31 December 2023 securities held as fixed assets with a carrying amount of €1,329 million were not recognised at the lower fair value on the balance sheet date of €1,241 million valued. The write-downs not recognised as at 31 December 2023 amounted to €88 million.

The issuer groups are broken down as follows:

Omitted write-downs, by issuer

				31.12.2024	**31.12.2023**
in € million	Public issuers	Other banks	Other issuers	**Total**	**Total**
Carrying amount	1,165	24	5	1,194	**1,329**
Fair value	1,091	23	5	1,119	**1,241**
Omitted write-downs of fixed assets	74	1	-	75	**88**

pbb assumes, for all securities with unrecognised write-downs, that the fair value is below the carrying amount only temporarily. There are no payment defaults or doubts regarding the recoverability of these securities.

17 Participating Interests and Investments in Affiliated Companies (Assets Side Items Nos. 6 & 7)

Investments in affiliated companies (assets side item no. 7)

Name and registered office	Capital share section 16 (4) AktG	of which held indirectly	Equity in thousand	Net income in thousand	Currency
IMMO Invest Real Estate GmbH[1)] Munich, Germany	100.00%	-	948	-	EUR
pbb Beteiligungs GmbH[1)] Munich, Germany	100.00%	-	25	-	EUR
Niagara Asset Management LLC, Atlanta, USA	100.00%	-	38,645	1,036	USD
Alabama One Asset Management LLC, Atlanta, USA	100.00%	-	2,567	3	USD
Alabama Two Asset Management LLC, Atlanta, USA	100.00%	-	4,959	-1,934	USD
Alabama Three Asset Management LLC, Atlanta, USA	100.00%	-	39,388	9	USD

[1)]Profit and loss transfer by shareholder under a profit and loss transfer agreement

Participating interests (assets side item no. 6)

Name and registered office	Capital share section 16 (4) AktG	of which held indirectly	Equity in thousand	Net income in thousand	Currency
Eco Estate GmbH Frankfurt/Main, Germany	35.0%	-	152	-451	EUR
161 North Clark Holdco LLC New York, USA	21.74%	21.74%	78,934	4,026	USD

[1)] Financial figures from the financial year 2023

SOMA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Darmstadt KG was dissolved in February 2024.

pbb was not general partner in any company disclosed under the positions participating interests (assets side item no. 6) and affiliated companies (assets side item no. 7).

Furthermore, pbb held one equity instrument of one company with a capital share and voting right less than 1%.

18 Trust Business (Assets Side Item No. 8 & Liabilities Side Item No. 4)

As of 31 December 2024 and as of 31 December 2023 neither assets nor liabilities were held in trust. Trust assets and trust liabilities include assets and liabilities held by pbb in its own name for the account of others. These items are measured at amortised cost.

19 Intangible Assets (Assets Side Item No. 9)

Intangible assets include €9 million down-payments (31 December 2023: €12 million) and purchased software in the amount of €40 million (31 December 2023: €36 million).

20 Tangible Assets (Assets Side Item No. 10)

Tangible assets include operating equipment of €12 million (31 December 2023: €1 million).

21 Development in Fixed Assets (Assets Side Items Nos. 4, 6, 7, 9 & 10)

Development in fixed assets

in € million	Intangible assets	Tangible assets	Securities treated as fixed assets	Participating interests	Shares in affiliated companies
Cost of purchase or production					
1.1.2023	**72**	**15**			
Additions	28	-			
Disposals	-3	-			
Transfers	-	-			
Foreign currency translation effects	-	-			
31.12.2023	**97**	**15**			
1.1.2024	**97**	**15**			
Additions	9	12			
Disposals	-1	-5			
Transfers	-	-			
Foreign currency translation effects	-	-			
31.12.2024	**105**	**22**			
Write-down					
1.1.2023	**-43**	**-13**			
Write-up	-3	-			
Disposals	3	-			
Transfers	-	-			
Depreciation or amortisation	-6	-1			
Impairment write-down	-	-			
Foreign currency translation effects	-	-			
31.12.2023	**-49**	**-14**			
1.1.2024	**-49**	**-14**			
Write-up	-	-			
Disposals	1	5			
Transfers	-	-			
Depreciation or amortisation	-8	-1			
Impairment write-down	-	-			
Foreign currency translation effects	-	-			
31.12.2024	**-56**	**-10**			
Carrying amounts					
1.1.2023	**29**	**2**	**5,564**	**-**	**5**
Aggregation according to section 34(3) RechKredV			-1,359	-	-4
31.12.2023	**48**	**1**	**4,205**	**-**	**1**
1.1.2024	**48**	**1**	**4,205**	**-**	**1**
Aggregation according to section 34(3) RechKredV			-1,472	-	81
31.12.2024	**49**	**12**	**2,733**	**-**	**82**

22 Sundry Assets (Assets Side Item No. 11)

In addition to the adjustment items resulting from the measurement of hedged foreign currency transactions recognised in note “Financial Derivatives” the major part of sundry assets resulted from income tax assets in the amount of €51 million (31. December 2023: €43 million). As at 31 December 2024, the collateral provided for the European bank levy amounted to €42 million (31 December 2023: €42 million), for the deposit protection fund to €3 million (31 December 2023: €3 million) and for the Compensation Scheme of German Banks to €6 million (31 December 2023: €4 million).

In accordance with section 246 (2) sentence 2 HGB, other assets include unpledged claims from reinsurance policies for pensions in the amount of €1 million (31 December 2023: €1 million).

The fair values of pledged claims from retirement benefit obligations, if any, after setting off reinsured pension provisions and provisions for partial retirement schemes, are reported in the item “overfunded plan assets”.

23 Overfunded Plan Assets (Assets Side Item No. 13)

As of 31 December 2024 and as of 31 December 2023, no overfunded plan assets were recognised pursuant to section 246 (2) sentences 2 and 3 HGB due to the fact that provisions for pensions and similar obligations exceeded the fair values of plan assets.

24 Prepaid Expenses and Deferred Income(Assets Side Item No. 12 & Liabilities Side Item No. 6)

Prepaid expenses and deferred income

in € million	31.12.2024	31.12.2023
Assets side item no. 12a)		
Prepaid expenses from the issuance and loan business	91	116
thereof:		
discount from debt securities and loans received	32	44
premium from loans and advances granted	59	72
Liabilities side item no. 6a)		
Deferred income from the issuance and loan business	133	187
thereof:		
discount from debt securities and loans received	84	114
premium from loans and advances granted	49	73

25 Sundry Liabilities (Liabilities Side Item No. 5)

In addition to the adjustment items resulting from the measurement of hedged foreign currency transactions recognised in note “Financial Derivatives” the major part of sundry liabilities is trade accounts payable amounting to €10 million (31 December 2023: €14 million).

26 Provisions for Pensions and Similar Obligations (Liabilities Side Item No. 7a)

As at 31 December 2024 this item included, pursuant to section 246 (2) sentence 2 of the HGB, only provisions for pensions and similar obligations after offsetting against plan assets (pension provisions of €280 million [31 December 2023: €290 million], of which an amount of €147 million was offset against the fair value or amortised cost of plan assets [31 December 2023: €154 million]).

The pension provisions and similar obligations to former Management Board members and their surviving dependants amounted to €60 million (31 December 2023: €63 million).

27 Other Provisions (Liabilities Side Item No. 7c)

The following major single items are included in other provisions:
- Provisions for variable remuneration in the amount of €19 million (31 December 2023: €20 million)
- Provisions of €12 million (2023: €17 million) for termination benefits from the termination of employment relationships
- Provisions for legal and litigation risks and corresponding default interest payments of €4 million (31 December 2023: €3 million)

28 Subordinated Liabilities (Liabilities Side Item No. 8)

This item refers to promissory note loans, bearer bonds and registered bonds. The interest rates for fixed-income issues are between 3.25% p. a. and 6.55% p.a. They mature between 2025 and 2032.

Interest expenses of €27 million (2023: €28 million) were incurred for subordinated liabilities. This balance sheet item includes interest in the amount of €16 million (31 December 2023: €16 million).

Outstanding subordinated liabilities are not subject to any contractual regulations for the conversion into equity capital or into another type of debt. Subordinated liabilities do not provide for any early repayment obligation for pbb. In the event of liquidation or insolvency, claims on interest and principal from these liabilities are subordinated to the claims of all other creditors of pbb, which are not themselves subordinated.

Two euro-denominated issues included in this item exceed 10% of the total amount of subordinated liabilities:

Year of issue	Notional in € million	Interest rate in %	Maturity
2017	150	4.6	2027
2017	300	4.679	2027

These bonds are subject to the following terms and conditions:
- In February 2017 pbb issued a subordinated bond in the principal amount of €150 million and an interest rate of 4.6% p.a. with a term to maturity of 10 years. The issuer has the option to call the bond for tax or regulatory reasons only, and subject to the approval of the responsible regulatory authority. The bond cannot be called by the bearer. In the event of the Bank’s liquidation or insolvency, the liabilities from the debt securities are subordinated to the claims of other unsubordinated creditors, with payments on subordinated debt securities not being made until the claims of these other unsubordinated creditors are fully satisfied. Offsetting claims to subordinated debt securities against claims of the issuer is not permitted. Guarantees or collateral which tend to change the priorities may not be provided. If there is a risk jeopardising pbb’s existence as a going concern, the Resolution Board may order a bail-in which could result in the write-down of the bond and/or its conversion into equity.
- In June 2017 pbb issued a Tier 2 bond in the principal amount of €300 million and a coupon of 4.679% p.a. with a term to maturity of 10 years. The issuer may call the bond after five years. Otherwise, the issuer has the option to call the bond for tax or regulatory reasons only, and subject to the approval of the responsible regulatory authority. The bond cannot be called by the bearer. If pbb does not call the bond after five years, the interest rate will be reset to cover the remaining term to maturity. In the event of the Bank’s liquidation or insolvency, the liabilities from the debt securities are subordinated to the claims of other unsubordinated creditors, with payments on subordinated debt securities not being made until the claims of these other unsubordinated creditors are fully satisfied. Offsetting claims to subordinated debt securities against claims of the issuer is not permitted. Guarantees or collateral which tend to change the priorities may not be provided. If there is a risk jeopardising pbb’s existence as a going concern the Resolution Board may order a bail-in, which could result in the write-down of the bond and/or its conversion into equity.

