DEUTSCHE
PFANDBRIEFBANK

Quarterly Information as of 31 March 2025

Deutsche Pfandbriefbank Group

Contents

Business Performance

Key Figures

Deutsche Pfandbriefbank Group (pbb Group)		1.1.–31.3.2025	1.1.–31.3.2024
Operating performance according to IFRS			
Profit before tax	in € million	28	34
Net income	in € million	24	29
Key ratios		**1.1.–31.3.2025**	**1.1.–31.3.2024**
Earnings per share	in €	0.13	0.17
Cost-income ratio[1)]	in %	54.2	43.2
Return on tangible equity before tax[2)]	in %	2.9	3.8
Return on tangible equity after tax[3)]	in %	2.3	3.0
New business volume Real Estate Finance[4)]	in € billion	1.1	0.7
Balance sheet figures according to IFRS		**31.3.2025**	**31.12.2024**
Total assets	in € billion	42.3	44.2
Equity	in € billion	3.4	3.4
Financing volumes Real Estate Finance	in € billion	28.9	29.0
Key regulatory capital ratios[5)]		**31.3.2025**	**31.12.2024**
CET1 ratio	in %	15.5	14.4
Own funds ratio	in %	18.6	17.2
Leverage ratio	in %	7.4	7.5
Staff		**31.3.2025**	**31.12.2024**
Employees (on full-time equivalent basis)		776	778
Long-term issuer rating/outlook[6)7)]		**31.3.2025**	**31.12.2024**
Standard & Poor's		BBB-/Stable	BBB-/Negative
Moody's Pfandbrief rating[7)]		**31.3.2025**	**31.12.2024**
Public sector Pfandbriefe		Aa1	Aa1
Mortgage Pfandbriefe		Aa1	Aa1

[1)] Cost-income ratio is the ratio of general and administrative expenses and net income from write-downs and write-ups on non-financial assets to operating income.
[2)] Return on tangible equity before tax is the ratio of annualised profit before tax less AT1 coupon and average IFRS equity excluding intangible assets, deferred tax assets and AT1 capital.
[3)] Return on tangible equity after tax is the ratio of annualised net income less AT1 coupon and average IFRS equity excluding intangible assets and AT1 capital.
[4)] Including prolongations with maturities of more than one year.
[5)] Since 2025, capital ratios have been determined under Basel 4 and, due to the different calculation methodology, are not comparable with the figures as at 31 December 2024 under Basel 3. Figures as at 31 December 2024 after approval of the 2024 consolidated financial statements, less AT1 coupon and less the proposed dividend (subject to approval by the Annual General Meeting).
[6)] The ratings of unsecured liabilities may diverge from the issuer ratings.
[7)] The rating agencies may alter or withdraw their ratings at any time. Ratings of individual securities issued by pbb may deviate from the ratings indicated above, or an individual security may not be rated at all. For the evaluation and usage of ratings, please refer to the rating agencies' pertinent criteria and explanations and the relevant terms of use, which are to be considered. Ratings should not serve as a substitute for personal analysis. They do not constitute a recommendation to purchase, sell or hold securities issued by Deutsche Pfandbriefbank AG (pbb).

This notice is a quarterly report of the Deutsche Pfandbriefbank Group (pbb Group) in accordance with section 53 of the Exchange Rules (Börsenordnung) of the Frankfurt Stock Exchange. Unless stated otherwise, the following comments are based on (unaudited) consolidated figures in accordance with International Financial Reporting Standards (IFRS), adopted by the EU. Furthermore, also unless stated otherwise, the comments relate to comparison with the same period of the previous year (1 January to 31 March 2024, also referred to as "3m2024" below) or, in the case of details concerning the statement of financial position, comparison with figures as at the previous year's reporting date (31 December 2024).

Development in Earnings

Profit before tax in the reporting period (1 January to 31 March 2025, hereinafter also referred to as "3m2025") was impacted by lower net interest income, partly due to the strategic decline in the portfolio volume, and less negative net income from risk provisioning compared to the first quarter of 2024. In addition, since net income from realisations did not benefit from sales of financial assets or from reversals and other derecognitions of liabilities as in the same period of the previous year, profit before tax totalled €28 million.

