DEUTSCHE PFANDBRIEFBANK

Annual Report 2024

Deutsche Pfandbriefbank Group

OVERVIEW

Deutsche Pfandbriefbank Group (pbb Group)		2024	2023
Operating performance according to IFRS			
Profit before tax	in € million	104	90
Net income	in € million	90	91
Key ratios			
Cost-income ratio	in %	48.9	45.8
Return on tangible equity before tax[1)]	in %	2.7	2.3
Return on tangible equity after tax[2)]	in %	2.1	2.2
Earnings per share	in €	0.48	0.51
New business volume Real Estate Finance[3)]	in € billion	5.1	7.2
Balance sheet figures according to IFRS		**31.12.2024**	**31.12.2023**
Total assets	in € billion	44.2	50.9
Equity	in € billion	3.4	3.4
Financing volumes Real Estate Finance	in € billion	29.0	31.1
Key regulatory capital ratios[4)]		**31.12.2024**	**31.12.2023**
CET1 ratio	in %	14.4	15.7
Own funds ratio	in %	17.2	19.5
Leverage ratio	in %	7.5	6.2
Staff		**31.12.2024**	**31.12.2023**
Employees (on full-time equivalent basis)		778	806
Long-term issuer rating/outlook[5)]		**31.12.2024**	**31.12.2023**
Standard & Poor’s		BBB-/Negative	BBB/Negative
Moody’s Pfandbrief rating[5)]		**31.12.2024**	**31.12.2023**
Public sector Pfandbriefe		Aa1	Aa1
Mortgage Pfandbriefe		Aa1	Aa1

1) The return on tangible equity before tax is the ratio of the profit before tax less AT1 coupon and the average IFRS equity excluding intangible assets, deferred tax assets and AT1 capital.
2) Return on tangible equity after tax is the ratio of net income less AT1 coupon and average IFRS equity excluding intangible assets and AT1 capital.
3) Including prolongations with a term of more than one year.
4) Values as at 31 December 2024 after approval of the 2024 consolidated financial statements less AT1 coupon and less the proposed dividends (subject to approval by the Annual General Meeting). Values as at 31 December 2023 after approval of the 2023 consolidated financial statements less AT1 coupon.
5) Please refer to the report on economic position for a detailed presentation of the ratings. The ratings of unsecured liabilities may differ from the bank ratings.

Information due to rounding

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Explanation of alternative performance measures

For further information regarding the definition, usefulness and calculation of alternative performance measures see “investors/financial-reports” at www.pfandbriefbank.com.

Presentation of personal designations and personal words

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

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Letter from the Management Board

Dear shareholders,

dear business partners,

Ladies and Gentlemen,

Despite the challenging economic environment of the past year, we at Deutsche Pfandbriefbank AG (pbb) have consistently pursued our strategic goals. Thanks to our close cooperation with our customers and shareholders, the commitment of our employees and our clear strategic direction, we were able to deliver on our promises: significantly more profit than in the previous year. The sustainable transformation of our business model and trusting customer relationships were at the centre of our actions. This should remain so in the future.

In October of last year, we presented our roadmap for the next three years. With our Strategy 2027, we are diversifying our business model and our income base to make the bank even more future-proof and profitable. Commercial real estate finance will remain the backbone of pbb. The comparatively high weighting of the asset class office is to be gradually reduced in the coming years, and the focus on more profitable and higher-growth segments is to be intensified.

In addition, we plan to consistently expand into new business models in our business segment Real Estate Investment Solution, among them our asset management arm pbb invest. With ‘Originate & Cooperate’, we are seeking to establish strategic partnerships in the financing and refinancing of real estate projects. We are contributing our European network and our expertise in the structuring of complex financings and intend to generate more and more fee income as a result.

By the end of 2027, it is planned that around 10% of earnings will be attributable to commissions. The scope for the necessary investments is to be created by consistently implementing existing and additional measures to increase efficiency in the core business. Overall, it is expected that profitability, the return on tangible equity (RoTE) as the key performance indicator in the future, will increase significantly to around 8% by the end of 2027.

With our Strategy 2027, we want to future-proof our bank and strengthen its profitability. We are building on our strengths – our deep expertise in the commercial real estate markets, our profound ability to structure complex financings, and our traditionally strong cost discipline.

In our core business, we want to focus even more on greater diversification and profitability. On the one hand, this means that we want to place a greater emphasis on promising property types such as data centres, serviced and senior living, and hotels. On the other hand, we want to concentrate regionally on core markets in Europe and certain metropolitan areas on the east coast of the United States.

We are sure that this path is the right one for us, and we are pursuing it consistently with the committed and competent workforce of our company. The way we work together is of crucial importance. For this reason, we have worked on our corporate culture in parallel with our business strategy and defined values, vision and purpose for pbb together with a large number of our employees. In addition, we have defined leadership principles that support the successful implementation of our strategy. All in all, this will guide us in implementing Strategy 2027 and help us to succeed.

Looking back to 2024, we can see that we are moving in the right direction: in the first quarter, we still faced major challenges. Over the course of the following nine months, we successfully regained trust. Our profit before taxes rose by more than 15% year on year to €104 million. This is a respectable result in a year in which there were once again few real estate transactions. At the same time, we were able to reduce our risk costs by around 20%, an important step towards greater stability and predictability.

With new business of €5.1 billion, we deliberately focused on profitable financing that strengthens our risk-return profile. Our aim is to significantly increase the volume of new business in the coming years in order to further diversify the portfolio and further strengthen profitability. The bottoming out of the real estate markets is a positive signal for the future.

With these and other measures, we want to expand our credit and customer base, diversify our income streams and put the bank on a broader and more profitable footing.

This annual report provides you with a transparent insight into our financial performance, our strategic decisions and our prospects for the future.

We thank you for your trust and look forward to continuing our successful journey together with you.

Best wishes,

Kay Wolf	Thomas Köntgen	Dr Pamela Hoerr	Andreas Schenk	Marcus Schulte
Chief Executive Officer	Deputy Chief Executive Officer Real Estate Finance	Member of the Management Board pbb invest	Member of the Management Board Chief Risk Officer	Member of the Management Board Chief Financial Officer

Report of the Supervisory Board

Dear shareholders,

The financial year 2024 was characterised by upheaval and transition in a volatile environment. Triggered in particular by banks in distress in the US, there was also a loss of investor confidence in European institutions and in pbb at the beginning of the year, which was reflected in sharp price declines. In addition, there was weak economic growth, uncertainty regarding the further development of the political and interest rate environment, and a continued increase in regulatory requirements. Due to its diversified and conservative refinancing position and its good capitalisation, pbb was able to overcome these challenges well and, particularly in the second half of the year, to demonstrate its solid business activities in a robust and profitable manner. The material course for this was set not least by Kay Wolf as pbb's new CEO since March 2024 and by the ‘Strategy 2027’ presented to the public at ‘Capital Market Day’ in October 2024. This strategy is being implemented as part of the internal ‘NEXT’ project with various work strands, which is being closely monitored by the Supervisory Board. Pbb is doing everything it can to weather the current cyclical low and to position itself for sustainable profitability in the future. This is further supported by the successful implementation of the ‘TRACE’ project, which has placed pbb's IT on a new and more modern platform and should thus contribute to achieving the strategic goals both from a technical perspective and by reducing costs.

The real estate investment markets showed a rather mixed performance in the course of 2024. Nevertheless, pbb, as a leading European specialist bank for commercial real estate finance, was able to generate a positive profit before tax and maintain its solid capital position. In terms of new business, pbb achieved a solid new business volume, albeit below the previous year's level with improved margins and unchanged conservative risk standards. The expansion of capital-light commission-based business through the new Real Estate Investment Solutions business area and the further diversification of the refinancing base, including through private client deposits, remained an important focus in 2024. Pfandbriefe remained resilient, with Green Pfandbriefe gaining further importance in view of the ecological turnaround. Eco Estate GmbH, a company founded together with Groß & Partner to provide comprehensive advice on the sustainable transformation of real estate, achieved initial successes in the 2024 financial year.

The implementation of numerous measures based on pbb's strategic development – under the cornerstones of business model diversification and profitability enhancement – as well as the focus on cost reduction, green finance and digitalisation, as well as the successful conclusion of portfolio transactions and asset sales for the management and reduction of regulatory risk-weighted assets in the first half of the year, contributed to the stabilisation of the company's business situation and form a good basis for the future. In parallel with this strategic development, a vision and culture development process was launched with the involvement of employees. The Supervisory Board accompanied this process intensively in constant dialogue with the Management Board.

PERSONALIA

A material focus of the Supervisory Board in 2024 was on succession planning for the Management Board and Supervisory Board.

As explained in last year's report, Dr Pamela Hoerr, who initially joined pbb as a senior general manager on 17 April 2023, has been strengthening the Management Board of pbb since 17 January 2024, where she is responsible for Investment Management, Property Analysis & Valuation and, since 1 March 2024, Human Resources. Dr Pamela Hoerr has extensive expertise and many years of experience in real estate fund and asset management from her previous roles, including at Patrizia AG and, most recently, on the Management Board of Real I.S.

As also reported a year ago, the Supervisory Board appointed Kay Wolf as a member of the Management Board with effect from 1 February 2024, who took over responsibility as CEO on the Management Board on 1 March 2024. His appointment to the Management Board was preceded by an extensive and far-sighted planning process in the Supervisory Board to ensure a smooth CEO succession after the scheduled departure of Andreas Arndt. Since then, Kay Wolf has been responsible for Communications, Investor Relations & Marketing, Corporate Office/Corporate Development, Group Internal Audit and Legal. Kay Wolf joined from Deutsche Bank AG, where he was most recently Chief Risk Officer of the Private Bank division. He began his career in 1997 as a trainee at Deutsche Bank AG. He then held various positions in the lending business, including in London. From 2006 to 2010, he worked for a predecessor institution of pbb, most recently as Chief Information Officer. He then held various positions at Postbank AG, including Chief Credit Officer, and was subsequently a member of the Management Board and Chief Risk Officer of Deutsche Bank Privat- und Firmenkundenbank AG.

The Supervisory Board and Chief Risk Officer Andreas Schenk have amicably agreed that Mr Schenk will leave pbb on 15 March 2025 to take on new professional challenges. As part of a formal and structured process for filling the position of CRO, a large number of candidates were screened and a selection of them interviewed with the Supervisory Board. As a result of this selection process, the Supervisory Board appointed Mr Jörn Joseph as a member of the Management Board with effect from 1 June 2025. Jörn Joseph comes to us from Deutsche Bank, where he was most recently CRO of the Private Clients Bank in Germany and a member of the Management Board of BHW Bausparkasse AG. He previously held various roles at Postbank in the area of credit risk management with a focus on corporate and commercial real estate financing. In 2011, he became General Manager of Postbank's foreign subsidiary in New York and in 2014 Chief Credit Officer Americas at Deutsche Bank. Since 2018, Jörn Joseph has been Chief Credit Officer for private and business customers in Germany and, since 2020, has also been responsible for risk management in this business area as CRO. Since 2023, he has also been a member of the management board of BHW Bausparkasse AG. He thus has extensive credit experience in particular in Germany and abroad, including beyond the commercial real estate markets.

Heike Theißing left the Supervisory Board with effect from 30 September 2024. She was succeeded by Jennifer Wendels, who joined the Supervisory Board as an elected substitute member with effect from 1 October 2024.

The Supervisory Board would like to thank the former and departing members of the Management Board and Supervisory Board – namely Heike Theißing, Andreas Arndt and Andreas Schenk – for their trusting cooperation and their many years of exceptionally strong and successful commitment to the further development of pbb. The Supervisory Board wishes them all the best for the future.

CORPORATE GOVERNANCE

Also in the 2024 financial year, the Supervisory Board regularly advised and continuously monitored the Management Board on the strategic management of the company. In light of the challenging market environment in the past year, a material focus of the Supervisory Board's supervisory and advisory activities remained on supporting the ongoing business development, the further development of the business strategy and monitoring the corresponding risks. Particular attention was paid to ongoing reporting on strategic projects and initiatives, especially the newly launched 'NEXT' programme, which, in addition to the strategic further development of the business model, also covers the topics of cultural development, cost efficiency and ESG. As in previous years, the Supervisory Board also paid particular attention to issues of supervisory law and IT, as well as to the exchange with the supervisory authority. In addition, the Supervisory Board increasingly addressed and discussed the feedback and interests of the shareholders.

In the reporting year, the Supervisory Board was always satisfied with the legality, expediency and propriety of the management measures taken by the Management Board. The Management Board fulfilled its information obligations regularly, promptly and comprehensively. This also included information on any deviations in the course of business from the planning. The members of the Supervisory Board always had sufficient opportunity to critically examine the reports and proposed resolutions submitted by the Management Board in the committees and in plenary sessions and to contribute their own suggestions. In addition, the Management Board reported to the Supervisory Board and the respective committee chairmen regularly and as required on significant developments, even between meetings. In particular, the Supervisory Board discussed business transactions of significance to the company in detail on the basis of written and oral reports from the Management Board and checked these for plausibility.

The Supervisory Board verified the necessary independence of the auditor, Deloitte GmbH Wirtschaftsprüfungsgesellschaft (Deloitte), issued the audit engagement in accordance with the resolution of the Annual General Meeting and agreed the auditor's fee with the auditor.

In principle, conflicts of interest may arise for members of the Supervisory Board between their Supervisory Board work for the Company on the one hand and their other activities on the other, for example due to advisory or board functions at customers, suppliers, lenders or other third parties. The rules of procedure of the Supervisory Board include regulations for handling and minimising these conflicts of interest, should any such conflicts of interest arise or threaten to arise on the part of pbb Supervisory Board members or related parties, particularly in relation to customer relationships or relationships with other credit institutions. This includes, for example, disclosing the impending conflict of interest, not exercising voting rights or not participating in relevant discussions during meetings of the Supervisory Board or the committee concerned.

In the reporting year, the Supervisory Board decided to change the composition of its committees in such a way that the Audit Committee and the Executive and Nomination Committee will each be expanded to include one member of the employee representatives. This was previously only the case for the Remuneration Committee. In addition, responsibility for digitalisation issues was assigned directly to the Supervisory Board and, in this context, the previously responsible Audit and Digitalisation Committee was renamed the Audit Committee.

On 23 February 2024, the Supervisory Board discussed the Declaration of Conformity with the German Corporate Governance Code (GCGC) in its current version dated 28 April 2022 (www.pfandbriefbank.com/unternehmen/corporate-governance.html). Please also refer to the separate Group remuneration report and the information provided in the Corporate Governance Statement regarding the requirements for the composition of the Management Board and Supervisory Board.

MEETINGS OF THE SUPERVISORY BOARD

The members of the Supervisory Board in the financial year under review were:

Dr Louis Hagen (Chairman), Hanns-Peter Storr (Deputy Chairman), Karim Bohn, Gertraud Dirscherl, Prof. Dr Kerstin Hennig, Susanne Klöß-Braekler, Georg Kordick, Olaf Neumann, Heike Theißing (until 30 September 2024) and Jennifer Wendels (from 1 October 2024).

In 2024, the Supervisory Board of pbb held eight meetings, two of which were extraordinary and one of which was held as part of the additional strategy meeting, in which the Supervisory Board discussed the business and multi-year planning for 2025 to 2027, the Bank's ESG and dividend strategy, the changed market conditions and challenges, and in particular the realignment of pbb and the associated measures. In the reporting year, the Supervisory Board also met regularly without the participation of the Management Board, or dealt with certain agenda items at its meetings, in accordance with recommendation D.6 of the German Corporate Governance Code. The decision regarding the participation of the Management Board at the meetings is always made by the Supervisory Board on a case-by-case basis and depending on the topics to be discussed.

The current business situation of the pbb Group was the subject of all ordinary meetings and was discussed in detail with the Management Board in each case. The Management Board regularly and promptly informed the Supervisory Board about the economic and financial development of the pbb Group. The following topics were also reported on at the ordinary meetings: business and risk situation, risk management, new business, liquidity situation and strategy, development of funding and the share, current regulatory topics and audits, as well as important events that are of material importance for assessing the situation and development and for managing the company. In addition, the Management Board continuously and comprehensively informed the Supervisory Board about IT topics, data governance and ESG during the financial year. In 2024, the main focus was on the development of the market environment and the bank's business and risk situation, as well as the progress of strategic projects, in particular the two programmes ‘NEXT’ and ‘TRACE’, which combine the further development of the business model with the relocation and modernisation of the IT infrastructure.

At the ordinary meeting on 23 February 2024, the target achievement at the institution level and the variable remuneration for the members of the Management Board for the 2023 financial year were determined and their deferred variable remuneration for the 2017 to 2022 financial years (including a penalty review and back-testing) was redetermined. Other key topics included the composition of the Supervisory Board committees, the adjustment of the rules of procedure for the Supervisory Board and RLA, the new allocation of responsibilities within the Management Board and succession planning for the Management Board and the associated adjustments to the service contracts. It also dealt with pbb's recovery plan, as required by regulators, the regular update on data governance and the report on the efficiency review, which concluded the 2023 evaluation of the Supervisory Board and Management Board. Furthermore, the annual declaration of conformity with the Corporate Governance Code, the report of the Supervisory Board and the statement on corporate governance were approved and the training topics were defined as part of the regular further training measures for the Supervisory Board in 2024. In addition, the Supervisory Board discussed the multi-year planning for 2024 to 2026 and the overall bank targets for 2024 derived from it, the annual update of the business and risk strategy, the current status of ongoing strategic projects and initiatives as well as the preparation of the 2024 Annual General Meeting.

At the accounts review meeting on 22 March 2024, the consolidated financial statements for 2023 were approved and the annual financial statements for 2023 were adopted. The Supervisory Board also discussed the non-financial report. In addition, the Annual General Meeting for 2024 was prepared and corresponding resolutions were passed on the agenda, including the proposed resolutions presented, in particular with regard to the elections to the Supervisory Board and the election of the auditor. Other topics of the meeting were the variable remuneration plan for 2024, the adoption of the Management Board targets for 2024 and deliberations regarding the future governance for digitalisation topics in the Supervisory Board.

At its meeting on 8 May 2024, the Supervisory Board discussed the reporting of the pbb Group for the first quarter of 2024. It also received information about the further development of the IRBA rating models and the cultural development project that had been initiated, discussed the 2023 remuneration report and prepared for the 2024 Annual General Meeting. The Supervisory Board also discussed the update of the risk strategy 2024 and decided to add an employee representative to the Audit Committee and the Executive and Nomination Committee in the future.

At an extraordinary meeting on 5 June 2024, which was held following the 2024 Annual General Meeting, an analysis and follow-up of the previously held Annual General Meeting was carried out.

The interim financial report and the audit review of the half-yearly financial statements and management report of pbb Group as of 30 June 2024 were the subject of the Supervisory Board meeting on 9 August 2024. Furthermore, the Supervisory Board dealt with the update of the multi-year plan (forecast), the change to the F-IRBA (Foundation Internal Ratings-Based Approach), the remuneration control report, share-based remuneration for Management Board members and the further development of risk culture at pbb. The Supervisory Board also decided to assign responsibility for dealing with digitalisation issues to the Supervisory Board and to rename the Audit and Digitalisation Committee as the Audit Committee again. It also took note of the appointment of the deputy remuneration officers and the adjustment of the suitability policy, and decided on the 2024 pension adjustments for retired members of the Management Board. Furthermore, the Supervisory Board was informed about the status of the vision and culture development at pbb and the half-yearly report on data governance.

At the extraordinary meeting on 4 September 2024, the Supervisory Board discussed in detail the succession planning for the role of CRO on the Management Board. Due to the upcoming departure of Andreas Schenk, the Supervisory Board dealt with the contractual modalities regarding Andreas Schenk on the one hand and possible candidates to succeed him on the other hand. On the basis of these discussions, the Supervisory Board continued its deliberations on this matter at an additional extraordinary meeting on 25 September 2024. Furthermore, it discussed the specific changes resulting from the conversion to F-IRBA.

On 8 November 2024, the Supervisory Board initially discussed the results of pbb Group for the third quarter of 2024, and dealt with the multi-year planning for 2025 to 2027, the business strategy for 2025 to 2027 and the risk and IT strategy for 2025. The Supervisory Board also prepared the efficiency review of the Management Board and Supervisory Board and dealt with an update on ESG topics and the annual report of the Executive and Nomination Committee on current corporate governance issues. In addition, the Supervisory Board approved the identification of risk takers for 2025 and discussed the adjustment of Dr Hoerr's service agreement. It also addressed the appropriateness test for the remuneration and the remuneration system for the Management Board and employees, discussed and approved the bank's targets for 2025 and continued its discussion of the adjustment of the Management Board members' variable remuneration system.

SUPERVISORY BOARD COMMITTEES

During the 2024 financial year, the Supervisory Board established the following committees: Executive and Nomination Committee, Audit Committee, Risk Management and Liquidity Strategy Committee and Remuneration Control Committee.

The Executive and Nomination Committee held eight meetings – three of which were extraordinary – and was comprised of Dr Louis Hagen (Chairman), Gertraud Dirscherl (from 23 February 2024), Georg Kordick (from 8 August 2024) and Susanne Klöß-Braekler.

It dealt in particular with Executive Board matters such as the achievement of targets by the Executive Board members and the determination of the variable remuneration for 2023 (including a penalty review), on which it submitted corresponding proposals to the Supervisory Board plenum. It also prepared the 2024 efficiency review of the Management Board and Supervisory Board. In addition, the Committee informed the Supervisory Board about new developments in corporate governance and dealt with the corporate governance statement including the Declaration of Conformity with the German Corporate Governance Code. Further topics in the past year included the composition of the Supervisory Board committees, succession planning for the Supervisory Board and Management Board, and amendments to the rules of procedure. A material focus of the Executive and Nomination Committee was the search for a successor to Andreas Schenk as CRO on the Management Board. In several meetings – including extraordinary meetings – the Committee discussed possible candidates, conducted interviews and supported the Supervisory Board with appropriate recommendations. In addition, it discussed, among other things, the definition of further training topics for the Supervisory Board in the 2024 financial year and the preparation of the Annual General Meeting of pbb on 5 June 2024. It also provided advice on the current status of the Bank's strategic initiatives and projects as needed.

The Audit Committee held a total of five regular meetings and was comprised of Gertraud Dirscherl (Chair), Karim Bohn (from 23 February 2024), Dr Louis Hagen, Olaf Neumann (from 8 August 2024) and Hanns-Peter Storr.

The meetings focused on the audit and discussion of the annual and consolidated financial statements for 2023, the interim reports and statements for 2024, as well as the reports of the internal auditors and the auditor on internal and external audit findings and the audit report in accordance with Section 89 (1) of the German Securities Trading Act (WpHG). The Audit Committee dealt in advance with the results of the early audits of the business organisation and the lending business, as well as money laundering, including the key audit matters. The Audit Committee also discussed the mandate for the auditor, Deloitte, and its audit plan for the 2024 financial year. The Audit Committee was also satisfied with the independence of the auditor and recommended that the Supervisory Board propose to the Annual General Meeting that Deloitte be elected as auditor for the 2024 financial year. In addition, the Committee discussed the effects of current regulatory issues with the Management Board and was informed about the development of ongoing audits and the processing of findings. In addition, regular reports were provided on the internal control system and the monitoring of the key controls that had been set up, ongoing legal disputes, compliance-related topics, data protection/IT security, special accounting issues, the results of external audits, the audit planning of the internal audit department and the implementation of the audit. In the reporting year, a focus was placed on the topics of IT and the implementation of the Digital Operational Resilience Act (DORA).

The Risk Management and Liquidity Strategy Committee held five regular meetings and also discussed – usually in monthly telephone conferences – the loan exposures requiring approval. Its members were Hanns-Peter Storr (Chairman), Karim Bohn (from 23 February 2024), Dr Louis Hagen, Gertraud Dirscherl and Prof. Dr Kerstin Hennig.

At its regular meetings, the Committee supported the Supervisory Board's control of risk and liquidity management, reviewed the Management Board's risk reporting and was involved in the credit approval process to the extent stipulated by the rules of procedure. It also regularly discussed the new business, liquidity and refinancing situation as well as the syndication business. In the 2024 financial year, the Risk Management and Liquidity Strategy Committee also dealt with reports on the sub-portfolios, including development financing, specific valuation allowances, the equity report in accordance with the SolvV, the country limits and the asset/liability management. In addition, the Committtee dealt intensively with the internal rating models (IRBA models), the results of the audit of the annual financial statements and regulatory audits, the updates to the business and risk strategy, and the developments to be expected in the real estate markets in the medium term. The Risk Management and Liquidity Strategy Committee also obtained information on US business, the results of the ECB cyber security stress test 2024 and the revision of the ICAAP (Internal Capital Adequacy Assessment Process) as part of selected key topics. It also received reports on the appropriateness of the remuneration system. In addition, the Committee dealt with individual loan cases in numerous telephone conferences, usually held on a monthly basis. These concerned new business, regular resubmissions and approvals of applications for changes, insofar as these were subject to the Committee's rules of procedure.

The Remuneration Control Committee held five regular meetings and two extraordinary meetings and was comprised of Dr Louis Hagen, Gertraud Dirscherl, Susanne Klöß-Braekler, Heike Theißing (until 30 September 2024) and Jennifer Wendels (from 9 October 2024).

It dealt with the remuneration reports, the variable remuneration for the 2023 financial year, the target achievements of the Management Board members, the Variable Remuneration Plan for 2024 for the Management Board and the conclusion or amendment of Management Board service contracts. Furthermore, the Remuneration Control Committee prepared the approval for the identification of risk-taker functions, the determination of metrics for risk-adjusted performance measurement at the institution level, and the remuneration control report for the Supervisory Board. Other topics of discussion at its meetings included the extension of the mandate of the deputy remuneration officer, the appropriateness review of the remuneration system and its further development.

The meeting attendance of the individual members is shown in the following table. All regular meetings of the Supervisory Board and the individual committees were held in person in the 2024 financial year, although the option of participating in virtual form via video was also offered at these meetings and partially used (‘hybrid meeting’). If Supervisory Board members were unable to attend a meeting, they gave advance notice of this, stating the reasons, and usually submitted a vote.

Supervisory Board of pbb in the financial year 2024

Name Age Initial appointment	Supervisory Board function and Meeting attendence	Attendence rate Supervisory Board meetings	Committee function and Meeting attendence Executive and Nomination Committee	Audit Committee	Risk Management and Liquidity Strategy Committee	Remuneration Control Committee	Attendence rate Commitees
Dr Louis Hagen 66 years Chairman 25 May 2023	Chairman 8 of 8	100%	Chairman 8 of 8	Chairman 5 of 5	Member 5 of 5	Chairman 7 of 7	100%
Hanns-Peter Storr 65 years Deputy Chairman 12 May 2021	Deputy Chairman 7 of 8	88%	-	Member 4 of 5	Chairman 4 of 5	-	80%
Karim Bohn 53 years Member 30 November 2023	Member 8 of 8	100%	-	Member 3 of 4 (since 23.2.2024)	Member 4 of 4	-	88%
Gertraud Dirscherl 66 years Member 2 Februrary 2022	Member 8 of 8	100%	Member 7 of 8	Chairman 5 of 5	Member 5 of 5	Member 7 of 7	96%
Prof Dr Kerstin Hennig 60 years Member 19 July 2022	Member 7 of 8	88%	-	-	Member 5 of 5	-	100%
Susanne Klöß-Braekler 60 years Member 12 May 2021	Member 8 of 8	100%	Member 7 of 8	-	-	Member 7 of 7	93%
Georg Kordick 64 years Employee representative 22 Februrary 1990	Member 7 of 8	88%	Member 4 of 4 (since 8.8.2024)	-	-	-	100%
Olaf Neumann 49 years Employee representative 12 May 2021	Member 8 of 8	100%	-	Member 2 of 2 (since 8.8.2024)	-	-	100%
Heike Theising 64 years Employee representative (till 30 September 2024) 7 July 2011	Member 6 of 7	86%	-	-	-	Member 3 of 4 (until 30.9.2024)	75%
Jennifer Wendels 31 years Employee representative (from 1. October 2024) 1. October 2024	Member 1 of 1	100%	-	-	-	Member 3 of 3 (since 9.10.2024)	100%

TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The members of the Supervisory Board were responsible for taking the necessary training and continuing professional development measures for their tasks and were adequately supported by the company in doing so. In addition, as in previous years, regular training sessions were held in the run-up to the ordinary Supervisory Board meetings, with presentations by external speakers. In the reporting year, the Supervisory Board and Management Board jointly participated in training sessions on the topics of ‘Accounting for financial instruments in accordance with IFRS 9’ and ‘Current highlights in the ESG area’. This regular training programme for the entire Supervisory Board will be continued.

ANNUAL FINANCIAL STATEMENTS

Deloitte, the auditor of the annual and consolidated financial statements elected by the Annual General Meeting, audited pbb's annual and consolidated financial statements as of 31 December 2024 and the combined management report and issued unqualified audit opinions in each case. The Bank published the combined sustainability statement to be submitted as a separate section in the combined management report. As part of its auditing obligations, the Supervisory Board took advantage of the option of having the content of the combined sustainability statement externally reviewed. The combined sustainability statement was subjected to a limited assurance review by Deloitte in accordance with ISAE 3000 (Revised).

Deloitte submitted a declaration of independence to the Supervisory Board. The financial statements and the audit reports were sent to all members of the Supervisory Board in good time. The Audit Committee discussed the financial statements at its meeting on 13 March 2024. The annual and consolidated financial statements, the combined management report and the audit reports were discussed in detail with the Management Board and representatives of the auditor. Following its own review, the Supervisory Board raised no objections to the auditor's findings. At the balance sheet meeting on 14 March 2024, the Supervisory Board approved the consolidated financial statements prepared by the Management Board and adopted the annual financial statements. At this meeting, the Supervisory Board also discussed the Management Board's proposal for the appropriation of profits with the Management Board. After examination, the Supervisory Board endorsed the Management Board's proposal for the appropriation of profits.

The Supervisory Board gives its sincere thanks to the Management Board and to pbb's employees for their exceptional personal commitment and successful work during the 2024 financial year.

For the Supervisory Board

Dr Louis Hagen
Chairman

Combined Management Report

Fundamental Information about the Group

The management report of Deutsche Pfandbriefbank AG ("pbb") and the Group management report have been combined in accordance with section 315 (5) in conjunction with section 298 (2) of the German Commercial Code (Handelsgesetzbuch – "HGB"). Information provided in this combined management report relates – if not explicitly stated otherwise – both to pbb Group as a whole, and to pbb as an individual entity. The report also includes information referring solely to the parent entity pbb (with explanations on the basis of the German Commercial Code (HGB)). The annual report of pbb in accordance with the HGB and the combined management report are published simultaneously in the German Company Register (Unternehmensregister). The combined sustainability statement is prepared to meet the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and to meet the requirements of sections 289b to 289e, 315b and 315c of the HGB for a combined non-financial statement.

GROUP STRUCTURE

pbb Group consists primarily of the parent entity pbb. In addition, pbb has subsidiaries and investments, which are presented in the Note "pbb shareholdings".

The headquarters are located in Munich/Garching. pbb also has offices at four locations across Germany (Eschborn, Dusseldorf, Hamburg and Berlin). Outside Germany, pbb has branch offices in London, Madrid, Paris and Stockholm, as well as a representative office in New York. A further office is to be opened in Amsterdam. pbb Group distributes the vast majority of its international financing activities from these locations.

BUSINESS MODEL

In 2024, pbb Group's strategic business was commercial real estate finance, with a focus on Pfandbrief-eligible business. It is bundled in the Real Estate Finance (REF) segment. In addition to the strategic REF business, pbb Group has also combined the non-strategic business in the Non-Core (NC) segment. The Non-Core portfolio is run off through maturities and sales utilising market opportunities.

The pbb Group refinances its assets via the capital market and deposits from private customers. Secured issues in the form of mortgage Pfandbriefe, i.e. collateralised bonds which meet the requirements of the PfandBG, are of the greatest significance. In addition, the pbb Group issues unsecured bonds and raises funds through the deposit-taking business from private investors.

On 10 October 2024, pbb Group presented its Strategy 2027, which includes a diversification of the business model, at a Capital Markets Day. In commercial real estate finance, the focus will be on certain types of property. In addition, off-balance sheet business is to be increasingly pursued to generate commission income and contribute to revenue diversification and an increase in commission income. As part of the business strategy, pbb Group's credit and client base is to be broadened. In addition, institutional investors in real estate debt and equity funds are to become the new focus of pbb Group's product range.

The "Business model" section contains disclosures in accordance with ESRS 2 SBM-1 paragraphs 40 and 42.