29 Additional Tier 1 Capital Instruments (Liabilities Side Item No. 9)

pbb follows the guideline of the IDW dated 22 December 2014 and recognises under “additional Tier 1 capital instruments” AT1 capital in the total principal amount of €300 million with a carrying amount of €317 million (31 December 2023: €317 million) (including accrued interest of €17 million [31 December 2023: €17 million] recognised in interest expenses). For the instruments of additional Tier 1 capital instruments the coupon payment amounted to €25 million (2023: €23 million).

The bond – issued by pbb in April 2018 – carries an initial coupon of 5.75% p.a. and has no final maturity. For the new five-year interest period from 28 April 2023, the coupon is 8.474% p.a. Coupons are generally payable at pbb’s discretion. If pbb pays its shareholders a dividend or takes similar measures, interest must be paid on the AT1 bond. By contrast, coupon payments are not permitted if they are prohibited by regulatory authorities and/or would result in CET1 capital falling below the agreed trigger level (generally based on the consolidated CET1 ratio for groups accounted for under IFRSs, as well as on the single-entity CET1 ratio in accordance with the HGB if the regulatory waiver is cancelled or suspended), or if coupon payments would exacerbate an existing shortfall below these levels. Coupon payments are not cumulative, which means investors investing in AT1 instruments will not be compensated for suspended coupon payments in subsequent years. There is no contractual provision to convert the AT1 instrument into shares in pbb should the ratio mentioned drop below the threshold; instead, the AT1 instrument is written down and (if the ratio mentioned rises again above the threshold) written up again. If there is a risk jeopardising pbb’s existence as a going concern the resolution board may order a bail-in of the AT1 instruments which could result in a write-down and/or a conversion into equity shares. In the HGB balance sheet the AT1 instrument is recognised as liabilities and not as equity.

30 Fund for General Banking Risks (Liabilities Side Item No. 10)

The fund for general banking risks in accordance with Section 340g HGB amounted to €139 million after an allocation of €62 million in the 2024 financial year (31 December 2023: 77 Mio. € with an allocation of €30 million in the 2023 financial year).

31 Development in Equity (Liabilities Side Item No. 11)

Subscribed capital is the maximum liability of the shareholder for the liabilities of the corporation to its creditors. Additional paid-in capital includes contributions from a previous financial year as well as premiums from the issue of shares. Retained earnings were generally created only from net income of the current financial year or previous periods. This includes legal reserves to be created from net income/loss and other reserves.

in € million	Share capital	Additional paid-in capital	Retained Earnings: Legal reserve	Retained Earnings: Other reserves	Retained Earnings: Total	Unappropriated retained earnings/loss (–)	Total
Equity as of 1.1.2023	**380**	**1,639**	**13**	**703**	**716**	**128**	**2,863**
Net income	-	-	-	-	-	-	-
Dividend distribution	-	-	-	-	-	-128	-128
Allocation to retained earnings	-	-	-	-	-	-	-
Equity as of 31.12.2023	**380**	**1,639**	**13**	**703**	**716**	**-**	**2,735**
Equity as of 1.1.2024	**380**	**1,639**	**13**	**703**	**716**	**-**	**2,735**
Net income	-	-	-	-	-	40	40
Dividend distribution	-	-	-	-	-	-	-
Additions to retained earnings/ Withdrawal from retained earnings	-	-	-	20	20	-20	-
Rounding adjustment	-	-	-	1	1	-	1
Equity as of 31.12.2024	**380**	**1,639**	**13**	**724**	**737**	**20**	**2,776**

Due to a rounding error, the commercially rounded equity figure was actually €2,736 million as at 31 December 2023.

32 Share Capital (Liabilities Side Item No. 11a)

Share capital amounted to €380,376,059.67 during the entire financial years 2024 and 2023 and is divided into 134,475,308 ordinary bearer shares with no par value representing a theoretical interest in the share capital of approximately €2.83 per share. pbb did not hold any treasury shares during the entire financial years 2024 and 2023.

For information on authorised and contingent capital please refer to the chapter “Supplemental Information” in the section “Disclosures Pursuant to Section 315a (1) HGB” of the Combined Management Report in pbb Group’s Annual Report 2024.

33 Additional Paid-in Capital (Liabilities Side Item No. 11b)

In the financial years 2024 and 2023 there were no transfers to or withdrawals from additional paid-in capital.

In accordance with Section 272 (2) No. 4 HGB, the additional paid-in capital includes other additional payments by shareholders into equity as well as premiums from the issue of shares. Except for legal reserves pursuant to section 150 (2) of the AktG of €25,383,131.91 (31 December 2023: €25,383,131.91), additional paid-in capital is freely available.

34 Retained Earnings (Liabilities Side Item No. 11c)

In the financial years 2024 and 2023 the legal reserve remained unchanged. An amount of €20 million was added to other retained earnings in the 2024 financial year (2023: other retained earnings remained unchanged).

Retained earnings include legal reserves pursuant to section 150 (2) of the AktG of €12,654,474.06 (31 December 2023: €12,654,474.06).

35 Foreign Currency Assets and Liabilities

Foreign currency assets amounted to €7,230 million (31 December 2023: €8,628 million), whereas foreign currency liabilities amounted to €7,342 million (31 December 2023: €8,780 million).

36 Assets transferred as Collateral

The following assets were transferred as collateral for own liabilities:

Assets transferred as collateral

	Carrying amount	
in € million	**31.12.2024**	**31.12.2023**
Pledging of securities arising from open market transactions with ECB	-	-
Pledging of securities arising from TLTRO with the ECB	-	694
Securities held under repurchase agreements	126	1,680
Securities held connected with EUREX transactions	345	1,795
Loans and advances held under repurchase agreements	14	18
Pledging of loans and advances as collateral for loans and advances received	173	227
Pledging of securities as collateral for loans and advances received	-	-
Cash collateral deposited at other banks	956	1,170
Cash collateral deposited at clients	21	26

All assets reported in the table contain pro rata interest and were transferred completely for liabilities to other banks.

As part of an open market transaction with the ECB, pbb has pledged to the ECB its own covered issues that were not outstanding with a total value of €575 million, including the pro rata interest contained therein (as at 31 December 2023, €312 million of own covered issues that were not outstanding were pledged to the ECB as part of the TLTRO). In addition, own covered issues that were not outstanding with a total value of €168 million, including the pro rata interest contained therein, were pledged as part of a repurchase agreement (€154 million as at 31 December 2023).

As at 31 December 2024, the collateral provided for the European bank levy amounted to €42 million (31 December 2023: €42 million), for the Deposit Protection Fund to €3 million (31 December 2023: €3 million) and for the Compensation Scheme of German Banks to €6 million (31 December2023 : €4 million). Accordingly, the collateral for the Compensation Scheme of German Banks was increased by €2 million in 2024. In addition, pbb is obliged to make additional contributions upon request. These represent a risk with regard to the financial position within the meaning of section 285 no. 3 HGB. Further information on the accounting treatment of collateral is provided in Note 41 "Off-balance sheet transactions and other financial obligations".

37 Loans and Advances and Liabilities to Affiliated and Participated Companies

Loans and advances and liabilities to affiliated and participated companies

	to affiliated companies		to participated companies	
in € million	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Loans and advances to other banks (assets side item no. 2)	-	-	-	-
Loans and advances to customers (assets side item no. 3)	-	-	-	7
Bonds and other fixed-interest securities (assets side item no. 4)	-	-	-	-
Liabilities to other banks (liabilities side item no. 1)	-	-	-	-
Liabilities to customers (liabilities side item no. 2)	2	1	-	-
Securitised liabilities (liabilities side item no. 3)	-	-	-	-
Subordinated liabilities (liabilities side item no. 8)	-	-	-	-

OTHER NOTES

38 Supplemental Disclosures According to Section 28 PfandBG

Mortgage Pfandbriefe outstanding and the cover assets used on their behalf

	Notional		Present value		Risk-adjusted net present value[1)]	
in € million	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Total outstanding Mortgage Pfandbriefe	15,268	16,952	15,520	16,921	15,727	17,099
therof derivatives	-	-	-	-	-	-
Cover Pool	18,853	20,910	19,313	21,211	19,325	21,209
therof derivatives	-	-	-	-	-	-
Over-collateralisation	**3,585**	**3,958**	**3,793**	**4,290**	**3,598**	**4,110**
Over-collateralisation in of Pfandbriefe outstanding	23.5%	23.4%	24.4%	25.4%	22.9%	24.0%
Legal Over-collateralisation[2)]	603	672	310	338	-	
Contractual Over-collateralisation[2)]	-	-	-	-	-	
Voluntary Over-collateralisation[2)]	2,982	3,286	3,483	3,951	-	
Over-collateralisation in consideration of vdp-credit-quality-differentiation model	3,581	3,909	3,789	4,240	-	-
Over-collateralisation in of Pfandbriefe outstanding	23.5%	23.1%	24.4%	-	-	-

[1)] For the calculation of risk cash value the dynamic rate method is applied according to section 5 (1) no. 1 PfandBarwertV.
[2)] The statutory over-collateralisation requirement is made up of the present value over-collateralisation in accordance with section 4 (1) PfandBG including interest and currency stress scenarios and the nominal value over-collateralisation in accordance with section 4 (2) PfandBG.