In detail, the result was as follows:

Income and expenses

in € million	1.1.–31.3.2025	1.1.–31.3.2024
Operating income	118	146
Net interest income	107	125
Net fee and commission income	2	1
Net income from financial instruments at fair value through profit or loss (Net income from fair value measurement)[1)]	3	-3
Net income from derecognition of financial instruments not measured at fair value through profit or loss (Net income from realisations)[1)]	2	23
Net income from hedge accounting	2	4
Net other operating income	2	-4
Net income from allowances on financial assets (Net income from risk provisioning)[1)]	-26	-47
General and administrative expenses	-59	-58
Expenses from bank levies and similar dues	-	-2
Net income from write-downs and write-ups on non-financial assets	-5	-5
Profit before tax	**28**	**34**
Income taxes	-4	-5
Net income	**24**	**29**
attributable to: Shareholders	24	29

[1)] Solely the condensed and parenthesised line item descriptions are used subsequently.

Net interest income totalled €107 million after €125 million in the same period of the previous year. In addition to higher funding costs, this decline is due to lower average volume of Real Estate Finance (REF) financing, which at €28.9 billion (3m2024: €31.2 billion) has already almost reached the target volume of Strategy 2027. At the same time, the average portfolio margin increased, which partially compensated for the volume-related decline in net interest income and is in line with pbb Group's focus on the higher-margin REF business. In addition, the average financing volume in the Non-Core (NC) segment (€9.7 billion; 3m2024: €12.0 billion), in which no new business is concluded, declined in line with the strategy .

Net fee and commission income resulted from non-accruable fees totalling €2 million (3m2024: €1 million).

The net income from fair value measurement (3m2025: €3 million) benefited from the interest rate trend with falling interest rates in the short maturity bands and rising interest rates in the long maturity bands. The changes in the market value of the financial instruments measured at fair value through profit or loss largely cancelled each other out. In the same period of the previous year (3m2024: €-3 million), the net income from fair value measurement was negatively impacted by effects from the increase in short and medium-term capital market interest rates at that time.

Net income from realisations of €2 million was mainly attributable to prepayment penalties. In the first quarter of 2024 (3m2024: €23 million), it mainly comprised income from the sale of financial assets in the NC segment and from the derecognition of liabilities.

Net income from hedge accounting was almost balanced at €2 million (3m2024: €4 million) due to largely effective hedging relationships. Minor effects resulted from different dates for the determination of interest rates for underlying and hedging transactions.

Net other operating income (€2 million; 3m2024: €-4 million) was offset by expenses for a settlement in a legal case and positive effects from currency translation. The previous year's result included expenses from currency translation.

Net income from risk provisioning was less negative at €-26 million (3m2024: €-47 million). The lower additions resulted from model-based risk provisioning in stages 1 and 2 and risk provisioning for stage 3 credit-impaired financial assets. Risk provisioning in stages 1 and 2 was reversed by €5 million on balance (3m2024: net additions of €10 million). This was due to shorter residual terms in the portfolio and a lower portfolio overall. A net amount of €31 million was added to stage 3 risk provisions (3m2024: €37 million). It mainly related to portfolio financing in the USA, France and the United Kingdom as well as development financing in Germany.

At €59 million, general and administrative expenses were on a par with the previous year (3m2024: €58 million). Personnel expenses rose only slightly despite regular salary increases (€36 million; 3m2024: €35 million), as the number of employees declined. As at 31 March 2025, the number of employees converted to full-time equivalents was 776 (31 March 2024: 808). At €23 million, operating expenses matched the previous year's figure (3m2024: €23 million). Higher expenses for strategic initiatives were offset by lower expenses following the successful internalisation of IT functions.

Expenses for bank levies and similar expenses were balanced, as in contrast to the first quarter of 2024 (3m2024: €-2 million), there was only a minor expense for the Compensation Scheme of German Banks.

The net income from write-downs and write-ups of non-financial assets (€-5 million; 3m2024: €-5 million) resulted from depreciation and amortisation of property and equipment and intangible assets. The slight increase compared to the same period of the previous year resulted from depreciation for IT equipment acquired in 2024 due to the internalisation of IT functions.