Strategic portfolio

In commercial real estate finance (REF), the product range is primarily aimed at professional national and international property investors and developers such as property companies, institutional investors and real estate funds as well as, particularly in Germany, medium-sized companies and regionally focused customers. Borrowers are generally special purpose vehicles.

To date, loans have been granted in particular for office, residential, logistics, warehouse, retail, hotel and leisure buildings. Geographically, the focus is on Europe and the USA. The material core markets in Europe are Germany, France, the United Kingdom, the Nordic countries, individual Central and Eastern European countries, Spain and Benelux. In the USA, pbb has so far focussed in particular on the metropolitan regions of New York, Washington D.C., Boston, Chicago, San Francisco, Seattle and Los Angeles. pbb has considerably reduced its portfolio on the west coast of the USA; currently, there are only a few financings in this region which are no longer in the strategic focus of pbb Group.

The pbb Group focuses on complex transactions with medium to large financing volumes. It offers both local and cross-border financing expertise. The majority of the financing extended relates to investment loans, i.e. loans for the acquirer or follow-up financing of existing properties with existing cash flows. Financing of property development measures (development financing) is of supplementary importance and also includes the property development business in Germany. pbb is primarily a lender for senior collateralised loans with a high equity interests of the borrowers and resilient collateral in the form of properties in good locations. Green loans are gaining in importance.

Lending is the core business. In particular, pbb focuses on primary customer and syndication business. In addition to traditional, customised financing solutions, pbb offers its customers derivative products to hedge risks in connection with lending transactions. A trading book for securities and derivatives portfolios with the intention of generating short-term profits is not maintained.

In the lending business, pbb either acts as the sole lender or works together with financing partners - particularly for large-volume transactions. Here, it has a broad network of banks and other partners, for example in the areas of insurance or private equity. In this so-called syndicated business, pbb also assumes responsibility for the entire coordination between the members of the syndicate and the borrower as arranger or as agent for tasks in connection with the administration of syndicated loans.

In addition, pbb acts as an underwriter by providing financing in the first instance, either alone or together with other market participants, and then selling parts of these loans to partners as part of syndications.

As part of its Strategy 2027, pbb Group aims to expand the types of property it finances. In addition, off-balance sheet business is to be increasingly pursued in order to generate commission income. Overall, this is intended to diversify the business:

- In addition to the types of property financed to date, data centres, retirement and nursing homes and student residences are to be financed in future. The proportion of financing for office buildings in the overall portfolio is to be reduced. Business in the USA is to be realigned with a focus on the metropolises on the east coast.
- The purpose of Originate & Cooperate is to arrange loans for external borrowers and lenders, without pbb Group itself holding any assets on the statement of financial position. The offering covers the range of services from loan acquisition to loan servicing. In doing so, pbb Group aims to utilise its market access and expertise as well as its technology in a profitable manner.
- In the pbb invest division, pbb Group plans to set up and manage funds for commercial property and property financing (so-called equity and debt funds) for institutional investors. In addition to the development of proprietary business (organic growth), inorganic growth is planned for pbb invest: pbb intends to acquire one or more European companies.
- Within the scope of Eco, pbb Group also aims to expand its advisory services for customers in the transformation of properties into energy-efficient, sustainable buildings. To this end, pbb entered into a cooperation with Groß & Partner in 2023, with which it founded Eco Estate GmbH. Eco Estate GmbH offers green consulting and, together with the customer, develops possible solutions for the transformation in the areas of ESG, smart building and taxonomy certification and advises on implementation options.

There are plans to divide the REF segment into the Real Estate Finance Solutions (REFS) and Real Estate Investment Solutions (REIS) sub-segments in the future.

Non-Core segment (NC)

In addition to the portfolio of the strategic operating segment, pbb has a non-strategic portfolio, the so-called Non-Core Portfolio.

pbb's Non-Core portfolio comprises all non-strategic public sector financings as well as past transactions with public-private partnerships and export credit financing. In this area, pbb does not actively engage in new business. The portfolio is reduced through maturities and repayments. In addition, assets are sold when market opportunities arise.

Consolidation & Adjustments (C&A)

In accordance with IFRS 8.28, a reconciliation of, among other things, profits or losses as well as assets and liabilities of the reportable values to the consolidated values must be disclosed. In the pbb Group, this reconciliation is shown in the C&A column and does not include any operating business. This column includes, for example, consolidation adjustments from the elimination of intragroup relationships between pbb and its fully consolidated subsidiaries.

Funding

Loans granted are refinanced to a large extent with matching maturities and to a large extent via the Pfandbrief market; this is supplemented by unsecured refinancing. Issues are made regularly on the international capital market in benchmark format as well as in the form of private placements. pbb organises private placements as bearer or registered securities or in the form of fixed-interest deposits in accordance with investor requirements. The term and interest rate structure can be negotiated individually. In line with the lending business, issues are predominantly denominated in euros. pbb prefers to refinance foreign currency business in the USA, the United Kingdom and Sweden directly in the corresponding currency. This avoids currency swaps as far as possible and reduces the need for unsecured excess cover for Pfandbriefe.

pbb issues Mortgage Pfandbriefe and Public Pfandbriefe. Uncovered refinancing takes place on the capital market via promissory note loans, bearer bonds and fixed-interest deposits in the "Senior Preferred" risk class.

Investors in debt instruments are banks, funds, insurance companies, central banks and sovereign wealth funds. In this context, pbb places a particular strategic focus on further developing its funding base with the aim of further diversifying and expanding its investor base. To this end, "Green Bonds" are issued in accordance with the pbb Green Bond Framework in order to also offer investors with sustainability requirements an investment opportunity.

pbb is stepping up its deposit business with private investors in Germany. Overnight and fixed-term deposits in euros and US dollars are offered via the online platform pbb direkt (www.pbbdirekt.com) as well as via third-party providers. The deposit-taking business had grown to €7.6 billion by the end of 2024, and is managed in line with pbb Group's specific needs through unsecured capital market funding.

In the measures provided by the European Central Bank (ECB), pbb participated in the Targeted Longer Term Refinancing Operations (TLTRO III) in 2020 and 2021 due to the attractive conditions. The last tranche of the TLTRO III liability in the amount of €0.9 billion was repaid at the end of June 2024.

Most Important Intangible Resources

The chapter "Most Important Intangible Resources" has not been audited by the auditor.

The most important intangible resources are resources without physical substance that fulfil the following two characteristics:
- The business model is fundamentally dependent on the most important intangible resources. There is a fundamental dependency on the business model if the business model cannot be operated without the intangible resource. This means that the intangible resource is indispensable for the business model.
- The most important intangible resource is a source of value added for the Group. A source of value creation exists if the intangible resource alone or in combination with others serves to maintain or increase the value of the company in the short, medium or long term.

Criteria for assessing the importance of intangible resources can include their inclusion in the basis for strategic target formulation, reporting to a higher management level or their inclusion in the incentive systems for the remuneration of higher management levels.

Intangible resources are of significant importance for pbb Group. As a credit institution, pbb Group is not a manufacturer or processor of goods. Instead, it provides services, which generally have a higher proportion of personnel expenses than companies providing services in kind. Accordingly, human capital is the most important intangible resource for pbb Group. In this context, it considers the employees of the sales divisions with their knowledge of structuring commercial property financing transactions to be particularly important. In order to maintain its human capital, pbb Group endeavours to keep staff turnover as low as possible. In addition, investments are made in human capital, including through training programmes.

COMPETITIVE POSITION

In its REF core markets, pbb has a local presence and know-how across the entire process chain: with the help of real estate experts, property law specialists and financing experts, through to the management of credit exposures. pbb actively uses this local expertise to support customers in international transactions as well, whereby key decisions are always made by the Group's head office.

pbb Group is an established provider of commercial property finance in its target markets and segments. As part of its new strategy, it intends to reposition itself as a central point of contact for various services and to offer institutional investors comprehensive solutions from a single source.

STRATEGIC FOCUS

pbb is a specialist bank for financing investments in commercial property in Europe and the USA. In addition, the range of products and services offered to institutional customers along the value chain is to be further expanded. pbb's core business is the lending business: in commercial real estate finance, pbb Group is either the sole lender or works together with financing partners - particularly for large-volume transactions. The non-strategic non-core portfolio is to be wound down in a value-preserving manner in order to make the resources tied up there available to pbb's core business. The central funding instrument is the Pfandbriefe; pbb is one of the major issuers in this area. In addition, pbb issues unsecured financial instruments as bearer and registered securities. Green bonds are an integral part of the funding strategy. Funding is supplemented by unsecured issues and the deposit-taking business of "pbb direkt".

In March 2023 and October 2024, pbb Group communicated strategic changes and expansions to its business as a result of the P2026 and NEXT projects. The aim is to increasingly diversify the business model in the coming years and lay the foundation for future earnings growth and higher profitability. In particular, pbb intends to "strengthen its own strengths", i.e. to use the existing property platform and pbb's expertise to further develop the property business horizontally along the value chain. In doing so, pbb intends to draw on its many years of sales and structuring expertise. These measures include, in particular, an expansion of commercial real estate finance to other types of property, as well as the planned business activities in Originate & Cooperate, pbb invest and Eco.

pbb Group's sustainability strategy is an integral part of its business strategy. The principle of sustainability is a guiding principle for pbb Group in fulfilling its corporate responsibility, and thus forms the basis of its governance.

pbb is expressly committed to the Paris Climate Agreement and the Sustainable Finance goals of the EU and the German Federal Government. For this reason, the pbb Group is working to align its loan portfolios and business operations with the goals of the Paris Climate Agreement. With the goal of a 1.5-degree climate alignment by 2050, pbb has set itself a long-term climate target. Building on this, a long-term decarbonisation pathway for the REF portfolio, including interim targets, has been developed. In addition, pbb is evaluating further objectives of the Paris Climate Agreement and measures derived from it that address further social sustainability aspects. Sustainable finance is defined as a central pillar of the holistic ESG strategy. The aim is to support the transformation of the property industry towards the general goal of climate neutrality by 2050. Among other things, pbb Group is aiming for green assets to account for more than 30% of the total commercial property finance portfolio by 2026. As at 31 December 2024, pbb Group had achieved a share of 29.4% green assets in relation to the entire commercial real estate finance portfolio, and 34.6% in relation to the evaluated portfolio. Overall, the analysed portfolio amounts to 85.1% of the total portfolio.

In the holistic ESG strategy, four Sustainable Development Goals (SDGs) of the United Nations were identified as particularly relevant for our core business, where pbb can make a positive contribution: Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), and Climate Change Mitigation (SDG 13) by actively contributing to the decarbonisation of the real estate sector and efforts to reduce our own environmental footprint. pbb has been a member of the UN Global Compact since the beginning of 2022 and has thus committed itself to ten universal principles in the areas of human rights, labour standards, environmental protection and anti-corruption.

Since the end of June 2024, pbb has applied the Foundation Internal Ratings Based Approach (F-IRBA) as the relevant model and risk standard for the majority of the real estate portfolio; otherwise, it uses the standardised approach. For the transitional period from the end of June 2024 until the entry into force of Basel IV on 1 January 2025, the risk weights in the F-IRBA were calibrated to standardised parameters.

In addition to the earnings side, pbb Group is also focussing on increasing its efficiency. To this end, relevant cost drivers are being identified and digitalisation is being further developed. pbb has set itself the target of keeping the cost base stable, and thus bringing the cost-income ratio below 45% by the end of 2027. To this end, processes are also to be adapted and new technologies utilised. Having already achieved material improvements in IT support in recent years through the use of the digital client portal and the digital credit workplace, pbb intends to continue to focus on continuous improvement through the digitalisation of further processes. pbb's objective is to optimise sub-processes on the basis of standardisation and automation - also by using artificial intelligence or cloud services - and thus make them more customer-oriented.

pbb continues to strive to be a stock with attractive payout ratios. Shareholders are to participate in this development through dividends and, in future, share buy-backs (the latter subject to the ECB's prior approval). Up to and including the 2027 financial year, the Bank intends to distribute at least 50% of its profit after tax (IFRS, Group) and AT1 coupon to shareholders.

The "Strategic focus" section contains disclosures in accordance with ESRS 2 SBM-1 paragraph 40.

INTERNAL MANAGEMENT SYSTEM

pbb Group’s internal management system is pursuing a sustainable enhancement in value of the Group considering aspects of risks and regulatory requirements. The key objective is to achieve a balanced risk/return ratio. Risks should be compatible with external and internal risk-bearing capacity guidelines generating an adequate return on capital.

Monitoring and stearing are based on a consistent and integrated key performance indicator system (KPI system). The KPI system comprises the dimensions of profitability, growth in the real estate finance portfolio, risk limitation and capital. Regular plan-actual comparisons and related analyses disclose the reasons for any deviations in the key performance indicators. Current market developments, such as the change on interest rate levels, are also displayed. In addition to strategic planning for the Bank as a whole, regular medium-term projections of profitability indicator and (stress) scenario forecasts ensure the management has a comprehensive overview of the future business development.

For the year 2025, pbb Group has changed the definition of a financial key performance indicator. In future, the key indicator for profitability will be the return on tangible equity before tax instead of the return on CET1 capital after tax. In the case of profitability on tangible equity before tax, the profit before tax less AT1 coupon is set in relation to the average IFRS equity available in the financial year excluding intangible assets, deferred tax assets and additional equity instruments (AT1 capital). In the past, the reference figure for net income less AT1 coupon was the average CET1 capital available in the financial year. This change recognises the greater importance of profitability on tangible equity in capital market communication.

The other financial key performance indicators remained unchanged compared to the previous year:

> Profit before tax is a further financial key performance indicator. The aim is to increase it both by generating higher revenues and through strict cost discipline.

> Cost discipline and efficiency are monitored using the cost-income ratio, i.e. the ratio of general and administrative expenses and net income from write-downs and write-ups of non-financial assets to operating income.

> The notional amount of the funding in the Real Estate Finance (REF) segment is a significant factor influencing the future earning power and has therefore been redefined as an additional financial key performance indicator.

> The financing volume can be controlled, above all, by the volume of new business (including prolongations with maturities of more than one year), which also represent a financial key performance indicator. A present value approach is used for managing and calculating new business.

> pbb Group's capital adequacy assessment process (ICAAP) is based on two risk-bearing capacity approaches, the normative and the economic perspective. While the normative perspective focuses on the ongoing fulfilment of all capital-related legal and regulatory requirements as well as internal targets, the economic perspective considers all material risks which could jeopardise the economic viability of the institution. Both perspectives are intended to complement each other and ensure pbb Group's ability to survive. Compliance with the limits set in both perspectives is a prerequisite for demonstrating adequate capitalisation of pbb. With regard to the normative perspective, this means ongoing compliance with regulatory and supervisory minimum requirements, supervisory expectations and internal management buffers, both in actual monitoring and over a medium-term period. In the economic perspective, the risk-bearing capacity is demonstrated by the fact that potential present value losses are sufficiently covered by internal capital and that the internal limits for economic capital and the risk cover funds are complied with on each reporting date and within the medium-term analyses. The methods and results of the risk-bearing capacity analysis are described in detail in the risk and opportunity report.

> The CET1 ratio as a key performance indicator is regularly calculated by dividing common equity tier 1 (CET1) by risk-weighted assets (RWA). Since the reporting date of 30 June 2024, two approaches have been used to determine the regulatory capital requirements. These are the Foundation Internal Rating Based Approach (F-IRBA) for the majority of commercial property financings and the Standardised Approach (SACR) for the remaining risk positions. For a transitional period until Basel IV comes into force at the beginning of 2025, the risk-weighted exposure values were determined on the basis of standardised risk weightings.

For pbb Group, sustainability in the sense of environmental, social and governance (ESG) means making a significant contribution to securing the long-term future through its actions – taking into account the consequences for all its stakeholders. pbb Group endeavours to combine long-term economic success and sustainability aspects in the best possible way. The aim is to create long-term benefits for society and the environment, while at the same time conserving natural resources.

pbb's Management Board and Supervisory Board regularly deal intensively with ESG issues. One basis for this is a system of key figures, which is continuously developed further. Regulatory and market developments are also taken into account. In the last two years, for example, the focus has been on determining the Green Asset Ratios (GAR), which will be published for the first time in the Non-financial Report for the 2023 financial year. However, from pbb Group's perspective, the GAR according to the EU taxonomy are not meaningful with regard to the actual share of environmentally sustainable assets, as there are already restrictions in terms of taxonomy-eligibility, depending on the size and capital market orientation of clients, among other things. No market practices have yet emerged for adjusted and self-defined quotas. Looking ahead, the reduction of CO_2 appears to be emerging as an important cross-company objective. pbb Group has developed a climate pathway with the aim of actively steering the REF portfolio towards reducing CO_2 emissions intensity. pbb Group's climate pathway is geared towards limiting global warming to 1.5 degrees Celsius, calculated from the pre-industrial age to the year 2050, and uses the Carbon Risk Real Estate Monitor (CRREM) climate pathways customary in the property sector as a reference. The indicator for CO2 emissions reduction with target values is derived from the climate pathway developed. In 2024, a start was made on setting up control measures to reduce CO2 emissions. Implementation to manage the indicator will continue in 2025.

As indicators such as GAR are not very meaningful, market practice has not yet developed for other indicators and short-term interim targets still need to be set for the long-term goal of the CO2 climate path, the pbb Group has not yet defined any non-financial performance indicators within the meaning of GAS 20.105.

Report on Economic Position

MACROECONOMIC ENVIRONMENT

From a historical perspective, global economic growth remained below average in 2024. The International Monetary Fund is forecasting global economic growth of 3.2% in 2024, following an average of 3.7% in the years 2000 to 2019. Since the beginning of last year, however, there have been signs that the cyclical factors have gradually diminished and that economic activities in the major economies are better aligned to their potential. There has also been a decline in global inflation rates, which has allowed the major central banks to lower key interest rates, although the pace of global disinflation has now slowed. (Sources: IMF 2024, IMF 2025)

Different developments were emerging between the economies. According to current estimates, economic output in the industrialised countries grew by 1.7% in 2024. Within the developed countries, the USA surprised on the upside, while the economy in the eurozone, particularly in Germany, was disappointing. While gross domestic product in the USA grew by 2.8% in 2024, it increased by just 0.8% in the eurozone. Growth in the US was higher due to solid increases in consumption and investment. The resilience of consumption is primarily the result of robust real wage increases (particularly among low-income households) and positive wealth effects. (Sources: IMF 2024, IMF 2025)

In Germany, economic output fell again by 0.2% in 2024, following a decline of 0.3% in 2023. Increasing competition for the export industry, high energy costs, higher interest rates and an uncertain (political) outlook due to the snap elections in 2025 dampened economic development in the past year. (Source: Federal Statistical Office 2025)

The French economy grew by an estimated 1.1% last year. Net exports in particular have driven growth since the end of 2023. Public consumption and investments also supported economic development. However, private demand remained subdued against the backdrop of restrictive monetary policy conditions and a high savings rate. (Source: European Commission 2024)

Spain is expected to have grown by 3.0% in 2024. The high growth here was supported by the strong development of consumption and impetus from the tourism sector. An increase of 0.7% is expected for Italy in 2024. (Source: European Commission 2024)

UK economic output is expected to have increased by 1.0% in 2024. The UK economy surprised on the upside in the first quarter of 2024 in particular, which was due to a recovery in private consumption. There was also some improvement in private investment at the start of 2024. However, momentum in the UK slowed as the year progressed. (Source: European Commission 2024)

Growth momentum in pbb's core markets in Northern and Eastern Europe also developed differently in 2024. While gross domestic product in Sweden grew by just 0.3%, the economy in Poland is expected to have expanded by 3.0%. Swedish households and companies were confronted with a growing interest burden and high price increases, which weighed on spending and investments. In Poland, on the other hand, private consumption was the main driver of growth, supported by rapidly rising wages, higher government spending, improved consumer confidence and easing inflationary pressure. (Source: European Commission 2024)

Overall, the labour markets remained stable in 2024, even though unemployment increased in some countries due to weak economic development. The unemployment rate in the Eurozone was 6.4% in 2024, down 0.1 percentage points on the previous year. In Germany, however, the unemployment rate rose from an average of 3.0% to 3.5% during this period. In France, unemployment also increased marginally from 7.3% in 2023 to 7.4% one year later, while in Spain it fell significantly from 12.2% to 11.5% during this period. In Sweden, the unemployment rate increased from 7.7% to an average of 8.4% in 2024 due to the weak economic development. An increase from 4.0% to 4.2% in 2024 was also observed in the United Kingdom. In the USA, there was also an increase from 3.6% to 4.0% during this period. (Sources: Bundesbank 2024, ECB 2024, OECD 2024)

Inflation rates continued to fall last year, but remained above the central banks' targets. In the US, inflation stood at 2.9% in December 2024, compared to 3.1% at the beginning of the year. In the Eurozone, prices rose by 2.4% at the end of the year on an annualised basis. This compares with 2.9% twelve months earlier. At the same time, the core rate of inflation in the eurozone remained elevated at 2.7% in December, due in particular to a persistent price increase in services (4.0% in December). (Sources: Bureau of Labor Statistics 2025, Eurostat 2025)

As inflation rates approached their target, the ECB began to cut its key interest rates in several steps in 2024. After interest rates remained constant at the beginning of the year, the deposit rate fell from 4% starting in June to 3% at the end of the year. In addition, the ECB stopped reinvesting maturing securities purchased under the Pandemic Emergency Purchase Programme (PEPP) at the end of 2024, following on from the Asset Purchase Programme (APP) in the previous year. In the US, the Federal Reserve (Fed) also lowered the key interest rates by 100 basis points to a range of 4.25% to 4.50%. In addition, the Fed has been reducing its balance sheet position since June 2022 by only partially reinvesting maturing securities. (Sources: Bloomberg, ECB 2025, Fed 2024)

In addition to the persistently tense geopolitical situation, interest rates on the financial markets were influenced in particular by the global trend in inflation and the monetary policy that responded to it but also by fiscal policy. Even though key interest rates fell, yields on government bonds tended to move sideways over the course of the year. Yields on 10-year government bonds for the USA reached around 4.5% at the end of the year, while Yields on German government bonds were slightly below 2.5%. (Source: Bloomberg)

On the currency markets, the euro lost ground against the US dollar over the course of the year and almost reached parity by the end of the year. Much of the US dollar's strength came in the fourth quarter, when market expectations increased that a change in US policy could lead to higher growth, rising prices and thus higher interest rates in the US. The British pound also gained against the European single currency, having already risen in the previous year. (Source: Bloomberg)

SECTOR-SPECIFIC ENVIRONMENT

Overall Situation in the Banking Sector

The Eurozone's financial sector proved to be resilient last year. However, the underlying weaknesses of the financial markets, in particular excessive valuations and risk concentration, remain significant according to the ECB. In addition to geopolitical and political uncertainties, global trade tensions are rising, which increases the risk of tail events. At the same time, the vulnerability of public budgets continues to increase. There are fiscal problems in several Eurozone countries, which are exacerbated by structural challenges such as weak potential growth and increased political uncertainty. (Source: ECB 2024)

Against the backdrop of lower inflation rates, interest rates in the Eurozone have gradually fallen. Financing conditions have consequently improved. In 2024, there was a further increase in the return on equity of banks in the Eurozone to 10.2% in the third quarter of 2024. Bank profitability has so far benefited from strong net interest margins and lower operating expenses. Nevertheless, bank profitability may have peaked as downward pressures on earnings on floating rate assets become a headwind for interest income while credit losses start to rise. (Sources: Bundesbank 2024, ECB 2024, Sample: Significant Institutions)

Commercial Real Estate Finance

2024 continued to be characterised by a critical market environment. The commercial investment volume in pbb's markets was still at a low level, but improved slightly compared to the previous year. Overall, values fell once again in 2024. However, the decline was far less pronounced than in 2023, with investor interest rising noticeably again in the second half of 2024. As a result, yields stabilised over the course of the year and already showed initial signs of recovery. In addition to more positive economic development, this was due in particular to low inflation rates and an associated stable and lower interest rate environment.

The office markets continued to be affected by the changing world of work in the reporting year. Letting performance in the historical context remained low, which particularly affected older office buildings in secondary locations. Demand focussed in particular on modern, flexible and ESG-compliant properties in good locations. These properties recorded a positive rental trend. In logistics, e-commerce and the need for more stable supply chains continued to drive rental demand, although this was below the record years during the pandemic. This is also reflected in the rental trend, which remains positive but is well below the record levels of recent years. In the retail sector, lower inflation and an increase in disposable income led to improved consumer sentiment. High-quality, heavily frequented properties such as retail parks, first-class shopping centres and high-street locations were the main beneficiaries of this. The recovery in the hotel market continued. In particular, the recovery in demand in the leisure sector led to a stronger performance in parts of Southern Europe. While occupancy has not yet fully recovered, room rates were the main driver of RevPAR growth (revenue per available room), with both indicators above pre-pandemic levels.

(Sources: PMA, CBRE)

Non-Core

The demand for public investment financing continued to grow slightly in 2024. According to data from the European Commission, the share of public investment as a percentage of gross domestic product in the EU rose from 3.5% in 2023 to 3.7% in 2024. This exceeds the levels reached in the years 2016 to 2020 (3.1%) and 2011 to 2015 (3.3%). Public investment expenditure developed differently within the EU. While the level remained unchanged in France, Austria and Spain (4.3%, 3.7% and 3.0% of GDP respectively), Germany was able to increase its share from 2.8% to 3.0%. Outside the EU, public investment in the UK rose from 3.2% to 3.3% of GDP.

General government finances continued to improve in 2024. The aggregate budget deficit in the EU fell by 0.4 percentage points to 3.1% of GDP, while the debt level rose slightly from 82.1% of GDP in 2023 to 82.4%. The budget situation benefited from higher government revenue and the savings efforts of the individual member states. (Source: European Commission)

In 2024, the risk premiums (credit spreads) of the European periphery tended to narrow, while spreads widened in France due to the desolate budgetary situation and increasing political uncertainty. In terms of yield levels, a volatile sideways movement was observed, driven primarily by changing expectations regarding the pace at which the major central banks will ease their monetary policy. (Source: Bloomberg)

Funding Markets

The funding markets were determined by geopolitical, macroeconomic and idiosyncratic factors in 2024 and were characterised by high volatility throughout the year. Political uncertainties and growing concerns about the eurozone economy had a significant impact on the capital markets. Curbing inflation remained one of the key issues. After inflation had already fallen noticeably in 2023, this trend continued in the first half of 2024, prompting the ECB to initiate a turnaround in interest rates with its first rate cut in June 2024. The easing inflationary pressure resulted in further interest rate cuts, with key interest rates in the eurozone being lowered a total of four times in the reporting year. Increased risks in the commercial real estate markets, particularly in the US office market, led to high volatility in some of pbb's refinancing products. In addition, the drastic narrowing of Bund swap spreads in the final months of the year triggered significant widening of spreads, particularly in the covered bond segment, with the result that the primary market almost came to a standstill towards the end of the year. The picture was somewhat different for unsecured bank bonds, which continued to see strong investor demand.

Despite the fall in interest rates, deposits remained attractive for private customers. Demand from private clients for fixed-income investments, particularly term deposits, continued to rise. Despite increased competition in the deposit market, pbb was able to expand its deposit business.

(Sources: ECB, Bloomberg, vdp)

COURSE OF BUSINESS

The market for commercial real estate remained tight in 2024. pbb Group reacted to this and adjusted its new business. Nevertheless, the forecasts for the financial key performance indicators communicated at the beginning of 2024 were largely achieved.

The forecast for profit before tax was met, which at €104 million significantly exceeded the previous year's result of €90 million, as expected.

At the beginning of the year, a forecast range of €6.0 billion to €7.0 billion was set for the volume of new Real Estate Finance business. As a result of the difficult market situation and pbb Group's selective approach to new business, the volume of €5.1 billion concluded was below the lower end of the range. As a result of the lower volume of new business and in particular due to a portfolio sale as part of active balance sheet management, the REF financing volume of €29.0 billion was below the forecast range of €30.0 billion to €31.0 billion.

The return on CET1 capital after tax totalled 2.2% and therefore fell short of the forecast, which envisaged a significant increase compared to the previous year's figure (2.4%). At 48.9%, the cost-income ratio was within the forecast range of between 47% and 53%.

With regard to risk-bearing capacity, the forecasts made at the beginning of 2024 materialised. From a normative perspective, all regulatory minimum ratios were exceeded as at 31 December 2024 and the risk coverage potential still available after deduction of these ratios covered all other material risks as at the balance sheet date. From an economic perspective, the capital available to cover the risks also exceeded the economic capital requirement as at 31 December 2024.

As at 31 December 2024, the CET1 ratio was 14.4% and was within the forecast range of 14.0% to 15.0%.

DEVELOPMENT IN EARNINGS

At €104 million, pbb Group's profit before tax was significantly higher than in the previous year (2023: €90 million). Lower charges in all expense items (net income from risk provisioning, expenses from bank levies and similar dues, net income from write-downs and write-ups of non-financial assets as well as administrative expenses) more than offset lower operating income, which in the previous year was characterised in particular by one-off effects, such as the reversal of provisions. In detail, the items in the income statement developed as follows:

Deutsche Pfandbriefbank Group (pbb Group)

pbb Group		2024	2023
Operating performance			
Operating income	in € million	544	603
Net interest income	in € million	465	482
Net fee and commission income	in € million	5	3
Net income from financial instruments at fair value through profit or loss (Net income from fair value measurement)[1]	in € million	-3	-
Net income from derecognition of financial instruments not measured at fair value through profit or loss (Net income from realisations)[1]	in € million	79	85
Net income from hedge accounting	in € million	3	1
Net other operating income	in € million	-5	32
Net income from allowances on financial assets (Net income from risk provisioning)[1]	in € million	-170	-212
General and administrative expenses	in € million	-245	-249
Expenses from bank levies and similar dues	in € million	-4	-25
Net income from write-downs and write-ups of non-financial assets	in € million	-21	-27
Profit before tax	**in € million**	**104**	**90**
Income tax	in € million	-14	1
Net income	**in € million**	**90**	**91**
Key ratios			
Earnings per share (basic and diluted)[2]	in €	0.48	0.51
Cost-income ratio	in %	48.9	45.8

[1] Solely the condensed and parenthesised line item descriptions are used subsequently.
[2] For calculation see note “Earnings per share”.

Net interest income totalled €465 million after €482 million in the same period of the previous year. This decline was due in particular to This decline was due in particular to higher refinancing costs and the lower average NC portfolio (€11.1 billion; 2023: €13.4 billion). Net interest income also benefited to a much lesser extent from the present value effect from the modification of the TLTRO III refinancing in November 2022 (2024: €2 million; 2023: €16 million). In contrast, the increased REF portfolio margin with a constant average volume (€30.0 billion; 2023: €30.1 billion) had a positive effect.

At €5 million, net fee and commission income was on a par with the previous year (2023: €3 million) and resulted from non-accruable fees.

Net income from fair value measurement totalled €-3 million (2023: €0 million). Expenses from credit-induced reductions in fair values were offset by positive interest-induced and other effects in a similar amount. The net income from fair value measurement was negatively impacted by a portfolio transaction involving financial assets in the USA and the United Kingdom in the amount of €2 million.

The net income from realisations of €79 million (2023: €85 million) was positively impacted by pbb's active balance sheet management. In this context, net income of €36 million (2023: €32 million) was realised from the sale of financial assets. The liquidity released was used to redeem liabilities, among other things. This and the expiry of liabilities resulted in a gain of €37 million (2023: €46 million). Income from the prepayment of financing totalled €6 million (2023: €7 million).

Net income from hedge accounting totalled €3 million (2023: €1 million). With largely effective hedging relationships (hedges), there were minor effects from different interest rate fixing dates for underlying and hedging transactions.

The net other operating income of €-5 million resulted in particular from currency translation. The previous year's result of €32 million was mainly attributable to net reversals of provisions outside of the lending business.

As a result of the continued challenging environment on the real estate markets, net income from risk provisioning was also more negative in 2024 than the long-term average since the first-time application of IFRS 9 in 2018. However, net income from risk provisioning was significantly less negative than in the previous year (€-170 million; 2023: €-212 million). There was a net reversal of €14 million (2023: net addition of €2 million) for financial instruments without indicators of impaired credit quality (stages 1 and 2). The net addition to risk provisions for financial instruments with indicators of impaired credit quality (stage 3) totalled €184 million (2023: €211 million).