Maturity structure (remaining term) notional

	Mortgage Pfandbriefe		Cover pool		Maturity postponement (12 month) [1)2)3)]	
in € million	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
up to 0.5 years	1,094	2,959	2,777	3,000	-	-
more than 0.5 years to 1 year	900	827	2,577	2,489	-	-
more than 1 year to 1.5 years	971	1,050	1,376	2,093	1,094	2,959
more than 1.5 years to 2 years	2,996	900	2,373	2,031	900	827
more than 2 years to 3 years	4,440	3,844	3,381	2,746	3,966	1,950
more than 3 years to 4 years	1,013	2,831	2,484	2,715	4,441	3,844
more than 4 years to 5 years	620	861	1,568	2,476	1,013	2,831
more than 5 years to 10 years	847	1,230	2,196	3,055	1,256	1,886
more than 10 years	2,387	2,450	121	305	2,598	2,655
total	**15,268**	**16,952**	**18,853**	**20,910**	**15,268**	**16,952**

[1)] Effects of an extension of maturity on the maturity structure of the Pfandbriefe/extension scenario: 12 months. This is an extremely unlikely scenario, which could only come into play after the appointment of a cover pool administrator.
[2)] Prerequisites for the extension of maturity of the Pfandbriefe: The extension of the maturity is necessary in order to avoid the imminent insolvency of the Pfandbrief bank with limited business activity, the Pfandbrief bank with limited business activity is not overindebted and there is reason to believe that the Pfandbrief bank with limited business activity will be able to meet its liabilities then due after the expiry of the maximum possible extension date, taking into account further possibilities for extension. See also, in addition, section 30 (2b) PfandBG.
[3)] Powers of the cover pool administrator in the event of the extension of maturity of the Pfandbriefe: The cover pool administrator may extend the maturity dates of the principle payments, if the relevant requirements pursuant to section 30 (2b) PfandBG are met. The administrator shall determine the period of the extension of the maturity, which may not exceed a period of 12 months, in accordance with necessity. The cover pool administrator may extend the maturity dates of the principal and interest payments falling due within one month after the appointment of the cover pool administrator to the end of that monthly period. If the cover pool administrator decides in favor of such a extension of the maturity, the existence of the prerequisites pursuant to section 30 (2b) PfandBG shall be irrefutably presumed. Such an extension shall be taken into account within the maximum extension period of 12 months. The cover pool administrator may only exercise his authority uniformly for all Pfandbriefe of an issue. In this connection, the maturities may be extented in full or on a pro rata basis. The cover pool administrator must extend the maturity for a Pfandbrief issue in such a way that the original order of servicing of the Pfandbriefe which could be overtaken by the postponement is not changed (prohibition of overtaking). This may result in the maturities of later maturing issues also having to be extended in order to comply with the prohibition on overtaking. See also, in addition, section 30 (2a) and (2b) PfandBG.

Further cover assets for Mortgage Pfandbriefe

in € million		Claims according section 19 (1) set 1 no. 2a) and b) PfandBG		Claims according section 19 (1) set 1 no. 3a) until c) PfandBG		Claims according section 19 (1) set 1 no. 4 PfandBG	
		Total	thereof: covered bonds	Total	thereof: covered bonds		**Total**
Germany	2024	-	-	-	-	250	250
	2023	-	-	-	-	-	-
Belgium	2024	-	-	-	-	-	-
	2023	-	-	-	-	50	50
France	2024	-	-	-	-	64	64
	2023	-	-	-	-	11	11
Ireland	2024	-	-	-	-	75	75
	2023	-	-	-	-	-	-
Italy	2024	-	-	-	-	-	-
	2023	-	-	-	-	1,175	1,175
Latvia	2024	-	-	-	-	25	25
	2023	-	-	-	-	25	25
Luxembourg	2024	-	-	-	-	100	100
	2023	-	-	-	-	83	83
Austria	2024	-	-	-	-	-	-
	2023	-	-	-	-	178	178
Slovakia	2024	-	-	-	-	-	-
	2023	-	-	-	-	100	100
Slovenia	2024	-	-	-	-	50	50
	2023	-	-	-	-	50	50
Spain	2024	-	-	-	-	160	160
	2023	-	-	-	-	36	36
other States/Institutions	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-
Total of all countries	**2024**	**-**	**-**	**-**	**-**	**724**	**724**
	2023	-	-	-	-	1,708	1,708

Volume of claims used to cover Mortgage Pfandbriefe, split by countries where the property is located, and by property type

in € million	31.12.	Total of used claims	Apartments	Single-and two-family houses	Multi-family houses	Buildings under construction	Building land	**Total residential**
			thereof: residential					
Germany	2024	7,729	224	1	2,447	117	-	2,789
	2023	8,073	250	2	2,574	115	-	2,941
Belgium	2024	6	-	-	-	-	-	-
	2023	13	-	-	-	-	-	-
Finland	2024	362	-	-	72	-	-	72
	2023	290	-	-	67	-	-	67
France	2024	2,128	-	-	-	-	-	-
	2023	2,241	-	-	-	-	-	-
Great Britain	2024	1,180	-	-	-	-	-	-
	2023	1,467	-	-	-	-	-	-
Italy	2024	64	-	-	-	-	-	-
	2023	14	-	-	-	-	-	-
Luxembourg	2024	20	-	-	-	-	-	-
	2023	47	-	-	-	-	-	-
Netherlands	2024	789	-	-	277	-	-	277
	2023	682	-	-	168	-	-	168
Austria	2024	198	-	-	-	-	-	-
	2023	205	-	-	-	-	-	-
Poland	2024	1,286	-	-	-	-	-	-
	2023	1,294	-	-	-	-	-	-
Romania	2024	80	-	-	-	-	-	-
	2023	110	-	-	-	-	-	-
Sweden	2024	841	-	-	114	-	-	114
	2023	860	-	-	117	-	-	117
Slovakia	2024	71	-	-	-	-	-	-
	2023	93	-	-	-	-	-	-
Slovenia	2024	38	-	-	-	-	-	-
	2023	44	-	-	-	-	-	-
Spain	2024	322	-	-	-	-	-	-
	2023	251	-	-	-	-	-	-
Czech Republic	2024	447	-	-	-	-	-	-
	2023	302	-	-	-	-	-	-
Hungary	2024	139	-	-	-	-	-	-
	2023	139	-	-	-	-	-	-
Switzerland	2024	53	-	-	-	-	-	-
	2023	71	-	-	-	-	-	-
USA	2024	2,376	-	-	188	-	-	188
	2023	3,006	-	-	209	-	-	209
Other OECD countries	2024	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-
Total of all countries	**2024**	**18,129**	**224**	**1**	**3,098**	**117**	**-**	**3,440**
	2023	19,202	250	2	3,135	115	-	3,502

Volume of claims used to cover Mortgage Pfandbriefe, split by countries where the property is located, and by property type

		thereof: commercial						
in € million	31.12.	Office buildings	Retail buildings	Industrial buildings	other commercially used buildings	Buildings under construction	Building land	**Total commercial**
Germany	2024	2,830	711	68	692	540	99	4,940
	2023	2,921	738	15	750	592	116	5,132
Belgium	2024	-	-	-	6	-	-	6
	2023	13	-	-	-	-	-	13
Finland	2024	177	84	-	29	-	-	290
	2023	139	84	-	-	-	-	223
France	2024	1,436	136	46	417	93	-	2,128
	2023	1,575	137	51	321	157	-	2,241
Great Britain	2024	424	219	27	510	-	-	1,180
	2023	546	208	26	687	-	-	1,467
Italy	2024	64	-	-	-	-	-	64
	2023	-	-	-	14	-	-	14
Luxembourg	2024	20	-	-	-	-	-	20
	2023	20	-	-	27	-	-	47
Netherlands	2024	187	108	-	217	-	-	512
	2023	200	42	-	272	-	-	514
Austria	2024	24	77	-	97	-	-	198
	2023	52	77	-	76	-	-	205
Poland	2024	530	254	-	502	-	-	1,286
	2023	535	268	-	491	-	-	1,294
Romania	2024	80	-	-	-	-	-	80
	2023	110	-	-	-	-	-	110
Sweden	2024	298	183	-	246	-	-	727
	2023	294	198	-	251	-	-	743
Slovakia	2024	-	-	-	71	-	-	71
	2023	-	22	-	71	-	-	93
Slovenia	2024	-	38	-	-	-	-	38
	2023	-	44	-	-	-	-	44
Spain	2024	78	88	-	156	-	-	322
	2023	75	68	-	108	-	-	251
Czech Republic	2024	91	93	121	142	-	-	447
	2023	91	92	102	17	-	-	302
Hungary	2024	78	49	-	12	-	-	139
	2023	78	49	-	12	-	-	139
Switzerland	2024	53	-	-	-	-	-	53
	2023	71	-	-	-	-	-	71
USA	2024	2,040	-	39	109	-	-	2,188
	2023	2,392	-	37	368	-	-	2,797
Other OECD countries	2024	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-
Total of all countries	**2024**	**8,410**	**2,040**	**301**	**3,206**	**633**	**99**	**14,689**
	2023	9,112	2,027	231	3,465	749	116	15,700

Claims used to cover Mortgage Pfandbriefe

	Total amount of payments in arrears for at least 90 days		Total amount of these claims in as much as the respective amount in arrears is at least 5% of the claim	
in € million	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Germany	-	-	-	-
France				
Spain				
Total of all countries	**-**	**-**	**-**	**-**

Claims used to cover Mortgage Pfandbriefe by size group

in € million	31.12.2024	31.12.2023
up to €300 thousand	37	45
more than €300 thousand up to €1 million	90	103
more than €1 million up to €10 million	1,233	1,153
more than €10 million	16,769	17,901
Total	**18,129**	**19,202**

