

Results Q1 2023 – Press Conference



FINANCIAL HIGHLIGHTS

Pre-tax profit of € 32 million in line with full-year guidance

€ 32 mn

PBT (RoE before tax of 3.3%)

16.6%

CET 1 ratio¹

€ -2 mn

Risk Provisioning

€ -58 mn

GAE – 2023 Year of Investments

1. Calibrated towards anticipated Basel IV levels (fully loaded)

pbb's GROWTH

We are expanding our leading position as a European specialist bank for commercial real estate financing to create added value for all our stakeholders



We intend to **grow** in our **core business** – commercial real estate financing

We are **expanding** our **com-mission business** based on our core competencies

We are **broadening** our **refinancing activities**



In all we do, we are fully committed to

- **expanding our green business** and footprint
- **digitalising our business** as well as our product and the services we provide and
- implementing our **people strategy** to attract young talent



We intend to remain a **reliable and attractive dividend stock** for long-term investors by playing an active role in driving the resilient development and green transformation of the real estate sector

GUIDANCE 2026

We release our full potential by 2026 and reach a higher profitability level with >10% RoE b.t.

> 10%

RoE b.t.
(> 9% RoCET1 a.t.)

> € 300

Profit b.t.

< 45%

Cost-income ratio

> 14%

CET1 ratio¹

> 30%

Green REF portfolio share²

50% + 25%

Payout ratio for 2023-25³

1. Calibrated towards anticipated Basel IV levels (fully-loaded) 2. Green assets according to pbb's green loan framework (Green loan eligible) 3. Dividend policy of 50% regular dividend plus 25% special dividend; based on consolidated PAT attributable to shareholders acc. to IFRS and after AT1 coupon

+ € 0.5 bn

Green Bonds¹

€ 3.4 bn

Green Bonds¹ outstanding

18%

Green REF Portfolio share²
(26% on scored portfolio)

69%

Share of scored REF portfolio

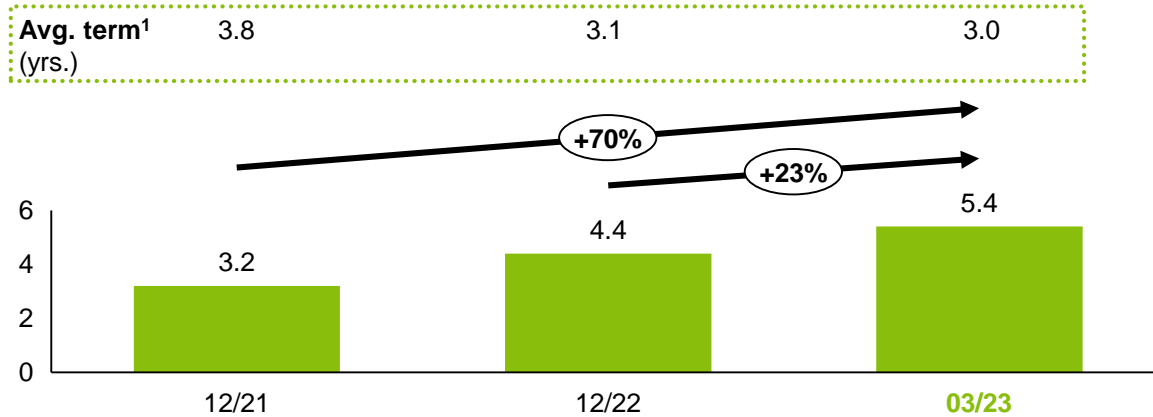
1. According to pbb's green bond framework 2. Based on total REF portfolio; 26% based on scored REF portfolio of 69% as of 31 March 2023 / Green assets according to pbb's green loan framework (Green loan eligible)

pbb direkt – DEVELOPMENT OF VOLUMES

Retail deposits up by 23% to € 5.4 bn
– ~80% term money

Development of pbb direkt volume

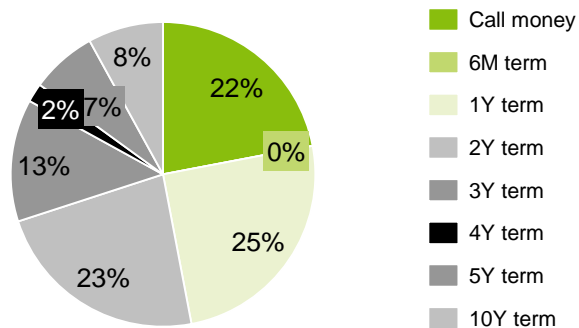
€ bn



- **Number of clients** increased by >80% since 12/21, from 41,000 to 75,000 in 03/23 with an **avg. deposit amount** of € 42,000 per client
- **pbb direkt deposits approx. 100%² guaranteed**