The model-based risk provisioning for stages 1 and 2 decreased as a result of changes in valuation parameters, in particular the lower interest rate level and improved property market value forecasts. Due to this trend, which is reflected in stabilising transaction volumes and the first interest rate cuts by the US Federal Reserve in four years, the management overlay existing as at 31 December 2023 was completely reversed by €31 million to take account of the emerging momentum on the US real estate market. The model-based loss given defaults (LGD) are therefore no longer increased and no more financing is collectively provided for in the amount of the lifetime expected credit losses.

The additions to stage 3 were mainly due to various portfolio financing in the USA and development financing in Germany. In 2024, a total of 13 transactions were reclassified to risk provisioning level 3 due to defaults. Of these, two transactions that moved to stage 3 during the reporting year were reduced through the sale of properties and receivables. A further eight transactions were reduced, in particular through the sale of properties and receivables. In addition, three existing US office financings were returned to normal credit management after stabilisation .

At €245 million, general and administrative expenses were below the previous year's figure (2023: €249 million). Personnel expenses were slightly lower (€131 million) compared to the same period of the previous year (2023: €134 million), which was negatively impacted by the recognition of provisions for termination benefits. At €114 million, operating expenses, which were largely attributable to IT-related costs, were roughly on a par with the previous year (2023: €115 million).

At €4 million, expenses from bank levies and similar dues were significantly lower than the previous year's figure (2023: €25 million). This is due to the fact that, in accordance with the press release dated 15 February 2024, the Single Resolution Fund will suspend the payment of contributions to the European bank levy in 2024 once the target volume has been reached, provided that no claims are made as a result of a guarantee case in Europe. In 2023, an expense of €22 million was still incurred for this, taking into account a 22.5% collateral provision recognised directly in equity. The remaining expenses in the item expenses from bank levies and similar dues resulted from expenses for the Compensation Scheme of German Banks.

At €-21 million, net income from write-downs and write-ups of non-financial assets was below the level of the previous year, which was impacted by impairment losses on intangible assets (2023: €-27 million). At €21 million, depreciation, amortisation and impairment losses on property and equipment and intangible assets were slightly higher than in the previous year (2023: €19 million).

Of the income taxes (€-14 million; 2023: €1 million), €2 million (2023: €-9 million) was attributable to current taxes and €-16 million (2023: €10 million) to deferred taxes. The current tax expense for the 2024 financial year decreased to €10 million (2023: €15 million), partly due to the improved possibility of utilising loss carryforwards in the years 2024 to 2027 as a result of the Growth Opportunities Act. This was offset by an increase in tax income for previous years to €12 million (2023: €6 million). The income resulted materially from tax refund claims for previous years and from the reassessment of tax audit risks. The increase in deferred tax expenses to €16 million (2023: income of €10 million) was mainly due to the €12 million reduction in deferred tax assets and the creation of a deferred tax liability of €2 million at a subsidiary in the USA.

Operating Segments

Segment reporting is based on management reporting results. More information on this can be found in the note on “Notes to Segment Reporting by Operating Segment”.

Real Estate Finance (REF)

The volume of new business (including prolongations with terms of more than one year) totalled €5.1 billion (2023: €7.2 billion), of which €3.8 billion (2023: €3.6 billion) was attributable to prolongations of more than one year. Contrary to the forecast at the beginning of 2024, the REF segment did not make a significant contribution to the overall result due to the high negative net income from risk provisioning.

Real Estate Finance		2024	2023
Operating performance			
Operating income	in € million	451	514
Net interest income	in € million	438	437
Net fee and commission income	in € million	6	4
Net income from fair value measurement	in € million	-2	-
Net income from realisations	in € million	11	44
Net income from hedge accounting	in € million	2	1
Net other operating income	in € million	-4	28
Net income from risk provisioning	in € million	-171	-213
General and administrative expenses	in € million	-231	-219
Expenses from bank levies and similar dues	in € million	-3	-17
Net income from write-downs and write-ups of non-financial assets	in € million	-20	-24
Profit before tax	**in € million**	**26**	**41**
Key ratios			
Cost-income ratio	in %	55.7	47.3
Balance-sheet-related measures		**31.12.2024**	**31.12.2023**
Financing volumes	in € billion	29.0	31.1
Risk-weighted assets[1]	in € billion	20.2	17.5
Equity[2]	in € billion	3.1	2.9

[1] Including weighted credit risk positions and capital charges for market risk positions and operational risk, using a scaling factor of 12.5.
[2] Excluding accumulated other comprehensive income (OCI) from cash flow hedge accounting, financial assets at fair value through OCI and AT1 capital.

The increased REF portfolio margin with a constant average volume had a positive effect on net interest income, while the increased refinancing costs had a negative impact. Net income from realisations did not reach the previous year's figure, as the latter benefited from higher income from redemptions and the expiry of financial liabilities. The risk provisioning result was due in particular to allocated stage 3 credit loss allowances on various portfolio financing arrangements in the USA and development financing arrangements in Germany. General and administrative expenses increased slightly as a result of investments in the diversification of the business model and a higher allocation of overheads. The change in expenses from bank levies and similar dues and net income from write-downs and write-ups of non-financial assets was in line with the Group's performance.

Non-Core (NC)

The financing volume fell by €2.7 billion in 2024. In addition to regular maturities, disposals contributed to the portfolio reduction. Market opportunities were utilised in these sales, which led to positive earnings contributions. Overall, the segment's profit before tax totalled €78 million (2023: €49 million).

Non-Core		2024	2023
Operating performance			
Operating income	in € million	93	89
Net interest income	in € million	27	45
Net fee and commission income	in € million	-1	-1
Net income from fair value measurement	in € million	-1	-
Net income from realisations	in € million	68	41
Net income from hedge accounting	in € million	1	-
Net other operating income	in € million	-1	4
Net income from risk provisioning	in € million	1	1
General and administrative expenses	in € million	-14	-30
Expenses from bank levies and similar dues	in € million	-1	-8
Net income from write-downs and write-ups of non-financial assets	in € million	-1	-3
Profit before tax	**in € million**	**78**	**49**
Key ratios			
Cost-income ratio	in %	16.1	37.1
Balance-sheet-related measures		**31.12.2024**	**31.12.2023**
Financing volumes	in € billion	9.7	12.4
Risk-weighted assets[1)]	in € billion	0.2	0.6
Equity[2)]	in € billion	-	0.1

[1)] Including weighted credit risk positions and capital charges for market risk positions and operational risk, using a scaling factor of 12.5.
[2)] Excluding accumulated other comprehensive income (OCI) from cash flow hedge accounting, financial assets at fair value through OCI and AT1 capital.

Net interest income declined significantly in line with the lower average portfolio volume (€11.1 billion; 2023: €13.4 billion) and against the backdrop of higher refinancing expenses. Net income from realisations resulted from the redemption of liabilities, the sale of assets and the expiry of liabilities. General and administrative expenses decreased in line with the lower portfolio, among other things, which led to a reduction in the segment's headcount. In addition, the previous year's figure included the expenses from the former subsidiary CAPVERIANT GmbH, whose business activities were discontinued. Expenses for bank levies developed in line with the Group figure.

Consolidation & Adjustments (C&A)

In C&A, the segment results are reconciled to the consolidated result. There was no material income or expenses in 2024. All items in the income statement totalled less than €1 million in 2024.

DEVELOPMENT IN ASSETS

Assets

in € million	31.12.2024	31.12.2023
Cash reserve	2,010	2,728
Financial assets at fair value through profit or loss	1,247	944
Positive fair values of stand-alone derivatives	484	494
Debt securities	127	123
Loans and advances to customers	633	324
Other financial assets at fair value through profit or loss	3	3
Financial assets at fair value through other comprehensive income	1,256	1,475
Debt securities	1,255	1,354
Loans and advances to customers	1	121
Financial assets at amortised cost after credit loss allowances	39,225	45,228
Financial assets at amortised cost before credit loss allowances	39,764	45,811
Debt securities	2,471	4,014
Loans and advances to other banks	1,737	2,507
Loans and advances to customers	35,434	39,155
Claims from finance lease agreements	122	135
Credit loss allowances on financial assets at amortised cost	-539	-583
Positive fair values of hedge accounting derivatives	135	251
Valuation adjustment from porfolio hedge accounting (assets)	-43	-56
Investments accounted for using the equity method	14	-
Tangible assets	33	20
Intangible assets	51	53
Other assets	72	68
Current income tax assets	51	43
Deferred income tax assets	118	129
Total assets	**44,169**	**50,883**

General Development in Assets

Total assets decreased significantly in the reporting year. Financial assets at fair value through profit or loss increased by €0.3 billion due to loan restructurings that were previously recognised at amortised cost. Financial assets at fair value through other comprehensive income declined due to maturities of (government) bonds in the liquidity portfolio and one cash investment. Within the financial assets at amortised cost, maturities and sales of bonds and loans from public-sector issuers (non-strategic portfolio) with a total carrying amount of €2.6 billion led to a decline in debt securities and loans and advances to customers. In addition, the real estate financing portfolio declined, partly due to the sale of a portfolio of real estate loans with a carrying amount of €0.9 billion as part of pbb Group's balance sheet management. The portfolio comprised financings of office, residential and hotel properties in the USA and the United Kingdom. A €0.7 billion reduction in the portfolio of reverse repurchase agreements also led to a decline in loans and advances to other banks.

Investments

Additions to intangible assets totalled €12 million in the reporting year (2023: €23 million). In the case of internally generated software, third-party services were utilised for development purposes, including for the development of the digital credit workplace. The investments mainly related to the REF segment.

DEVELOPMENT IN FINANCIAL POSITION

Liabilities and equity

in € million	31.12.2024	31.12.2023
Financial liabilities at fair value through profit or loss	700	662
Negative fair values of stand-alone derivatives	700	662
Financial liabilities measured at amortised cost	39,369	45,913
Liabilities to other banks	2,943	6,079
Liabilities to customers	18,091	18,829
Bearer bonds	17,732	20,402
Subordinated liabilities	603	603
Negative fair values of hedge accounting derivatives	493	789
Valuation adjustment from porfolio hedge accounting (liabilities)	-2	-49
Provisions	115	117
Other liabilities	63	68
Current income tax liabilities	10	18
Deferred income tax liabilities	2	–
Liabilities	**40,750**	**47,518**
Equity attributable to the shareholders of pbb	3,121	3,067
Subscribed capital	380	380
Additional paid-in capital	1,637	1,637
Retained earnings	1,227	1,162
Accumulated other comprehensive income	-123	-112
from pension commitments	-73	-70
from cash flow hedge accounting	-41	-30
from financial assets at fair value trough other comprehensive income	-9	-12
Additional equity instruments (AT1 capital)	298	298
Equity	**3,419**	**3,365**
Total equity and liabilities	**44,169**	**50,883**

Liabilities

The total amount of liabilities as at 31 December 2024 was significantly lower than at the end of 2023. This was primarily due to the most material item within liabilities, the financial liabilities measured at amortised cost. Liabilities to other banks decreased in particular due to the decline in repurchase agreements totalling €1.8 billion. In addition, the repayment of the remaining TLTRO III tranche in the amount of €0.9 billion exceeded an open market transaction with the ECB in the amount of €0.5 billion. Further declines were recorded in fixed-term deposits and public Pfandbriefe. Within liabilities to customers, the deposit business (pbb direct) increased, but this was more than offset by the decline in public Pfandbriefe due to maturities and repurchases as well as securities repurchase transactions and fixed-term deposits. Bearer bonds decreased by €2.7 billion due to maturities and repurchases of own Pfandbriefe and other liabilities.

Equity

The changes in equity are presented in the “Equity” note.

Key Regulatory Capital Ratios

At the balance sheet date, the CET1 ratio amounted to 14.4% (31 December 2023: 15.7%), the own funds ratio to 17.2% (31 December 2023: 19.5%) and the leverage ratio to 7.5% (31 December 2023: 6.2%) (after confirmation of the 2024 annual financial statements less AT1 coupon). Please refer to the Risk and Opportunity Report (“Internal Capital Adequacy Assessment Process (ICAAP)” section) for further information and calculation methodology on the key regulatory capital ratios.

Liquidity

Principles and Objectives of Liquidity and Financial Management

The primary objective of pbb Group’s liquidity and financial management is to secure and manage the liquidity in such a way that the financing and funding capabilities are assured at all times. Central liquidity management is carried out by raising and investing liquidity on the money and capital markets and on the interbank money market as well as central banks.

Liquidity management within pbb Group is performed centrally by pbb’s Treasury division. The sales units are refinanced internally on a one-to-one basis when they enter into new business. This means that risks are bundled and centrally managed.

Asset/liability management for pbb Group is performed by the Group Asset and Liability Committee (ALCO). The maturity structure can be found in the note on “Remaining terms of certain financial assets and liabilities.”

Liquidity Ratios

As at 31 December 2024, the liquidity coverage ratio (LCR) was 200% (31 December 2023: 212%) and the net stable funding ratio (NSFR) was 116% (31 December 2023: 111%).

Funding

In the financial year 2024, pbb Group placed a new long-term funding volume of €2.5 billion (2023: 3.3billion) was placed on the market. This was offset by repurchases and cancellations totalling €1.0 billion (2023: €0.6 billion). Funding activities consisted of Pfandbriefe and unsecured liabilities, which were issued both in benchmark format and in the form of private placements. Pfandbriefe accounted for €2.0 billion (2023: €2.7 billion) accounted for the majority of the volume. Unsecured funding is balanced in the portfolio between retail deposits (€7.6 billion compared to €6.6 billion as at 31 December 2023) and capital market funding. In the capital market, pbb issued a green senior preferred bond (Green Bond) with a volume of €500 million in the fourth quarter of 2024 as part of its holistic ESG strategy. The transactions were predominantly denominated in euros and on a fixed-income basis. 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 were issued in Swedish krona and USD with an equivalent value of €0.5 billion. The foreign currencies were converted into euros at the exchange rate applicable at the time of issue.

In line with the Non-Core segment, public Pfandbriefe are no longer issued on the capital market. Active balance sheet management (asset sales of €1.9 billion) and maturities (€0.8 billion) reduced the non-core portfolio by a total of €2.7 billion to €9.7 billion. This was offset by repurchases and cancellations of public Pfandbriefe in the amount of €0.7 billion.

The last tranche of the TLTRO III liabilities totalling €0.9 billion was repaid in June 2024.

Ratings

The following changes took place for pbb's mandated ratings in the financial year 2024:

On 14 February 2024, S&P downgraded the bank's ratings by one notch from BBB to BBB- with an unchanged negative outlook. While the long-term and short-term issuer ratings and the senior preferred unsecured debt rating were each downgraded by one notch, the senior non-preferred unsecured debt rating and the subordinated ratings were lowered by two notches. The rating action was explained by S&P’s perception of continuing difficult market conditions for commercial real estate assets, mainly in the USA but also in Germany, and the associated risk of declining portfolio quality and rising risk costs.

Senior Unsecured Ratings and Ratings for Pfandbriefe of Deutsche Pfandbriefbank AG (pbb)[1)]

	31.12.2024		31.12.2023	
	Standard & Poor's	Moody's	Standard & Poor's	Moody's
Long-term Issuer Rating/Outlook	BBB-/negative	-	BBB/negative	-
Short-term Issuer Rating	A-3	-	A-2	-
Long-term senior "preferred" unsecured debt rating[2)]	BBB-	-	BBB	-
Long-term senior "non-preferred" senior unsecured debt rating[3)]	BB-	-	BB+	-
Mortgage Pfandbriefe	-	Aa1	-	Aa1
Public Sector Pfandbriefe	-	Aa1	-	Aa1

1) The overview does not include all ratings/outlooks
2) S&P "Senior Unsecured Debt"
3) S&P "Senior Subordinated Debt"

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 pbb

Off-balance sheet commitments

Irrevocable loan commitments represent the main part of off-balance sheet obligations and amounted to €1.5 billion as at the reporting date (31 December 2023: €2.2 billion). Contingent liabilities resulted from guarantees and warranty agreements and amounted to €0.1 billion as at 31 December 2024 (31 December 2023: €0.1 billion). 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 €3million (31 December 2023: €3 million) and for the Compensation Scheme of German Banks to €6 million (31 December 2023: €4 million).

MATERIAL RELATED PARTY TRANSACTIONS

No material transactions with related parties were entered into during the financial years 2024 and 2023. Please refer to the note on "Relationships with Related Parties" for more details.

SUMMARY

pbb Group generated a profit before tax of €104 million in 2024, significantly exceeding the previous year's figure of €90 million. The strategic Real Estate Finance financing volume amounted to €29.0 billion as at the balance sheet date (31 December 2023: €31.1 billion), partly due to the lower volume of new business of €5.1 billion (2023: €7.2 billion) and a portfolio sale as part of active balance sheet management.

Risk and Opportunity Report

The Risk and Opportunity Report shows the identified risks and the opportunities for the individual risk types within the framework of the implemented risk management and risk controlling system. For more general or bank-wide risks and opportunities, please refer to the Report on Expected Developments.

ORGANISATION AND PRINCIPLES OF RISK AND CAPITAL MANAGEMENT

pbb had implemented a Group-wide risk management and risk control system, which provides for uniform risk identification, measurement and limitation in accordance with section 91 (2) of the German Public Limited Companies Act (AktG) and section 25a of the German Banking Act (Kreditwesengesetz – "KWG"). pbb, at a single-entity level, applies an exemption according to section 2a (2) of the KWG. The exemption refers to the requirements concerning the risk control function pursuant to section 25a (1) sentence 3 nos. 1, 2, 3b and 3c of the KWG.

Organisation and Committees

The Management Board of pbb is responsible for the risk management system, and decides on the strategies and material issues of risk management and risk organisation at pbb Group.

The principles, methods and processes of pbb's risk management system are specified centrally by Risk Management and Controlling, and are applied throughout pbb Group, subject to any special requirements at single-entity level. The risk management system comprises the plausible and systematic identification, analysis, valuation, management, documentation, monitoring and communication of all major risks.

The following are major components of the risk management system in the responsibility of the Management Board:

- Defining, updating and communicating business and risk strategies as the basis of business activities and risk acceptance
- Defining and improving organisation structures within pbb Group and in particular for risk management, which ensures that all major risks are managed and monitored
- Adopting credit competences as a decision-making framework along the credit processes
- Taking decisions regarding (portfolio) management measures outside the delegated competences

The Management Board notifies the Supervisory Board with regard to significant changes in the business and risk strategies as well as the risk profile of pbb Group. The Risk Management and Liquidity Strategy Committee (RLA) of the Supervisory Board is responsible for controlling the overall risk situation and for monitoring, establishing and improving the risk management system, and is also responsible for the liquidity management and assurance and resolves upon necessary credit approvals for credit decisions. The Management Board notifies this committee of all increases to specific allowances and the creation of new specific allowances (impairment stage 3) in excess of €5 million and also notifies this committee at regular intervals of major exposures with higher levels of risk.

The committees detailed in the following have been set up at pbb Group level with the involvement of the respective decision-makers.

The **Risk Committee (RC)** consists of the CRO (Chairman), the CEO (Deputy Chairperson), the Chief Credit Officer (CCO), the Head of Risk Management & Control (RMC) and one Credit Risk Management (CRM) department head. In general, the committee meets on a monthly basis and discusses the risk development, adopts guidelines/policies, methods for risk measurement, the related parameters as well as methods of monitoring for all risk types. The RC is responsible for the development of standard guidelines of risk management and risk controlling across the Group and also monitors the development of the risk-bearing capacity, economic capital, available financial resources as well as the credit portfolio and the compliance with limits. The Risk Committee discusses the portfolio developments. Additional committees have been established beside the Risk Committee, as outlined below.

The **Credit Committee** is chaired by the CRO or the CCO. As a general rule, the committee meets at least once a week and takes credit decisions on new business, prolongations and material changes that fall within the scope of its authority. It also votes on all credit decisions which are in the responsibility of the Management Board or which have to be approved by the RLA. It is in the responsibility of the relevant decision-makers to ensure that the credit decisions are consistent with the prevailing business and risk strategy.

The **Watchlist Committee** is chaired by the CCO and meets once a month. It discusses all exposures identified by the early warning system and, if appropriate, decides on individual risk mitigating measures to be implemented by the relevant departments. Where necessary, the committee takes decisions regarding the need to transfer exposures to CRM REF Workout, which then takes the necessary restructuring or workout steps on the basis of an individual exposure strategy and also decides on returning the corresponding transaction back to standard loan management after recovery. It is then the responsibility of each relevant credit department to obtain all the requisite lending decisions for implementing measures, in line with lending authority regulations.

If there are indicators of impaired credit quality for an exposure, the result is presented to the **Risk Provisioning Committee (RPC**) once the amount of the impairment or change in fair value has been determined. In addition, the RPC deals with changes in impairment for stage 3 impaired or individually impaired financial assets at amortised cost and changes in fair value for impaired financial assets at fair value through profit or loss. It is chaired by the CRO. The RPC takes decisions within the scope of a pre-defined assignment of approval powers and in accordance with IFRS and the German Commercial Code (HGB).

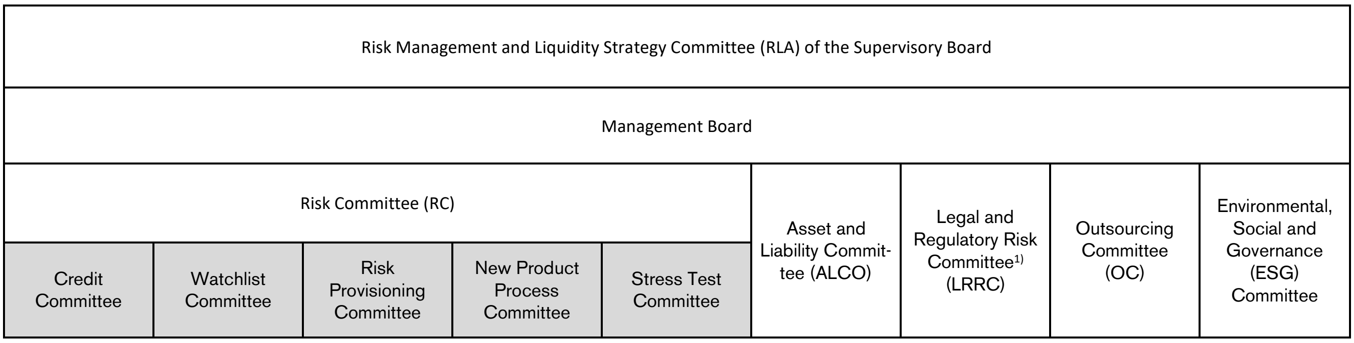
The **New Product Process Committee (NPPC)** comprises representatives from the most important units reponsible for infrastructure and controls. The representatives are determined by the RC. The NPPC convenes on an event-driven basis; it is responsible to ensure that, before business commences with new products or in new markets, the resulting risks as well as the related impact on processes, controls and infrastructure are systematically analysed and duly addressed. Only after approval of new product process committee business with new products or in new markets can be started.

The **Stress Test Committee** is responsible for the methodology, performance and monitoring of the internal stress tests. It is chaired by the CRO. The Committee also contributes to the preparation of scenarios for the Recovery Plan which every bank is required by law to prepare.

Besides the Risk Committee, there are the **Asset and Liability Committee (ALCO),** chaired by the Management Board member responsible for Treasury, as well as the **Legal and Regulatory Risk Committee (LRRC),** chaired by the Head of Compliance. The tasks of the ALCO are: managing liquidity as well as pbb Group's balance sheet structure, defining long-term financing strategies, managing capital, regulatory capital ratios, as well as market risk exposure. The LRRC advises on legal and regulatory requirements, and may assign responsibility for implementation to business divisions, following consultation. The **Outsourcing Committee,** chaired by the Head of Finance deals with the implementation of regulatory and statutory requirements as well as preparation of, and compliance with, internal guidelines. Moreover, it handles the overall management and monitoring of outsourced activities.

In addition, an **ESG Committee**, which deals with ESG aspects and ESG risks throughout the pbb Group, is established. The ESG Committee comprises the entire Management Board and the Heads of Communications, Compliance, Human Resources, Information Technology, Property Analysis & Valuation, Credit Risk Management, Treasury, Risk Management & Control, Loan Markets, Sales Germany, plus the members of the ESG Programme Management team as well as project managers of the various ESG sub-project streams Environment (E), E(SG) Risks, Governance (G), and Social (S) and the working group streams ESG Communications, ESG Data Sourcing, ESG Reporting & Disclosure and CSRD. The ESG Committee is primarily responsible for managing the regulatory and legal requirements relating to ESG, developing an ESG business strategy and monitoring the corresponding implementation measures within pbb Group. The Committee develops ESG targets and the measures required to achieve them. The ESG Committee also deals with the development of ESG key performance indicators and the resulting management.

Organisation of Risk Management
31 December 2024



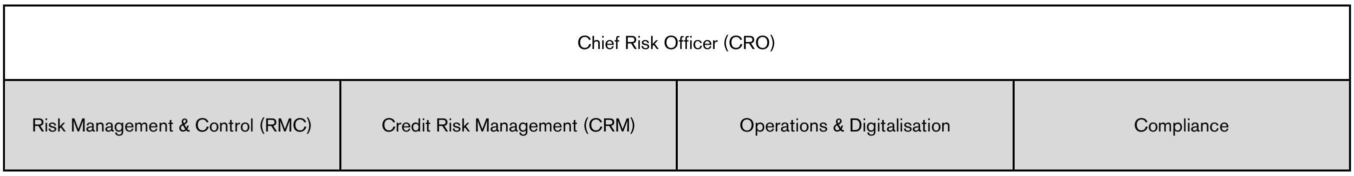
[1] Reporting via Compliance.

Chief Risk Officer (CRO)

In addition to the above-mentioned committees, the following organisation units of the CRO, form an integral part of the risk management system:

Organisation of Chief Risk Officer (CRO)
31 December 2024

The Projects Risk Management division was dissolved in the first half of 2024. The tasks were integrated into the CRM division.



The CRO function comprises the following monitoring and back-office units at pbb Group level:

- The division **Risk Management & Control**, which is amongst others responsible for monitoring market, credit, operational and liquidity risks as well as the risk-bearing capacity and which is also responsible for Group-wide uniform risk measuring methods and risk reports. The management of the RMC division changed on 1 April 2024.
- The division **CRM**, which is responsible for the analysis of new business and portfolio management. In addition, CRM also comprises the Workout unit, which is responsible for the recovery and workout of all critical exposures, and the central unit Credit Processes, which is responsible in particular for the organisation of the Credit Committee, the continuous improvement of data quality within CRM and implementation of regulatory requirements in the credit processes.
- The division **Operations & Digitalisation.** The Operations sub-division is responsible for the global servicing and administration of the loan portfolio (including technical implementation of loan agreements), settlement of capital markets transactions, administration and processing of the securities and derivatives portfolios, as well for handling domestic and international payments. The Digitalisation sub-division acts as a competence centre for pbb as a whole, and drives pbb's digital transformation. Among other things, the strategic focus is on the digital client interface and intelligent process automation for efficiency gains by utilising new technologies and methods, such as artificial intelligence or agile project management.

> The **Compliance** division, which influences the conduct of pbb Group, in compliance with applicable laws and regulations, through methods and procedures as well as through audit and reporting processes. Compliance is responsible in particular for regulations and controls to prevent money laundering and other criminal activities, to ensure compliance with sanctions and embargoes, and to ensure capital market compliance. It is also responsible for general compliance topics. In this manner, the Compliance function opposes any risks that can arise from non-compliance with legal rules, as well as external and internal requirements. Compliance is represented in various committees and regularly reports to the Management Board and the Audit Committee of the Supervisory Board.

In addition to the CRO function, the independent **Property Analysis & Valuation (PAV)** department and **Group Internal Audit** units complement the risk management system. PAV is responsible for the holistic, risk-oriented analysis and the valuation of properties serving as collateral, using market valuation and loan-to-value methods, as well as for the monitoring (research) of regional real estate markets and the monitoring of financed developments. The property analysis also includes the collection, analysis and evaluation of sustainability information at property level to classify taxonomy compliance, green bond and loan eligibility. In addition, PAV is home to the trustee's office for covering receivables secured by mortgages and receivables from the financing of public sector investment projects in Germany and abroad. The Trustee Office coordinates the collateralisation and ensures compliance with the cover in accordance with the PfandBG. The area of responsibility of Group Internal Audit comprises risk-oriented regular as well as event-driven audits of processes, controls and systems. This also includes the revision of the risk management system and the internal control system.

Risk Strategy and -Policies

Together with the business strategy, the risk strategy forms the corporate strategy and incorporates the requirements from the planning process. The risk strategy has been defined on the basis of the Group-wide risk appetite; it reflects pbb's strategic direction as a specialist for real estate finance with a focus on Pfandbrief funding. Furthermore, the guidelines and policies, which in their entirety provide the basis for the risk management system and the risk culture, are defined in the risk strategy. Subject to any special requirements at single-entity level, the risk strategy is applicable for pbb Group's operating segments and legal entities. It is reviewed and updated at least annually.

The 2024 risk strategy was adopted by the Management Board in autumn 2023 - in line with the preparation of the business strategy - as part of the annual strategy preparation process for 2024, approved by the RLA and acknowledged by the Supervisory Board. Two further updates were made in the first half of 2024 with the involvement of all relevant bodies.

The risk strategy is operationalised via risk policies for the individual operating segments, as well as guidelines/policies, frameworks or instructions for all major risk types set out in the valid risk inventory. The individual policies are reviewed and updated regularly. They contain information on risk measurement, risk monitoring and risk management. The limit-setting process – as well as the escalation process if a limit is exceeded – are also described in the policies.

Risk Reporting

Risk reporting reflects the structure of the operating segments. The Management Board receives regular risk reports which include an extensive overview as well as detailed information concerning the risk situation for each risk type as well as other management-relevant information. The supervisory bodies are also notified of risk-relevant issues at regular intervals. In addition, special reports are prepared on an ad hoc basis or at the request of the Management Board or Supervisory Board; such special reports consider specific and acute risk issues, for instance in relation to critical markets, products or counterparties.

Risk Quantification and Risk Management

For the purposes of systematically identifying and analysing potential risks arising from the business model or pbb Group's external environment, pbb carries out a comprehensive risk inventory at least once a year. The objective of this risk inventory is to establish a full risk profile which identifies any and all risks, provides an assessment as to whether these risks are material for the capitalisation and liquidity status, and scans them for the existence of potential risk concentrations. Where possible, risks are quantified using applicable risk models or other methods.

Risks which cannot be quantified (or only in part) are monitored and managed using dedicated capital buffers or separate management tools, as well as by way of regular, detailed reports and clearly-defined requirements such as the Compliance and Corporate Governance guidelines.

The approach to managing risk, capital and liquidity is based on the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP), each of which is seen in a normative and an economic perspective. The normative perspective is geared towards ongoing fulfilment of all of the Bank's capital- and liquidity-related legal requirements and supervisory demands. The economic perspective covers all material risks which might threaten pbb Group's economic viability, with a focus on the present-value analysis of risks.

Besides the measurement, limitation and monitoring of risks, all risk management approaches also comprise regular reporting as well as escalation processes; they are supplemented by scenario analyses and stress testing. To adequately monitor ESG risks, various ESG risk factors have been integrated into risk assessment, which also includes monitoring, quantification and reporting. Moreover, climate-specific stress tests and scenario analyses are continuously being further developed, expanded and refined. Within the framework of these strategic management approaches, pbb defines its risk appetite, which sets out the scope within which pbb is prepared to assume risks. This information is used to derive input for operative management, through limit systems, committee decisions, and other management decisions.

Limit and early warning systems have been implemented, in line with the risk appetite, for each type of risk as well as across risk types, at the level of capital steering approaches. The strategy underlying the respective type of risk, together with the associated risk definition, risk calculation methods, and risk reporting systems are described in detail in the following chapters.

ORGANISATION AND PRINCIPLES OF THE INTERNAL CONTROLLING SYSTEM

The chapter "Organisation and principles of the internal controlling system" was not examined by the external auditors.

With the Act to Strengthen Financial Market Integrity, listed public limited companies are not only required to establish an appropriate and effective risk management system (RMS) but must also establish an appropriate and effective internal control system (ICS). The RMS and ICS must comprise a compliance management system (CMS) that is aligned with the company's risk situation. These systems (RMS, ICS, CMS) are already embedded in pbb's corporate culture.

Internal control system – concept

The ICS is an integral part of the RMS. It defines all measures that detect risks and errors in the processes, support the reliability of the processes and therefore safeguard the company's available assets and compliance with legal and regulatory provisions, and that detect or avoid fraudulent actions.