Key figures about outstanding Mortgage Pfandbriefe and cover pool used

in € million		31.12.2024	31.12.2023
Outstanding Mortgage Pfandbriefe		15,268	16,952
thereof fixed-rate Pfandbriefe		88.5%	85.6%
Cover pool		18,853	20,910
thereof total amount of claims which exceed the limits according to section 13 (1) set 2 PfandBG		-	-
thereof total amount of the claims according section 19 (1) which exceed the limits according to section 19 (1) set 7 PfandBG		-	-
total amount of the claims which exceed the limits according to section 19 (1) no. 2 PfandBG		-	-
total amount of the claims which exceed the limits according to section 19 (1) no. 3 PfandBG		-	-
total amount of the claims which exceed the limits according to section 19 (1) no. 4 PfandBG		-	-
thereof fixed-rate cover assets		59.8%	48.8%
"Net present value pursuant to section 6 (1) of the Pfandbrief Net Present Value Regulation for each foreign currency in € section 28 (1) no. 14 PfandBG (Net Total of asset/liability)"	CHF	55	74
	DKK	-	-
	GBP	921	678
	JPY	-	-
	NOK	-	-
	SEK	294	678
	USD	918	322
Volume-weighted average time in years (seasoning)		3.9	3.6
Weighted average loan-to-value ratio		57.1%	56.8%
Weighted average loan-to-value ratio, based upon the market value – optional –		36.5%	34.3%
Key figures regarding liquidity according section 28 (1) set 1 no. 6 PfandBG			
Largest negative amount within the next 180 days within the meaning of section 4 (1a) s. 3 PfandBG for Pfandbriefe		504	1,434
Day on which the largest negative sum occurs		45	143
Total amount of cover assets meeting the requirements of section 4 (1a) s. 3 PfandBG		744	1,704
Key figures according section 28 (1) no. 7 PfandBG			
share of derivative transactions included in the cover pools according section 19 (1) no. 1 PfandBG (credit quality step 3)		-	-
share of derivative transactions included in the cover pools according section 19 (1) no. 2 c PfandBG (credit quality step 2)		-	-
share of derivative transactions included in the cover pools according section 19 (1) no. 3 d PfandBG (credit quality step 1)		-	-
share of derivative transactions in liabilities to be covered according section 19 (1) no. 1 PfandBG (credit quality step 3)		-	-
share of derivative transactions in liabilities to be covered according section 19 (1) no. 2 c PfandBG (credit quality step 2)		-	-
share of derivative transactions in liabilities to be covered according section 19 (1) no. 3 d PfandBG (credit quality step 1)		-	-
Key figures according section 28 (1) no. 15 PfandBG		-	-
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Art. 178 (1) of Regulation (EU) no. 575/2013 is deemed to have occurred.		-	-

List of International Securities Identification Numbers of the International Organisation for Standardisation (ISIN)

31.12.2024	31.12.2023
DE000A11QAU6, DE000A13SV24, DE000A13SV65, DE000A1RFBQ3, DE000A254ZN3, DE000A2AAV88, DE000A2AAVX2, DE000A2E4Y05, DE000A2E4Y39, DE000A2E4ZA7, DE000A2GSLB8, DE000A2GSLP8, DE000A2GSLQ6, DE000A2GSLV6, DE000A2NBJ96, DE000A2YNVM8, DE000A2YNVV9, DE000A2YNVY3, DE000A30WF01, DE000A30WF19, DE000A30WF27, DE000A30WF68, DE000A30WF92, DE000A30WFS7, DE000A30WFU3, DE000A30WFZ2, DE000A31RJ03, DE000A31RJ11, DE000A31RJ29, DE000A31RJ37, DE000A31RJ45, DE000A31RJ52, DE000A31RJ60, DE000A31RJP3, DE000A31RJS7, DE000A31RJV1, DE000A31RJZ2, DE000A3826W6, DE000A3826X4, DE000A3826Y2, DE000A3826Z9, DE000A3E5K73, DE000A3E5K99, DE000A3E5KW9, DE000A3E5KZ2, DE000A3T0X63, DE000A3T0YB8, DE000A3T0YC6, DE000A3T0YD4, DE000A3T0YE2, DE000A3T0YF9, DE000A3T0YG7, DE000A3T0YH5, DE000A3T0YJ1, DE000A3T0YL7, DE000A3T0YM5	DE000A11QA15, DE000A11QA56, DE000A11QAL5, DE000A11QAM3, DE000A11QAQ4, DE000A11QAT8, DE000A11QAU6, DE000A11QAV4, DE000A11QAX0, DE000A11QAY8, DE000A13SV24, DE000A13SV65, DE000A1RFBQ3, DE000A1X3LZ4, DE000A254ZN3, DE000A2AAV88, DE000A2AAVX2, DE000A2E4Y05, DE000A2E4Y39, DE000A2E4ZA7, DE000A2GSLB8, DE000A2GSLJ1, DE000A2GSLL7, DE000A2GSLP8, DE000A2GSLQ6, DE000A2GSLV6, DE000A2LQNP8, DE000A2NBJ96, DE000A2YNVM8, DE000A2YNVV9, DE000A2YNVY3, DE000A30WF01, DE000A30WF19, DE000A30WF27, DE000A30WF68, DE000A30WF92, DE000A30WFS7, DE000A30WFU3, DE000A30WFZ2, DE000A31RJ03, DE000A31RJ11, DE000A31RJ29, DE000A31RJ37, DE000A31RJP3, DE000A31RJS7, DE000A31RJV1, DE000A31RJZ2, DE000A3E5K73, DE000A3E5K99, DE000A3E5KW9, DE000A3E5KY5, DE000A3E5KZ2, DE000A3H2Z49, DE000A3H2Z80, DE000A3H2ZW1, DE000A3T0X48, DE000A3T0X63, DE000A3T0YB8, DE000A3T0YC6, DE000A3T0YD4, DE000A3T0YE2, DE000A3T0YF9, DE000A3T0YG7, DE000A3T0YH5, DE000A3T0YJ1, DE000A3T0YL7, DE000A3T0YM5

Enforcement measures (assets side nos. 2 and 3)

	Number of cases		thereof: commercial		thereof: residential	
in € million	2024	2023	2024	2023	2024	2023
Pending as of 31 December						
Forced sales	-	-	-	-	-	-
Administrative receiver-ship	-	-	-	-	-	-
therof included in pending forced sales	-	-	-	-	-	-
Forced sales in the current financial year	-	-	-	-	-	-

Properties acquired or purchased by auction (assets side items nos. 10 & 11): In the current and the previous financial year pbb did not take salvage acquisitions to avoid losses in mortgages.

Overdue interests (assets side items nos. 2 & 3): Total overdue interests to be paid by mortgage debtors (if not written off in previous periods) amounted to €0 million (31 December 2023: €0 million) for commercial purposes and to €0 million (31 December 2023: €0 million) for residential purposes.

Public Pfandbriefe outstanding and their cover

	Notional		Present value		Risk-adjusted net present value[1]	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Total outstanding						
Public Pfandbriefe	6,550	8,670	7,053	9,280	6,687	8,731
therof derivatives	-	-	-	-	-	-
Cover Pool	8,251	9,503	8,901	10,261	8,407	9,533
therof derivatives	-	-	-	-	-	-
Over-collateralisation	1,701	833	1,848	981	1,720	802
Legal Over-collateralisation[2]	266	344	141	186	-	-
Contractual Over-collateralisation[2]	-	-	-	-	-	-
Voluntary Over-collateralisation[2]	1,435	489	1,707	795	-	-
Over-collateralisation of Pfandbriefe outstanding	26.0%	9.6%	26.2%	10.6%	25.7%	9.2%
Over-collateralisation in consideration of vdp-credit-quality-differentiation model	1,676	814	1,823	961	-	-
Over-collateralisation in of Pfandbriefe outstanding	25.6%	9.4%	25.8%	-	-	-

[1] For the calculation of risk cash value the dynamic rate method is applied according to section 5 (1) no. 1 PfandBarwertV.
[2] The statutory overcollateralization requirement is composed of the net present value of statutory overcollateralization pursuant to section 4 (1) PfandBG, including interest rate and currency stress scenarios, and the nominal value of statutory overcollateralization pursuant to section 4 (2) PfandBG.

Maturity structure (remaining term) notional

	Public Pfandbriefe		Cover pool		Maturity postponement (12 month)[1)2)3)]	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
up to 0.5 years	242	259	265	388	-	-
more than 0.5 years to 1 year	393	398	289	244	-	-
more than 1 year to 1.5 years	188	239	235	271	242	259
more than 1.5 years to 2 years	601	391	548	295	393	398
more than 2 years to 3 years	435	1,422	505	854	789	631
more than 3 years to 4 years	1,083	434	801	506	435	1,422
more than 4 years to 5 years	99	1,568	412	938	1,083	434
more than 5 years to 10 years	1,466	1,671	1,406	1,653	1,352	2,487
more than 10 years	2,043	2,288	3,790	4,354	2,256	3,040
total	**6,550**	**8,670**	**8,251**	**9,503**	**6,550**	**8,671**

[1] Effects of an extension of maturity on the maturity structure of the Pfandbriefe / extension scenario: 12 months. This is an extremely unlikely scenario, which could only come into play after the appointment of a cover pool administrator.
[2] Prerequisites for the extension of maturity of the Pfandbriefe: The extension of the maturity is necessary in order to avoid the imminent insolvency of the Pfandbrief bank with limited business activity, the Pfandbrief bank with limited business activity is not overindebted and there is reason to believe that the Pfandbrief bank with limited business activity will be able to meet its liabilities then due after the expiry of the maximum possible extension date, taking into account further possibilities for extension. See also, in addition, section 30 (2b) PfandBG.
[3] Powers of the cover pool administrator in the event of the extension of maturity of the Pfandbriefe: The cover pool administrator may extend the maturity dates of the principle payments, if the relevant requirements pursuant to section 30 (2b) PfandBG are met. The administrator shall determine the period of the extension of the maturity, which may not exceed a period of 12 months, in accordance with necessity. The cover pool administrator may extend the maturity dates of the principal and interest payments falling due within one month after the appointment of the cover pool administrator to the end of that monthly period. If the cover pool administrator decides in favor of such a extension of the maturity, the existence of the prerequisites pursuant to section 30 (2b) PfandBG shall be irrefutably presumed. Such an extension shall be taken into account within the maximum extension period of 12 months. The cover pool administrator may only exercise his authority uniformly for all Pfandbriefe of an issue. In this connection, the maturities may be extented in full or on a pro rata basis. The cover pool administrator must extend the maturity for a Pfandbrief issue in such a way that the original order of servicing of the Pfandbriefe which could be overtaken by the postponement is not changed (prohibition of overtaking). This may result in the maturities of later maturing issues also having to be extended in order to comply with the prohibition on overtaking. See also, in addition, section 30 (2a) and (2b) PfandBG.