Retail deposits – maturity profile¹

31/03/2023: € 5.4 bn



Term deposits:
2.95 yrs
WAL

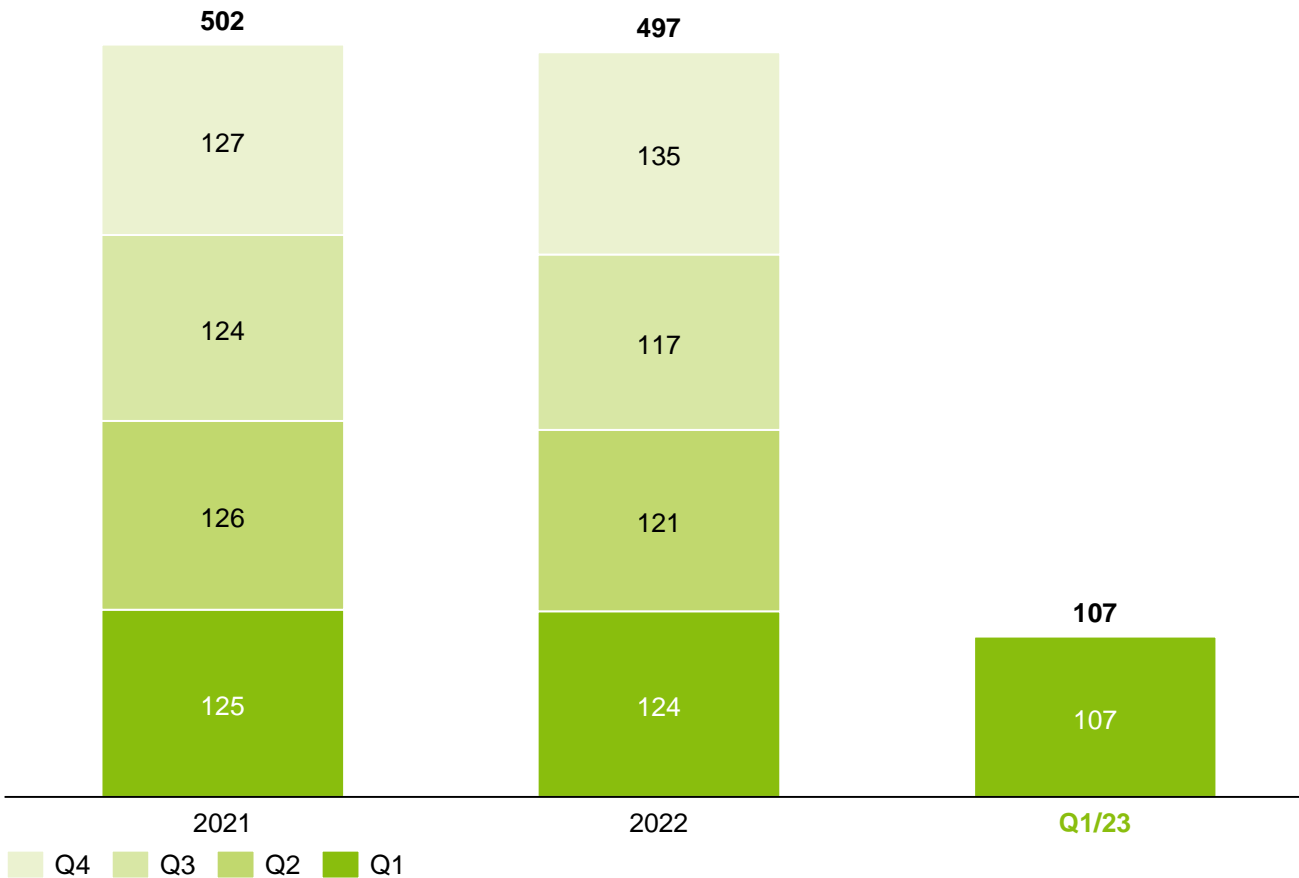
1. Initial weighted average maturity 2. Statutory deposit protection scheme in combination with the voluntary protection scheme of German Banks **Note:** Figures may not add up due to rounding **Note:** Figures may not add up due to rounding

NII AND NCI

Loss of floors and TLTRO III benefit weighs on NII as expected – strategic initiatives to compensate over time

NII and NCI

€ mn (IFRS)