In connection with the obligation to introduce a Group-wide ICS, pbb's entire Management Board is also responsible for the design, which comprises the concept, implementation, maintenance and monitoring of an appropriate and effective ICS. The ICS is fully integrated within the structural organisation and processes/workflows. It is a dynamic process that is carried out by the Supervisory Board, the Management Board and employees, and is designed to ensure that the set targets will be achieved with reasonable certainty.

Internal controls and the Three Lines of Defence model are used to ascertain that the processes are effective and in line with the strategies (especially the risk strategy). This requires a clear organisational structure, and clear and transparent embedding of tasks, competencies and responsibilities. In terms of organisational workflows, the ICS is based on an objective of largely standardising the processes and the software in use. An instructions system is in place for core activities and processes.

Implementation of organisational framework – Three Lines of Defence model

An adequate and effective ICS must be monitored internally by the Management Board. By creating the monitoring requirements, the Management Board enables the Supervisory Board to monitor the appropriateness and effectiveness of the ICS at the same time.

<table>
<tr><td colspan="3">Supervisory Board and its committees</td></tr>
<tr><td colspan="3">Management Board</td></tr>
<tr><th>First Line of Defence
(1LoD)</th><th>Second Line of Defence
(2LoD)</th><th>Third Line of Defence
(3LoD)</th></tr>
<tr><td>Real Estate Financing</td><td>RMC</td><td rowspan="5">Internal Audit</td></tr>
<tr><td>Treasury</td><td>Compliance</td></tr>
<tr><td>Loan Markets</td><td>Corporate Office /
Corporate Development
(Control Attestation Process/ICS)</td></tr>
<tr><td>pbb invest</td><td rowspan="2">Further control units</td></tr>
<tr><td>Further operating divisions</td></tr>
</table>

The First Line of Defence (1LoD) comprises the operating divisions. This means that risks must be prevented, or recorded and reduced, at the organisational level of the transactions. As “risk owners”, the operating divisions have primary responsibility for the operative implementation of the risk management; in other words, the identification, assessment, management, monitoring, and reduction of risks. All 1LoD employees are required to deal with risks consciously and independently within the scope of their approval powers, comply with laws and internal guidelines and therefore manage risks appropriately. To this end, they define their processes, approval powers, interfaces and separation of functions and ensure that concrete risk management measures are taken and the methodological guidelines of the Second Line of Defence implemented.

The task of the Second Line of Defence (2LoD) is to manage and monitor the risk management functions of the 1LoD. This includes determining the methods and procedures for managing risk, the requirements through guidelines/policies and frameworks, the monitoring of risks and reporting to Company management. In this context, the 2LoD is also responsible for reviewing the stage of maturity and further development of the controlling and risk management systems. Within pbb Group, the 2LoD is traditionally formed by the central functions for risk management (RMC including Data Protection and Information Security, Compliance, Outsourcing Management and IT Governance).

Group Internal Audit (GIA) forms the Third Line of Defence (3LoD) as an independent, overarching control body. Its responsibilities include risk-oriented regular and event-driven audits of processes, controls, and systems for compliance. The audit activity spans all operational and business workflows, activities and processes. This also includes the review of the effectiveness and appropriateness of the ICS and RMS (detecting weaknesses in the identification, evaluation and reduction of risks). Detailed action plans with specific deadlines are compiled and implemented to deal with any deficiencies detected. As an independent division, GIA is not integrated in the work processes, nor is it responsible for the results of the process to be audited. To ensure these tasks are carried out, GIA is given complete and unrestricted right to information about the activities and processes, as well as the IT systems. GIA also participates in meetings of the various committees, where it can also act in an advisory capacity. It is expected to provide assurances to Company management that the risks are effectively recognised, evaluated and managed. It submits reports on this at appropriate intervals, but at least quarterly, to the entire Management Board and the Audit Committee of the Supervisory Board. This objective and independent auditing and advisory function allows GIA to support the Management Board and the Supervisory Board in their monitoring functions.

As a controlling and advisory body, it is the duty of the Supervisory Board to advise and monitor the Management Board. The Supervisory Board also has audit obligations and has formed an Audit Committee to provide support in this regard. The members of the Audit Committee can obtain information from the heads of the central divisions. The ICS is the subject of the deliberations of the Supervisory Board. The Supervisory Board must have expertise in the areas of accounting, risk management including climate and environmental risks, compliance, internal audit and corporate governance, among others. This requirement is met in pbb Group.

Compliance management system – implementation

The objective of the Compliance function is to ensure compliance with all relevant legal rules and obligations at both national and international level (legal security), Company-specific rules, guidelines/policies and instructions (process security) and ethical and moral standards and norms, and expectations (behavioural security). For this purpose, pbb has established a group-wide CMS that includes all the implemented measures, structures and processes aimed at ensuring compliance with the aforementioned rules.

The CMS forms the organisational and process framework for compliance and the effective integration of regulations and procedures in the processes. It is designed to ensure that the behaviour of the Management Board and employees is in compliance with laws and regulations, and aims to avoid material violations along with associated liability risks, penalties and reputational damage.

A culture of compliance must be promoted for the CMS to be effective. For this purpose, pbb has defined Group-wide binding rules governing the legal and ethical conduct of all employees vis-à-vis clients, business partners, and colleagues in its Code of Conduct. These rules are an essential feature of the day-to-day business. A human rights policy was also established. A whistleblowing system allows for anonymous reporting in the event of a specific suspicion regarding breaches, fraudulent or other illegal activities.

In addition, the Compliance division has established a number of transparent, internal principles in the form of guidelines, frameworks and instructions for specifying the regulations, as well as the appropriate business and client-related security systems. Specific internal requirements as well as audit and reporting processes have been implemented to prevent money laundering and other criminal actions, to ensure adherence to sanctions and embargoes, capital markets compliance, MaRisk compliance and the prevention of insider trading.

By offering revolving training courses and advisory services to employees, and carrying out control activities, the Compliance division works to firmly enshrine the rules and ensure compliance with legal requirements and other obligations considered essential, as well as with the provisions of the Compliance Management System.

Taking into consideration the compliance objectives, violations or breaches of duty in relation to the law and supervisory rules, internal provisions and guidelines, and ethical and moral standards pose the greatest risk. As these could threaten the achievement of objectives, the risks are carefully identified, evaluated and controlled on a regular basis. This facilitates the risk-oriented definition of appropriate measures for risk mitigation or minimisation, as well as the implementation of risk-based control activities.

The Compliance function follows the principle of independence (from the units it monitors) and objectivity with the right of access, information and inspection at any given time. It is integrated extensively in the company organisation and has numerous interfaces with other pbb divisions and subsidiaries (across regions). It is always entitled to participate in the Bank's internal committees and is involved in all relevant processes.

Compliance reports regularly to the Management Board and to the Audit Committee of the Supervisory Board. As a result, these bodies are always informed about current developments and issues and can ultimately convince themselves about the appropriateness and effectiveness of the CMS.

Implementation of organisational framework – Control Attestation Process (CAP)

To strengthen and further expand the ICS, the Management Board has established the CAP function and commissioned it with the CAP. This process is a long-term tried-and-tested, fundamental global management instrument aiming to centrally coordinate and review risk-oriented control activities, and related advisory services for the divisions, on an ongoing basis. It specifically involves recording all key controls, including a regular downstream confirmation, modification and review process.

For this purpose, all (central and local) divisions identify and define the material division-specific risks within their areas of responsibility, as well as the related controls, and record these in a dedicated database. Controls relating purely to ESG risks are flagged separately. After this catalogue of key controls has been determined, regular quarterly feedback is provided by the divisions to the CAP function as to whether these controls are still relevant in their complete and unchanged form, or whether they had to be modified during the confirmation period, or whether deviations exist in this regard. The divisions must also confirm that key controls are implemented in this context. The CAP function compiles this feedback, analyses it, monitors it via an implemented control process (spot checks of existence, design, effectiveness and completeness) and reports at regular intervals on the results on a consolidated basis to the Management Board and the Audit Committee of the Supervisory Board. Non-compliance with the defined procedures can be penalised under disciplinary law. In addition to the audit activities of the CAP function, GIA also evaluates and reports within the scope of its audits whether the material risks are adequately addressed through key controls, and whether key controls are implemented effectively.

The CAP process was transferred to the Corporate Office division as at 1 September 2024.

Control system for the organisational structure – further control activities

Every division also conducts various other controls beyond the CAP. Divisions within the 2LoD also carry out regular controls for material risks. In the Compliance division, these risk-based control activities comprise, in particular, all relevant regulatory requirements (including money laundering and other criminal activities, capital market compliance and the compliance function within the meaning of MaRisk AT). In the event that monitoring or control activities indicate deficiencies, an appropriate course of action is identified.

Dynamic structure

To ensure that risks are identified, assessed and limited as correctly and comprehensively as possible, risk management and the ICS must be dynamic and responsive to changes in the overall environment. Accordingly, the ICS is continuously checked and improved in this respect. The ICS is also adjusted to reflect new circumstances, such as changes in the structure, responsibilities and business model, or new legal requirements. In addition, the control activities performed by the 2LoD as well as audits by GIA reveal potential for improvement in terms of both the adequacy (lack of appropriate controls) and effectiveness (inadequate implementation) of controls. Compliance incidents can also lead to potential for improvement.

This routine review is also monitored by the Management Board. The necessary adjustments to processes and IT systems arising from legislative changes are implemented as required in separate projects across divisions – based on a clearly-defined allocation of functions. The ICS is also adapted to the amended regulations as part of the implementation.

APPROPRIATENESS AND EFFECTIVENESS OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The chapter “Adequacy and Effectiveness of the internal control and risk management system” was not examined by the external auditors.

The Management Board has a statutory obligation to address the effectiveness of the internal control and risk management systems. Its actions are guided by the conviction that appropriate and effective RMS and ICS are indispensable to ensure the economic success of the pbb Group in the long term.

To meet its obligation, the Management Board (and the Supervisory Board as well as the Supervisory Board’s Audit Committee as control bodies) receive regular reports on the ICS, the monitoring of the key controls implemented, control system maturity and further development of the ICS. Furthermore, reports are received about the RMS maturity, audit planning (and implementation) and the GIA audit results. This enables the Management Board and the Supervisory Board/Audit Committee to review and monitor the effectiveness and appropriateness of the two systems. Based on this reporting, the Management Board is not aware of any circumstances that argue against the appropriateness and effectiveness of these systems.

RISK TYPES

pbb has identified the following material risk types for its business activities in the 2024 risk inventory:
- Credit risk (counterparty risk)
- Market risk
- Liquidity and Funding risk
- Operational risk
- Business and strategic risk
- Property risk
- Participation risk
- Pension risk
- Central counterparty risk
- Environmental, social and governance risk

With the 2025 risk inventory, central counterparty risk is no longer considered material and reputational risk is separated from operational risk and categorised as material.

Credit Risk (Counterparty Risk)

Definitions

The credit risk in general is defined as the risk due to an unexpected default or decline in the market value of a receivable (loan or bond) or a derivative (alternatively of an entire portfolio of claims/derivatives). The reason for this can be either a deterioration in a country’s or counterparty’s creditworthiness or by a deterioration in collateralization.

The credit risk comprises the default risk, migration risk, realisation risk of defaulted customers, transfer and conversion risk, tenant risk, settlement risk, extension risk as well as concentration risk which are defined as follows in pbb Group’s risk strategy:
- Default risk denotes the risk of a default occurring on receivables. This includes defaults of loans or other credit products (lending risk), or bonds and other securities (issuer risk), as well as the risk of default on receivables under derivatives contracts (counterparty risk/replacement risk) or money market transactions (repayment risk). The possible default of sovereign or regional governments is included as a special case (sovereign default risk).

- Migration risk is the risk of a loss in value of a receivable caused by rating migration. This includes both the risk of rating migrations of traditional borrowers as well as rating migration of bonds and other securities and receivables from derivatives and money market transactions. The impact of a rating migration concerning sovereign or regional governments as a special case is included, too.
- Realisation risk of defaulted customers is the risk that the risk provisioning recognised changes over the analysis period, or the risk of actual amounts realised differing from the risk provisioning.
- Transfer risk is the risk that a government or central bank restricts the use of the currency to their own country. This includes the conversion risk, which is the risk that a government or central bank declares its own currency as non-convertible. Together with the sovereign risk, the transfer and the conversion risk form the country risk.
- Tenant risk describes the risk that losses in rental income for properties will negatively influence the respective borrowers' debt service capacity. In addition, it includes the secondary concentration risk (tenant cluster risk), which arises when one and the same tenant is involved in multiple properties funded by the pbb.
- Settlement risk is defined as the risk that the pbb makes a payment or delivers an asset which has been sold to a counterparty but does not receive a payment or the purchased asset.
- Extension risk is the risk that the holding period of a credit risk related asset is extended by a maximum of one year.
- Concentration risk is defined as the risk of cluster formation in relation to a risk factor or counterparty, or a strongly correlated group of risk factors or counterparties.

Credit Risk Strategy and Principles

pbb Group has broken down the overall credit portfolio into the segments REF, Non-Core and C&A. The strategic business is attributable to commercial Real Estate Finance (REF). The risk strategy also reflects this structure. It is planned to divide the REF segment into the Real Estate Finance Solutions (REFS) and Real Estate Investment Solutions (REIS) sub-divisions in the future. REFS stands for commercial real estate finance with a focus on Pfandbrief-eligible business. REIS will comprise pbb invest and the new Originate & Cooperate business unit.

Credit Risk Reports

The credit risk reports of pbb provide information about the following main components:

- The pbb Group Risk Report contains the development in volumes as well as relevant credit risk management indicators such as the development of the expected loss as well as the unexpected loss via value at risk (VaR). The report shows the credit risk at the level of pbb Group in the context of the overall bank risk and the risk-bearing capacity, it reports limit utilisations and violations of existing limits, and also identifies risk concentrations. Key indicators, such as the development of the exposure at default (EaD), the expected loss (EL), the credit value at risk (Credit VaR) as well as non-performing loans are integrated in this report and are discussed by the Management Board; the report is also submitted to the RLA of the Supervisory Board to be noted and dealt with by the RLA regularly in its meetings.
- CRM REF portfolio reporting provides a breakdown of the REF portfolio (as well as various parameters such as the expected loss in basis points) by country and asset class, and reports about critical facilities, forbearance, tenant risks and real estate sub-markets. This quarterly reporting package is made available to the CCO, the CRO, the Management Board and the RLA of the Supervisory Board.
- CRM Non-REF portfolio reporting reports on the Non-Core segment and C&A. For this purpose, the portfolio is analysed based on various criteria such as countries, remaining term to maturity, type of business partner or product class. Top exposures, critical facilities, forbearance and financial institutions are also reported on. The reporting package is made available to the CCO, the CRO, the Management Board and the RLA of the Supervisory Board on a semi-annual basis.
- For decisions to be made regarding new business, or regarding material changes to the credit quality of existing financings (such as a maturity extension), key financial indicators, content and analysis on a case-by-case basis are presented to and discussed by the Credit Committee.

- In the active business, further regular reports support operational management with regard to the management and timely recognition of risks at the sub-portfolio level.
- Unusual developments which might result in a major deterioration in the risk position of an individual exposure are ad-hoc reported to a wider group up to the CRO by way of so-called “Credit Issue Notes”.

Credit Risk Quantification via Economic Capital and Risk-weighted Assets according to Capital Requirements Regulation (CRR)

CREDIT PORTFOLIO MODEL

For calculating the economic capital for credit risk pbb Group uses a credit portfolio model. For details concerning this model and economic credit risk quantification, please refer to the sections “Internal Capital Adequacy Assessment Process (ICAAP)”.

STRESS TESTING

The stress tests for economic capital in credit risk are described in greater detail in the section “Internal Capital Adequacy Assessment Process (ICAAP)”.

In addition to the economic capital stress tests, there are reverse stress tests that analyse how much a certain risk parameter can change before a minimum capital ratio (Common Equity Tier 1 (CET1) ratio, Tier 1 ratio or own funds ratio) is no longer met. The minimum ratios are based on the bank-specific SREP ratios.

CREDIT RISK QUANTIFICATION ACCORDING TO CRR

The Basel III Framework Agreement of the Basel Committee was implemented in the European context by means of the CRR. Since the reporting date of 30 June 2024, two approaches have been used to determine regulatory capital requirements. These are the Foundation Internal Rating Based Approach (F-IRBA) for the majority of commercial property financing and the Standardised Approach (STA) for the remaining risk positions. Up to and including 31 December 2024, however, risk-weighted positions will be determined across the board on the basis of standardised risk weightings.

Credit Risk Management and Monitoring

CREDIT RISK MANAGEMENT

At the portfolio level, the intended portfolio structure is defined in the risk strategy by means of structure components. The limits are also based on the available financial resources, and include for example:

- Limiting of country risks
- Definition of strategic risk parameters (e.g. regions, financing duration)

The following reports and measures are key elements for monitoring compliance with the defined limits and the intended risk and return parameters at the portfolio level and also at the level of individual transactions:

- Analysis of portfolio developments in the Risk Committee
- Determining the credit-VaR at the portfolio level by way of a credit portfolio model and partly limiting at the segment level; analysis of concentration risks and various stress tests
- Central Group-wide monitoring of risk concentrations by way of special, regular and ad hoc evaluations, such as regional or product-specific evaluations
- Continuous analysis of the portfolio and the relevant markets by the local Credit Risk Management units
- Regular evaluation of the collateral
- Special reports for exposures which are potentially at risk (e. g. “credit issue notes”)
- Calculation of a risk-adjusted margin using the economic return after tax

Depending upon the counterparty group, Expected Loss class or exposure size at counterparty group level, the lending authority regulations determine the approval powers for new as well as existing exposures. Approval powers are assigned to individual employees in line with their individual experience and qualification.

CREDIT RISK MANAGEMENT AND MONITORING

At the level of individual transactions, the credit process guidelines define the necessary steps of assessing risk for new business as well as for substantial changes as prolongations or increase of credit limit and the procedures for transferring exposures to watchlist or restructuring and workout.

Core processes of credit risk management and monitoring as well as the relevant areas which are involved are described in the following:

The CRM entities carry out the initial risk analysis for new business and annual risk analysis for existing business. Probability of default (PD) and loss given default (LGD) rating tools, which are developed in the unit RMC and annually validated and calibrated, are used for valuation purposes and for preparing the credit decision in new and prolongation business. PAV provides support for analysing and valuing collateralised properties.

The Legal department, where appropriate together with external lawyers/lawyers' offices, is responsible for the contract and collateral organisation.

Defined early warning indicators are constantly monitored by CRM. If essential problems are identified, an exceptional test is performed on the credit default risk (including a review of the value of collateral) and appropriate alternative actions are discussed. The cases are also presented to the Watchlist Committee. This committee decides whether they are to be included in a monthly or quarterly monitoring cycle or remain in the annual monitoring cycle.

If there are indicators for a deterioration of credit quality, the level of the stage 3 impairment is calculated in accordance with IFRS or, in the case of specific allowances, in accordance with the HGB. In the Risk Provisioning Committee, the results are discussed and, where necessary, decisions are taken with regard to creating or reversing stage 3 impairments/specific allowances.

For potential non-performing loans or stage 3 impaired (IFRS)/specific allowance (HGB) exposures, probability-weighted scenario analyses on the potential development of the borrower, the collateral or the relevant market are carried out as part of the calculation of risk provisions. These analyses are reviewed regularly or on an event-driven basis. Decisions to this effect are made within the scope of the pbb's valid assignment of authority.

Exposures under intensified handling (watchlist) as well as restructuring and workout cases (non-performing loans) are reported on an aggregate basis monthly in the Group Risk Report and in the Risk Committee and also, upon request, in special analyses to the Management Board and Supervisory Board.

As required by MaRisk, stage 3 risk provisioning is backtested annually. The results of the analysis are presented to the RPC for acknowledgement at the start of each new financial year.

Hedging and Minimising Risk by Collateral

In the REF segment, financing arrangements are normally backed by property charges. As part of the decision-making process in the case of new financing, the LTVs (loan-to-value) as well as the property (amongst others micro and macro location, rental situation, condition of property) and market circumstances are discussed and are also taken into consideration as part of the assessment process for individual loans. For existing exposures, this monitoring is carried out on a regular basis, at least annually.

Besides real property liens, collateral provided for financings in the REF segment also includes assignments of rental payments as well as insurance benefits; this is supported by borrowers' extensive information and reporting obligations. Apart from the property charges, only a few more selected securities are considered to be of value in the credit assessment process or in the calculation of LGD, and in particular under certain circumstances cash security, bank guarantees as well as guarantees of public-sector institutions. Corresponding risk buffers are considered in relation to foreign currency collateral, that means in a currency differing from the loan currency, in order to take account of potential exchange rate risks.

Properties in the REF business are valued using strict quality criteria. Property collateral values are determined when the loan is initially granted, and reviewed at least once a year. With PAV, pbb maintains an independent real estate analysis unit: All staff members in the PAV department who are involved in real estate analysis are certified in accordance with ISO 17024 (HypZert standard), and have usually gained additional qualifications (such as RICS membership). This department is always involved in the initial valuation (when new loans are granted) and regular revaluations, as well as in the monitoring of values carried out at least once a year. In the event of material, negative market changes in regions or segments, this value review can be carried out more frequently (e.g. monthly or quarterly). In addition, PAV is supported by an automatic monitoring solution in the Credit Workplace, which monitors a defined set of market and property data for changes on a daily basis. If one or more of the parameters change materially, a value check by an expert is triggered immediately. If the changes are confirmed as justified and material, revaluations are carried out.

For development financings, regular monitoring comprises the monitoring of planning progress, budget, procurements, construction schedule, sales/letting progress and construction stage. As a rule, for complex developments, monitoring is carried out by external project monitors on the pbb's behalf, on a monthly to quarterly basis, coordinated and supervised by PAV. For less complex developments, construction progress is monitored at least every three months, by experienced and specialised internal property analysts. CRM monitors costs, thus facilitating a current overview of actual costs, as well as a cost projection for the project, which is reconciled against the results of internal monitoring (as well as external monitoring, if applicable). This allows for recognition of any divergence from project planning (and hence, project risks during construction) at an early stage.

In public investment financing, guarantees often serve as collateral (e.g. contractual guarantees/guarantees from public bodies, export credit guarantees). In addition, there are often legal framework conditions, such as the maintenance obligation (the so-called "Anstaltslast") in Germany or other direct and indirect cover mechanisms that allow recourse to a public-sector institution in the case of borrowers organised under public law. In some cases, the guarantees or legal framework conditions in the Non-Core segment are flanked by additional financing collateral and information and reporting obligations on the part of the borrower. However, this additional financing collateral is generally not recognised as valuable in the credit assessment or LGD calculation.

In Treasury, mainly cash contributions and securities are made available or accepted as collateral when trading with other banks. The collateralisation is based on standard agreements, which can be amended in individual cases if required or which can be subjected to individual review by the legal department.

Credit Portfolio

The entire credit portfolio is calculated by using the EaD.

For most products, EaD is equal to the IFRS carrying amount (including accrued interest). Committed, undrawn credit lines are additionally included in EaD with a product-specific credit conversion factor (CCF). The CCF indicates the portion of an undrawn credit line that is expected to be drawn upon within one year before a potential default. Derivatives and repo transactions are an exception since their EaD is not identical to their carrying amount but must be determined, in accordance with the CRR using a different methodology. This applies, for example, to derivatives in accordance with the SA-CRR method.

The Group's credit portfolio had an aggregated EaD of €43.9 billion as of 31 December 2024 (31 December 2023: €51.3 billion).

Overview of the Total Exposure of pbb Group:

The credit portfolio is broken down into two segments:

- Real Estate Finance (REF) and
- Non-Core (NC)

In addition, “Consolidation & Adjustments” shows besides the internal reconciliation and consolidation positions, the EaD for transactions which are not directly attributable to the operating segments. These are basically asset positions for asset and liability management.

EaD in C&A as of 31 December 2024 was fully attributable (100%; 31 December 2023: 100%) to EL classes 1 to 8; according to the internal classification, these are considered investment grade.

Total portfolio: EaD according to operating segments

			Change	
in € billion	**31.12.2024**	**31.12.2023**	in € billion	in %
Real Estate Finance	29.7	33.0	-3.3	-10.0
Non-Core	10.2	13.2	-3.0	-22.7
Consolidation & Adjustments	3.9	5.1	-1.2	-23.5
Total	**43.9**	**51.3**	**-7.4**	**-14.5**

The total exposure (EaD) of pbb Group decreased by €7.4 billion as at 31 December 2024 compared to the end of the previous year. Explanations of the changes in the individual segments can be found in the detailed presentation of the respective segment.

RISK PARAMETERS

The expected loss (EL) for a time period of one year is calculated for the entire exposure, with the exception of non-performing loans for which a stage 3 impairment has already been recognised. The EL is calculated using the parameters defined under Basel III, i.e. PD, LGD and EaD.

As at 31 December 2024, the EL for the pbb Group amounted to €221 million (31 December 2023: €178 million). The increase in EL was mainly due to rating downgrades in the REF operating segment.

pbb applies the default definition according to EBA Guideline 2016/07.

Total exposure: expected loss according to operating segments

			Change	
in € million	**31.12.2024**	**31.12.2023**	in € million	in %
Real Estate Finance	220	176	44	25.0
Non-Core	1	2	-1	-50.0
Consolidation & Adjustments	-	-	-	-
Total	**221**	**178**	**43**	**24.2**

Future developments, such as changes in the economic environment or developments concerning individual risks, may result in changes to the EL figures set out above. Furthermore, actual losses incurred may differ from expected losses.

ECONOMIC CREDIT RISK CAPITAL

pbb calculates economic capital for credit risk using a credit portfolio model. For details concerning credit risk quantification, please refer to the section “Internal Capital Adequacy Assessment Process (ICAAP)”.

REGIONAL BREAKDOWN OF THE PORTFOLIO

At the reporting date, the main focus of the exposure was unchanged on Western Europe. Germany continued to account for most of the overall exposure, with 43% (€18.8 billion).

The reduction in EaD in Germany compared to the end of the previous year was also caused by a reduced exposure to central banks in C&A in addition to the changes in REF and NC described in the segments. The lower exposure in France was largely due to repayments in the REF and NC segments. The decline in the USA and the United Kingdom was materially influenced by a portfolio transaction to reduce the exposure, and in the USA also by larger repayments. Repayments and sales in NC had a reducing effect on the exposure in Austria and Italy.

The largest item of the category “Other Europe” was the Netherlands with €1.3 billion (31 December 2023: €1.3 billion).

Total portfolio: EaD according to regions

in € billion	31.12.2024	31.12.2023	Change in € billion	Change in %
Germany	18.8	21.2	-2.4	-11.3
France	5.8	6.9	-1.1	-15.9
USA	4.2	5.2	-1.0	-19.2
Austria	3.8	4.6	-0.8	-17.4
United Kingdom	2.0	2.7	-0.7	-25.9
Other Europe[1)]	2.0	2.3	-0.3	-13.0
Poland	1.9	2.0	-0.1	-5.0
Spain	1.5	1.5	-	-
Sweden	1.2	1.2	-	-
Other[2)]	0.6	0.7	-0.1	-14.3
Czech Republic	0.6	0.6	-	-
Finland	0.5	0.4	0.1	25.0
Italy	0.5	1.6	-1.1	-68.8
Portugal	0.3	0.3	-	-
Hungary	0.2	0.2	-	-
Total	**43.9**	**51.3**	**-7.4**	**-14.4**

1) As of 31 December 2024 the category “Other Europe” comprises the Netherlands, Slovakia, Slovenia, Romania, Ireland, Belgium, Switzerland, Luxembourg, Latvia and Denmark.
2) As of 31 December 2024 the category “Other” comprises amongst others Supranationals and Canada.

Depending on the results of the internal rating process, maximum limits are defined for each individual country; these limits restrict pbb Group’s business activities. All country limits are monitored daily in the unit RMC.

Real Estate Finance: €29.7 billion EaD

The REF segment comprises real estate loans and related customer derivatives. Unlike the funding volume shown in the chapter “Development in Earnings” the EaD of the REF portfolio also includes undrawn credit lines multiplied by a product-specific conversion factor.

In Germany and France, repayments exceeded new business. This resulted in a decline in exposure in each case. A portfolio transaction totalling €0.9 billion in the first half of 2024 reduced the exposure in the United Kingdom and the USA. The portfolio comprised financing for office, residential and hotel properties. In the USA, repayments of performing loans and exits from non-performing loans also influenced the reduction in exposure.

Real Estate Finance: EaD according to regions

in € billion	31.12.2024	31.12.2023	Change in € billion	Change in %
Germany	13.3	14.2	-0.9	-6.3
USA	4.2	5.1	-0.9	-17.6
France	3.4	4.1	-0.7	-17.1
United Kingdom	1.9	2.5	-0.6	-24.0
Poland	1.9	1.9	-	-
Other Europe[1)]	1.6	1.8	-0.2	-11.1
Sweden	1.2	1.2	-	-
Czech Republic	0.6	0.6	-	-
Spain	0.6	0.5	0.1	20.0
Finland	0.5	0.4	0.1	25.0
Austria	0.3	0.3	-	-
Hungary	0.2	0.2	-	-
Italy	0.1	0.1	-	-
Total	**29.7**	**33.0**	**-3.3**	**-10.0**

[1)] As of 31 December 2024 the category “Other Europe” comprises the Netherlands, Romania, Slovakia, Switzerland, Slovenia, Luxembourg and Belgium.

In terms of EaD by property type, the largest reduction (in absolute terms) was in the office building category, followed by residential and hotel/leisure due to reductions and the aforementioned portfolio transaction.

Real Estate Finance: EaD according to property type

in Mrd. €	31.12.2024	31.12.2023	Change in Mrd. €	Change in %
Office buildings	15.0	16.7	-1.7	-10.2
Logistics/Storage	5.2	5.3	-0.1	-1.9
Residential	5.1	5.8	-0.7	-12.1
Retail	3.1	3.2	-0.1	-3.1
Hotel/Leisure	0.7	1.1	-0.4	-36.4
Other	0.4	0.5	-0.1	-20.0
Mixed use	0.2	0.5	-0.3	-60.0
Total	**29.7**	**33.0**	**-3.3**	**-10.0**

As at 31 December 2024, the portfolio was still dominated by investment financings at 93% (31 December 2023: 90%); 7% of EaD was attributable to development financings (31 December 2023: 10%). Investment financings are defined as real estate loans, the debt servicing ability of which largely depends upon current cash flows from the property.

Real Estate Finance: EaD according to loan type

in € billion	31.12.2024	31.12.2023	Change in € billion	Change in %
Investment financing	27.5	29.7	-2.2	-7.4
Development financing	2.2	3.2	-1.0	-31.3
Customer derivatives	0.1	0.1	-	-
Other	-	-	-	-
Total	**29.7**	**33.0**	**-3.3**	**-10.0**

Non-Core (NC): €10.2 billion EaD

The NC portfolio comprises pbb Group's non-strategic exposures.

EaD in the NC segment fell by €3.0 billion compared to the end of the previous year due to repayments, sales and maturities. The largest reduction was in the exposure in Italy.

Non-Core: EaD according to regions

in € billion	31.12.2024	31.12.2023	Change in € billion	Change in %
Austria	3.5	4.3	-0.8	-18.6
Germany	2.6	3.4	-0.8	-23.5
France	2.3	2.6	-0.3	-11.5
Spain	0.7	0.8	-0.1	-12.5
Italy	0.4	1.3	-0.9	-69.2
Portugal	0.3	0.3	-	-
Other Europe[1)]	0.1	0.1	-	-
United Kingdom	0.1	0.1	-	-
Other[2)]	0.1	0.3	-0.2	-66.7
Total	**10.2**	**13.2**	**-3.0**	**-22.7**

[1)] As of 31 December 2024 the category “Other Europe” comprises Belgium and the Netherlands.
[2)] As of 31 December 2024 the category “Other” comprises mainly Supranationals and Canada.

EaD by counterparty structure is shown including regulatory permitted guarantees or other forms of credit support.

“Public Sector Borrowers” summarises claims against sovereign states, public-sector enterprises, and regional governments and municipalities. The definition also includes exposures guaranteed by these counterparties.

Non-Core: EaD according to counterparty structure

in € billion	31.12.2024	31.12.2023	Change in € billion	Change in %
Public sector borrowers	9.8	12.8	-3.0	-23.4
Financial institutions[1)]	0.3	0.3	-	-
Companies/Special-purpose entities[2)]	0.1	0.1	-	-
Total	**10.2**	**13.2**	**-3.0**	**-22.7**

[1)] Mainly Spanish covered bonds.
[2)] Largely collateralised by guarantees and surety bonds.