Further cover assets for Mortgage Pfandbriefe as of 31 December 2024

in € million		Claims according section 20 (2) s.1 no. 3a) to c) PfandBG		Claims according section 20 (2) s.1 no. 4 PfandBG		Claims according section 20 (2) s.1 no. 2 PfandBG	
		Total	thereof: covered bonds	Total	thereof: covered bonds		**Total**
Germany	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-
Total of all countries	**2024**	**-**	**-**	**-**	**-**	**-**	**-**
	2023	-	-	-	-	-	-

Volume of claims used to cover Public Pfandbriefe

		Cover pool		thereof owned by				thereof guaranteed by			
in € million	31.12.	**Total**	thereof granted for reasons of promoting exports	Central state	Regional authorities	Local authorities	Other	Central state	Regional authorities	Local authorities	Other
Germany	2024	**1,889**	67	162	1,274	8	250	69	79	47	-
	2023	**2,507**	50	173	1,769	22	250	150	86	57	-
Belgium	2024	**58**	-	-	-	-	-	50	8	-	-
	2023	**74**	-	-	-	-	-	50	24	-	-
Finland	2024	**13**	-	-	-	13	-	-	-	-	-
	2023	**21**	-	-	-	17	4	-	-	-	-
France	2024	**2,029**	-	130	582	570	506	92	44	105	-
	2023	**2,231**	2	144	663	598	562	99	47	118	-
Great Britain	2024	**153**	-	-	12	141	-	-	-	-	-
	2023	**151**	-	-	12	139	-	-	-	-	-
Italy	2024	**258**	-	150	105	3	-	-	-	-	-
	2023	**230**	-	80	145	5	-	-	-	-	-
Netherlands	2024	**24**	24	-	-	-	-	24	-	-	-
	2023	**47**	47	-	-	-	-	47	-	-	-
Austria	2024	**3,181**	-	2,675	-	-	-	300	157	49	-
	2023	**3,644**	-	3,025	-	-	-	370	196	53	-
Portugal	2024	**267**	-	-	87	-	180	-	-	-	-
	2023	**280**	-	-	100	-	180	-	-	-	-
Slovakia	2024	**100**	-	100	-	-	-	-	-	-	-
	2023	**-**	-	-	-	-	-	-	-	-	-
Spain	2024	**202**	-	-	177	25	-	-	-	-	-
	2023	**138**	-	-	125	-	13	-	-	-	-
Japan	2024	**-**	-	-	-	-	-	-	-	-	-
	2023	**90**	-	30	-	60	-	-	-	-	-
Canada	2024	**39**	39	-	-	-	-	-	-	-	39
	2023	**48**	48	-	-	-	-	-	-	-	48
International Organisations	2024	**38**	-	-	-	-	38	-	-	-	-
	2023	**42**	-	-	-	-	42	-	-	-	-
Total of all countries	**2024**	**8,251**	**130**	**3,217**	**2,237**	**760**	**974**	**535**	**288**	**201**	**39**
	2023	9,503	147	3,452	2,814	841	1,051	716	353	228	48

As in the previous year, there were no payments in arrears of at least 90 days and no receivables in arrears of at least 5% of the receivable as at the balance sheet date.

Claims used as cover for Public Pfandbriefe according to their amount in tranches

in € million	31.12.2024	31.12.2023
up to €10 million	330	347
more than €10 million up to €100 million	2,882	3,067
more than €100 million	5,039	6,089
Total	**8,251**	**9,503**

Key figures about outstanding Public Pfandbriefe and cover pool used

in € million		31.12.2024	31.12.2023
Outstanding Public Pfandbriefe		6,550	8,670
thereof fixed-rate Pfandbriefe		78.7%	71.1%
Cover pool		8,251	9,503
thereof total amount of the claims according section 20 (1) and (2) which exceed the limits laid down in section 20 (3 (section 28 (1) no. 11 PfandBG)		-	-
claims which exceed the limits laid down in section 20 (2) no. 2 (section 28 (1) no. 12 PfandBG)		-	-
claims which exceed the limits laid down in section 20 (2) no. 3 (section 28 (1) no. 12 PfandBG)		-	-
thereof percentage share of fixed-rate cover assets section 28 (1) no. 13 PfandBG		72.8%	73.9%
Net present value pursuant to section 6 (1) of the Pfandbrief Net Present Value Regulation for each foreign currency in € section 28 (1) no. 10 PfandBG (Net Total of asset/liability)	CAD	-	-
	CHF	58	82
	GBP	124	171
	JPY	-	37
	USD	37	110
Key figures on liquidity according section 28 (1) no. 6 PfandBG		-	-
Largest negative amount within the next 180 days within the meaning of section 4 (1a) s. 3PfandBG for Pfandbriefe		139	3
Day on which the largest negative sum results		57	1
Total amount of cover assets meeting the requirements of section 4 (1a) s. 3 PfandBG		458	207
Key figures according section 28 (1) no. 7 PfandBG		-	-
share of derivative transactions included in the cover pools according section 20 (2) no. 1 PfandBG (credit quality step 3)		-	-
share of derivative transactions included in the cover pools according section 20 (2) no. 2 PfandBG (credit quality step 2)		-	-
share of derivative transactions included in the cover pools according section 20 (2) no. 3c PfandBG (credit quality step 1)		-	-
share of derivative transactions in liabilities to be covered according section 20 (2) no. 1 PfandBG (credit quality step 3)		-	-
share of derivative transactions in liabilities to be covered according section 20 (2) no. 2 PfandBG (credit quality step 2)		-	-
share of derivative transactions in liabilities to be covered according section 20 (2) no. 3c PfandBG (credit quality step 1)		-	-
Key figures according section 28 (1) no. 15 PfandBG		-	-
Share of cover assets in the cover pool for which or for whose debtor a default pursuant to Art. 178 (1) of Regulation (EU) no. 575/2013 is deemed to have occurred.		1	-

List of International Securities Identification Numbers of the International Organisation for Standardisation (ISIN)

31.12.2024	31.12.2023
DE0001468361, DE0008119504, DE0008153289, DE000A0B1K04, DE000A11QAR2, DE000A11QAS0, DE000A11QAW2, DE000A12UA83, DE000A13SWG1, DE000A1CR6S0, DE000A1EWJQ9, DE000A1R06C5, DE000A2AAVW4, DE000A31RJX7	DE0001468361, DE0008119504, DE0008153289, DE0008217910, DE000A0B1K04, DE000A11QAR2, DE000A11QAS0, DE000A11QAW2, DE000A12UA83, DE000A13SWG1, DE000A1A6LJ8, DE000A1CR6S0, DE000A1EWJQ9, DE000A1R06C5, DE000A1X2558, DE000A2AAVW4, DE000A31RJX7, DE000A31RJY5, DE000A3E5K32

39 Contingent Liabilities (Off-Balance-Sheet Item No. 1b)

The liabilities from guarantees and indemnity agreements of €99 million (31 December 2023: €63 million) were granted in connection with banking business. Prior to granting, the potential guarantee or indemnity holders are subjected to a thorough credit assessment. Any subsequent credit deteriorations are closely monitored, and corresponding provisions are recorded, if appropriate. Potential risks from guarantee or indemnity agreements are reflected through the recognition of additional general allowances. In this connection, pbb does not have any indication that would suggest additional future defaults.

40 Other Commitments (Off-Balance-Sheet Item No. 2c)

The reported amount of irrevocable loan commitments of a total of €1,446 million (31 December 2023: €2,219 million) comprises commitments for mortgage loans of €1,375 million (31 December 2023: €2,139 million) and loan commitments to the public sector in the amount of €71 million (31 December 2023: €80 million). Prior to granting, potential borrowers are subjected to a thorough credit assessment. Any subsequent credit deteriorations are closely monitored, and corresponding provisions are recorded, if appropriate. Potential risks from irrevocable loan commitments are reflected through the recognition of additional general allowances. pbb does not have any indication that would suggest additional future defaults.

41 Off-Balance-Sheet Transactions and Other Financial Commitments

Non-terminable operate lease agreements for land and buildings existed as of 31 December 2024 and as of 31 December 2023.

Future minimum lease payments by maturities

in € million	31.12.2024	31.12.2023
up to 1 year	5	7
more than 1 year to 5 years	15	14
more than 5 years	4	1
Total	**24**	**22**

In recent years, pbb has utilised the option of not paying contributions to the European bank levy, the Deposit Protection Fund and the Compensation Scheme of German Banks in full, but in part in the form of an irrevocable payment obligation by providing cash collateral. As at 31 December 2024, the collateral provided for the European bank levy amounted to €42 million (31 December 2023: €42 million), for the Deposit Protection Fund €3 million (31 December 2023: €3 million) and for the Compensation Scheme of German Banks €6 million (31 December 2023: €4 million). In 2024, the collateral for the Compensation Scheme of German Banks was increased accordingly by €2 million (2023: Increase of €6 million for the European bank levy and €1 million for the Compensation Scheme of German Banks). In addition, pbb is obliged to make additional contributions on request by means of additional contribution allocations. These represent a risk with regard to the financial position within the meaning of section 285 no. 3 HGB.

pbb recognises collateral in accordance with the meeting reports of the Banking Committee of the Institute of Public Auditors in Germany. This states that the transfer of cash and cash equivalents as cash collateral at the contributing institution (protection seller) leads to the recognition of a financial receivable from the protection buyer (restructuring fund) and to the derecognition of the cash and cash equivalents. The institution preparing the balance sheet must also check on each balance sheet date whether there is sufficient probability of a claim being made. To the extent that utilisation or an economic burden from the irrevocable payment obligation is expected in this case, a provision must be recognised.