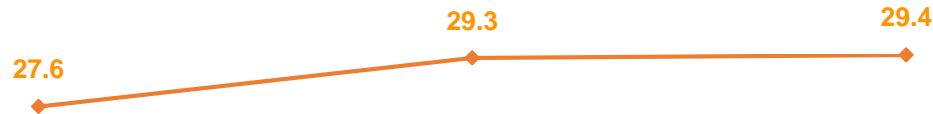
- NII mainly affected by
 - loss of floor income
 - loss of TLTRO III benefit
- Partially compensated by increased average REF financing volume – effects from strategic initiatives to show over time

Note: Figures may not add up due to rounding

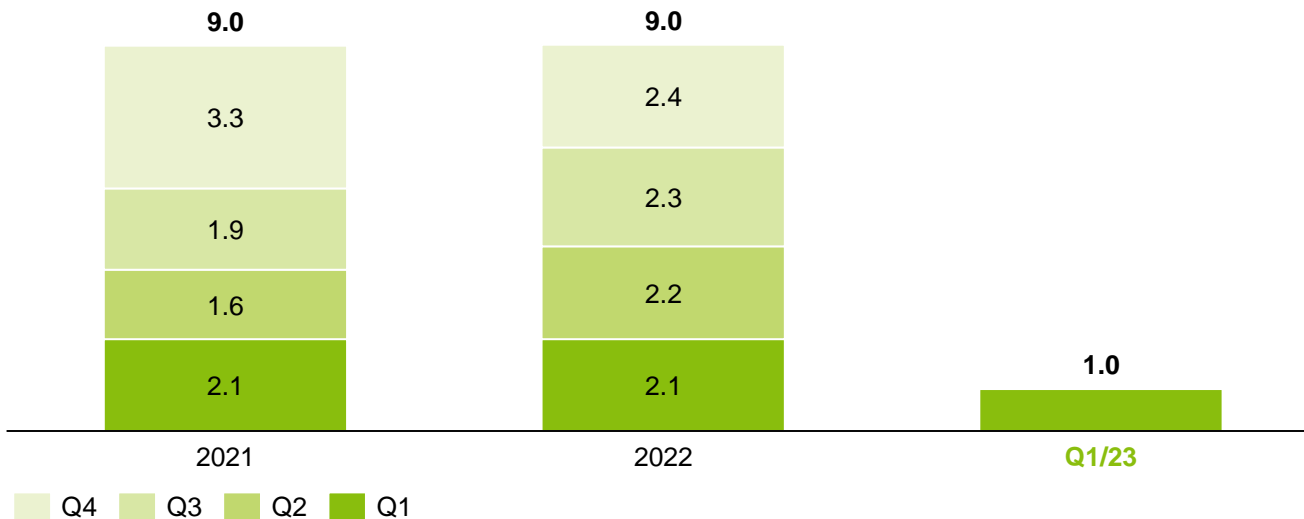
REF NEW BUSINESS & PORTFOLIO

New business margins remain on elevated level
– strategic REF portfolio stable

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



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



- New business volume on low level in challenging market environment
 - Avg. gross interest margin remains on elevated level of ~200bp
 - Conservative and stable risk positioning with avg. LTV¹ of 54%
- Avg. gross portfolio margin increased, supporting NII going forward

New business	2021	2022	Q1/23
Share of extensions > 1 year (%)	29	30	34
Ø gross interest margin (bp) ²	~ 170	~ 170	~ 200
Ø LTV ¹ (%)	56	54	54
Ø Maturity ³ (yrs.)	~ 4.8	~ 4.3	~ 3.4