Of the income taxes (€-4 million; 3m2024: €-5 million), €-3 million (3m2024: €-4 million) was attributable to current taxes and €-1 million (3m2024: €-1 million) to deferred taxes.

Net income totalled €24 million (3m2024: €29 million), of which €18 million (3m2024: €23 million) was attributable to ordinary shareholders and €6 million (3m2024: €6 million) to AT1 investors on a pro rata temporis basis.

Development in Assets and Financial Position

DEVELOPMENT IN ASSETS

Assets

in € million	31.3.2025	31.12.2024
Cash reserve	924	2,010
Financial assets at fair value through profit or loss	1,391	1,247
Positive fair values of stand-alone derivatives	537	484
Debt securities	129	127
Loans and advances to customers	722	633
Shares in investment funds qualified as debt instruments	3	3
Financial assets at fair value through other comprehensive income	1,232	1,256
Debt securities	1,231	1,255
Loans and advances to customers	1	1
Financial assets at amortised cost after credit loss allowances	38,339	39,225
Financial assets at amortised cost before credit loss allowances	38,901	39,764
Debt securities	2,425	2,471
Loans and advances to other banks	1,330	1,737
Loans and advances to customers	35,027	35,434
Claims from finance lease agreements	119	122
Credit loss allowances on financial assets at amortised cost	-562	-539
Positive fair values of hedge accounting derivatives	116	135
Valuation adjustment from portfolio hedge accounting (assets)	-40	-43
Investments accounted for using the equity method	13	14
Property and equipment	32	33
Intangible assets	49	51
Other assets	73	72
Current income tax assets	55	51
Deferred income tax assets	117	118
Total assets	**42,301**	**44,169**

Total assets decreased by €1.9 billion in the first quarter of 2025. Financial assets at fair value through profit or loss increased slightly due to planned syndications. Financial assets at amortised cost decreased in connection with a lower portfolio of reverse repurchase agreements and a slightly lower REF portfolio volume. In addition, the portfolio of bonds in the non-strategic portfolio decreased due to regular maturities.

DEVELOPMENT IN FINANCIAL POSITION

Liabilities and equity

in € million	31.3.2025	31.12.2024
Financial liabilities at fair value through profit or loss	634	700
Negative fair values of stand-alone derivatives	634	700
Financial liabilities measured at amortised cost	37,513	39,369
Liabilities to other banks	2,115	2,943
Liabilities to customers	17,582	18,091
Bearer bonds	17,215	17,732
Subordinated liabilities	601	603
Negative fair values of hedge accounting derivatives	540	493
Valuation adjustment from portfolio hedge accounting (liabilities)	-9	-2
Provisions	102	115
Other liabilities	63	63
Current income tax liabilities	9	10
Deferred income tax liabilities	2	2
Liabilities	**38,854**	**40,750**
Equity attributable to the shareholders of pbb	3,149	3,121
Subscribed capital	380	380
Additional paid-in capital	1,637	1,637
Retained earnings	1,251	1,227
Accumulated other comprehensive income	-119	-123
from pension commitments	-63	-73
from cash flow hedge accounting	-43	-41
from financial assets at fair value through OCI	-13	-9
Additional equity instruments (AT1)	298	298
Equity	**3,447**	**3,419**
Total equity and liabilities	**42,301**	**44,169**

Liabilities

Compared to the end of the previous year, total liabilities declined. Within financial liabilities measured at amortised cost, liabilities to other banks decreased due to a decline in the portfolio of reverse repurchase agreements and a lower portfolio of open market transactions with the ECB. Within liabilities to customers, public Pfandbriefe declined due to maturities. In addition, deposit business in connection with pbb was managed directly in line with refinancing requirements, which led to a decline. Maturities of other bonds also led to a lower portfolio of bearer bonds.

Equity

As at 31 March 2025, equity increased by €28 million compared to 31 December 2024, which is primarily due to the net income for the first quarter of 2025 (€24 million). Actuarial losses from pension obligations decreased by €10 million as the discount rate used to measure pension obligations increased (31 March 2025: 3.90%; 31 December 2024: 3.48%). The accumulated other comprehensive income from financial assets at fair value through other comprehensive income decreased by €4 million compared to the end of the previous year due to interest and credit-induced effects.