A French bank, which is independent of pbb, has filed a lawsuit against the Single Resolution Board (SRB) for the European bank levy in order to obtain the return of its cash collateral following the return of its banking licence. The General Court of the European Union (General Court) dismissed the French bank's action on 25 October 2023. The French bank has lodged an appeal against the judgement.

According to pbb's assessment, the judgement of the EUG, which is not yet legally binding, has no effect on the recognition of the collateral. According to pbb's assessment, no provisions need to be recognised, as it is unlikely that the collateral will be utilised by the SRB. The business operations of pbb are designed to continue (going concern premise), which means that a return of the banking licence with the possible consequence of a payment of the outstanding collateral is also unlikely.

Other financial obligations existing on the balance sheet date are within the normal scope of business.

As at 31 December 2024, contingent assets amounted to €15 million (31 December 2023: €15 million). These are attributable to an asset claim.

42 Legal Risks (Litigation Risks)

Given the nature of business and international expansion of activities and the large number of relevant requirements and regulations, pbb is involved in litigation, arbitration and administrative proceedings in some countries. pbb recognises provisions for the uncertain obligations arising from these proceedings if the potential outflow of resources is sufficiently likely and the amount of the obligation can be estimated. The probability of outflow of resources, which often cannot be estimated with certainty, is highly dependent on the outcome of the proceedings. The assessment of this probability and the quantification of the obligation are largely based on estimates. The actual liability can vary considerably from this estimate. Accounting for the individual legal procedure, pbb analyses developments of the individual case as well as of comparable cases. Depending on the significance and complexity of the respective case, pbb is drawing on its own expertise or opinions by external consultants and in particular by legal advisors. The provisions recognised for the proceedings are not reported separately as pbb believes that the outcome of the proceedings would be seriously compromised by their disclosure.

At the end of 2024, an insolvency administrator contested out-of-court payments of €31 million to pbb in connection with two loan exposures, whereby pbb assumes that these claims are unfounded and can probably be defended against in the event of a legal dispute.

No proceedings exist for which the Management Board believes the probability of an out-flow of resources – or another impact on pbb’s business activities – to be likely (or which are of material significance to pbb for other reasons) with an amount in dispute in excess of €5 million. However, pbb is subject to prudential proceedings, which bear the risk of a material outflow of resources, or another impact on pbb business activities.

43 Financial Derivatives

The financial derivatives are almost exclusively entered into to hedge interest rate and currency risks (only OTC products) within the context of our asset/liability management and as micro hedges. To that extent, the negative balance from the market values of the financial derivatives is generally offset with positive market values from corresponding hedged items. The counterparties of the derivatives are sovereigns, banks and financial institutions from OECD countries as well as customers.

The customer derivatives are exclusively entered into in order to hedge risks in connection with a particular loan transaction. Bilateral netting arrangements are concluded to reduce both economic risk and regulatory credit risk (counterparty default risk). In doing so, the positive and negative market values of derivative contracts included in one netting arrangement may be netted, and the future regulatory risk premiums for these products may be reduced. As a result of the netting process, the credit risk is reduced to one single net receivable from one individual counterparty.

These risk-reducing methods are used for both regulatory reporting and internal measurement and monitoring of credit exposures – only when these are enforceable upon the relevant business partner's insolvency in the respective jurisdiction. The enforceability is reviewed on the basis of legal opinions prepared for this purpose.

In addition, pbb enters into collateral agreements with its business partners to hedge the net receivable/liability resulting from the netting process (receive or provide collateral). This collateral management leads to credit risk mitigation by means of a timely (mostly daily) measurement and adjustment of the unsecured credit risk per counterparty.

As at 31 December 2024, the notional volume of the off-balance sheet derivatives amounted to €50,820 million (31 December 2023: €57,597 million). Under the mark-to-market method, the counterparty default risk exposure (before netting) currently amounts to €1,423 million (31 December 2023: €1,713 million), which corresponds to 2.8% (31 December 2023: 3.0%) of the notional volume. The fair value of the derivatives was calculated on the basis of generally recognised actuarial models (discounted cash flow method, Black-Scholes model, Hull-White model, Bachelier model).

Financial derivatives (before netting)

	Notional amounts		Fair value			
			positive		negative	
in € million	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Interest-based transactions	**46,459**	**53,439**	**1,408**	**1,675**	**2,024**	**2,702**
OTC products						
Forwards	-	-	-	-	-	-
Interest rate swaps	38,919	43,642	1,385	1,598	1,995	2,615
Interest options	7,540	9,797	23	77	29	87
other interest derivative contracts	-	-	-	-	-	-
Currency-based transactions	**4,361**	**4,158**	**15**	**38**	**80**	**35**
OTC products						
Forward exchange transactions	1,974	2,497	4	19	28	31
Cross-currency swaps	2,387	1,661	11	19	52	4
Foreign exchange options	-	-	-	-	-	-
Total	**50,820**	**57,597**	**1,423**	**1,713**	**2,104**	**2,737**

Accrued interest

			31.12.2024	**31.12.2023**
in € million	Interest-based transactions	Currency-based transactions	**Total**	**Total**
Loans and advance to other banks (assets side item no. 2)	236	-1	235	252
Loans and advance to customers (assets side item no. 3)	2	-	2	2
Sundry assets (assets side item no. 11)	-	-	-	-
Liabilities to other banks (liabilities side item no. 1)	-320	-4	-324	-391
Liabilities to customers (liabilities side item no. 2)	-7	-	-7	-15
Sundry liabilities (liabilities side item no. 5)	-	-	-	-
Total	**-89**	**-5**	**-94**	**-152**

Currency effect

in € million	Interest-based transactions 31.12.2024	Currency-based transactions 31.12.2024	Total 31.12.2024	Total 31.12.2023
Sundry assets (assets side item no. 11)	-	8	8	73
Sundry liabilities (liabilities side item no. 5)	-	-59	-59	-28
Total	**-**	**-51**	**-51**	**45**

Options and upfront premiums

in € million	Interest-based transactions 31.12.2024	Currency-based transactions 31.12.2024	Total 31.12.2024	Total 31.12.2023
Prepaid expenses (assets side item no. 12)	73	-11	62	89
Deferred income (liabilities side item no. 6)	-132	-	-132	-194
Total	**-59**	**-11**	**-70**	**-105**

Pending loss provisions

in € million	Interest-based transactions 31.12.2024	Currency-based transactions 31.12.2024	Total 31.12.2024	Total 31.12.2023
Other provisions (liabilities side item no. 7)	-	-	-	-

44 Credit Derivatives

As was the case in the previous year, pbb did not act as guarantor or as guarantee for credit derivatives.

45 Valuation Units

Interest rate derivatives are generally allocated to macro interest rate management. As at 31 December 2024 and 31 December 2023, there were no valuation units (micro-hedging relationships).

46 Auditor’s fees

The fee for auditing services provided by Deloitte GmbH Wirtschaftsprüfungsgesellschaft related primarily to the audit of the consolidated financial statements and the annual financial statements, including statutory and contractual extensions of pbb's engagement. In addition, reviews of interim financial statements were performed.

Auditor's fees

in € thousand	2024	2023
Audit	1,844	1,741
Other assurance services	180	232
Tax advisory services	-	-
Other non-audit services	-	8
Total	**2,024**	**1,981**

Other assurance services mainly related to the issuing of a comfort letter in connection with the issue of debt securities and the audit of the consolidated sustainability statement.

The auditor's independence was not impaired by the services provided outside the audit.

47 Regulatory own funds

Regulatory own funds

in € million	31.12.2024	31.12.2023
Common Equity Tier 1 Capital (CET 1)	**2,734**	**2,626**
thereof items of CET 1	2,895	2,813
Subscribed capital acc. to Art. 26 (1) a) CRR	380	380
Additional paid-in capital acc. to Art. 26 (1) b) CRR	1,639	1,639
Retained earnings acc. to Art. 26 (1) c) CRR	737	717
Fund for general banking risks (§ 340g HGB) acc. to Art. 26 (1) f) CRR	139	77
thereof deductible items	-161	-187
Intangible assets acc. to Art. 36 (1) b) CRR	-57	-54
Impairment shortfall for IRBA risk positions acc. to Art. 36 (1) d) CRR	-	-
Assets of defined benefit pension funds	-	-
Irrevocable payment obligations to deposit guarantee schemes and resolution funds	-51	-49
Other regulatory adjustments[1)]	-53	-84
Additional Tier 1 (AT 1) Capital	**-**	**-**
Tier 1 (T 1) Capital	**2,734**	**2,626**
Tier 2 (T 2) Capital	**573**	**695**
thereof items of T 2	573	695
Capital instruments and subordinated loans acc. to Art. 62 a) CRR incl. premium acc. to Art. 62 b) CRR	573	687
Credit risk adjustments acc. to Art. 62 d) CRR	-	8
Own funds	**3,307**	**3,321**

1) As at 31 December 2024, the item "Other regulatory adjustments" includes the minimum coverage of non-performing loans in accordance with Art 47c CRR. As at 31 December 2023, this item includes the minimum coverage of non-performing loans in accordance with Art. 47c CRR as well as the impairment loss and a voluntary special deduction in accordance with Art. 3 CRR.