Structured Products

pbb Group’s residual holdings of Collateralised Debt Obligations guaranteed by a regional government had a notional value of €0.2 billion as at 31 December 2024 (31 December 2023: €0.2 billion) and a current fair value of €0.2 billion (31 December 2023: €0.2 billion).

Breakdown of on-balance sheet and off-balance sheet business by rating class

The following tables provide a breakdown of gross carrying amounts of non-derivative financial assets (excluding cash funds), and of default risks in irrevocable loan commitments and contingent liabilities, by internal rating class and impairment level. The breakdown is in line with pbb Group’s internal rating classes. The default definition follows Article 178 of the CRR.

Breakdown of non-derivative financial assets (excluding cash funds) by internal rating class and impairment level as at 31 December 2024

in € million	Stage 1	Stage 2	Stage 3	FVPL	**Total**
Class 1	8,334	-	-	177	8,511
Class 2	346	-	-	-	346
Class 3	1,196	-	-	-	1,196
Class 4	464	-	-	-	464
Class 5	930	-	-	-	930
Class 6	388	-	-	-	388
Class 7	1,359	-	-	-	1,359
Class 8	1,488	-	-	85	1,573
Class 9	907	2	-	3	913
Class 10	794	122	-	-	915
Class 11	1,594	-	-	11	1,604
Class 12	1,102	36	-	-	1,139
Class 13	1,977	185	-	-	2,162
Class 14	1,949	249	-	-	2,198
Class 15	2,960	472	-	-	3,432
Class 16	3,241	628	-	70	3,939
Class 17	2,843	663	-	30	3,536
Class 18	1,731	637	-	-	2,368
Class 19	452	503	-	170	1,125
Class 20	120	446	-	141	707
Class 21	-	585	-	-	585
Class 22	-	223	-	-	223
Class 23	-	91	-	5	96
Class 24	-	56	-	-	56
Class 25	68	119	-	-	187
Class 26	-	9	-	-	9
Class 27	-	-	-	-	-
Defaulted	-	-	1,762	72	1,833
Without rating	-	-	-	14	14
Total	**34,244**	**5,026**	**1,762**	**777**	**41,808**

Breakdown of non-derivative financial assets (excluding cash funds) by internal rating class and impairment level as at 31 December 2023

in € million	Stage 1	Stage 2	Stage 3	FVPL	**Total**
Class 1	10,068	-	-	179	10,247
Class 2	413	-	-	-	413
Class 3	-	-	-	-	-
Class 4	420	-	-	-	420
Class 5	151	-	-	-	151
Class 6	-	-	-	-	-
Class 7	1,728	-	-	81	1,810
Class 8	1,858	-	-	3	1,860
Class 9	2,822	112	-	-	2,934
Class 10	2,851	184	-	11	3,046
Class 11	3,552	497	-	-	4,050
Class 12	5,133	608	-	107	5,848
Class 13	3,707	633	-	-	4,339
Class 14	1,542	879	-	44	2,466
Class 15	1,137	688	-	-	1,825
Class 16	629	754	-	-	1,383
Class 17	672	235	-	-	907
Class 18	572	692	-	-	1,264
Class 19	682	436	-	-	1,118
Class 20	829	339	-	25	1,193
Class 21	269	267	-	-	536
Class 22	56	134	-	-	190
Class 23	24	132	-	-	156
Class 24	-	-	-	-	-
Class 25	1	59	-	-	60
Class 26	-	21	-	-	21
Class 27	-	28	-	-	28
Defaulted	-	-	1,486	-	1,486
Total	**39,119**	**6,697**	**1,486**	**450**	**47,752**

Breakdown of irrevocable loan commitments and contingent liabilities by internal rating class and impairment level as at 31 December 2024

in € million	Stage 1	Stage 2	Stage 3	FVPL	**Total**
Class 1	71	-	-	-	71
Class 2	-	-	-	-	-
Class 3	-	-	-	-	-
Class 4	20	-	-	-	20
Class 5	2	-	-	-	2
Class 6	-	-	-	-	-
Class 7	-	-	-	-	-
Class 8	40	-	-	-	40
Class 9	36	-	-	-	36
Class 10	2	-	-	-	2
Class 11	12	-	-	-	12
Class 12	75	-	-	-	75
Class 13	16	-	-	-	16
Class 14	47	7	-	-	55
Class 15	142	36	-	-	177
Class 16	137	14	-	40	192
Class 17	300	44	-	10	354
Class 18	76	57	-	-	133
Class 19	84	61	-	4	149
Class 20	-	3	-	-	3
Class 21	-	9	-	15	24
Class 22	-	27	-	-	27
Class 23	-	-	-	2	2
Class 24	-	-	-	-	-
Class 25	5	23	-	-	28
Class 26	-	-	-	-	-
Class 27	-	-	-	-	-
Defaulted	-	-	84	63	147
Total	**1,065**	**281**	**84**	**134**	**1,564**

Breakdown of irrevocable loan commitments and contingent liabilities by internal rating class and impairment level as at 31 December 2023

in € million	Stage 1	Stage 2	Stage 3	FVPL	Total
Class 1	80	-	-	-	80
Class 2	-	-	-	-	-
Class 3	-	-	-	-	-
Class 4	-	-	-	-	-
Class 5	-	-	-	-	-
Class 6	-	-	-	-	-
Class 7	-	-	-	-	-
Class 8	-	-	-	-	-
Class 9	-	-	-	-	-
Class 10	34	-	-	-	34
Class 11	83	-	-	-	83
Class 12	75	-	-	-	75
Class 13	193	18	-	-	211
Class 14	32	44	-	-	75
Class 15	88	16	-	-	104
Class 16	124	61	-	-	185
Class 17	293	2	-	-	295
Class 18	129	17	-	-	146
Class 19	316	102	-	-	418
Class 20	231	10	-	-	240
Class 21	75	37	-	-	111
Class 22	143	-	-	-	143
Class 23	-	8	-	-	8
Class 24	-	-	-	-	-
Class 25	2	5	-	-	6
Class 26	-	-	-	-	-
Class 27	-	-	-	-	-
Defaulted	-	-	72	-	72
Total	**1,896**	**320**	**72**	**-**	**2,288**

Watchlist and Non-performing Loans

EARLY WARNING SYSTEM

The early warning system of the pbb Group has defined criteria respectively threshold values (triggers) for including loans in the watchlist and for being classified as restructuring or workout loans (e.g. past due payments, failure to meet financial ratios – e.g. loan-to-value [LTV], interest service coverage [ISC]). It is constantly monitored whether a trigger has been set off. In case of a corresponding indication, the credit exposure is analysed and presented to the Watchlist Committee. Taking into consideration the overall circumstances, the Watchlist Committee then decides whether a prompt transfer of the exposure to watchlist or restructuring and workout loans is appropriate. In this context and in the event of impairment triggers, the financial instruments are reviewed for credit impairment.

Indicators for Watchlist and non-performing loans (restructuring and workout loans) include amongst others:

> Watchlist Loans: Payments past due by more than 60 days or another defined early warning signal is triggered (for instance insolvency of a main tenant in the REF segment).

> Restructuring Loans: A default has occurred (for example, due to payments past due by more than 90 days, or the borrower's insolvency), or another contractual or regulatory trigger is applicable. The focus with restructuring is on active implementation of a restructuring concept – with the objective of either returning the exposure to standard loan management, or realising collateral on the market, without enforcement measures. Credit quality is consistently tested for deterioration, and stage 3 impairments (in accordance with IFRS) or specific allowances (in accordance with the HGB) are recognized if necessary. Impairments or their underlying assumptions are reviewed regularly or on an ad-hoc basis.

> Workout Loans: There are no indications that the loan can be restructured. Enforcement measures have been or will be introduced. Stage 3 impairments (in accordance with IFRS) or specific allowances (in accordance with the HGB) have been recognised. Impairments or their underlying assumptions are reviewed regularly or on an ad-hoc basis.

CRM REF Workout is responsible for determining and reviewing impairments in accordance with applicable accounting standards (German Commercial Code (HGB) and IFRS).

Development of Watchlist and non-performing loans of pbb Group

	31.12.2024			31.12.2023			Change	
EaD in € million	REF	NC	**Total** [1)]	REF	NC	**Total** [1)]	in € million	in %
Workout loans	132	-	132	179	-	179	-47	-26.3
Restructuring loans	1,771	-	1,771	1,337	19	1,356	415	30.6
Non-performing loans	**1,903**	**-**	**1,903**	**1,516**	**19**	**1,535**	**368**	**24.0**
Watchlist loans	**1,207**	**18**	**1,225**	**1,327**	**28**	**1,355**	**-130**	**-9.6**

1) No exposure in C&A.

The watchlist and problem loans increased by a net total of €238 million from 31 December 2023 to 31 December 2024.

Watchlist loans were reduced by a total of €130 million in the reporting period. In the REF segment, exposures totalling €673 million were newly transferred to intensified handling. At €371 million, more than half (around 55%) of these were financings of office buildings in Germany. From the watchlist loan portfolio as at 31 December 2023, financing in the amount of €491 million was transferred to restructuring, the majority of which (around 74%) was financing for office buildings in the USA. Two borrowers with a total loan volume of €110 million were transferred back to standard loan management, while three further exposures totalling €175 million were repaid in full. Repayments totalling €17 million also had a reducing effect.

In the NC segment, one borrower with a loan volume of €28 million was transferred back to standard loan management, while another borrower with a loan volume of €18 million was transferred to intensified handling.
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Non-performing loans increased by a net total of €368 million in the reporting period.

In the REF segment, loans totalling €758 million were newly transferred to the unit responsible for restructuring. The majority of these loans were for office buildings in the USA (around 74%). In contrast, financing totalling €117 million was transferred back to standard loan management. Financing totalling €274 million was repaid from the portfolio of restructuring loans as at 31 December 2023 and a loan totalling €46 million was repaid in full from the workout loans. In addition, there was a net increase in exposure totalling €67 million, which included increases and reductions as well as currency effects.

In the NC segment, an exposure totalling €19 million was completely repaid.

Credit loss allowances and Provisions

Details on credit loss allowances and provisions – including their recognition and development – can be obtained from the notes.

Opportunities

The parameters for the risk dimensions for the credit risk are defined using statistical methods on the basis of numerous historical observations. The risk measures also depend on assumptions relating to future developments of macro-economic factors as well as developments on the credit markets. These economic conditions may turn out to be more positive than anticipated; in which case, potential losses from counterparty credit risk may theoretically be lower than quantified by the risk measures. Such potentially positive developments then represent opportunities for the pbb Group which can be utilised for reducing risk.

In specific terms, there are opportunities if fewer loans in future are affected by a default in performance than is assumed as part of the risk quantification process. In future, opportunities may also result from a lower than assumed number of migrations to weaker rating classes.

There are also opportunities if the loss ratios of non-performing loans in future are lower than was assumed as part of the risk quantification process. Lower loss ratios may be triggered by various positive developments. Firstly, it is possible that the process of disposing of collateral might generate higher proceeds than was originally assumed in the risk quantification process. Secondly, it is possible that a higher percentage of non-performing loans subsequently become performing loans again without any losses than had been the case in the past.

Besides positive developments in default rates or loss ratios, opportunities may arise in connection with counterparty credit risk – theoretically, and regardless of other corporate objectives – in the event of declining portfolio exposure. This can happen, for example, if borrowers redeem or repay their loans faster than contractually expected or anticipated based on historical experience. Exposure values in the derivatives portfolio may decline where the market values of positions associated with replacement risk decrease, due to changes in certain market parameters such as interest rates or exchange rates.

Market Risk

Definition

Market risk is defined as the risk of a market value loss, or a negative change in net interest income for the period, due to volatility of the market prices of financial instruments. Transactions entered into by pbb Group are mainly exposed to the following types of market risk:

> General interest rate risk (risk from changes in market interest rates)
> Basis risk (risk from changes in tenor basis spreads or cross-currency basis spreads)
> Volatility risk (risk from changes in implied volatility)
> Credit spread risk (risk from changes in credit spreads)
> Foreign currency risk (risk from changes in foreign exchange rates)
> Concentration risk (risk due to a non-diversified portfolio mix)

Market Risk Strategy

Pbb adheres to the following fundamental principles in relation to market risks in terms of the present value perspective and of the periodic perspective:

> The positions are managed by the Treasury. Financial derivatives are mainly used for hedging purposes.
> Transactions may be conducted exclusively in financial instruments which have successfully passed the new product process, and for which market values are either observable or determinable via a model.
> Trading-independent risk measurement and monitoring of trigger and limit compliance is carried out. All positions entered into are subject to daily monitoring, in terms of sensitivity, Value-at-Risk and performance, which is independent from trading units.
> There is a defined escalation process across all decision-making bodies right up to the Management Board.
> Interest rate risk in the banking book (IRRBB) is identified, measured, managed and monitored using both a present value approach as well as in terms of net income for the period. In this context, the present value approach is the primary approach for operative interest rate risk management, supplemented by the monitoring of interest rate risk of periodic interest income on a quarterly basis. Credit spread risks in the banking book (CSRBB) are also included in the regular risk measurement, controlling and monitoring.

Market Risk Management Organisation

Positions with regard to Market risk are monitored by way of a present value approach by the RMC department, which is separated from trading in the structural organisation, right through to the Management Board. The Finance department monitors the periodic interest rate risk.

Market Risk Reports

RMC prepares detailed market risk reports for senior management and operational management purposes, on a daily basis. The daily market risk report, which is primarily addressed to the Management Board, includes:
- market risk value-at-risk (VaR) and VaR limit utilisations for the entire market risk,
- CSRBB and IRRBB (and its components of general interest rate risk, basis risk and option/volatility risk),
- sensitivities of market risk factors at various levels of detail and monitoring of sensitivity triggers and
- a presentation of the economic performance measurement and the breakdown of the economic performance by individual risk factors.

pbb provides quarterly reports on changes in effects on income, and effects on accumulated other comprehensive income (recognised directly in equity), given pre-defined interest rate scenarios and assuming a dynamically changing balance sheet, to monitor periodic interest rate risk.

Market Risk Measurement and Limits

MARKET RISK VALUE-AT-RISK

RMC determines VaR attributable to market risk, at an overall as well as partial portfolio level, on a daily basis, using a simulated model based on historical data. The VaR determination includes all positions exposed to market risks. The essential parameters of the market risk VaR model can be summarised as follows:
- The simulation model is based on a one-year market data history which is included in the simulation on an equally weighted basis.
- Individual types of market risk are aggregated to form a total VaR, which forms the basis of limit monitoring.
- For the purposes of daily operational risk management, Market risk VaR is determined using a holding period of one day and a 99% confidence interval.

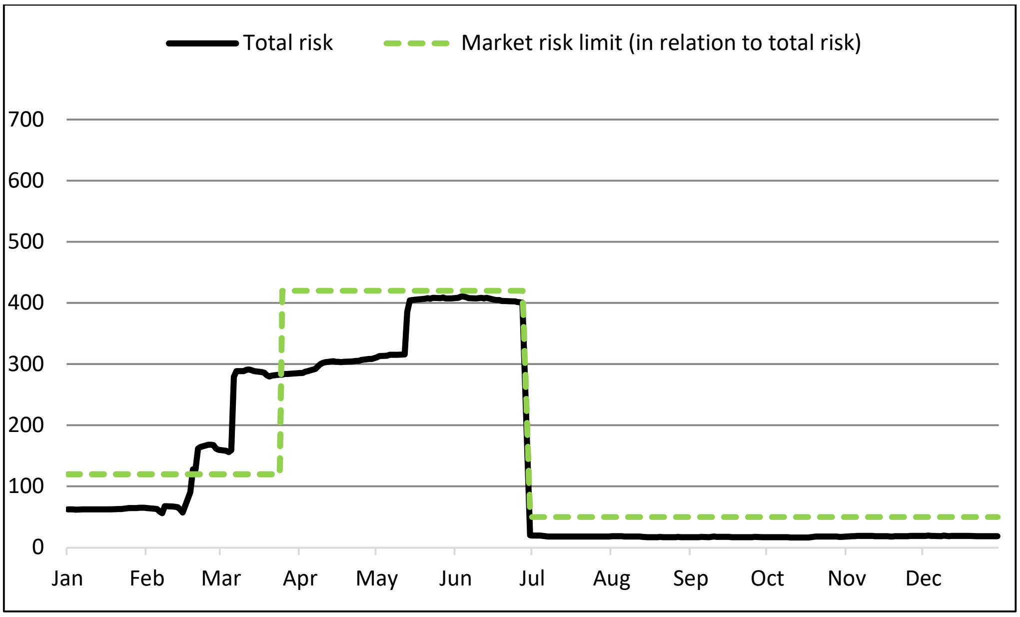
At the end of December 2024, the market risk VaR, taking into account diversification effects between the individual market risk types, amounted to €19 million (year-end 2023: €22 million). Credit spread risk is a material component of market risk. In accordance with the guidelines on the management of interest rate risk and credit spread risk in banking book transactions (CSRBB; EBA/GL/2022/14), which came into force on 31 December 2023, pbb has extended the scope of financial instruments involving credit spread risk to all transactions whose pricing depends on credit spreads observable on the market. As a result, the scope of transactions in the CSRBB was extended to almost all of pbb's assets and liabilities.

Consistent with the expanded scope of financial instruments that include credit spread risks in accordance with EBA/GL/2022/14, the market risk VaR limit amounted to €120 million at the beginning of 2024. The market risk VaR rose sharply in the first quarter of 2024, which was materially due to idiosyncratic widening and narrowing of credit spreads on pbb's unsecured liabilities. The credit spread narrowing (following the previous sharp widening) caused the market risk VaR limit to be exceeded from February 2024, which was compensated for by a risk add-on in the market risk VaR limit in March 2024. As a result, the VaR model was modified at the end of June 2024 in such a way that idiosyncratic movements in the credit spreads of pbb's liabilities no longer represent a risk factor. As a result, the risk add-on was no longer necessary and the market risk VaR limit was set at €50 million from July 2024 (comparative figure at the end of 2023: also €50 million).

The following chart shows the development of market risk VaR, compared to the market risk VaR limit during the course of the year:

Market risk VaR and market risk VaR limit January to December 2024

in € million



INTEREST RATE RISK IN THE BANKING BOOK

The consolidated IRRBB VaR of all interest rate risk categories in the banking book (general interest rate risk, tenor basis spread risks, cross-currency basis spread risks, option risks and volatility risks) totalled €13 million at the end of 2024 (comparative figure at the end of December 2023: €19 million). The change in the IRRBB VaR was mainly caused by a decrease in the general interest rate risk. In addition to limiting the market risk VaR, a daily limit is monitored for the IRRBB VaR (limit at the end of December 2024: 30 million).

GENERAL INTEREST RATE RISK

The general interest rate risk or gap risk amounted to €13 million as at the end of December 2024. The decrease compared to the comparative figure of €16 million at the end of 2023 is primarily due to lower interest rate volatilities over the course of the year.

BASIS RISKS

Basis risks are defined as tenor basis spread and cross-currency basis spread risks. As at the reporting date, tenor basis spread risks totalling €1 million and cross-currency basis spread risks totalling €1 million were reported (previous year's figures: €3 million tenor basis spread risk and €2 million cross-currency basis spread risk).

VOLATILITY RISKS

Volatility risks amounted to €0.3 million as at the end of December 2024 (year-end 2023: €1 million).

CREDIT SPREAD RISK IN THE BANKING BOOK (CSRBB IN ACCORDANCE WITH EBA GUIDELINE EBA/GL/ 2022/14)

In accordance with the guidelines on the management of interest rate risk and credit spread risk in banking book transactions (EBA/GL/2022/14), which came into force on 31 December 2023, pbb has extended the scope of financial instruments that include credit spread risks to all transactions whose pricing depends on credit spreads observable on the market. This extends the scope of transactions in the CSRBB to almost all of pbb's assets and liabilities. In addition, pbb calculates the CSRBB VaR in accordance with the guideline using risk factors which are defined without idiosyncratic components. As at the end of December 2024, this resulted in a CSRBB VaR of €24 million (comparative figure at the end of 2023: €69 million). The decrease is in particular due to lower credit spread volatilities for loans held as assets. The CSRBB VaR limit throughout 2024 was €120 million.

The VaR assessment is complemented by additional tools, such as sensitivity analyses and stress testing.

SENSITIVITY ANALYSES
Overnight yield curves are used for the purposes of measurement relevant to sensitivity analyses. Sensitivity analyses quantify the impact of changes in individual market parameters upon the value of positions. For instance, the credit spread sensitivity provides an indication of the change in economic present value which results from an isolated one basis point increase in the credit spreads which are relevant for measurement purposes.

STRESS TESTING
Whilst VaR measures market risk in "normal" market conditions and does not provide a measure for potential maximum losses, internal economic stress scenarios show the market risk under more difficult or even extreme economic conditions. pbb Group employs hypothetical and historical stress scenarios for key risk drivers on a monthly and quarterly basis, to determine the impact of strong to extreme changes in market data as well as assumptions regarding client behaviour on the economic present value.

In addition to the internal economic stress scenarios, external regulatory stress scenarios of the supervisory standard test (supervisory outlier test in accordance with EBA/GL/2022/14) are calculated and analysed.

The Management Board and the executive bodies are informed about the results of stress scenarios on a regular basis. In connection with managing interest rate risk in the banking book (including credit spread risks), the changes in present value of selected internal and external stress scenarios have also been monitored through specific limits or triggers.

BACK TESTING
The quality of the risk measurement methods in use is checked on an ongoing basis by comparing one-day VaR figures to the actual changes occurring in the portfolio's present value on a daily basis. For the qualitative analysis of the risk model the Basel Capital Accord's "traffic light" system is used. For this purpose, the number of outliers detected in backtesting within a period of 250 trading days are counted. Four outliers were observed in the 250 trading days up to the end of 2024, which were caused by the narrowing of credit spreads in the first half of 2024 described above. The risk model therefore has a green traffic light colour in accordance with the traffic light system of the Basel Capital Accord.

PERIODIC INTEREST RATE RISKS
pbb uses a dynamic model for measuring and monitoring periodic interest rate risks (dynamic earnings), thus simulating changes in future income statements and balance sheet developments, which will materialise if the balance sheet develops as planned, and under pre-defined interest rate scenarios. Measurement and monitoring of periodic interest rate risks was carried out at the end of each quarter, for a simulation horizon covering the following four quarters. Negative deviations from the base value were monitored, using a trigger of €60 million for effects on income, and a trigger of €100 million for effects on accumulated other comprehensive income (recognised directly in equity). Both triggers were not exceeded during the period under review.

The Static NII model is also used for the periodic perspective. This simulates changes in periodic net interest income that would result from a constant statement of financial position and given interest rate scenarios. The calculation is performed on a quarterly basis with a simulation horizon of the following four quarters. The negative deviations from the static NII base value represent the∆ risk measure

PERIODIC CREDIT SPREAD RISKS
The periodic credit spread change risk in the internal model approach is measured using delta dynamic earnings (∆Dynamic Earnings) and is subject to trigger monitoring. The calculation is based on a dynamic statement of financial position. The triggers correspond to those of the dynamic interest rate change model. This means that a trigger of €60 million is used for the effects recognised in profit or loss and another trigger of €100 million is used for the effects in accumulated other comprehensive income (equity). Neither trigger was exceeded in the reporting period.

ECONOMIC CAPITAL FOR MARKET RISK

The chapter “Internal Capital Adequacy Assessment Process (ICAAP)” provides details concerning the calculation as well as the quantification of economic capital for market risk.

Mapping and Recognition of Economic Hedges as On-balance-sheet Hedges

The concept of hedge accounting refers to specific accounting rules applicable to hedge relationships in accordance with IFRS, entered into for the purpose of neutralising the change in value of the hedged underlying transaction against the change in value of the hedging instrument to a large extent. The criteria set out in IFRS must be satisfied for a hedge to be recognised accordingly. To a certain extent, these criteria – such as the requirements relating to hedge effectiveness – are inconsistent with the methods applied to bank management. As a result, there may be differences between economic hedges and hedge relationships recognised on the balance sheet.

Opportunities

As detailed above, the sensitivities result in value at risk: a possible future (economic) loss in the event of an unfavourable market development. The very same sensitivities may also result in economic gains, in the event of a positive market development. For instance, high credit spread sensitivities on the assets side represent a risk as described above. In the event of a narrowing of the relevant credit spreads, these credit spread sensitivities will yield economic profits, constituting an opportunity.

Open interest rate risk exposures (from an economic perspective) may indeed be neutral or even income-enhancing for periodic interest rate risk; this is the case for medium- to long-term fixed-rate loans on the asset-side, for example.

Liquidity and Funding Risk

Definition

Liquidity risk is defined as the risk of not being able to meet the amount and/or due dates of existing or future payment obligations, in full or on time.

Internal Liquidity Adequacy Assessment Process

In accordance with the Supervisory Review and Evaluation Process (SREP), pbb has conducted an Internal Liquidity Adequacy Assessment Process (ILAAP), which was examined and approved by the Management Board. The ILAAP should ascertain that all material liquidity and funding risks can be identified, measured and monitored, and that measures to prevent a liquidity shortage are taken in good time if required.

Liquidity Risk Strategy

The Management Board determines both the risk strategy as well as the risk appetite of pbb. The liquidity risk strategy is a key component of pbb’s risk strategy. It is broken down into various modules (comprising various liquidity scenarios, given certain market conditions and stress parameters). This is to ensure that pbb’s short- and medium-term funding is monitored and managed by means of a limit system. The limits are defined as part of the annual business planning process, approved by the Management Board.

Organisation of Liquidity Risk Management

RMC identifies, measures, reports and monitors liquidity risk. The Treasury department, which is independent from RMC, is responsible for managing liquidity risk. The processes and methods employed are reviewed on a regular basis by the Risk Committee and the Asset Liability Committee. Liquidity Risk cannot be calculated and reported at a business segment level.

Liquidity Risk Report

Liquidity management reports are prepared daily and submitted to the entire Management Board, as well as to the Joint Supervisory Team (JST) of ECB and national competent authorities responsible for pbb. The reports contain up-to-date information on the day’s liquidity situation as well as forecasts made using contractual cash flows and in recognition of future events that could potentially influence liquidity developments.

Liquidity Risk Measurement and Limits

To manage liquidity risks, pbb has established a system for measuring and limiting short-term and medium-term variances within cash flows. This incorporates both contractual as well as optional cash flows. The data is subject to regular back-testing.

The liquidity position resulting from the liquidity reserve as well as contractual and optional cash flows is measured in different scenarios, with three liquidity positions being projected on a daily basis. The projections assume:

- unchanged market and funding conditions (base scenario),
- a risk scenario (modified [historic] stress scenario) and
- liquidity stress ([historic] stress scenario).

For instance, the risk and the (historic) stress scenario simulate possible client behaviour in “stress situations”. Historic time series are used to calculate 95% and 99% quantiles.

Liquidity risk triggers (early warning indicators) have been defined for a 24-month horizon in the base scenario. Limits in the risk and the (historic) stress scenario are applicable for a six- respectively three-month horizon.

The limit system consists of:

- limits relating to the liquidity stress profile (risk scenario and [historic] stress scenario); and
- triggers for the base scenario as well as the six-month bucket of (historic) stress-scenario.

In addition to reporting, pbb Group uses stress tests, conducted at regular intervals, for investigating the impact of additional stress events on the liquidity position.

Scenario analyses are performed to simulate the potential impact of crises attributable to macro-economic, monetary policy or political crises on the liquidity situation.

The scenarios are reported to the Management Board, as well as to external bodies such as the JST of ECB and national competent authorities responsible for pbb.

Liquidity Risk Monitoring and Management

Monitoring of liquidity risks is ascertained through daily reporting of the liquidity situation and a defined escalation process. A liquidity emergency plan has also been adopted in this context; this plan forms the functional and organisational framework for the handling of any liquidity shortages. The liquidity emergency plan is part of the pbb Recovery Plan and updated at least annually.

Liquidity risk management is based on various interconnected components (daily and monthly liquidity reports), which are based on a “liquidity risk tolerance” defined by the Management Board. This is to ensure that pbb Group has adequate liquidity reserves at its disposal.

Hedging and Reduction of Liquidity Risk

A risk tolerance system is in place, to limit liquidity risk. Risk tolerance is integrated in the liquidity management process by means of triggers (limit system), in order to safeguard a “survival period” for pbb Group in stressed conditions.

The limits applicable for risk tolerance are determined in line with stress scenarios, and adjusted at regular intervals.

Development of pbb Group's Risk Position

The cumulative liquidity position (liquid assets plus projected net cash flows) determined as part of the liquidity risk measurement process as at 31 December 2024 amounted to €4.1 billion for a 12-month horizon in the base scenario. In a comparison with the previous year, there was a decrease of €0.8 billion over the corresponding period. As at 31 December 2024, the cumulative liquidity position in the risk scenario in the 6-month forecast was €2.7 billion (31 December 2023: €2.5 billion). The cumulative liquidity position in the stress scenario in the 6-month forecast was €1.8 billion as at 31 December 2024 (31 December 2023: €1.5 billion).

Regulatory Liquidity Coverage Requirements (Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR))

The Liquidity Coverage Ratio (LCR) is calculated using the ratio of the liquidity buffer (liquid assets) to net liquidity outflows during a stress period of 30 days. A minimum LCR of 100% is mandatory in regulatory liquidity reporting.

The levels determined during 2024 were at any time clearly in excess of 100%. The Liquidity Coverage Ratio as at 31 December 2024 was 200%.

A NSFR ratio of 100% must be maintained since 30 June 2021. The NSFR shows the ratio of available stable funding (ASF) and required stable funding (RSF) and is designed to secure the medium and long-term structural liquidity.

The figures determined during 2024 were clearly above the ratio required under the regulatory regime. As at 31 December 2024, the NSFR was 116%.

Funding Markets

For details concerning developments on funding markets and changes in funding volumes during the period under review please refer to the chapter Development in financial position in the Report on the Economic position.

Forecast Liquidity Requirement

In addition to the forecast liquidity requirement for new business activities, the extent of future liquidity requirements also depends on numerous external factors:

- Monetary policy response to the inflationary trend (sudden interest rate hikes) and geopolitical risks and their potential impact on the real economy;
- potential impact of ESG factors on credit spreads and funding opportunities;
- future developments of haircuts applied to securities for repo funding on the market, and with central banks;
- possible additional collateral requirements as a result of changing market parameters (such as interest rates and foreign exchange rates);
- developments in requirements for hedges;
- changed requirements from rating agencies regarding the necessary over-collateralisation in the cover pools;
- refinancing requirements of real estate investors

Funding Risk

The chapter "Internal Capital Adequacy Assessment Process (ICAAP)" provides details concerning funding risk as part of business and strategic risk.

Market Liquidity Risk

For financial instruments, quantitative details for a better assessment of market liquidity risk can be obtained from the presentation of the three levels of the fair value hierarchy in the notes. Generally, there is no intention to sell holdings measured at amortised cost for liquidity management purposes, as liquidity for these holdings can mainly be generated by way of including them in the cover pool, using the funding opportunities provided by the central bank, or using them in repo transactions. Market liquidity risk is included in the internal risk management process as part of market risk.

Opportunities

The cumulative liquidity position in the base scenario shown in the section "Development of pbb Group's Risk Position" basically opens up the opportunity to react flexibly, particularly with regard to potential new business.

If the external factors specified in the section “Forecast Liquidity Requirement” were to develop favourably for pbb, this would result in a lower future liquidity requirement.

Operational Risk

Definition

According to CRR pbb defines the operational risk as follows: “the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk”. pbb recognises the following risks within the operational risk category: legal risk, behavioural risk, reputational risk, outsourcing risk, model risk as well as risks associated with information and communication technologies (systems ICT risk).

Strategy for Operational Risk

The priority of pbb Group’s operational risk management is to prevent operational risk events and to meet the defined risk appetite. Key cornerstones of this strategy are the early recognition, systematic recording and assessment of operational risk, taking measures for risk mitigation as well as an early management reporting. The operational risk management strategy is adopted by the Management Board on an annual basis as part of the overall risk strategy. It describes the management framework and the measures of pbb Group with regard to operational risk.

Organisation of Operational Risk Management

A consistent Group-wide framework is in place, governing responsibilities for managing operational risk based on the principle of the three lines of defence. In this context, heads of divisions – as risk owners –are responsible for managing operational risk, and for implementing risk-mitigating measures within the various business units (first line of defence). The second line of defence is represented in particular by the RMC division together with the Operational Risk (all operational risks), Validation & Model Risk Management (model risk) and Data Protection and Information Security (system ICT risk) units, as well as the Compliance (compliance risks, conduct risk), Finance (outsourcing risk, tax risks), IT (system ICT risk), Legal (legal risk) and Corporate Office/Corporate Development (business continuity management (BCM)) units. Within RMC, the Operational Risk unit – as the overarching Second Line of Defence for all operational risks – is responsible for uniform processes, instruments and methods for identifying, assessing, quantifying, monitoring and reporting on operational risk. Internal Audit constitutes the third line of defence.