Funding

In the first quarter of 2025, pbb Group placed a new long-term funding volume of €1.1 billion (3m2024: €0.8 billion) on the market. This was offset by no repurchases (3m2024: €0.3 billion). The new funding volume consisted exclusively of mortgage Pfandbriefe (3m2024: € 0.8 billion), which were issued both in benchmark format and in the form of private placements. The transactions were predominantly denominated in euros. Open interest rate positions are generally hedged by swapping fixed interest rates for variable interest rates. To minimise the currency risk between assets and liabilities, bonds with an equivalent value of €0.1 billion were issued in Swedish kronor. The foreign currency was converted into euros at the exchange rate applicable at the time of issue. As in the same quarter of the previous year, the unsecured funding was completely replaced by lower-cost deposits from private customers (pbb direct).

Unsecured funding is balanced in the portfolio between retail deposits (€7.3 billion compared to €7.6 billion as at 31 December 2024) and capital market funding.

Liquidity

As at 31 March 2025, the liquidity coverage ratio (LCR) was 211% (31 December 2024: 200%).

Off-balance Sheet Commitments

Irrevocable loan commitments represented the material part of off-balance sheet liabilities and amounted to €1.2 billion as at 31 March 2025 (31 December 2024: €1.5 billion). Contingent liabilities from guarantees and indemnity agreements amounted to €0.1 billion as at 31 March 2025 (31 December 2024: €0.1 billion).

Segment Reporting

Income/expenses

in € million		Real Estate Finance (REF)	Non-Core (NC)	Consoli-dation & Adjustments (C&A)	**pbb Group**
Operating income	1.1.-31.3.2025	113	5	-	118
	1.1.-31.3.2024	125	21	-	146
Net interest income	1.1.-31.3.2025	102	5	-	107
	1.1.-31.3.2024	116	9	-	125
Net fee and commission income	1.1.-31.3.2025	2	-	-	2
	1.1.-31.3.2024	1	-	-	1
Net income from fair value measurement	1.1.-31.3.2025	3	-	-	3
	1.1.-31.3.2024	-2	-1	-	-3
Net income from realisations	1.1.-31.3.2025	2	-	-	2
	1.1.-31.3.2024	10	13	-	23
Net income from hedge accounting	1.1.-31.3.2025	2	-	-	2
	1.1.-31.3.2024	3	1	-	4
Net other operating income	1.1.-31.3.2025	2	-	-	2
	1.1.-31.3.2024	-3	-1	-	-4
Net income from risk provisioning	1.1.-31.3.2025	-26	-	-	-26
	1.1.-31.3.2024	-47	-	-	-47
General and administrative expenses	1.1.-31.3.2025	-55	-4	-	-59
	1.1.-31.3.2024	-55	-3	-	-58
Expenses from bank levies and similar dues	1.1.-31.3.2025	-	-	-	-
	1.1.-31.3.2024	-1	-1	-	-2
Net income from write-downs and write-ups of	1.1.-31.3.2025	-5	-	-	-5
non-financial assets	1.1.-31.3.2024	-5	-	-	-5
Profit before tax	**1.1.-31.3.2025**	**27**	**1**	**-**	**28**
	1.1.-31.3.2024	**17**	**17**	**-**	**34**

Balance-sheet-related measures

in € billion		REF	NC	C&A	**pbb Group**
Financing volumes[1]	31.3.2025	28.9	9.6	-	**38.5**
	31.12.2024	29.0	9.7	-	**38.7**
Risik-weighted assets[2]	31.3.2025	17.5	0.2	0.2	**17.9**
	31.12.2024	20.2	0.2	0.2	**20.6**
Equity[3]	31.3.2025	3.1	-	-	**3.1**
	31.12.2024	3.0	-	0.1	**3.1**

[1] Notional amounts of the drawn parts of granted loans and parts of the securities portfolio.
[2] Including risk-weighted credit risk positions as well as the capital requirements for market risk positions and operational risks scaled with the factor 12.5.
[3] Excluding AT1 capital.