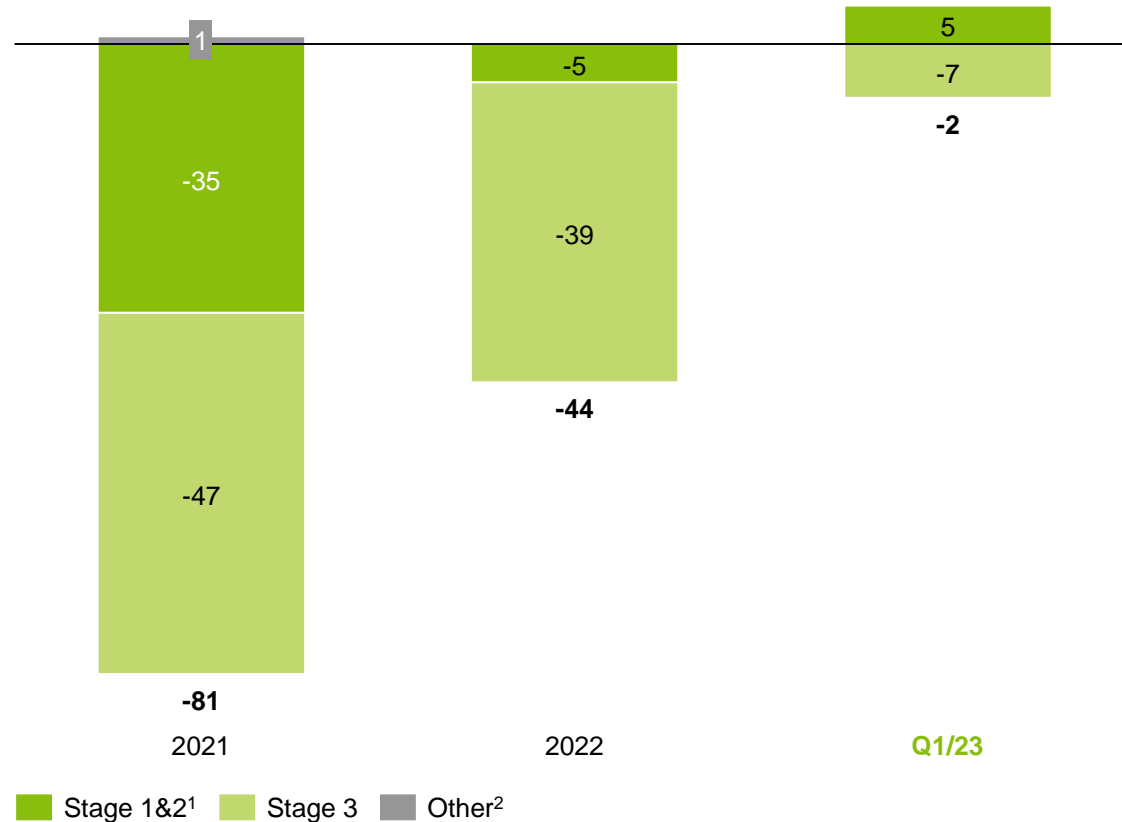
1. New commitments; avg. LTV (extensions): 12M/22: 52%; 12M/21: 54% 2. Net of FX-effects; gross revenue margin: 2021: ~175bp, 2022: ~190bp, Q3/23 ~235 bp 3. Legal maturities

RISK PROVISIONING

Risk provisioning on low level, supported by release of management overlay

Net income from risk provisioning

€ mn (IFRS)



- Stage 1&2: Net release of € 5 mn – additions due to interest rate driven changes of model parameters and shift in internal ratings over-compensated by release of management overlay
- Management overlay reduced by € 27 mn to € 42 mn – remainder covering potential office market risks incl. ESG transformation and working from home
- Stage 3: Net additions of € -7 mn (Q1/22: € -8 mn) driven by one US office loan

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

THE ROAD AHEAD

We aim to deliver our plan in three phases by 2026 – 2023 is Year of Investments

2023

Operative resilience

- NII reduced due to floors/TLTRO – catch-up from H2/23 expected
- Forward-looking risk approach keeps risk provisioning on low level, while loan loss reserves remain stable
- On track to deliver on guidance