Risk Reports, Monitoring and Management of Operational Risk

Essential components of operational risk management are as follows: recording, reporting and analysing internal and external loss data, operational risk self-assessments (ORSA) and scenario-based analysis. A structured and central reporting system is used to inform Management Board and division heads, the Risk Committee and other supervisory bodies concerning risk events on a regular, timely and comprehensive basis. Reports are prepared both ad-hoc (where material risk events are escalated) as well as on a monthly basis (Group Risk Report), on a quarterly (Key Risk Indicator Report) or annual (Annual OpRisk Report) basis. Operational risk reporting encompasses material loss events and near-losses, root cause analyses, top risk issues, the development of risk indicators, development of capital requirements as well as the results from ORSA and scenario analyses.

Management of ICT risk and outsourcing risk is fully integrated into operational risk management, and thus into the pbb’s risk and compliance structure. Risk management for ICT risk generally applies at process level. The annual protection requirement analysis, the quarterly reporting of relevant information and metrics such as the key performance indicators (KPIs) as well as the key risk indicators (KRIs), are all essential elements. Key elements of outsourcing risk management include the risk assessment of all outsourcing relationships, which is updated at least once a year for significant outsourcing and at least every three years for non-significant outsourcing, ongoing coverage by the Accountable Person for outsourcing, monitoring using suitable key risk indicators, and quarterly reporting to the Outsourcing Committee.

pbb Group uses models to quantify risks within the individual risk types, and to measure the fair value of financial instruments, which leads to model risks potentially incurred as a result of models which are incorrectly designed, implemented, or applied. To ensure that model risks are as low as possible, pbb has established a framework for model risk management.

Management of legal risk is aimed primarily at the prevention of losses which could be incurred if business activities of pbb Group are not documented with legal certainty. Wherever possible, a legally compliant organisation of business activities also serves to avoid legal disputes and to protect the integrity and reputation of pbb Group. In order to achieve this goal, the Legal department provides the entire pbb Group with a comprehensive, forward-looking business- and solution-oriented consultancy service. The Legal department assists business divisions by monitoring developments in the relevant legislation and case law, and reviews the effects of such developments on new and existing business. The results are discussed with the responsible divisions and/or in the Legal and Regulatory Risk Committee. The Legal Policy describes the roles and responsibilities of the Legal department within pbb Group and serves as a guideline for employees in the Legal department. Furthermore, the Legal department gives an assessment towards the Finance department whether provisions for pending legal cases have to be recognised. Moreover, the OpRisk loss database captures losses and provisions for legal risks which need to be seen in conjunction with operational risk events. Overall, legal risks are taken into consideration in the existing operational risk management framework, and are an integral part of, inter alia, the Key Risk Indicator Report, the Operational Risk Self-Assessment (ORSA), the analysis and reporting of risk events, as well as for determining economic capital.

ESG risks included in operational risk are also integrated into operational risk management.

Risk Measurement

Please refer to the chapter “Internal Capital Adequacy Assessment Process (ICAAP)” for further details on the quantification of operational risk including legal risks as well as the calculation results of the economic capital for operational risk.

In line with the Standardised Approach according to article 317 et seq. of CRR, the own funds requirement for operational risk, which is calculated at the end of each year, was €78 million as at 31 December 2024 (31 December 2023: €78 million).

Operational Risks Profile of pbb Group

In 2024, the pbb Group incurred a loss totalling €0.3 million due to operational risk (2023: €5.9 million).

Business and strategic risk

Within pbb Group, business and strategic risk is defined as the risk of negative deviations of income and expenses from the planned figures – as a result of strategic decisions, false assumptions or unexpected changes in the external framework conditions, to the extent that such deviations are not covered by other risk types, such as market risk, credit risk or operational risk. Please refer to the chapter “Internal Capital Adequacy Assessment Process (ICAAP)” for further details on the quantification as well as the calculation results of the economic capital of business and strategic risk.

Property Risk

Real estate risk is defined as the potential negative change in value in pbb’s own properties due to a deterioration of the real estate market or economic framework, or a negative change in the special characteristics of the individual properties caused by vacancies, change in potential uses, building damage, need for investment, legal and economic frameworks, and other factors.

As at 31 December 2024 as well as at 31 December 2023, pbb did not hold any own properties.

Participation Risk

Consolidated companies are taken into account in the monthly assessment of the capital adequacy of pbb Group or already in the individual risk types via the complete consideration of their assets and liabilities and do not require any further consideration in the participation risk. In order to monitor the risk of changes in the value of participations and affiliated companies, only the participations of pbb Group in non-consolidated companies are therefore considered. The participation risk is considered to be material, as there is currently one participation in the course of restructuring and new participations may arise at any time. The risks are mapped accordingly in the economic perspective.

Pension risk

Pension risk is defined as the risk of incurring additional expenses due to insufficient capitalisation of pension obligations from defined benefit plans. It is considered within the scope of ICAAP. Pension risk is included in the market risk, for details, please refer to the chapter “Internal Capital Adequacy Assessment Process (ICAAP)”.

Central Counterparty (CCP) risk

Central counterparty (CCP) risk defines the risk of losses caused by liability claims of the CCP against pbb, for example, in the event of the default of a clearing member. The risk is taken into account in the economic perspective, using a buffer in the available financial resources, and in the normative perspective when calculating risk-weighted assets.

Environmental, Social and Governance (ESG) risk

Definition

In accordance with the EBA Report on Management and Supervision of ESG Risks for Credit Institutions and Investment Firms (EBA/REP/2021/18), the 8th MaRisk amendment and the ECB Guidelines on Climate-related and Environmental Risks, pbb Group defines ESG risk as the risk of adverse financial effects on the institution resulting from the actual or expected impact of ESG factors on the Group’s counterparties, or on its invested assets. ESG factors are environmental, social or governance aspects that could have a positive or negative impact on the financial performance or solvency of a company, sovereign or individual. ESG risk also encompasses negative financial, economic and social impacts that could arise from the activities of the institution itself.

ESG risks include the following components:

- **Environmental risks:** Climate and environmental risks refer to risks of losses and negative impacts due to climate change and the destruction of the environment. The general understanding is that climate and environmental risks comprise the following two main risk drivers:
  - **Physical risk:** Physical risk refers to the financial impact of a changing climate. These impacts include more frequent extreme weather events and gradual changes in the climate, as well as environmental destruction (e.g. in the form of air and water pollution, land contamination, water stress, biodiversity loss and deforestation). A physical risk is considered to be acute if it materialises due to extreme events, such as drought, flooding or storms. If it is the result of gradual changes (such as rising temperatures, rising sea levels, water stress, biodiversity loss, changes in the use of land, destruction of natural habitats and resource scarcity), it is classified as chronic. Impacts can occur directly (e.g. as physical loss or damage or in the form of lower productivity) or indirectly, e.g. as a result of subsequent events such as supply chain disruption.
  - **Transition risk:** Transition risk describes financial losses that institutions can incur, directly or indirectly, as a result of the process of adjustment leading to a lower-carbon and more environmentally sustainable economy. This risk could materialise, for example, due to political measures adopted at very short notice to protect the climate and the environment, due to technical progress or due to changes in market sentiment and preferences.

- **Social risks:** pbb Group defines social risks as the risks of an adverse financial impact on the institution resulting from current or future effects of social factors – especially non-compliance with human and employees' rights and matters, any negative impact of business activities on society/communities in general or specifically (such as on indigenous minorities or similar groups), or from product safety and end-customers – on its counterparties or invested assets. Negative effects can also result from social factors associated with the institution's own activities.
- **Governance risks:** pbb defines governance risks as the risks of a negative financial impact on the institution resulting from current or future effects of governance factors on its counterparties or invested assets. Negative effects can also result from governance factors associated with the institution's own activities.

pbb considers risks from ESG components to be a cross-sectional risk, as the respective risk factors have an impact on other types of risk.

ESG risk identification: materiality analysis and assessment

To ensure that ESG risks are given adequate consideration in the Bank's risk management processes, an identification and assessment process for ESG risk drivers was established as a firm component of the annual risk inventory. The requirements from the EU taxonomy (for climate and environmental aspects) and materiality considerations as defined by the CSRD were included in this process. According to pbb's assessment, the identification and assessment process for ESG risk drivers thus covers all relevant regulations at the current stage. By identifying and describing the possible impact channels of the ESG risk factors considered, it became clear to what extent the economic and financial activities of a company are affected (financial materiality/outside-in) and how the activities of a company affect ESG factors (ecological and social materiality/inside-out) and in what time frame. The distinction between these two perspectives results from the application of the principle of "dual materiality" and thus also results in two different types of materiality.

Overall, risk factors for climate, environment, social issues and governance were analysed. At the end of the assessment, the influence of the identified potential ESG risk drivers on the individual risk types is analysed and evaluated. All relevant experts are involved in the steps of the assessment process, in particular those with knowledge of lending and property valuation, experts from the HR, legal and compliance departments and from the RMC division. With regard to the materiality of the environmental, social and governance risk factors, the analyses of the risk inventory were interlinked with the results of the materiality analysis from the future CSRD reporting obligation, in which partial results from the CSRD workshops held for this purpose were also considered.

In the ESG materiality assessment, all acute and chronic climate risks are taken into account as far as possible in accordance with the EU taxonomy. The Bank has drawn up and analysed its own list of assessed environmental factors and transitory factors in line with its business activities and regulatory requirements. The list for social and governance factors was derived from CSRD (overarching) topics required by supervisory law.

In the materiality assessment, suitable data is used for each risk factor for the portfolio (according to pbb's assessment). The assessment of materiality was separated according to pbb's business activities for the REF segment and the NC and C&A. For factors with available ESG risk data, a quantitative materiality threshold was applied. In the case of ESG risk factors without quantitative risk assessment, there is only an expert judgement. Accordingly, the results of the materiality analysis are based on both quantitative and qualitative assessments of the portfolio.

For environmental and climate risk factors, external location-specific risk data from the insurance industry and from public hazard maps were requested and analysed, and quantitative materiality definitions were applied where possible. In order to assess biodiversity and environmental risks, pbb quantitatively analysed suitable public environmental and biodiversity scores for the underlying economic sectors of our customers for the entire portfolio. For the REF segment, a possible contribution to biodiversity loss through land use change was also analysed using satellite data on the type of land cover at the locations of the properties financed in Europe. The materiality of the aforementioned transitory risk factors for the REF segment was determined qualitatively using expert judgement. In addition, possible effects of transitory risk factors identified as material on the counterparty default risk in various (climate) scenarios were quantitatively determined using suitable assumptions as part of the macroeconomic stress test. For the materiality assessment for the NC and C&A segment, relevant transitory risk factors were assessed in terms of their potential impact on credit risk using data-based expert judgement. All governance and social factors were assessed using qualitative expert judgement via the newly designed CSRD workshop process, in which both experts and stakeholders judge materiality in both perspectives.

As a result of the comprehensive, systematic materiality analysis, specific risk factors relating to physical climate and environmental risk, transitory risk and governance risk were categorised as material. Biodiversity risks - both inside-out and outside-in - were not classified as material. In the area of social risk, none of the risk factors analysed were identified as material.

The following table provides an overview in accordance with the 2025 risk inventory finalised in November 2024:

Risk	Designation	Portfolio[1)]	Time horizon	Perspective
Climate and environment Physical risk: Acute climate hazards	Flood, storm (including cyclone, hurricane, typhoon)	REF/NC/C&A	Medium term (1-5 years)	Financially material (Outside-in)
	Heavy rain fall		Long term (> 5 years)	
	Heatwave, landslide, forest fire	NC/C&A	Medium term (1-5 years)	
	Drought	NC/C&A	Long term (> 5 years)	
	Tornado	REF	Medium term (1-5 years)	
Physical risk: Chronic climate hazards	None			
Physical risk: Environmental factors	Soiling / contamination	REF	Short term (< 1 year)	Financially material (Outside-in) & Ecologically and socially essential (Inside-out)
	Volcanism, earthquakes	REF / NC / C&A	Short term (< 1 year)	Financially material (Outside-in)
	Tsunami	REF	Short term (< 1 year)	Financially material (Outside-in)
Transitory Risk factors	Low energy efficiency / high energy consumption, high CO_2 footprint (Scope 1, 2, 3 emissions)	REF/NC/C&A	Medium term (1-5 years)	Financially material (Outside-in) & Ecologically

				and socially essential (Inside-out)
	New sustainability and environmental regulations / CO2 pricing	REF	Long term (> 5 years)	Financially material (Outside-in)
	Market sentiment			Financially material (Outside-in) & Ecologically and socially essential (Inside-out)
Social Risk factors	None			
Governance Risk factors	Unethical corporate behaviour culture, Unethical corporate behaviour culture - greenwashing, supplier management/unethical supplier behaviour and payment practices, anti-competitive behaviour and political engagement or lobbying, corruption and bribery		Short term (< 1 year)	Financially material (Outside-in) & Ecologically and socially essential (Inside-out)

[1)] Portfolio by operating segment: REF, NC and C&A.

The physical and transitory environmental risk factors have an influence on the creditworthiness of customers and are therefore relevant for the counterparty default risk. The assessment was primarily based on the described impact channels on the financial materiality of the individual potential risk factors in relation to the property portfolio (REF business division) and the NC segment. In addition, possible effects of transitory risk factors on counterparty default risk in various (climate) scenarios were quantitatively determined using suitable assumptions as part of the macroeconomic stress test. ESG risk is not classified as material in market risk or liquidity and funding risk. There are currently no recognisable direct sustainability risks for either pbb's market risk position or its liquidity position. All material aspects of ESG risk that may be relevant for liquidity risk are currently already taken into account in the known prudential risk types (such as credit risk and market risk).

Some acute physical risk factors (heavy rainfall, storms and tornadoes) could, with a low probability and to a limited extent, lead to damage to property or disruptions to the Bank's business continuity and are therefore relevant to operational risk. There is also a potential impact of transitory, environmental and governance factors on reputational, legal and liability risks as well as business and strategic risk. Overall, the ESG risk is classified as material.

Consideration in economic and regulatory capital

Based on the findings of the materiality analysis and the risk inventory, including the results regarding the impact on the individual risk types, ESG risks were taken into account in the economic and regulatory capital and are thus fully integrated into the ICAAP. Climate and environmental risks are taken into account in regulatory capital (i) by including them in the collateral valuation and (ii) by implementing a technical warning signal and an override option in the rating process. In the property business, these two measures are aimed at taking climate and environmental risks into account both for transactions under the standardised approach and for transactions under the F-IRB approach.

For quantification in economic capital, climate and environmental risks are explicitly taken into account in the Pillar II models for operational risk, business and strategic risk and credit risk. For the latter, this was implemented by means of a risk buffer. For other risk types, such as market risk, it was determined as a result of the risk inventory that C&E risk contributions are not relevant.

In addition, climate and environmental risk-related stress effects are taken into account as part of the regular annual stress test programme. The scenarios considered were expanded to cover both physical and transitory risks, and the short-term transition scenario was designed as a reverse stress test.

In order to systematically examine the potential vulnerability of pbb's portfolio and capital position with regard to medium-term transitory climate and environmental risks, a corresponding short-term transition scenario is defined, fully calculated and analysed within the normative and economic ICAAP perspective, and finally firmly integrated into the stress test programme.

A combined long-term transition risk and chronic physical risk scenario was calculated in order to extend the focus to potential events that manifest themselves over a long-term period. In this scenario, the period up to 2050 was considered under different climate transition paths. The impact of acute physical risks was analysed in a dedicated scenario. In addition, the results of pbb's C&E stress tests are limited in terms of capital ratios and therefore relevant for the implementation of its business model and capital management.

Specific models have been used to calculate the effects of the various stress scenarios for the banking business and to manage the risks recognised as a result, taking into account the climate-specific parameters. The results of the three climate risk scenarios have been taken into account in the ICAAP and ILAAP management circles.

Consideration in the ILAAP

As an integral part of the ILAAP, possible risk drivers of ESG risk on liquidity are analysed at least once a year. A standardised, integrated ESG stress test is carried out to identify potential effects. The results from an ILAAP perspective are presented to the Risk Committee and a change to the methodology is proposed if necessary. There are currently no material ESG risks for the ILAAP assessment.

Monitoring and supervision ESG risk

pbb aims to consider sustainability aspects within all its business activities, and to minimise the risk of negative consequences due to ESG risks. To ensure comprehensive compliance in this respect, appropriate monitoring of ESG risk is essential so that immediate countermeasures can be taken if necessary.

Specific risk indicators have been defined and assigned to the individual components for monitoring the various aspects of the Group's own ESG risk (inside-out perspective). Based on a traffic light system, amber and red thresholds have been defined for these risk indicators. Risk indicator reporting is performed within the scope of the Key Risk Indicator (KRI) report for non-financial risks in the Risk Committee, to the Management Board and to the division heads on a quarterly basis. Both the ESG risk indicators and the internal targets for the various aspects of ESG risk are continuously developed, enhanced and specified.

The monitoring of environmental risk (outside-in perspective) is currently focussed in particular on the aspects of mitigation and climate change adaptation associated with (pbb-)financed properties. In internal risk reporting, monitoring has been established with regard to exposures potentially affected by physical and transitory risks as well as the risk of environmental pollution, both for the REF portfolio and for the Non-Core and C&A portfolios. Internal reporting also provides additional transparency with information on E-related market risk sensitivities and ESG-related losses in the case of operational risk in the REF portfolio. Internal reporting is continuously expanded in line with the data situation. The quarterly KRI report contains portfolio information regarding transparency based on the total "scored" share and the share of the portfolio assessed as "green".

The monitoring and management of social and governance risks focusses primarily on governance indicators, such as the prevention of money laundering and terrorist financing, compliance with financial sanctions and embargoes, and the prevention of fraud and other criminal acts, particularly the prevention of corruption. pbb Group has put appropriate safeguards in place in this respect and, in addition to a Compliance Policy and the Code of Conduct, has issued various other internal guidelines, instructions and process descriptions. Compliance is responsible for ensuring due and proper adherence to these requirements. As an investment services provider, pbb also observes a whole range of regulations and requirements, in particular to ensure appropriate client/investor protection and, consequently, also to safeguard its own reputation.

Management of ESG risks

REF

The principle of ecological sustainability of the properties to be financed within the pbb Group is based on the close interlinking of the Sales, Credit and Risk Management divisions as well as the appraisers, and is an integral part of the lending decision process. The analysis with regard to taxonomy conformity or defined e-criteria in accordance with the pbb Green Scoring Model with its three pillars: energy efficiency, "green building" certifications and additional sustainability criteria (e.g. distance to public transport, use of green electricity) including the decarbonisation tool, which is based on the CRREM tool, is an integral part of every new business. In addition, there is a particular focus on the opportunities for transformation into sustainable properties, for example through the establishment of Eco Estate GmbH in cooperation with Groß & Partner Grundstücksentwicklungsgesellschaft mbH. In addition to offering ESG products, pbb Group can thus also support its customers on the path to greater sustainability by providing sector-specific ESG advice.

At the same time, systematic and comprehensive data on sustainability aspects is collected as part of new business and also from customers with existing financing. As at 31 December 2024, 85% of the real estate portfolio had undergone pbb's "Green" scoring. This means that the target ratio of 75% was achieved early in 2024. Accordingly, pbb Group has gained a meaningful overview of the sustainability of its loan portfolio and the associated risks, and has laid the foundation for the long-term management of ESG risks.

Monitoring is carried out monthly with regard to all properties subject to pbb's "Green" scoring as well as with regard to the scores achieved, the breakdown by asset class and country and the identification of potential risk clusters. Monitoring with regard to early warning indicators and other monitoring aspects is systematically expanded and further developed.

In order to align the financing portfolio with the 1.5 degree target, pbb Group developed a decarbonisation pathway for the REF portfolio in 2024. Climate targets were defined on the basis of the financing portfolio's greenhouse gas footprint. On this basis, pbb Group aims, among other things, to reduce the CO_2 emissions intensity of the REF portfolio to defined interim target values by 2050. Corresponding control mechanisms are currently being prepared.

NON-REF

The Non-REF portfolio includes the NC portfolio and C&A. The ESG risk for the Non-REF portfolio is generally classified as low.

The NC portfolio is a wind-down portfolio and therefore, due to the low ESG risk, no active management of ESG risks is planned and is instead reduced through constant redemptions (average remaining term of around 10 years). No new business was entered into in 2024.

C&A includes internal reconciliation and consolidation positions as well as asset positions for asset and liability management. ESG risks for this are generally managed by analysing the creditworthiness of business partners and taking into account the separate analysis and assessment of ESG risks by external rating agencies in their rating assignments.

ESG risk is managed in accordance with the "3 Lines of Defence (3 LoD)" principle, with the risk owners of the various specialist departments that are particularly close to customers/public (Sales, PAV, CRM, Communications, Finance, Treasury and Corporate Office) forming the first line of defence. The second line of defence is formed by the RMC and Compliance departments with support functions from Human Resources and IT. The GIA area represents the third line of defence. The assessment register for the categorised ESG risk factors created as part of the materiality analysis is used as the basis for assigning the specialist areas and associated key controls according to the principle of the three lines of defence.

Opportunities

In general, there is also potential for opportunities in the context of ESG risk. This arises from sector-specific aspects, in particular the offer of sustainable financing solutions ("green loans") and the issue of green bonds.

Overall, on the assets side, the sustainability strategy focuses on support for financing the acquirer of green properties as well as green developments and transformation projects (manage-to-green) such as energy-efficient refurbishments and thus improvements to the energy efficiency of existing buildings. Sustainable financing solutions reduce the likelihood of loan defaults, increase the value of collateral and prevent potential reputational damage. The establishment of Eco Estate also offers potential opportunities through its Green Consulting. With pbb invest and the new Originate & Cooperate sub-segment, pbb Group is also further expanding its commission business, which will partly consist of green investment products. However, the main focus remains on the existing product range, which is also the primary focus of the sustainability strategy.

Client orientation and internal governance are further fundamental success factors for pbb in order to secure the financing portfolio, and give the Bank the opportunity to set itself apart from its peers, in positive terms, in a direct comparison.

Moreover, the qualifications and satisfaction of our employees are the main foundation for the quality of their work, and thus for the Company's potential.

The sustainability strategy is essentially an integral part of the business strategy and is designed to continue to reinforce ESG as a core brand element, minimise sustainability risks to the greatest extent possible, whilst making use of the different opportunities that arise.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

Pursuant to section 91 (2) of the German Public Limited Companies Act (Aktiengesetz – “AktG”) and section 25a (1) of the German Banking Act (Kreditwesengesetz – “KWG”), pbb Group is obliged to establish appropriate and effective internal procedures in order to ensure the Bank’s risk-bearing capacity at all times. The Internal Capital Adequacy Assessment Process (ICAAP) is subject to regulatory review (within the framework of the SREP); it complements the regulatory procedures under Pillar 1 of the Basel III framework, as laid down in the CRR and the CRD.

Pursuant to the „ECB Guide to the internal capital adequacy assessment process (ICAAP)“, published in November 2018, regulatory authorities expect banks to apply two supplementary ICAAP perspectives, one being normative and the other being economic. In line with current ICAAP methodology, the capital adequacy assessment is evaluated from a normative as well as from an economic perspective. Both perspectives are aimed at the sustainability of the business and capital planning, and on the long-term viability of the pbb Group.

The normative perspective is geared towards securing the regulatory and supervisory requirements for capital and liquidity over several years. Particular focus is placed on forward-looking compliance with supervisory capital ratio requirements under expected and adverse conditions. The normative perspective also takes into account both the cross-institutional capital ratios required pursuant to the CRR and the bank-specific minimum ratios for own funds according to the ECB’s SREP decision. Capital-related regulatory and legal requirements comprise the CET1 ratio, tier 1 ratio, own funds ratio, Leverage Ratio, as well as rules concerning MREL (Minimum Requirements on Own Funds and Eligible Liabilities) and large loan exposure limits.

The economic perspective is an additional, parallel management approach on an equal footing that monitors capital on an ongoing basis, with reports submitted on a monthly basis. It aims to safeguard the economic viability of the institution, and is therefore geared towards maintaining the institution's net asset value. For this purpose, all material economic risks are viewed from a present value perspective, quantified as far as possible using models, and aggregated to economic capital. Economic capital is defined as the capital required to cover the financial risks, taking into account a confidence level of 99.9% over a one-year horizon. It is calculated for all relevant types of risk, and aggregated to form total economic capital (after diversification effects). The capital available to cover total risk is calculated and compared to economic capital.

Risks identified in the risk inventory as material having an impact on capital and income - these are market risk, credit risk, business and strategic risk, operational risk, property risk and participation risk - are included in the ICAAP, using models or other methods to quantify the economic capital of these risk types. Within these risk types, there are further material sub-risks at a granular level, which were recognised as other risks in the ICAAP in the reporting period; these include extension risk, the settlement risk of derivatives, the realisation risk of defaulted customers and ESG risks. Funding risk is included in business and strategic risk.

Over and above the risk-bearing capacity analysis, the ICAAP comprises additional management tools, including a system of limits and early-warning thresholds, as well as a comprehensive monthly monitoring and reporting process. Moreover, key indicators selected within the scope of base and stress scenarios are projected over a period of up to three years, with limits and early-warning thresholds also assigned to these figures. Limit compliance, in combination with a defined escalation process, supports the continuous safeguarding of an appropriate capitalisation.

The results of the ICAAP and of the stress tests are regularly presented to the Management Board and the Risk Committee. The content of the risk-bearing capacity analysis are discussed there – if necessary, management measures are defined.

The methods of calculating economic capital for the individual risk types, as well as risk indicators as at the reporting date, are described in greater detail in the following sub-sections, and in the chapter “Result of Risk-bearing Capacity Analysis”.

Quantification of economic capital for individual risk types

For internal assessment of the Internal Capital Adequacy Assessment Process in line with the economic perspective, economic capital for quantifiable risks is determined using models or scenario analyses, and aggregated into overall bank risk using a mathematical/statistical approach, taking specific correlations between market and counterparty credit risks into account. Thereby risks are calculated for a one-year period, using a confidence level of 99.9%.

The methods of calculating economic capital for the individual material risk types for 2024 are explained below.

Economic capital for Credit Risk

For calculating the credit risk at the portfolio level, a credit portfolio model which is based on the approach of a so-called asset value model is used. The fundamental concept used involves the repeated simulation of correlated rating migrations for borrowers, whereby the associated portfolio revaluation is used to derive a statistical distribution of losses – which is in turn used to derive economic capital in terms of unexpected losses. Economic capital quantifies the maximum unexpected loss, given a pre-defined confidence level, which may be incurred due to rating migrations (including defaults) in the lending business within a single year. Besides the loss distribution of the credit portfolio, as a significant result of this process, credit risk capital can be assigned to individual borrower units in line with the risks involved, using the so-called expected shortfall principle. This ensures a risk-adequate allocation to borrowers, and thus constitutes a major cornerstone in the risk-oriented management of the credit portfolio. During the observation period, correlations between borrowers, borrower groups and regions were updated.

Credit risk reported comprises default and migration risk, transfer and conversion risk, concentration risk and model risk. Certain elements of counterparty credit risk, such as the realisation risk of defaulted customers, settlement risk and extension risk are not reported directly as part of counterparty credit risk, but are regularly updated, constituting a component of overall risk as ‘other risks’.

Economic capital for Market Risk (including Pension Risk)

The purpose of calculating economic capital for market risk is to identify potential financial losses resulting from price changes affecting all positions. For this purpose, potential non-systematic losses, derived from historical time series of certain influencing (risk) factors such as interest rates, exchange rates or credit spreads are derived from a historical period going back to 1 July 2007. The historical observation period for risk factors underlying market risk calculations therefore comprises more than ten years, ensuring that adverse economic phases for pbb are adequately taken into account and captured by the model. Ultimately, using a simulation procedure and applying sensitivities of financial instruments to risk factors, the annual loss distribution of portfolio market value is determined, which allows to determine economic capital at the set confidence level.

Economic capital for Operational Risk

Within the framework of the ICAAP, operational risk is quantified using the so-called loss distribution approach (LDA), whereby distributions for damage amounts and frequency are determined individually, using internal loss data from the loss database. External and scenario-based data is also included in the modelling approach. The full loss distribution is generated using a Monte Carlo simulation technique; diversification effects between the various sub-types of risk and modelling categories are considered. The economic capital for operational risk includes a buffer for possible model uncertainties. Furthermore, it is ensured that the economic capital figure calculated does not fall short of a specific floor. This floor is in line with the adjusted regulatory capital determined in accordance with the standardised approach pursuant to the CRR.

Economic capital for business and strategic risk

Business and strategic risk is quantified in the ICAAP by means of scenario analyses of all relevant items of the income statement. When deriving available financial resources, pbb Group does not consider any planned profits. This way, a buffer at least equivalent to the amount of positive projected results is reserved for business and strategic risk, since this type of risk is defined as the risk of potential negative deviations from planned income and expenses. In case higher than planned gains are calculated within the scope of quantifying business and strategic risk, the value of business and strategic risk exceeding the planned annual profit of pbb Group is reported as a risk amount.

Liquidity Risk in the ICAAP

Capital backing of liquidity risk in the narrower sense is not possible. Liquidity risk in the broader sense – i.e. the risk of higher funding costs for unexpected potential funding requirements, is shown in economic capital for business and strategic risk.

Result of Risk-bearing Capacity Analysis

Normative perspective

For a detailed description of the regulatory indicators measured as at the reporting date (CET1 ratio, tier 1 ratio, own funds ratio, MREL and Leverage Ratio), please refer to the chapter “Key regulatory capital ratios” in the risk and opportunity report. The requirements for regulatory capital ratios were satisfied at any time throughout the reporting period. In the future-oriented medium-term analysis of key capital ratios required by regulators, these were above the internal limits in the base scenario and in the stress scenarios at the end of the year.

Economic perspective

in € million	31.12.2024	31.12.2023	Change
Credit risk	1,017	923	94
Market risk	407	541	-134
Operational risk	80	86	-6
Business and strategic risk	87	27	60
Property risk	-	-	-
Other risks	134	73	61
Total before diversification effects	**1,725**	**1,650**	**75**
Total after diversification effects	**1,666**	**1,559**	**107**
Available financial resources before net hidden losses	2,786	2,794	-8
Net hidden losses	-85	-89	4
Available financial resources	**2,701**	**2,705**	**-4**
Excess capital	1,035	1,145	-110
Internal Capital Adequacy ratio in %	162	173	-11

From an economic perspective, the overall risk after diversification effects increased in the reporting period. The decline in economic capital from market risk and operational risk was more than offset by an increase from credit risk, business and strategic risk and other risks. The increase in economic capital in credit risk was driven by the deterioration in portfolio quality, particularly in the USA, and by an adjustment of the risk parameters in REF, which was mitigated by the reduction in Non-Core. The increase in other risks was primarily due to higher unexpected losses of defaulted customers and the first-time inclusion of ESG risks. The economic capital from business and strategic risk increased, primarily due to the increase in funding spreads. Market risk has decreased due to lower credit spread and interest rate risks, primarily driven by the sale of bonds. The economic capital for operational risk is calculated at least annually and has decreased due to the update of the input data used. pbb still continues to hold no properties during the period under review. The economic capital from investment risks is currently deducted when determining the available financial resources.

This contrasts with the available financial resources, which remained almost constant in the reporting period. Compared to the end of 2023, excess capital has decreased due to the increase in economic capital and the internal capital adequacy ratio, defined as the ratio of aggregate risk cover to diversified economic capital, has decreased. Overall, the risk-bearing capacity was also demonstrated for the economic perspective as at the reporting date.

Should credit spreads widen or credit ratings of European public debtors worsen, owing to economic or political developments, both a corresponding increase in credit risk and a reduction in available financial resources (given an increase in net hidden losses and lower equity) are to be expected, notwithstanding any countermeasures taken. A further deterioration in the real estate markets would lead to a deterioration in the rating of the corresponding debtors and thus to a higher credit risk. In addition, a deterioration in funding spreads could have a negative impact on market risk.

Opportunities

A quick economic recovery would lead to tightening credit spreads and generally improved ratings. This would strengthen available financial resources further and hence, excess coverage in the ICAAP.

Stress testing

Stress tests play a major role, both from a supervisory perspective and for the Bank's internal management. All activities, developments and decisions relating to stress tests are brought together within the Risk Committee and the subordinated Stress Test Committee.