Breakdown of Maturities by Remaining Term

Maturities of specific financial assets and liabilities (excluding derivatives)

in € million	not specified/ repayable on demand	up to 3 months	more than 3 months up to 1 year	more than 1 year up to 5 years	more than 5 years	Total
						31.3.2025
Cash reserve	924	-	-	-	-	924
Financial assets at fair value through profit or loss	4	7	164	679	-	854
Debt securities	-	-	88	41	-	129
Loans and advances to customers	1	7	76	638	-	722
Shares in investment funds qualified as debt instruments	3	-	-	-	-	3
Financial assets at fair value through other comprehensive income	-	19	76	733	404	1,232
Debt securities	-	19	76	732	404	1,231
Loans and advances to customers	-	-	-	1	-	1
Financial assets at amortised cost before credit loss allowances	831	2,954	5,629	20,420	9,067	38,901
Debt securities	-	67	158	1,440	760	2,425
Loans and advances to other banks	781	4	-	250	295	1,330
Loans and advances to customers	50	2,880	5,462	18,672	7,963	35,027
Claims from finance lease agreements	-	3	9	58	49	119
Total financial assets	**1,759**	**2,980**	**5,869**	**21,832**	**9,471**	**41,911**
Financial liabilities at cost	1,230	2,116	5,305	19,287	9,575	37,513
Liabilities to other banks	313	584	269	660	289	2,115
Thereof: Registred bonds	-	59	130	473	217	879
Liabilities to customers	909	1,202	2,402	5,172	7,897	17,582
Thereof: Registred bonds	-	207	509	1,652	6,972	9,340
Bearer bonds	8	315	2,618	12,897	1,377	17,215
Subordinated liabilities	-	15	16	558	12	601
Total financial liabilities	**1,230**	**2,116**	**5,305**	**19,287**	**9,575**	**37,513**

Maturities of specific financial assets and liabilities (excluding derivatives)

in € million	not specified/ repayable on demand	up to 3 months	more than 3 months up to 1 year	more than 1 year up to 5 years	more than 5 years	31.12.2024 Total
Cash reserve	2,010	-	-	-	-	2,010
Financial assets at fair value through profit or loss	4	65	95	599	-	763
Debt securities	-	-	87	40	-	127
Loans and advances to customers	1	65	8	559	-	633
Shares in investment funds qualified as debt instruments	3	-	-	-	-	3
Financial assets at fair value through other comprehensive income	-	74	76	507	599	1,256
Debt securities	-	74	76	506	599	1,255
Loans and advances to customers	-	-	-	1	-	1
Financial assets at amortised cost before credit loss allowances	825	3,894	5,851	19,826	9,368	39,764
Debt securities	-	75	178	1,392	826	2,471
Loans and advances to other banks	783	410	-	250	294	1,737
Loans and advances to customers	42	3,406	5,664	18,127	8,195	35,434
Claims from finance lease agreements	-	3	9	57	53	122
Total financial assets	**2,839**	**4,033**	**6,022**	**20,932**	**9,967**	**43,793**
Financial liabilities at cost	1,150	4,935	4,775	18,745	9,764	39,369
Liabilities to other banks	282	1,393	324	645	299	2,943
Thereof: Registred bonds	-	22	166	490	218	896
Liabilities to customers	859	1,799	2,240	5,119	8,074	18,091
Thereof: Registred bonds	-	297	467	1,691	7,121	9,576
Bearer bonds	9	1,727	2,201	12,416	1,379	17,732
Subordinated liabilities	-	16	10	565	12	603
Total financial liabilities	**1,150**	**4,935**	**4,775**	**18,745**	**9,764**	**39,369**

Report on Post-balance Sheet Date Events

There were no material events with an impact on pbb Group’s development in assets, financial position and earnings after 31 March 2025.

Additional Information

Future-oriented Statements

This report contains future-oriented statements inter alia 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. pbb Group does 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 geopolitical crises, the condition of the financial markets in Germany, Europe and the USA, the possible default of borrowers or counterparties of trading activities, the reliability of our principles, procedures and methods for risk management as well as other risks associated with our business activity.

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