Year of Investments

2023 Year of Investments to lay the foundation for the implementation of our plan and steer through difficult markets

2024 & 2025

Accelerate our performance

Harvest first benefits to lift our performance beyond past levels

2026 & beyond

Release our full potential

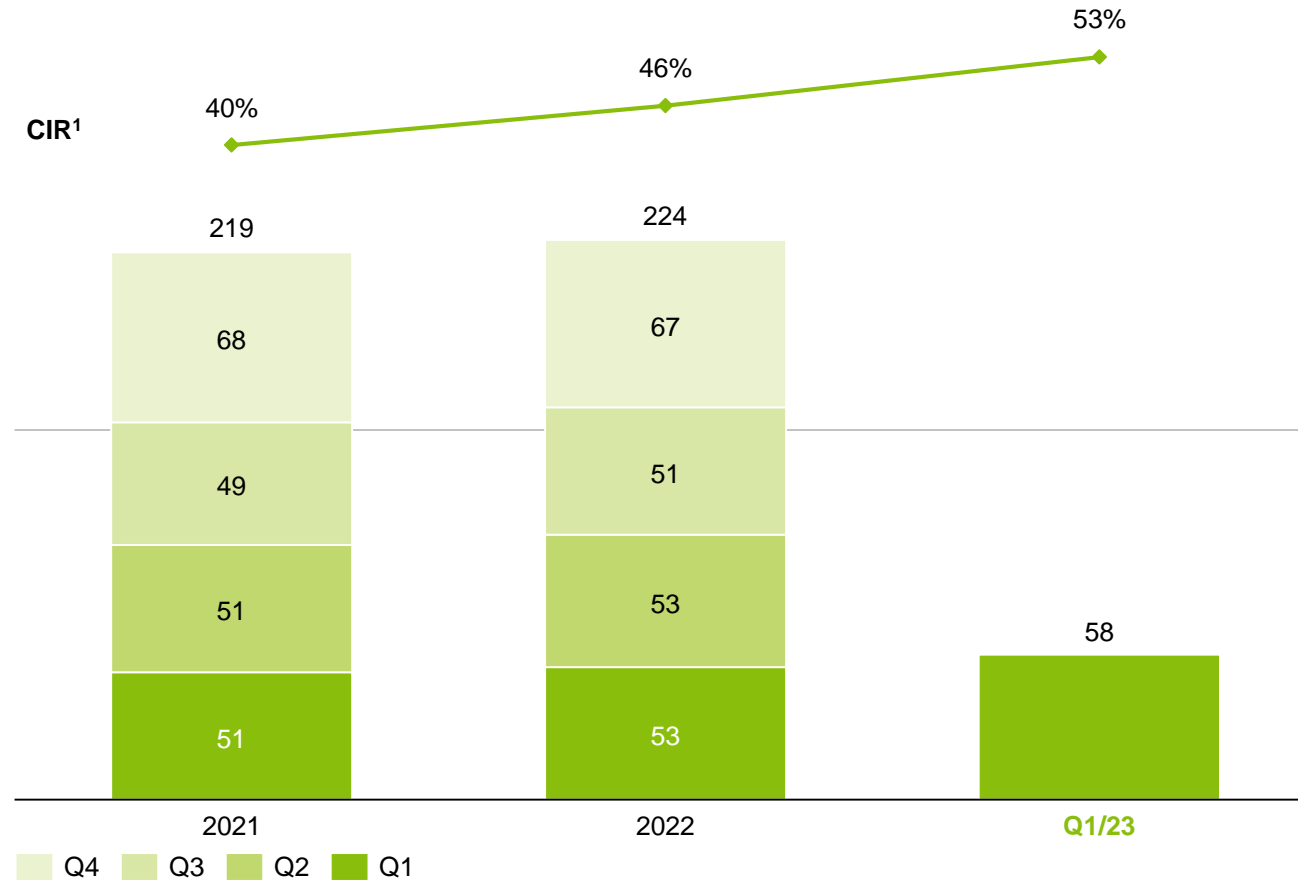
Further scale up our growth initiatives beyond 2026

Market recovery

2023 is Year of Investments to advance strategic initiatives

General and admin. expenses

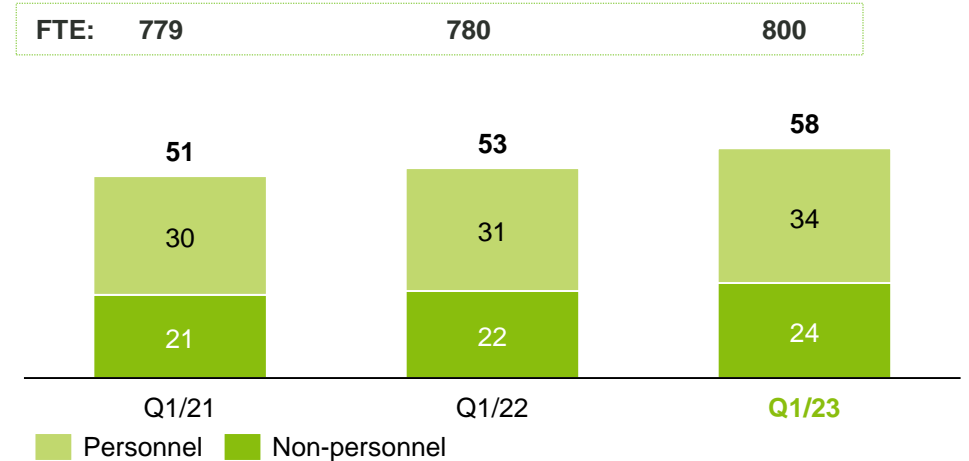
€ mn (IFRS)



- Investment in strategic projects to continue in difficult times
- FTE increase mainly driven by IT insourcing

Personnel vs. non-personnel expenses

€ mn (IFRS)



1. CIR = (GAE + net income from write-downs and write-ups on non-financial assets)/operating income **Note:** Figures may not add up due to rounding

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