As part of an integrated approach, the impact of macroeconomic stress scenarios on the material metrics of the normative and economic perspectives was calculated for a horizon of several years during the period under review. Stress scenarios were developed, particularly in relation to geopolitical conflicts and the development of inflation as well as the resulting macroeconomic developments, and the impact these events could have on the Bank was analysed. Due to the very dynamic development, these scenarios are subject to a high degree of uncertainty.

Furthermore, stress tests relating to economic capital and available financial resources are used to obtain a deeper understanding of the sensitivity of risk-bearing capacity to adverse changes in economic factors. In addition, inverse stress tests are conducted regularly. The results of these tests describe specific constellations of parameters under which the risk-bearing capacity would be at risk.

SREP

The objective of the SREP is a comprehensive analysis of institutions supervised by the ECB – comprising an assessment of the business model, risk and corporate governance, risk situation, as well as capitalisation and liquidity status.

Based on the results of the analysis as well as using benchmark comparison, the ECB may impose minimum capitalisation or liquidity requirements, over and above existing regulatory requirements. As a key result of the SREP, pbb had to maintain a minimum CET1 ratio of 8.69% in 2024 (excluding the countercyclical capital buffer, which varies by country and therefore by portfolio, and the sectoral systemic risk buffer). This requirement consists of a Pillar 1 minimum capital requirement (4.5%), a Pillar 2 capital requirement (P2R: 3%) and the capital conservation buffer (CCB: 2.5%). Of the Pillar 2 capital requirement of 3%, around 1.69% (56.25%) must be held as Common Equity Tier 1 (CET1) capital and 2.25% (75%) as Tier 1 capital. In addition, pbb had to fulfil a total capital requirement of 13.5% in 2024 (excluding the countercyclical capital buffer, which varies by country and therefore by portfolio, and the sectoral systemic risk buffer). It comprises a Pillar 1 minimum capital requirement (8.0%), a Pillar 2 capital requirement (3%) and the capital conservation buffer (2.5%). pbb complied with both requirements at all times during the year under review.

The CET1 minimum capital requirement that applies also represents the threshold for mandatory calculation of a so-called maximum distributable amount (MDA). This generally limits distributions to the CET1 capital, new performance-based remuneration, and interest payments on additional Tier 1 capital (AT1 capital).

The Pillar 2 capital requirement notified to pbb in the ECB's SREP letter dated 10 December 2024 and valid since 1 January 2025 is 3.25%. As a result, a minimum CET1 ratio of 8.83% (excluding the countercyclical capital buffer, which varies from country to country and hence from portfolio to portfolio, and the sectoral systemic risk buffer) must be maintained from this date; in addition to the Pillar 2 capital requirement, this comprises the Pillar 1 minimum capital requirement (4.5%) and the capital conservation buffer (CCB: 2.5%). In addition, pbb has had to meet a total capital requirement of 13.75% since 1 January 2025 (excluding the countercyclical capital buffer, which varies by country and therefore by portfolio, and the sectoral systemic risk buffer). It is made up of a Pillar 1 minimum capital requirement (8.0%), a Pillar 2 capital requirement (3.25%) and the capital conservation buffer (2.5%).

Key Regulatory Capital Ratios

Together with the Capital Requirements Directive (CRD), the CRR forms the basis for determining regulatory capital requirements. Besides the minimum capital ratios, these regulations also govern requirements for the eligibility of capital instruments as well as the mandatory determination of regulatory capital, in line with the accounting standards used. For this reason, pbb has determined its regulatory capital ratios based on IFRS.

With the approval of the ECB, pbb Group uses the waiver rule pursuant to Article 7 (3) of the CRR; the Group is therefore exempt from determining own funds requirements at a single-entity level.

Since the reporting date of 30 June 2024, two approaches have been used to determine the regulatory capital requirements. These are the Foundation Internal Rating Based Approach (F-IRBA) for the majority of commercial property financing and the Standardised Approach (STA) for the remaining risk positions. For a transitional period until Basel IV comes into force on 1 January 2025, the calculation of risk-weighted exposure values under F-IRBA was calibrated to standardised parameters.

The requirements for regulatory capital ratios were satisfied at any time throughout the reporting period.

Own Funds

in € million	**31.12.2024[1)]**	**31.12.2023[2)]**
CET1	2,974	2,910
Additional Tier 1	298	298
Tier 1	3,271	3,208
Tier 2	273	396
Own Funds	**3,544**	**3,604**

[1)] After approval of the 2024 consolidated financial statements less AT1 coupon and less the proposed dividends (subject to approval by the Annual General Meeting).
[2)] After approval of the 2023 consolidated financial statements.

Risk-weighted assets (RWA)

in € million	**31.12.2024**	**31.12.2023**
Credit risk (without Counterparty credit risk)	19,300	17,104
Counterparty credit risk	307	363
Thereof CVA Charge	131	119
Market risk	43	52
Thereof interest rate risks	-	-
Thereof foreign exchange risks	43	52
Operational risk	980	975
RWA total	**20,630**	**18,495**

Capital ratios

in %	**31.12.2024[1)]**	**31.12.2023[2)]**
CET1 Ratio	14.4	15.7
Tier 1 Ratio	15.9	17.3
Own Funds Ratio	17.2	19.5

[1)] After approval of the 2024 consolidated financial statements less AT1 coupon and less the proposed dividends (subject to approval by the Annual General Meeting).
[2)] After approval of the 2023 consolidated financial statements.

Leverage ratio

in %	**31.12.2024[1)]**	**31.12.2023[)]**
Leverage ratio	7.5	6.2

[1)] After approval of the 2024 consolidated financial statements less AT1 coupon and less the proposed dividends (subject to approval by the Annual General Meeting).
[2)] After approval of the 2023 consolidated financial statements.

MREL (Minimum Requirements for Own Funds and Eligible Liabilities)

Under the European resolution and reorganisation regime, institutions are obliged to hold liabilities convertible into equity in the amount of the MREL ratio in addition to regulatory own funds. In the event of resolution, own funds and liabilities can be used for loss absorption and subsequent recapitalisation. There are clear limits to the possibility of converting liabilities (bail-in capability). In particular, there is the principle that no creditor may be placed in a worse position than through the regular insolvency proceedings (NCWO - Principle of No Creditor Worse Off). Furthermore, certain liabilities are excluded from conversion, for example deposits, insofar as they are secured by the national deposit protection fund. As part of the annual redefinition of the minimum requirements by the Single Resolution Board (SRB), several MREL requirements are defined. These relate to own funds and eligible liabilities on the one hand, and own funds and subordinated liabilities on the other. The leverage ratio exposure amount (LRE) on the one hand and the total risk exposure amount (TREA) on the other serve as benchmarks for the regulatory minimum requirements. The MREL ratio, which was previously also calculated internally according to total liabilities and own funds (TLOF), is no longer part of bank management. TLOF is merely a starting point for calculating the LRE requirement. Internal bank management is based on the highest requirement in each case. The MREL requirement in the reporting year was exceeded by more than € 1.2 billion (31 December 2023: € 1.8 billion). The decrease compared to the previous year's reporting date is materially due to the increase in the TREA as a result of the change from A-IRBA to F-IRBA at the end of the first half of 2024 with the simultaneous temporary calibration of risk-weighted assets to standardised parameters. With the entry into force of Basel IV on 1 January 2025 and the associated end of the aforementioned calibration, a significant decrease in the MREL requirement in relation to TREA and thus a corresponding increase in overfulfilment of the MREL requirement is assumed. Due to a more specific definition of eligible liabilities during the course of the year, the existing overcapacity subsequently increased from € 1.7 billion to € 1.8 billion compared to the annual report as at 31 December 2023.

Recovery and Resolution Planning

Recovery and Resolution Planning

A uniform bank resolution regime is a key component of European Banking Union. With the BRRD, which has harmonised recovery and resolution tools, and with the Regulation setting up the Single Resolution Mechanism (“SRM”), the legal basis therefore was established. In Germany, the BRRD was implemented by the SAG, while the SRM Regulation applies directly.

Recovery Planning

Pursuant to section 12 (1) of the SAG, every institution must prepare a recovery plan and submit it to the supervisory authorities. pbb’s Recovery Plan is based on the Bank’s accounting and financial reporting in accordance with IFRS; it takes numerous directives and regulations into account, including the BRRD, together with related directives and technical standards published by the European Banking Authority (EBA), the SRM, as well as the SAG. The objective of recovery planning is to develop measures that can be used to safeguard or restore the financial stability of the institution if its assets, financial position and earnings deteriorate significantly in theoretical crisis scenarios and this deterioration could jeopardise its continued existence. A possible impact upon the financial sector as a whole is also considered in this context.

The monitoring of recovery indicators, as well as recovery governance, are enshrined within the organisational as well as operating structures; they form part of the Bank’s overall management.

The Recovery Plan is updated at least once a year, or on an event-driven basis, taking applicable regulatory requirements into account.

Resolution Planning

In contrast to the Recovery Plan, the Wind-down Plan is conceived by the resolution authorities and not by pbb itself. In this context, pbb works closely together with the Single Resolution Board (SRB) and the national resolution authority, the German Federal Financial Supervisory Authority (BaFin). The objective of the resolution plan is to ensure pbb's resolvability in the event of a failing or likely-to-fail situation.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT SYSTEM RELEVANT FOR THE CON-SOLIDATED FINANCIAL REPORTING PROCESS

Concept

The risk management system relevant for the consolidated financial reporting process comprise the principles, processes and measures used to ensure the effectiveness and efficiency of financial reporting, as well as to ensure compliance with statutory provisions. Risks that may prevent this overall objective from being achieved are identified and assessed; any risks identified are limited and their effect on the financial statements and their appropriate presentation are reviewed. The internal control system ("ICS") is an integral part of the risk management system. The implementation of controls is intended to ensure, with sufficient certainty and despite the risks identified, that the financial statements are prepared in compliance with the regulations. However, absolute certainty regarding the achievement of the objectives cannot be given completely. The ICS is fully integrated into the pbb Group's organisational structure and workflows.

pbb's Management Board prepares Consolidated Financial Statements and a Combined Management Report. In connection with the requirement to establish a Group-wide ICS, the whole Management Board of pbb is also responsible for the form – i.e. the concept, implementation, maintenance and monitoring – of an appropriate and effective ICS. All strategies are decided on by the whole Management Board on the basis of recommendations made by the Chief Financial Officer (CFO).

The Supervisory Board is tasked with advising and monitoring the Management Board. It also has audit and reporting-related obligations. pbb's Supervisory Board established an Audit and Digitalisation Committee to support its activities in this area. In accordance with section 100 (5) of the Aktiengesetz (AktG – German Stock Corporation Act), at least one member of the Supervisory Board must have expertise in accounting and another membermust have experience in auditing. These requirements are met.

Group Internal Audit supports the Management Board and the Supervisory Board in its control function by performing independent audits.

At 31 December 2024, the CFO was responsible for Treasury, Information Technology and Finance. As at the reporting date the Finance division comprised the departments Accounting, Financial Reporting, (Out)Sourcing & Cost Management, Regulatory Reporting and Tax. The Finance division prepares pbb's annual financial statements in accordance with the HGB and consolidated financial statements (IFRS) (as adopted by the EU), and provides accounting-related capital market information. In addition, the Finance division centrally prepares the financial statements of the branches and selected subsidiaries of pbb Group in accordance with the respective local legal requirements. For Group accounting purposes, the financial statements are standardised to uniform Group accounting policies in accordance with IFRS. For each consolidated entity, the statement of financial position, the income statement and the notes are then reported to the central Group accounting via the standardised Group consolidation software. In Group Accounting, the data is checked for plausibility, analysed and consolidated. For the annual financial statements, the accounting and valuation methods in accordance with the German Commercial Code (HGB) are standardised in the financial statements of the head office and the branches on the basis of a HGB accounting manual.

The Group Finance Committee (GFC) makes decisions within the scope of its competences and makes recommendations to the Executive Board. This includes defining and monitoring the guidelines and processes for accounting and reporting for all units and segments. The GFC is made up of the members of the Executive Board and the divisional heads of Finance, Risk Management & Control and Treasury.

With respect to workflows, the ICS is based on the objective of largely standardised the processes and software. Core activities and processes are governed by policies, according to which the four eye principle must be applied in all material transactions. Data and IT systems are protected against unauthorised access. In addition, certain relevant information is only made available to those employees who need it for their work. Where necessary, results are harmonised across divisions.

Implementation

In order to strengthen and further expand the ICS, pbb Group has, among other things, implemented the Control Attestation Process (CAP). As part of this process, all divisions define key controls for managing their significant risks. The key controls are reviewed and confirmed in a regular confirmation process by the divisions. In addition, the controls are reviewed in a downstream process by the Compliance and Group Internal Audit divisions.

The qualifications of the employees involved in the accounting process are ensured through appropriate selection and regular training.

There is a clear separation of functions within the Finance division. The GFC and other committees as well as departmental meetings act as a link between the various tasks and ensure the flow of information on both sides. In addition, executive, accounting and administrative activities, such as payments and the posting of payments, are clearly separated or subject to the dual control principle. Furthermore, the financial statements of the reporting units are prepared centrally in one department. This department reports the data included in the consolidated financial statements to another department in the Finance division. This centralisation ensures further processing in a uniform process.

Systems-based and non-systems-based risk management measures and internal controls are used within the workflows. At the systems level, standard software is used as far as possible to post, reconcile, check and report data so as to avoid errors. This also applies to the consolidation and the preparation of the annual report and the annual financial statements. The consolidation software supports the reconciliation of intragroup transactions at a technical level in a clearly defined process, ensuring that these transactions are eliminated correctly and in full. Data from the entities included in the Consolidated Financial Statements are reported using a uniform, standardised chart of accounts. Automated plausibility checks are performed on the data reported by subsidiaries for consolidation purposes, for example. The largest part of assets and liabilities is held by the parent company pbb. The balances carried forward are checked by the system. Extensive validation routines are also anchored in the software that is also widely used on the market to prepare the annual report and the unconsolidated financial statements. To prevent data loss, the data in the consolidation software are backed up on a daily basis and the backup is stored on tape. As a general rule, pbb Group's software is protected against unauthorised access by a clearly defined administration concept and authorisation rules.

In addition to the system-based measures, manual and non-system-based procedures have also been implemented. For example, the notifications are checked for accuracy and completeness in a standardised process. This includes carrying out variance analyses over time. In addition, the consolidated statement of financial position and the consolidated income statement are calculated on a monthly basis. Projections and budgets are also prepared. As a further control measure, the financial instrument items and thus the vast majority of the statement of financial position are broken down to individual transaction level on the basis of the sub-ledgers and reconciled with the consolidated values. In the income statement, for example, net interest income and commission income are reconciled as part of the earnings transparency statement and net income from fair value measurement is reconciled as part of the monthly analyses based on the individual transactions in the sub-ledgers. Another reconciliation relates to administrative expenses, where the consolidated value is reconciled to the individual accounts in the subledger.

Mandatory accounting requirements are defined and communicated, amongst others, by the use of IFRS respectively HGB accounting manuals. These requirements, which include the analysis and interpretation of new and existing IFRS standards and interpretations, enable a group wide consistent accounting and measurement. Generally accepted valuation methodologies are employed. The procedures in place and the underlying parameters are monitored on a regular basis and adjusted if necessary.

The cross-divisional new product process and the review of existing products with veto rights by the Finance and Risk Management & Control divisions serve to ensure the standardised and systematic presentation of products in the balance sheet.. Annual and interim report preparation is another example of interdepartmental coordination. All of the divisions involved must sign off on these reports before they are officially prepared by the Management Board (subcertification process), creating an additional level of control for the products to be disclosed. All of the divisions affected agree in advance on the content of material sections of the annual and interim reports in editorial meetings.

Comprehensive data quality management (DQM) has been established within pbb Group as part of and in addition to the ICS. In organisational terms, responsibility for the entire central data governance, including data quality management, is anchored in a separate department as part of pbb Group's "2nd Line of Defence". DQM and data quality reporting make it possible to improve data quality by continuously identifying and rectifying data quality issues. Reliable, high-quality data at all levels of the pbb Group enables more reliable decisions to be made, contributing to improved risk assessment and more effective management. Data quality is measured according to four different dimensions: Completeness, Accuracy, Consistency and Timeliness. pbb Group has various means and measures in place to ensure high data quality. Indirect data quality checks and error prevention assess risks in particular and prevent data quality errors from occurring. Direct data quality checks are controls that actively check data and address existing errors. These can also be part of the ICS process. The Management Board defines its requirements for adequate data quality and promotes the associated DQM and the establishment of a data quality culture at pbb. It is also responsible for ongoing compliance with the regulatory requirements for DQM. The Management Board regularly informs the Supervisory Board about data quality, as well as the implementation status of measures adopted to improve data quality.

pbb Group takes measures to combat fraud and intentional violations that negatively impact the Group. Fraud includes theft, embezzlement, or breach of fiduciary duty, as well as intentional accounting errors in connection with the consolidated financial reporting process.

pbb Group uses IT security management to protect its data and the data of its business partners and employees. The IT systems are protected against unauthorised access or manipulation and data misuse. In addition, this ensures permanent availability and enables security of action.

Maintenance

In order to ensure that risks are identified, evaluated and limited as correctly and comprehensively as possible, pbb Group continually reviews and improves its ICS. This also involves adjustments to the ICS to reflect new circumstances, such as changes in the structure and business model of pbb Group or new satutory requirements.

The risk of fraud and intentional violations is regularly analysed in order to take defensive measures. Factors taken into account include suspicious events and changes in pbb Group’s situation and that of individual employees.

Any changes to processes and IT systems required as a result of legislative amendments are implemented as separate interdepartmental projects with a clear allocation of functions. At the same time, the IKS is also adapted to the changes in the amended regulations.

Monitoring

The Group Internal Audit division is in particular responsible for checking that processes and procedures are carried out in a due and proper manner and identifying inefficiencies, irregularities or manipulation. The Group Internal Audit division also reviews the effectiveness and appropriateness of the IKS in an independent and risk-oriented manner in line with the rules set out in the Minimum Requirements for Risk Management (MaRisk), and identifies any weaknesses in risk identification, assessment and mitigation. This also includes reviewing the IT systems and the processes and controls of the Finance functions. Concrete action plans with specific deadlines are drawn up and their implementation monitored to remedy the identified shortcomings. Group Internal Audit as an independent division is not integrated into the workflow, nor is it responsible for the results of the audited process. In order to be able to carry out its duties, Group Internal Audit has a full and unrestricted right to information on activities, processes and the IT systems.

As the body responsible for supervising and advising the Management Board, the Supervisory Board may inspect and examine the Company's books and assets. In addition, the Management Board reports regularly to the Supervisory Board. Group Internal Audit reports to the whole Management Board and the Audit and Digitalisation Committee of the Supervisory Board at appropriate intervals, however, at least quarterly. The Supervisory Board discusses the IKS. The Supervisory Board appoints the auditors of the Consolidated Financial Statements, the Unconsolidated Financial Statements and the Combined Management Report. The Supervisory Board approves the Consolidated Financial Statements and the Combined Management Report prepared by the Management Board and audited by the independent auditors.

The auditors of the financial statements attend the Supervisory Board meetings relating to the financial statements and all of the meetings of Supervisory Board's Audit and Digitalisation Committee to report on the material findings of their audit including material weaknesses in the IKS. Where relevant, the auditors immediately eport findings and issues that emerge during the audit and that are material for Supervisory Board to carry out their duties. The Supervisory Board discusses the focus of the audit with the auditors in advance.

Report on Expected Developments

MACROECONOMIC FORECAST

The global economy is likely to grow at a similarly moderate rate in 2025 as in the previous year. The International Monetary Fund (IMF) expects global growth of 3.3%, following estimated growth of 3.2% in 2024. A historical comparison shows just how subdued the expected economic momentum is: from 2000 to 2019, the average growth of the global economy was 3.7%. There are two reasons for the below-average development. Firstly, the after-effects of the significantly tighter monetary policy in recent years are becoming apparent. This continues to slow down the global economy, despite the interest rate cuts that have already taken place over the course of 2024. Secondly, the inflation shock of recent years is still having an impact. This is particularly evident in Europe, where the propensity to consume is subdued and the savings rates of private households are still high. (Source: IMF 2025)

However, these two negative factors should become less pronounced in 2025. Global inflation is expected to fall from 5.7% in the previous year to 4.2% this year and, at 3.5% in 2026, should approach the 2% inflation target set by many central banks. This in turn should pave the way for further interest rate cuts in the course of 2025. (Source: IMF 2025)

The US Federal Reserve anticipates that it will lower key interest rates by 50 basis points by the end of the year from the range of 4.50% to 4.25% at the beginning of 2025. The European Central Bank (ECB) has said that key interest rates could fall towards 2% by the summer. On 5 February 2025, the ECB's deposit rate was reduced to 2.75%. The Bank of England has also signalled further interest rate cuts, but remains cautious about the pace. The financial markets are expecting a series of interest rate cuts from 4.75% at the beginning of the year to 3.75% by the end of the year. (Sources: Fed 2024, Fed 2025, Bloomberg 2025, Bloomberg 2025, BoE 2025, ECB 2025)

Lower inflation rates would strengthen consumer purchasing power, while falling interest rates would support investing activities. According to the ECB's quarterly bank survey published in January 2025, 90% of the financial institutions surveyed reported that the general interest rate level would no longer weigh on demand for credit. All of this should give the economy a small boost over the course of this year. (Bloomberg 2025, S&P Global 2025)

However, the development of leading indicators, especially in Europe, calls for caution. After a brief upswing, the mood of the financial analysts surveyed by the Centre for European Economic Research (ZEW) is quite subdued again. The Purchasing Managers' Indices (PMI) from S&P Global also paint a subdued picture. The PMI for the Eurozone fell significantly last year and only managed to climb slightly above the 50 mark again in January, which indicates an expansion of the economy. One reason for the subdued sentiment is likely to be the increased global and geopolitical risks. (Bloomberg 2025)

The labour market is likely to be an anchor of stability in this environment. Central banks and institutions such as the OECD are forecasting only slight increases in unemployment rates in 2025. In the Eurozone, the unemployment rate is expected to remain virtually unchanged at 6.5%, while Germany is expected to see an increase of 0.4 percentage points to 3.9%. In the US, the unemployment rate could rise by 0.1 percentage points to 4.1%, while in the UK it could even fall by 0.2 percentage points to 4.0%. Overall, despite these expected changes, the situation on the labour market would still be very solid from a historical perspective. (Sources: ECB 2024, OECD 2024)

Provided the aforementioned risks do not materialise and inflation and monetary policy develop as expected, the economy should be able to expand moderately. The ECB expects gross domestic product in the Eurozone to grow by 1.1% in 2025. Within the Eurozone, it expects Germany's economy to grow by 0.2%, Italy's by 0.8% and France's by 0.9%. At the same time, a comparatively significant increase of 2.5% is expected in Spain. (Source: ECB 2024)

For the USA, the OECD expects a moderate slowdown to 2.4% after the estimated increase of 2.8% in 2024. The reasons given for this are reduced immigration, cooling demand on the labour market and lower savings. All of this should dampen private consumption somewhat. Meanwhile, growth in the United Kingdom at 1.7% should be significantly stronger in 2025 than in the previous year. This is due in particular to the significant increases in public investment promised by the government. (Source: OECD 2024)

In Sweden, the OECD is forecasting an acceleration in growth to 1.8% this year. The improved economic momentum can be explained by the significant fall in inflation and the loosening of monetary policy. (Source: OECD 2024)

In Eastern Europe, the OECD expects a significant upturn in growth of 3.4% in Poland, 2.4% in the Czech Republic and 2.1% in Hungary in 2025. The main growth drivers are falling inflation and the further decline in interest rates. (Source: OECD 2024)

Real Estate Finance

Following the significant decline in commercial investment volumes and real estate values in recent years, the market stabilised in 2024 and is already showing initial signs of recovery. The ECB is expected to cut interest rates further in 2025 and long-term interest rates in Europe should continue to move downwards. The more favourable financing conditions and positive yield prospects should further increase investor interest and cause both transaction volumes and prices to rise moderately.

Positive growth expectations, low unemployment figures and an improved consumer climate are expected to support user demand for property in 2025. The office markets should record positive net absorption and positive rental growth. However, first-class properties in attractive locations in particular are likely to benefit from this. As the supply of high-quality properties is limited, the differences in vacancy rates between first-class and lower-quality buildings are likely to widen further. Retail centres, first-class shopping centres and high-street locations in particular should continue to benefit from rising retail sales. Secondary locations, on the other hand, are facing challenges throughout Europe. Logistics markets are expected to continue to see rental growth driven by the economic recovery and the growth of e-commerce. Regardless of the property type, older properties are likely to remain under pressure. This is due to the increasing demands of users.

In the USA, the US Federal Reserve also switched to an interest rate cut, which had a positive impact on investor sentiment. Future yield expectations for property investments are now above the risk-adjusted minimum yields according to the CBRE Hurdle Rate Framework. The expected economic growth and the strengthening property fundamentals are likely to lead to a moderate recovery in property investment activity in 2025. Prices should also slowly recover, although it will take several years to return to pre-crisis levels. Risks include higher inflation due to a change in policy and higher interest rates as a result.

The office markets should stabilise in 2025 as letting activity increases again. The vacancy rate in the US is significantly higher than in Europe, but the fourth quarter of 2024 marks the first decline in vacancy rates since the fourth quarter of 2021. In combination with a significantly reduced supply pipeline, real asking rents are likely to recover slightly, with 1-a properties in attractive locations benefiting the most. However, the overall vacancy rate for the US office market will remain at a high level in the coming years and will only decline slowly.

Data centres in Europe, Asia and America are expected to see capacity increases averaging 20% per year until 2028, which could lead to a cumulative debt financing requirement of around €980 billion – of which €140 billion in Europe – for new buildings. In Serviced Living, a significant increase of 1.2 million beds in student residences is expected in Germany, the UK, France, Spain and Italy by 2028, which will require capital investment of €50 billion to €55 billion. In the senior living sector, a cumulative increase of 3 million beds in retirement homes is forecast in these countries over the same period, mainly due to rising care rates and a growing elderly population, which could lead to capital investments of €130 billion to €150 billion.

(Sources: CBRE, Costar)

Non-Core

Demand for public investment financing in the EU should continue to grow in 2025. As the European Commission writes in its autumn forecast, the share of public investment is expected to increase from 3.7% of GDP in 2024 to 3.8% in 2025. This reflects, among other things, the increased utilisation of EU funding. (Source: European Commission)

Within the EU, spending on public investment is expected to develop in different directions in the coming year. In Germany, the share is expected to remain at 3.0% of GDP in 2025, while in France it is expected to fall from 4.3% to 4.2%. In Austria and Spain, on the other hand, it is expected to rise from 3.7% to 3.8% and from 3.0% to 3.1% respectively. Outside the EU, investment spending in the UK is expected to fall from 3.3% of GDP in 2024 to 3.2%. (Source: European Commission)

The improvement in public finances is expected to continue in the EU in 2025. Further fiscal consolidation efforts should contribute to the aggregate deficit falling slightly by 0.1 percentage points to 3.0% of GDP. At the same time, the debt level is expected to increase slightly again and is expected to reach 83.0% of GDP, compared to 82.4% in 2024. According to the European Commission, the number of member states with a budget deficit of more than 3% of GDP in 2025 will remain high, as in the previous year, at 10 countries. (Source: European Commission)

It is uncertain whether the improvement in credit spreads in the European periphery observed last year will be able to continue in 2025. On the one hand, the ongoing improvement in the situation of public finances should be reflected in stable or possibly further narrowing risk premiums; on the other hand, the large number of global geopolitical flashpoints could lead to widening spreads. The trends for yield levels are also contradictory. On the one hand, the prospect of a continuation of the looser monetary policy should contribute to a further fall in yields on the capital market. On the other hand, investors could once again turn their attention to the budgetary situation of those countries - such as France - that continue to have high budget deficits and excessive debt, thereby exerting pressure on yields.

Funding Markets

With a view to the primary marketspbb Group assumes that a considerable volume of covered bonds will be brought to the market again and that demand for covered debt securities is likely to pick up due to the higher spread level. With a steepening yield curve, issuers and investors should also increasingly focus on longer maturities. Despite the challenging market environment, refinancing on the capital market should not pose a problem for the vast majority of banks. However, for issuers with a less diversified business model and high CRE exposure such as pbb, particularly in the US real estate market, it is likely to be much more difficult and require corresponding price concessions.

Demand from retail clients for fixed-income investments, particularly fixed-term deposits, should generally continue despite the fall in interest rates. With regard to unsecured funding, pbb aims to achieve a balanced relationship between retail deposits and capital market funding.

(Sources: ECB, Bloomberg, vdp)

SECTOR-SPECIFIC FORECASTS

Overall Situation in the Banking Sector

The financial sector continues to face major challenges in 2025. Even though the macrofinancial environment has brightened over the course of the past year, it remains challenging, particularly in view of the economic environment and high geopolitical tensions, as the Bundesbank emphasises in its Financial Stability Report. In addition, the financial system must deal with structural change in the real economy as well as structural changes in the financial system itself, such as digitalisation. (Source: Bundesbank 2024)

Economic risks could place an even greater burden on banks' loan books than before. This could lead to corrections on the real estate and international financial markets, which could result in increased defaults on corporate loans. Adding to this are the increasing political uncertainty and the tendency for geopolitical tensions and conflicts to increasingly shift to the digital space. In addition to these risks, the BaFin sees three trends that certainly offer opportunities for the economy and the financial sector, but which also harbour considerable risks: Sustainability issues, digitalisation and upheavals in geopolitics. (Source: BaFin 2025)

COMPANY FORECASTS

The forecasts for pbb Group's future development represent estimates that were made on the basis of the information currently available. If the assumptions on which the forecasts are based on do not materialise or if risks and opportunities do not occur to the extent calculated, the actual results may differ significantly from the results currently expected.

Future Developments in Assets, Financial Position and Earnings

The following forecast is made for the key performance indicators defined in the "Management system" section for the 2025 financial year:

Key performance indicator	Initial position (financial year 2024)	Forecast (Financial year 2025)
New business volume Real Estate Finance (including prolongations with maturities of more than one year)	€5.1 billion	€6.5 billion to €7.5 billion
Financing volumes Real Estate Finance	€29.0 billion	€28.5 billion to €29.5 billion
Profit before tax	€104 million	significantly above the 2024 figure
Cost-income ratio	48.9%	47% to 53%
Return on tangible equity before tax	2.7%	3.5% to 4.5%
CET1 ratio	14.4%	significantly above the 2024 figure[1]

[1] Under Vasel IV.

The REF segment should account for the majority of profit before tax in 2025.

With regard to risk-bearing capacity, the normative perspective aims to ensure that minimum capital ratios required by the supervisory authorities are met even under an adverse economic scenario. With regard to the economic perspective, pbb Group aims to ensure that the capital available to cover the risks adequately exceeds the economic capital requirement on a sustained basis.

Opportunities and Risks

Funding and Liquidity

In the course of a general market development, market confidence in the outlook for pbb Group also deteriorated significantly at the beginning of 2024. As a listed bank with a business model focused on commercial real estate finance with a US portfolio, pbb was particularly affected by the general uncertainty. As a result, corresponding sell recommendations from analysts, among other things, led to a significant widening of spreads on bonds and a significant decline in pbb's share price. On 14 February 2024, Standard & Poor's lowered pbb's ratings by one notch and two notches respectively, with the outlook remaining negative.

Since March 2024, the spreads of pbb's secured and unsecured bonds have recovered significantly. pbb Group continues to have sufficient long-term unsecured funding. The pbb share price also increased significantly as at 31 December 2024 compared with its low in February 2024.

A further decline in ratings and a general increase in refinancing costs in the future would have a negative impact on net interest income. This could also make new asset-side business unattractive for the pbb Group. A reduction in the market values of the assets in the cover pool, for example as a result of increased credit risk premiums, could also have a negative impact on pbb Group's collateralised funding instruments.

Even though pbb Group maintains a liquidity cushion and has a broad range of refinancing instruments at its disposal, a liquidity gap may arise in extreme cases. This may be the result of a general drying up of the funding markets. The liquidity gap may also result from specific problems of the pbb Group, for example with the issue of collateralised or unsecured bonds or by pbb directly. Reputational losses and further rating downgrades may also be a reason for this. On the other hand, a decline in refinancing costs may favour net interest income.