48 Board Members

Supervisory Board of pbb in financial year 2024

Name Function in Supervisory Board Initial appointment	**Principal occupation** Functions in the Committees of the Supervisory Board	**Supervisory Board memberships and other directorships in 2024**
Dr Louis Hagen Chairman 25.5.2023	**Lawyer and former Chairman of the Board of Management of Münchener Hypothekenbank eG** Chairman of the Presidial and Nomination Committee and the Remuneration Control Committee; Member of the Audit Committee and the Risk Management and Liquidity Strategy Committee	**LBBW Asset Management Investmentgesellschaft mbH, Stuttgart** – Member of the Supervisory Board **Baader Bank AG, Unterschleißheim** – Member of the Supervisory Board (from 30.1.2025 Chairman of the Supervisory Board)
Hanns-Peter Storr Member; Deputy Chairman 12.5.2021	**Entrepreneur** Chairman of the Risk Management and Liquidity Strategy Committee; Member of the Audit and Digitalisation Committee	**BHW Bausparkasse AG, Hameln** – Member of the Supervisory Board
Karim Bohn Member 30.11.2023	**Chief Financial Officer of Canyon Bicycles GmbH** Member of the Audit Committee (from 23.2.2024); Member of the Risk Management and Liquidity Strategy Committee (from 23.2.2024)	
Gertraud Dirscherl Member 2.2.2022	**Entrepreneur** Chairwoman of the Audit Committee; member of the Remuneration Control Committee, the Risk Management and Liquidity Strategy Committee and the Executive and Nomination Committee (from 23.2.2024)	**Hans DEHN SE, Neumarkt i.d. Oberpfalz –** Member of the Supervisory Board **DEHN SE, Neumarkt i.d. Oberpfalz –** Member of the Supervisory Board
Prof Dr Kerstin Hennig Member 19.7.2022	**Professor at Frankfurt School of Finance & Management** **Member of the Risk Management and Liquidity Strategy Committee**	**DWS Grundbesitz GmbH, Frankfurt/Main** – Member of the Supervisory Board **DEMIRE Deutsche Mittelstand Real Estate AG, Frankfurt/Main** – Member of the Supervisory Board (until 1.5.2024)
Susanne Klöß-Braekler **Member** **12.5.2021**	**Independent Supervisory and Advisory Board Member, Investor, Senior Advisor** Member of the Executive and Nomination Committee and of the Remuneration Committee	**ING-DiBa AG, Frankfurt/Main** – Chairwoman of the Supervisory Board **Oddo BHF AG, Frankfurt/Main** – Member of the Supervisory Board **Cembra Money Bank AG, Zürich** – Member of the Supervisory Board
Georg Kordick Employee Representative 22.2.1990	**Bank employee** Member of the Executive and Nomination Committee and of the Remuneration Committee (from 8 August 2024)	-
Olaf Neumann Employee Representative 12.5.2021	**Bank employee** Member of the Audit Committee (from 8 August 2024)	-
Heike Theißing Employee Representative (until 30.9.2024) 7.7.2011	**Bank employee** Member of the Remuneration Control Committee (until 30.9.2024)	
Jennifer Wendels Employee Representative (from 1.10.2024) 1.10.2024	**Bank employee** Member of the Remuneration Control Committee (from 9.10.2024)	-

Management Board of pbb in financial year 2024

Name	Function in the Management Board	Supervisory Board memberships
Andreas Arndt	CEO until 29 February 2024	-
Kay Wolf	Member since 1 February 2024 CEO since 1 March 2024	
Thomas Köntgen	Deputy CEO Real Estate Finance	-
Dr. Pamela Hoerr	Member since 17 January 2024 pbb invest	
Andreas Schenk	Member CRO	-
Marcus Schulte	Member CFO/Treasurer	-

49 Disclosures According to Section 340a (4) No. 1 HGB

In the financial years 2024 and 2023, neither the legal representatives nor other employees held offices in legally prescribed supervisory boards of large corporations within the meaning of section 267 (3) HGB.

50 Employees According to Section 285 No. 7 HGB

Average number of employees

	2024	2023
Employees (excluding apprentices)	831	839
Thereof: senior staff in Germany	16	18
Total	**831**	**839**

51 Disclosures According to Section 285 No. 9 HGB

Provisions for pensions under HGB

	2024[1)]	
in € thousand	Additions/ reversals	Total
Management Board members who were in office during the financial year 2024	1,115	21,804
Management Board members who retired prior to the financial year 2024	-3,106	59,808
Total	**-1,991**	**81,612**

[1)] The provisions for pensions for Executive Board members in office in the 2023 financial year totalled €20,689 thousand. The provisions for pensions for Executive Board members who left before the 2023 financial year amounted to €62,914 thousand as at 31 December 2023.

For 2024, pension payments for former members of the Executive Board and their surviving dependants totalled €4,867 thousand (2023: €4,768 thousand).

Remuneration paid to Management Board members of pbb

	2024[1)]	
in € thousand	Remuneration	Total
Management Board members who were in office during the financial year 2024	4,747	4,747
Management Board members who retired prior to the financial year 2024	-	-
Total	**4,747**	**4,747**

[1)] The remuneration of the Executive Board members in office in 2023 totalled €3,212 thousand in 2023. In 2023, members of the Executive Board who left before the 2023 financial year did not receive any remuneration.

As of balance sheet date, there were no receivables to related persons from loans or advances or other commitments.

Remuneration paid to Supervisory Board members of pbb[1)]

	2024[2)]
in € thousand	Total fixed remuneration
Supervisory Board members who were in office during the financial year 2024	729
Supervisory Board members who retired prior to the financial year 2024	-
Total	**729**

[1)] The remuneration of the Supervisory Board members in office in the 2023 financial year totalled €699 thousand in 2023. Supervisory Board members who left the Board before the 2023 financial year did not receive any remuneration in 2023 either

[2)] The remuneration of the employee representatives on the Supervisory Board, which they receive in addition to (and independently of) their Supervisory Board activities on the basis of the employment contracts concluded with them, is not shown.

With the exception of the employee representatives on the Supervisory Board, who are remunerated by pbb for their activities within the scope of their employment contracts, members of pbb's Supervisory Board did not receive any remuneration for personal services rendered in 2024.

Amount of cash-settled share-based payment transactions

The total amount of outstanding virtual shares in relation to the share-based payment arrangements developed as follows:

Amount of cash-settled share-based payment transactions

Quantity (number)	2024	2023
Balance (outstanding) at 1.1.	423,503	367,761
granted during the reporting period	300,537	207,107
expired during the reporting period	-	-
exercised during the reporting period	175,290	151,365
Balance (outstanding) at 31.12.	548,750	423,503
of which: exercisable	-	-

The fair value of the virtual shares granted during the reporting period amounted to €1 million (2023: €1 million) as at the balance sheet date. The obligation from share-based payment transactions as at 31 December 2024 amounted to €4 million (2023: €4 million). It is reported in the statement of financial position under provisions.

The virtual shares exercised during the reporting year were converted at a weighted average price of the pbb share of €4.29 (2023: €8.95).

In the 2024 financial year, the total expense from share-based payment transactions less than 0.5 million (2023: €1 million).

An amount of €0 million (2023: €0 million) was expensed for former members of the Management Board.

52 Disclosures of Contingencies According to Section 34 (2) No. 4 RechKredV

Liabilities from contingencies within the meaning of section 251 HGB are disclosed off-balance sheet, as well as in the notes “Contingent Liabilities (Off-Balance-Sheet Item No. 1b)” and „Other commitments (Off-Balance-Sheet Item No. 2c)” as well as “Off-Balance-Sheet Transactions And Other Financial Commitments”.

53 Disclosures According to Section 33 et seq WpHG

In accordance with section 160 (1) No. 8 of the AktG, disclosures have to be made in relation to the existence of shareholdings of which pbb received notifications pursuant to section 33 (1), (2) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). In addition to the legal requirements, we also disclose the reportable istruments pursuant to section 38 of the WpHG as well as voting rights and instruments pursuant to section 39 of the WpHG, notified respectively in the financial year 2024, in the following table. All notifications of shareholdings were published by pbb in the financial year 2024 pursuant to section 40 (1) of the WpHG and are available, amongst others, on ppb's website under www.pfandbriefbank.com/investoren. Please note that the disclosures on shareholdings may have become outdated in the meantime.

Notifying party	Date of reaching, exceeding or falling below the threshold	Notified holding (voting rights and/or options) in %	Voting rights	Instruments	**Total voting rights and instruments**
RAG Stiftung	8/2/2024	2.94	3,949,783	-	3,949,783
The Goldman Sachs Group, Inc.	5/6/2024	12.36	454,694	16,167,574	16,622,268
The Goldman Sachs Group, Inc.	12/6/2024	10.23	1,040,173	12,713,082	13,753,255
The Goldman Sachs Group, Inc.	13/6/2024	9.74	1,610,968	11,481,530	13,092,498
The Goldman Sachs Group, Inc.	17/6/2024	9.11	677,833	11,574,360	12,252,193
The Goldman Sachs Group, Inc.	20/6/2024	8.49	454,694	10,962,416	11,417,110
The Goldman Sachs Group, Inc.	22/7/2024	8.07	717,451	10,136,345	10,853,796
The Goldman Sachs Group, Inc.	23/7/2024	7.92	511,369	10,136,433	10,647,802
The Goldman Sachs Group, Inc.	24/7/2024	9.16	972,024	11,342,678	12,314,702
The Goldman Sachs Group, Inc.	25/7/2024	10.94	1,157,805	13,559,914	14,717,719
The Goldman Sachs Group, Inc.	7/8/2024	9.75	483,369	12,628,777	13,112,146
The Goldman Sachs Group, Inc.	14/8/2024	8.62	458,373	11,137,088	11,595,461
The Goldman Sachs Group, Inc.	22/8/2024	8.98	563,425	11,518,488	12,081,913
The Goldman Sachs Group, Inc.	23/8/2024	8.99	474,764	11,615,896	12,090,660
The Goldman Sachs Group, Inc.	30/8/2024	8.93	458,373	11,549,190	12,007,563
The Goldman Sachs Group, Inc.	2/9/2024	8.96	496,646	11,546,344	12,042,990
The Goldman Sachs Group, Inc.	4/9/2024	8.91	471,716	11,511,300	11,983,016
The Goldman Sachs Group, Inc.	6/9/2024	8.06	762,879	10,073,132	10,836,011
The Goldman Sachs Group, Inc.	18/9/2024	10.03	1,783,898	11,699,589	13,483,487
The Goldman Sachs Group, Inc.	19/9/2024	11.01	942,386	13,856,638	14,799,024
The Goldman Sachs Group, Inc.	24/9/2024	9.86	1,387,528	11,876,949	13,264,477
The Goldman Sachs Group, Inc.	26/9/2024	9.60	1,037,579	11,869,392	12,906,971
The Goldman Sachs Group, Inc.	27/9/2024	10.85	2,714,003	11,878,169	14,592,172
The Goldman Sachs Group, Inc.	30/9/2024	9.07	1,359,768	10,835,800	12,195,568
The Goldman Sachs Group, Inc.	1/10/2024	8.65	496,819	11,133,649	11,630,468

54 Consolidated Financial Statements according to Section 285 No. 14a HGB

pbb, as the ultimate parent company, prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are published in the German Company Register (Unternehmensregister). The consolidated financial statements are also available online under www.pfandbriefbank.com/en/investors.

55 Appropriation of Net Income according to Section 285 No. 34 HGB

The Executive Board and Supervisory Board will propose to the Annual General Meeting that the net retained profits of €20,171,296.20 reported in the annual financial statements for the 2024 financial year be used to distribute a dividend of €0.15 per dividend-bearing share. Based on the total of 134,475,308 shares issued, this will result in a total dividend of €20,171,296.20.

56 Major Post Balance Sheet Date Events According to Section 285 No. 33 HGB

No events with a material impact on pbb's development in assets, financial position and earnings occurred after 31 December 2024.

57 Statement of Compliance with the German Corporate Governance Kodex

The statement of compliance with the German Corporate Governance Kodex in accordance § 161 AktG of Management Board and Supervisory Board is published online under www.pfandbriefbank.com/en/the-company/corporate-governance.html.

Munich, 25 February 2025

Deutsche Pfandbriefbank AG
The Management Board

Kay Wolf

Thomas Köntgen

Dr. Pamela Hoerr

Andreas Schenk

Marcus Schulte

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, these annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of Deutsche Pfandbriefbank AG, Munich and the management report includes a fair review of the development and performance of the business and the position of the Bank, together with a description of the material opportunities and risks associated with the expected development of the Bank.

Munich, 25 February 2025

Deutsche Pfandbriefbank AG
The Management Board

Kay Wolf	Thomas Köntgen	Dr. Pamela Hoerr	Andreas Schenk	Marcus Schulte

Independent Auditor's Report

To Deutsche Pfandbriefbank AG, Munich/Germany

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Audit Opinions

We have audited the annual financial statements of Deutsche Pfandbriefbank AG, Munich/Germany, which com-prise the balance sheet as at 31 December 2024, and the statement of profit and loss for the financial year from 1 January to 31 December 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the parent and the group of Deutsche Pfandbriefbank AG, Munich/Germany, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the combined sustainability statement contained in section "Combined Sustainability Statement" of the combined management report, the sections "Most Important Intangible Resources", "Organisation and Principles of the In-ternal Controlling System" and "Appropriateness and Effectiveness of the Internal Control and Risk Management System" of the combined management report, which are marked as "unaudited", nor the content of the combined corporate governance statement, including the further reporting on corporate governance included therein, which are made reference to in the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- • the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- • the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the combined sustainability statement contained in the combined management report stated above, the content of the sections "Most Important Intangible Resources", "Organisation and Principles of the Internal Controlling System" and "Appropriateness and Effectiveness of the Internal Control and Risk Management System" of the combined management report stated above, nor the content of the combined corporate governance statement stated above, including the further reporting on corporate governance included therein.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined man-agement report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accord-ance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits prom-ulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accord-ance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opin-ion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the determination of risk provisioning in the lending business, which we have deter-mined to be a key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows:

a) description (including reference to corresponding information in the annual financial statements)
b) auditor's responseauditor's response

Determination of Risk Provisioning in the Lending Business

a) As at 31 December 2024, a total of bEUR 39.6 in loans and advances to customers and other banks are recognised in the annual financial statements of Deutsche Pfandbriefbank AG, which makes up 90.3% of total assets. The existing risk provisioning of mEUR 553 has already been deducted from these loans and advances. Risk provisioning includes both individually determined specific allowances of mEUR 419 and general allowances determined using a model-based approach of mEUR 134. Additional contingent liabilities and other commitments amount to bEUR 1.5, for which provisions of mEUR 4 have been made in the lending business, which fully relate to general allowances determined using a model-based approach.

   The Bank assesses the recoverability of loans and advances in the lending business on a regular basis and whenever there are objective indications that the assets may be impaired. According to the procedures defined by the Bank, any need for impairment, i.e. a write-down to the lower fair value, is generally measured as the difference between the current carrying amount of the loans and advances and the expected future payments received. The expected future cash flows derived from probability-weighted scenarios are discounted at the ini-tial effective interest rate of these loans or advances. The expected future cash flows take into account the marketability of collaterals such as land charges/mortgages. Where applicable, corresponding provisions are made for off-balance sheet transactions subject to either an imminent risk of utilisation by doubtful borrowers (guarantees, warranties) or to expected impairments due to payment obligations (irrevocable loan commit-ments).

   Following the determination of risk provisions under IFRS, the Bank calculates general allowances on the basis of parameters. For determining general allowances, the Bank generally uses a model-based procedure based on the regulatory risk parameters (probability of default, loss given default) and on the rules agreed in the loan agreements underlying the loans and advances, such as contractually agreed cash flows. Regulatory risk param-eters are transformed based on accounting requirements. General allowances are measured using different scenarios weighted by their probability of occurrence.

   Given the fact that the lending business is one of the Bank's core business activities and both individual and model-based measurement of loans and advances as well as the determination of the settlement amount of provisions as is necessary according to sound business judgement requires the executive directors to make judgements and estimates, for example with respect to the design of the measurement models, estimates such as the expected future payments received, the measurement of collateral or other expected defaults, there is a higher risk that the amount of the risk provisioning, if necessary, may not be appropriate. This matter was of particular relevance as part of our audit since the recoverability of loans and advances in the lending business and, in correspondence with that, the appropriate determination of risk provisioning is prone to uncertainties.

The disclosures on the determination of risk provisioning in the lending business can be found in the notes to the financial statements in chapter 2 "Accounting and measurement policies", subsection "Allowances".

b) Based on our risk assessment, our risk-based audit approach involved an examination of the relevant system of internal control and the performance of substantive procedures. The test of design and implementation and of operating effectiveness comprised the controls with respect to the processes for identifying indications for impairment (risk early recognition process), customer ratings as well as cash flow-based determination of impairment (determination of specific allowances). Moreover, we conducted a test of design and implementation and of operating effectiveness of the controls with respect to the determination of the general allowance.

In addition, we conducted an evaluation of the appropriate identification of indications for impairment based on individual cases selected according to risk aspects, as well as of the measurement of loans and advances for which the Bank considered it necessary to carry out an impairment test, including the acceptability of the estimated values. Within the scope of this evaluation, we particularly reviewed those methods, assumptions and data used by the executive directors for determining the estimated values. With respect to the measurement of loans and advances, we reviewed the underlying assumptions, especially the amount and timing as well as the discounting of expected future payments received in the different scenarios as well as their weighting. In this context, we also evaluated the measurement of collateral taken into account in the scenarios.

Furthermore, we traced the determined general allowances based on a representative sample.

For the purpose of assessing the determination of general allowances and assessing the measurement of collateral, we called in our internal specialists for property valuation and credit risk model assessment.

In addition, we audited the accuracy and completeness of the disclosures made in the notes to the financial statements.

Other Information

The executive directors are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the combined corporate governance statement pursuant to Sections 289f and 315d HGB including the further reporting on corporate governance included therein, to which reference is made in the combined management report,
- the combined sustainability statement pursuant to Sections 289b to 289e, 315b and 315c HGB included in section "Combined Sustainability Statement" of the combined management report,
- the executive directors' confirmations regarding the annual financial statements and the combined management report pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB, and
- the unaudited content of the combined management report marked as "unaudited",
- all other parts of the annual report,
- but not the annual financial statements, not the audited content of the disclosures in the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the statement according to Section 161 German Stock Corporation Act (AktG) concerning the German Corporate Governance Code, which is part of the combined corporate governance statement. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the disclosures in the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 941b69d661ab70ff7cd579d947216275973fc2353021378678fa3a9c099a07e7, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2024 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards (IDW QMS).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material inten-tional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 2 June 2024. We were engaged by the supervisory board on 13 June 2024. We have been the auditor of Deutsche Pfandbriefbank AG, Munich/Germany, since the financial year 2021.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial state-ments and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR ENGAGEMENT

The German Public Auditor responsible for the engagement is Martin Kopatschek.

Munich/Germany, 26 February 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Prof. Dr. Carl-Friedrich Leuschner Wirtschaftsprüfer (German Public Auditor)	Martin Kopatschek Wirtschaftsprüfer (German Public Auditor)

TRANSLATION
– German version prevails –

Future-oriented statements

This report contains future-oriented statements in the form of intentions, assumptions, expectations or forecasts. These statements are based on the plans, estimates and predictions currently available to the management board of pbb. Future-oriented statements therefore only apply on the day on which they are made. We do not undertake any obligation to update such statements in light of new information or future events. By their nature, future-oriented statements contain risks and factors of uncertainty. A number of important factors can contribute to actual results deviating considerably from future-oriented statements. Such factors include the condition of the financial markets in Germany, Europe and the USA, the possible default of borrowers or counterparties of trading companies, the reliability of our principles, procedures and methods for risk management as well as other risks associated with our business activity.

Imprint

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The German version of these Annual Financial Statements and of the Combined Management Report are the authoritative versions and only these German versions were audited by the auditors.

Representation of personal names and personal words

The masculine form is used to improve the readability of personal designations and personal words. These terms apply to all genders.