Regulatory Environment

pbb Group is obliged to comply with a large number of legal and regulatory requirements and provisions. The further development of the requirements and potential supervisory measures may have a positive or negative impact on the development in assets, financial position and earnings, on capital requirements, on funding and on the business activities of pbb Group. In addition, costs are generally incurred for implementing and monitoring the requirements.

As part of the SREP, pbb was specified a minimum CET1 ratio and a minimum own funds ratio, as well as an additional recommendation for capital ratios. It cannot be ruled out that the ECB will require a higher capitalisation and higher capital ratios or a change in the RWA calculation in the future. This may have an impact on pbb Group's development in assets, financial position and earnings.

Real Estate Markets

As in the previous year, the rise in interest rates in recent years and special effects such as the impact of mobile working in the office sector had a negative impact on real estate markets in 2024. The transaction volume improved slightly compared to the previous year, but remained low in a historical context. The market saw an increase in salvage acquisitions as a result of non-performing loans, particularly in the USA.

In addition to positive economic development, pbb Group believes that low inflation rates and a stable and lower interest rate environment are particularly necessary for the real estate markets to stabilise and recover. Positive growth rates will lead to higher rental demand, among other things due to more people in employment and improved consumption. Lower interest rates are a key driver for rising property investments and values, as lower financing costs and the lower general interest rate level make property investments more attractive than alternative asset classes. Structural factors, such as the further development of mobile working and the importance of online retail, also play a role.

A recovery in property values can have a positive impact on new business and lead to less need for risk provisioning. Opportunities may also arise from the origination of financing for third parties. If, on the other hand, the real estate markets do not recover or only recover with a delay, for example due to rising interest rates, this may have a negative impact on pbb Group's results of operations. The volume of new business might have to be reduced. The pbb Group could also be forced to grant concessions to borrowers, such as deferrals or waivers. As a consequence, there may also be an economic necessity to extend financing. It could also become necessary to take collateral as salvage acquisitions on its own statement of financial position. There is a risk that loan defaults will be higher than the risk provisions recognised. Conversely, a faster and significant recovery of the markets may lead to risk provisions being reversed with an effect on income. (Source: JLL)

Politics and Geopolitical Tensions

Geopolitical developments continue to harbour risks. The conflicts existing in 2024, such as the Russian war against Ukraine or the Israel-Gaza war, could escalate further and spread to other countries. Elections, such as in the USA, have changed the political landscape and increased uncertainty. Terrorist attacks can lead to additional uncertainty.

Geopolitical tensions may lead to distortions on the markets relevant for pbb Group, with negative effects on its development in assets, financial position and earnings. A further escalation of wars or their spread to other countries may further burden economic developments. Stricter sanctions and trade conflicts could also have a negative impact. As a result, the financial strength of pbb Group's financing clients could be significantly weakened, resulting in impairment losses and a lack of demand for financing. Furthermore, impairments of the fair values of pbb Group's assets or other negative effects may result. (Source: BaFin, ifo)

Economy

The economy stagnated in Germany in 2024. A continued weak economy in Germany and other countries relevant for pbb Group could lead to higher provisioning requirements, lower fair values of financial assets and a lower volume of new business for pbb Group, thus burdening the development in earnings. On the other hand, a positive economic development in the euro zone and particularly in Germany would probably have a favourable effect on the results of operations, as pbb Group would only have to make moderate provisions for the assumption of credit risks, for example, and the fair values of financial assets could increase. (Sources: ifo, IMF)

National Debt

Since the beginning of the euro crisis in 2009 and 2010 at the latest, the state of public finances in Europe has become a much-noticed topic and has remained so ever since. Most recently, the COVID-19 pandemic, the economic implications of the pandemic and the economic aid provided by the EU have made the topic much more explosive. As a consequence of high levels of debt, the rating of public-sector budgets may deteriorate or they may even become insolvent. This may result in a need for credit loss allowances and payment defaults in the non-strategic Non-Core segment for pbb Group. In addition, the budget gap in Germany and other countries harbours a risk for economic development, which may also have a negative impact on the economic development of pbb Group. (Sources: Federal Statistical Office, ifo)

Environmental Risks and Climate Change

Governments around the world have taken steps to shape the transition to a lower carbon and more circular economy and to mitigate climate change. This transformation harbours both opportunities and risks for the economy in general and for pbb Group in particular.

Material damage caused by environmental degradation and climate change can have significant consequences for the real economy and the financial system. For example, there may be increasing damage to real estate or other collateral for financings in the form of floods, storms, droughts or other natural disasters. Although the physical collateral underlying the financings must be insured by pbb Group's customers, negative effects on its net assets, financial position and results of operations cannot be ruled out. (Source: ECB)

The sustainability of properties has an increasing influence on their value when they are let or sold. Therefore, a higher value adjustment may be necessary for non-sustainable properties. (Source: Energy Efficiency Financial Institutions Group)

The necessary transformation towards greater sustainability is likely to trigger considerable financial and capital requirements. Risks may arise, for example, in the form of impairments of pbb Group's receivables if borrowers are unable to refinance these requirements from their income. However, the transformation may also bring business opportunities. Examples on the assets side include financing for more sustainable buildings or energy-efficient refurbishments, which pbb Group already offers through its Green Loans. On the liabilities side, opportunities may arise from additional issues of green bonds. Opportunities may also lie in advising on the transformation of existing properties into energy-efficient, sustainable buildings.

Interest Rates

Should market interest rates in the euro zone or the USA rise, a higher interest burden for pbb Group's customers could make it more difficult for them to service their payment obligations on time. The reason for this is that some customers are unable to increase their income, for example in the form of rents, as significantly as their expenses in the form of interest increase. Overall, higher interest rates tend to have a negative impact on the market values of properties and thus on the value of the collateral for pbb Group's financings. As a result, pbb Group may need to recognise higher allowances for losses on loans and advances. These increases in allowances for losses on loans and advances may significantly overcompensate for the positive effects of a higher interest rate level, such as the higher interest income from the investment of the liquidity reserve and own funds.

Competition

A decline in the intensity of competition on the financing market can generally have a positive effect on interest margins and thus on the results of operations, whereas a more intense market can have the opposite effect. Another factor influencing pbb Group's competitive strength may be a deterioration in its reputation, for example as a result of negative news in the media.

A change in the market situation can also be caused by company takeovers. This can result in changed business models with increased and decreased market activity. This may also affect pbb Group if it acquires companies or is itself acquired.

Strategic Initiatives

pbb Group plans to increasingly diversify its business model over the coming years, thereby broadening the foundation for future income and earnings growth. In addition to organic growth in the core business with the financing of additional asset classes, important strategic pillars include the significant expansion of the capital-efficient commission business through Real Estate Investment Solutions. In all of this, pbb is focusing on green finance and digitalisation across the board. At the same time, attention is being paid to cost discipline.

The strategic initiatives are designed to sustainably increase pbb Group's profitability. However, as with all projects and programmes, there is a risk that material components cannot be successfully implemented. In this case, there may be a negative impact on pbb Group's profitability.

Digitalisation

In view of increasing cost competition in the banking environment and in order to tap new sources of income, digital business processes and models are moving into the focus of pbb Group. Nevertheless, digitalisation may result in opportunities and risks for the Group's development in assets, financial position and earnings in the future, depending in particular on the success of digital business models and the further development of information technology. One example is pbb Group's digital credit workplace, which has optimised processes. If the speed of digitalisation is too slow compared to other market participants, this can cause competitive disadvantages and thus negative effects on the earnings position. (Source: RND)

IT and IT Security

The operability and security of the information systems is a high priority for pbb Group. The aim is to operate the IT systems constantly and to prevent unauthorised access to the system and data inventories. Employees of pbb Group may only access data that they need for the tasks assigned to them. Should the risk of loss of confidentiality, integrity and authenticity of data materialise, for example due to (cyber) attacks, this may lead to manipulation and/or an uncontrolled outflow of data, a loss of reputation and thus a negative impact on pbb Group's net assets, financial position and results of operations.

The pbb Group has outsourced part of its IT operations to a service provider. It is planned to operate these functionalities itself in the future. This will save costs. The so-called outsourcing risk is eliminated, but there is a risk of independently caused disruptions in IT operations and IT security.

Human Resources

In recent years, pbb Group has been able to attract highly qualified employees and managers. A modern and flexible working environment, a wide range of training and personnel development programmes, as well as attractive remuneration and fringe benefits contribute to long-term employee retention. However, risks from employee departures and the associated loss of knowledge cannot be ruled out. For example, the reduction in positions as part of the strategic programmes could also lead to unintended employee departures.

In order to continue to successfully recruit employees, pbb Group is increasingly focussing on the recruitment and development of young talent and has developed an employer brand that makes greater use of modern recruitment channels. Nevertheless, the general shortage of skilled labour may have a negative impact.

Negative developments in the area of human resources, for example due to a deterioration in pbb Group's reputation, may cause disruptions in business processes and a lack of innovation, and consequently lead to higher costs, for example for recruiting and retaining employees.

The pbb Group uses external service providers for certain activities. These outsourcing arrangements can save costs. However, they may also give rise to operating risks which may burden the results of operations.

Legal and Tax Matters

It is possible that court decisions may turn out differently than expected by pbb Group, with the result that the outflow of resources may deviate positively or negatively from the provisions recognised. This risk also includes audits by tax authorities, which may lead to additional/reduced taxable income. Depending on the nature of the deviation, this may result in opportunities or risks for pbb Group's earnings position.

Bank Levy

pbb Group has taken the opportunity to pay contributions to the European bank levy, the Deposit Protection Fund and the Compensation Scheme of German Banks not exclusively through so-called regular contributions, but partly in the form of an irrevocable payment obligation by providing cash collateral. The pbb Group 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 as cash collateral at the institution subject to the contribution obligation (collateral provider) leads to the recognition of a financial receivable from the collateral taker (restructuring fund) and the derecognition of the cash. As at 31 December 2024, the collateral provided for the European bank levy amounted to €42 million, for the Deposit Protection Fund to €3 million and for the Compensation Scheme of German Banks to €6 million.

A French bank, which is independent of the pbb Group, has brought an action against the Single Resolution Board (SRB) for the European bank levy in order to obtain the return of its cash collateral following the surrender 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 appealed against the judgement. According to pbb Group's assessment, the judgement of the General Court, which is not yet final, has no impact on the accounting treatment of the collateral. No provisions need to be recognised as it is unlikely that the collateral will be utilised by the SRB. However, it cannot be ruled out that the legal assessment of the cash collateral may change. This could be the case, for example, if the French bank's claim is also rejected in the last instance. A change in the legal assessment may have an impact on accounting practice. This may also affect the accounting of the pbb Group with negative effects on the net assets and financial position and, depending on the accounting, the results of operations in the maximum amount of the capitalised collateral.

Corporate Social Responsibility

Corporate social responsibility refers to responsible corporate behaviour that integrates environmental and social concerns and responsible corporate governance on a voluntary basis in business activities and in interactions with interest groups and stakeholders.

pbb would like to contribute to a more sustainable development. This may result in opportunities for pbb Group, for example in the client business and as an attractive employer. Weaknesses in corporate social responsibility, on the other hand, may burden the relationship with the internal and external groups of people with whom pbb Group interacts, and thus also have a negative impact on its development in assets, financial position and earnings.

SUMMARY

With regard to 2025, the risks of negative developments in the net assets, financial position and results of operations remain high. One of the reasons for this is the uncertainty surrounding the further development of the commercial real estate markets.

Overall, pbb Group expects profit before tax for 2025 to be significantly higher than the previous year's figure (€104 million), taking into account the opportunities and risks.

Commentary on pbb’s Annual Financial Statements under HGB

BUSINESS DEVELOPMENT

In the year under review, pbb generated profit before tax of €39 million in its annual financial statements in accordance with the German Commercial Code (HGB), compared with €10 million in the previous year. On the one hand, net interest income declined slightly year-on-year due to higher funding costs. The balance of other operating expenses was also significantly lower compared to the previous year. On the other hand, lower risk provisions were recognised in 2024. The result was also positively influenced by gains on the sale of securities held as fixed assets. Additions to the fund for general banking risks in accordance with Section 340g HGB reduced the result by €62 million (2023: €30 million).

DEVELOPMENT IN EARNINGS

in € million	**2024**	**2023**
Net interest income	387	394
Net fee and commission income	2	2
Net other operating income	3	82
Net operating income	**392**	**478**
General and administrative expenses	-280	-284
Personell expenses	-138	-154
Non-personell expenses (including depreciation and write-offs)	-142	-130
Operating results (before loan loss provisions)	**112**	**194**
Risk provisioning	-127	-186
Net income from financial investments	116	32
Additions to the fund for general banking risks	-62	-30
Operating results	**39**	**10**
Extraordinary result	-	-
Profit before tax	**39**	**10**
Taxes	1	-10
Net income	**40**	**-**

Net Operating Income

Net interest income fell from €394 million in the previous year to €387 million in 2024. Increased refinancing costs were only partially offset by the increased REF portfolio margin with a constant average portfolio of disbursed and therefore interest-bearing REF financing (€30.0 billion; 2023: €30.1 billion). At €3 million, early repayment penalties due to prepayments remained at the previous year's level (2023: €3 million). The early settlement of derivatives resulted in expenses of €55 million in the reporting year (2023: €66 million). As in the previous year, net interest income included interest expenses for AT1 capital, which were slightly higher than in the previous year at €25 million (2023: €23 million).

At €2 million, net commission income from fees was on a par with the previous year.

The balance of other operating income/expenses totalled €3 million (2023: €82 million). In provisions outside of the lending business, reversals exceeded additions by €10 million, which was significantly lower than the previous year's figure of €49 million. In 2023, these were mainly reversals of provisions for legal risks and costs as well as reversals of personnel provisions. In the previous year, this item also benefited to a much greater extent from net price gains on own debt securities in the amount of €33 million and in the amount of €24 million due to the expiry of potential repayment claims from a past synthetic securitisation transaction of a predecessor institution of pbb. Expenses and contributions as well as allocations for the European bank levy and BaFin totalled €1 million and were therefore significantly lower than the previous year's figure (2023: €22 million). This is due to the fact that, in accordance with the press release dated 15 February 2024, the Single Resolution Fund will suspend the payment of contributions to the European bank levy in 2024 once the target volume has been reached, provided that no claims are made due to a guarantee case in Europe. In 2023, an expense of

€22 million was incurred for this, taking into account a 22.5% collateral provision recognised directly in equity. Net expenses from currency translation amounted to €4 million (2023: €0 million).

General and Administrative Expenses

Administrative expenses amounted to €280 million (2023: €284 million). Personnel expenses were below the previous year's level, as provisions for termination benefits were recognised in 2023. In addition, lower provisions for pension obligations were recognised in 2024 as a result of lower pension growth (2.25%; 2023: 2.50%; 2022: 2.50%) and an increased discount rate (1.90%; 2023: 1.82%; 2022: 1.78%). Operating expenses were higher than in the previous year due to higher costs for IT implementation projects.

Risk Provisioning

A net amount of €127 million (2023: €186 million) was allocated to risk provisioning as the balance of risk provisioning in the lending business and the result from securities and promissory note loans in the liquidity reserve. Within the lending business, net reversals of €6 million (2023: €10 million) were attributable to general loan loss provisions to account for latent default risks in the lending business. Net write-ups for third-party securities and debt securities as well as loans in the liquidity reserve resulted in income of €36 million (2023: €24 million). In the financial year 2024, there were recoveries of less than €1 million on receivables written off (2023: €1 million).

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 was created in order 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 net additions to specific valuation allowances in the amount of €170 million (2023: €221 million) mainly related to portfolio financing in the USA and development financing in Germany. Although net income from risk provisioning was therefore significantly less negative than in the previous year, it remained at a high level due to the persistently challenging environment on the real estate markets.

Net Income from Financial Investments

The result from financial assets totalled €116 million (2023: €32 million). The net income resulted from gains on the sale of investment securities totalling €118 million, while the result from equity investments amounted to €-2 million (2023: Net income mainly from gains on the sale of securities held as fixed assets in the amount of €32 million with a balanced result from equity investments).

Additions to the fund for general banking risks

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

Taxes

In the 2024 financial year, tax refunds for previous years exceeded tax expenses in the current year, which is why income of €1 million was recognised. In the previous year, the expense of €10 million mainly resulted from expenses for taxes on income.

DEVELOPMENT IN ASSETS

Development in Assets

in € million	31.12.2024	31.12.2023
Cash reserve	69	43
Loans and advances to other banks	4,129	5,826
Loans and advances to customers	35,516	39,060
Bonds and other fixed-income securities	3,715	5,226
Equity shares and other variable-yield securities	2	2
Investments in affiliated companies	82	1
Intangible assets	49	48
Tangible assets	12	1
Sundry assets	117	175
Prepaid expenses	179	227
Total assets	**43,870**	**50,609**

General development of the Financial Position

pbb's total assets amounted to €43.9 billion as at the balance sheet date, €6.7 billion lower than on 31 December 2023. The decline resulted, among other things, from lower loans and advances to other banks due to a €0.7 billion lower portfolio of reverse repurchase agreements. Loans and advances to other banks include overnight credit balances with the Bundesbank, which fell by €0.7 billion compared to the previous year. Loans and advances to customers decreased significantly compared to the previous year. On the one hand, this is due to the strategic decline in public sector financing. On the other hand, the financing volume in Real Estate Finance fell by €2.1 billion. Furthermore, debt securities and other fixed-interest securities fell by €1.5 billion due to maturities and sales.

DEVELOPMENT IN FINANCIAL POSITION

Development in Financial Position

in € million	31.12.2024	31.12.2023
Liabilities to other banks	3,366	6,501
Liabilities to customers	18,175	18,935
Securitised liabilities	17,927	20,762
Sundry liabilities	83	64
Deferred income	266	382
Provisions	216	230
Subordinated liabilities	605	606
Additional regulatory capital instruments	317	317
Fund for general banking risks	139	77
Total liabilities	**41,094**	**47,874**
Equity	2,776	2,735
Total liabilities and equity	**43,870**	**50,609**

Liabilities

Liabilities amounted to €41.1 billion (31 December 2023: €47.9 billion). One reason for the decline was a €1.8 billion lower portfolio of repurchase agreements. In addition, the repayment of the remaining TLTRO III liabilities in the amount of €0.9 billion exceeded an open market transaction with the ECB in the amount of €0.5 billion. In liabilities to customers, the higher volume of deposits from private customers (pbb direct) increased, but this was more than offset by the decline in public Pfandbriefe and repurchase agreements. Securitised liabilities fell by €2.8 billion due to repurchases and maturities of public-sector bearer Pfandbriefe and other debt securities.

The instruments of additional regulatory equity include AT1 capital with a total nominal amount of €300 million and a carrying amount of €317 million including accrued interest. The bond issued by pbb in April 2018 had an initial coupon of 5.75% p.a. and has no final maturity. The coupon for the new five-year interest period from 28 April 2023 is 8.474%. The coupon payments are linked to certain conditions and are otherwise discretionary.

Equity

in € million	31.12.2024	31.12.2023
Share capital	380	380
Additional paid-in capital	1,639	1,639
Retained earnings	737	716
Unappropriated retained earnings	20	-
Equity	**2,776**	**2,735**

In the 2024 and 2023 financial years, the share capital remained unchanged at €380,376,059.67, divided into 134,475,308 ordinary bearer shares with a notional interest in the share capital of around €2.83 per share. The additional paid-in capital remained unchanged. Within retained earnings, the legal reserve remained unchanged in the 2024 and 2023 financial years. An amount of €20 million was added to other retained earnings in the 2024 financial year (2023: other retained earnings remained unchanged).

Key Regulatory Capital Ratios

According to Art. 7 (3) of the Capital Requirements Regulation ("CRR"), pbb was exempted from the requirements laid out in parts 2 to 5 and 8 of the CRR; for instance, this includes own funds and capital requirements, stipulations on large exposures and exposures to transferred credit risk, as well as disclosure requirements. As a result, pbb is also exempt from the requirements of Part 7 of the CRR in accordance with Art. 6 (5) CRR.

Disclosures Pursuant to Section 315a Sentence 1 HGB

pbb Group's Supplemental Information according to section 315a sentence 1 of the German Commercial Code (HGB) is equal to pbb's Supplemental Information according to section 289a sentence 1 HGB.

Composition of Subscibed Capital (Section 315a Sentence 1 No. 1 HGB)

The composition of pbb's subscribed capital is disclosed in the Note "Equity". Each bearer share with no par value entitles the shareholder to one vote at the Annual General Meeting. pbb currently does not hold any nonvoting treasury shares. No shareholder and no shareholder group is entitled to special rights, that confer power to control vis-á-vis pbb.

Restrictions Affecting the Voting Rights or the Transfer of Shares (Section 315a Sentence 1 No. 2 HGB)

With respect to the exercise and transfer of voting rights of shares only the statutory provisions apply. The voting rights are not limited by size. All shareholders who register for participation in the Annual General Meeting in time and who have demonstrated their right to participate in the Annual General Meeting and to exercise their voting rights may exercise the voting rights subject to a possible loss of rights in accordance with section 44 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) or section 59 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz; WpÜG) attached to all the shares held and registered by them. Where pbb holds treasury shares, section 71b of the German Stock Corporation Act (Aktiengesetz, AktG) prohibits the exercise of rights vested in such shares.

HRE Holding has committed itself to avoid exercise of control over pbb by entering into a control avoidance agreement with pbb. HRE Holding undertakes to exercise voting rights vested to it at the point in time at which the control avoidance agreement enters into effect, and/or at any subsequent point in time at which HRE Holding holds pbb shares, to a maximum of 49% of the present voting capital at the adoption of resolutions regarding the appointment or removal of Supervisory Board members as well as resolutions taken as part of management decisions according to sections 83, 111 (4) sentences 3 to 5, 119 (2) or 179a of the AktG, not to make any proposals for resolution to pbb's Annual General Meeting, in particular for the appointment of Supervisory Board members, and not to vote for candidates for pbb's Supervisory Board which are not independent from HRE Holding, Finanzmarktstabilisierungsfonds-FMS (FMS), FMSA and the Federal Republic of Germany, with the exception of two Supervisory Board members proposed by FMSA to pbb in line with the new framework agreement.

pbb is not aware of any other restrictions affecting voting rights or the transfer of shares.

Shareholdings Exceeding 10% of Voting Rights (Section 315a Sentence 1 No. 3 HGB)

According to the knowledge of pbb no shareholder held at least 10% interest in the pbb as of 31 December 2024.

The notifications published by pbb in accordance with sections 33 et seq. WpHG can be found on the Internet at www.pfandbriefbank.com/investoren/pflichtveroeffentlichungen/mitteilungen-nach-33-ff-wphg.html and at www.dgap.de.

Shares with Special Rights Conferring Powers of Control (Section 315a Sentence 1 No. 4 HGB)

Shares carrying special rights, which would permit the holder to exercise control, do not exist.

Type of Control of Voting Rights Regarding Shares Held by Employees with their Rights of Control not Being Directly Exercised (Section 315a Sentence 1 No. 5 HGB)

Employees holding pbb shares exercise their rights, like all other shareholders, according to statutory provisions and the Articles of Association.

Statutory Provisions, and Provisions in the Articles of Association Regarding the Appointment and Removal of Members of the Management Board, and Regarding Amendments to the Articles of Association (Section 315a Sentence 1 No. 6 HGB)

In accordance with section 84 of the AktG and section 6 of pbb's Articles of Association, the members of the Management Board are appointed by the Supervisory Board. The number of members of the Management Board is determined by the Supervisory Board. According to the Articles of Association, the Management Board consists of at least two members. Members of the Management Board may be appointed for a maximum of five years. Reappointment or extension of the term of office, in each case for a maximum of five years, is permitted. In urgent cases, the Munich Local Court must appoint a missing member of the Management Board at the request of a party (Section 85 AktG). The Supervisory Board may revoke the appointment as a member of the Management Board and the appointment as Chairman of the Management Board for good cause.

Evidence must be provided to BaFin, the ECB and the Bundesbank that the members of the Management Board are reliable, professionally qualified and have sufficient time available. BaFin may appoint a special representative in accordance with the requirements set out in Section 45c of the German Banking Act (KWG) and delegate the duties and powers of the Management Board to this representative. BaFin may prohibit or restrict members of the Management Board from performing their duties.

In accordance with Section 179 (1) sentence 1 AktG, any amendment to the Articles of Association requires a resolution by the Annual General Meeting, for which a simple majority of the votes cast is generally sufficient in accordance with Section 17 of the Articles of Association, unless a larger majority is required by law or the Articles of Association. In cases where the law - in a non-mandatory form - prescribes a majority of the share capital represented when the resolution is passed, a simple majority of the share capital represented when the resolution is passed is sufficient. The Supervisory Board is authorised in accordance with Section 9 (3) of the Articles of Association to adopt amendments to the Articles of Association that only affect the wording.

Authorisation of the Management Board to Issue or Repurchase Shares (Section 315a Sentence 1 No. 7 HGB)

AUTHORISED CAPITAL 2020/I

In the period until 27 May 2025 the Management Board is authorised to increase, on one or more occasions, pbb’s share capital by up to a maximum total amount of €114,112,817.90 by issuance of new ordinary bearer shares with no par value for contribution in cash, subject to the approval of the Supervisory Board (authorised capital 2020/I). The shareholders’ subscription rights may be excluded under certain conditions. The authorised capital 2020/I has not been used yet. It is planned to adopt a new authorisation at the Annual General Meeting on 5 June 2025.

AUTHORISED CAPITAL 2020/II

In the period until 27 May 2025 the Management Board is authorised to increase, on one or more occasions, pbb’s share capital by up to a maximum total amount of €38,037,605.96 by issuance of new ordinary bearer shares with no par value for contribution in cash or in kind, subject to the approval of the Supervisory Board (authorised capital 2020/II). The shareholders’ subscription rights may be excluded under certain conditions. The authorised capital 2020/II has not been used yet. It is planned to adopt a new authorisation at the Annual General Meeting on 5 June 2025.

Furthermore, the Management Board shall be authorised, with the consent of the Supervisory Board, to determine further details concerning the rights attached to shares as well as the conditions of share issuances in the context of the capital measures specified in section 4 of the Articles of Association (authorised capitals 2020/I and 2020/II).

CONDITIONAL CAPITAL

Currently there is no conditional capital.

PROFIT PARTICIPATION RIGHTS AND HYBRID BONDS

The Management Board is authorised to issue bearer or registered profit participation rights and other hybrid financial instruments with or without a limited term on one or more occasions until 27 May 2025. The total nominal amount of the financial instruments to be issued under this authorisation may not exceed €2,000,000,000.00 in total. It is planned to adopt a new authorisation at the Annual General Meeting on 5 June 2025.

TREASURY SHARES

pbb is authorised to buy, for purposes other than securities trading, its own shares in a total volume of up to 10% of the share capital as of 28 May 2020 or – if such amount is lower – of the share capital at the time this authorisation is exercised. Together with other own shares which are in the Company's possession or attributable to the Company pursuant to sections 71d and 71e of the AktG, the own shares purchased on the basis of this authorisation may not at any time exceed 10% of the Company's share capital. This authorisation to acquire own shares may be exercised directly by pbb, Group entities (section 18 (1) of the AktG) subordinated to pbb, or third parties acting on behalf of pbb or on behalf of Group entities subordinated to pbb. This authorisation may be exercised fully or partially, and – in case of a partial exercise – more than once. This authorisation applies until 27 May 2025. The own shares may, at the discretion of the Management Board, be bought through a stock exchange or by means of a public purchase offer or by means of a public invitation to all shareholders to submit tenders described in more detail in the resolution of the Annual General Meeting of 28 May 2020.

The Management Board is authorised, with the consent of the Supervisory Board, to use any shares purchased on the basis of the authorisation described above for a disposal on the stock exchange or for an offer to all shareholders or to dispose against cash payment provided that the price may not be substantially lower than the stock price of the shares of the Company of the same kind by applying section 186 (3) sentence 4 of the AktG analogously, or to dispose against contribution in kind or to redeem the shares. The shareholders' subscription rights may be excluded as described in more detail in the resolution of the Annual General Meeting of 28 May 2020. It is planned to adopt a new authorisation at the Annual General Meeting on 5 June 2025.

As at 31 December 2024, pbb held no treasury shares.

Material Company Agreements which are Subject to Change of Control Clauses Triggered in the Event of a Takeover Offer (Section 315a sentence 1 No. 8 HGB)

pbb did not enter into material agreements which are subject to change of control clauses triggered in the event of a takeover offer.

Compensation Agreements Entered into with Members of the Management Board or Employees in the Event of a Takeover Offer (Section 315a sentence 1 No. 9 HGB)

There are no compensation agreements within the meaning of Section 315 sentence 1 No. 9 HGB that have been concluded with members of the Management Board or employees in the event of a takeover offer.

Corporate Governance Statement

The Corporate Governance Statement is published on pbb's website (https://www.pfandbriefbank.com/fileadmin/user_upload/downloads/Corportate_Governance/Corporate_Governance_Statement_2024.pdf).

Combined Sustainability Statement

Introduction

General Information

In accordance with sections 289b and 315b of the HGB, Deutsche Pfandbriefbank AG (pbb) is obliged to prepare a non-financial (Group) statement for pbb as the parent company and for pbb Group.

The combined sustainability statement, which combines the Group sustainability statement and the non-financial statement of the parent company ("combined sustainability statement"), was prepared to meet the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 289b to 289e, 315b and 315c German Commercial Code (HGB) for a combined non-financial statement.

The combined sustainability statement covers the period from 1 January to 31 December 2024.

In accordance with Section 289d HGB in conjunction with Section 315c (3) HGB, the Group Sustainability Statement was prepared using the first sentence of the European Sustainability Reporting Standards (ESRS) as a framework.

The following contents represent the combined sustainability statement, consisting of the Group sustainability statement and the non-financial statement of the parent company, for the financial year 2024 for pbb Group and pbb as the parent company. In the following, these statements are referred to as the "combined sustainability statement". Due to the foreseeable change in the legal framework in the context of the ratification of the CSRD Implementation Act, the principle of consistency or comparability applicable in accordance with German Accounting Standard (GAS) 20 is broken by the application of the ESRS as a framework. The pbb Group consists mainly of the parent company pbb.

The reporting requirements of the EU taxonomy are set out in the environmental section of the combined sustainability statement.

The Supervisory Board of pbb is responsible for reviewing the content of the combined sustainability statement. The Supervisory Board was supported by Deloitte GmbH Wirtschaftsprüfungsgesellschaft by means of a limited assurance engagement. The combined sustainability statement contains documentation sources and prior-year figures that were not audited by the auditor. These are labelled accordingly in the combined sustainability statement. The sources of documentation are as follows:

- Green Loan Framework of Deutsche Pfandbriefbank AG
- Green Bond Framework of Deutsche Pfandbriefbank AG
- Risk inventory of Deutsche Pfandbriefbank Group 2025
- Business strategy of Deutsche Pfandbriefbank Group 2025-2027
- Internal guidelines
- Declaration of Compliance with the German Corporate Governance Code
- Report on the allocation of funds
- Impact report

Scope of Consolidation

The combined sustainability statement of pbb Group was prepared on a consolidated basis. The scope of consolidation of the combined sustainability statement follows the principles of the scope of consolidation of the consolidated financial statements. A more detailed description of the consolidation of pbb Group can be found in the notes to the consolidated financial statements in the chapter "Accounting policies" (note "Consolidation").

Representation of Personal Names and Personal Words

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

Intellectual Property

In this report, pbb Group has not made use of the option to omit certain information relating to intellectual property, know-how or the results of innovations.

Upcoming Developments or Matters in the Negotiation Phase

In this report, pbb Group has not utilised the exemptions pursuant to Article 19a (3) and Article 29a (3) of Directive 2013/34/EU, which allow exemptions from the disclosure of imminent developments or matters under negotiation.

References

Some information in the combined sustainability statement is incorporated by reference and is listed in table form below.

Information Incorporated by Reference

Information incorporated by reference	Chapter in the combined sustainability statement	Report for the reference	Chapter in the report that is used for the reference
Information on the business model	"Business model, value chain and strategy"	Combined management report	"Business model"
Information on the business strategy	"Business model, value chain and strategy"	Combined management report	"Strategic focus"

Time Horizons

The time horizons for the reporting of the combined sustainability statement deviate in part from the requirements of ESRS 1, as the short-term time horizon includes not only the reporting year but also the financial year 2025. The time horizons for reporting the combined sustainability statement of pbb Group are based on the time horizons used internally in the risk inventory (short-term less than one year, medium-term one to five years and long-term more than five years). The risk inventory does not include the year under review, which is why the short-term and medium-term time horizons have been extended to include the year under review for reporting purposes in the combined sustainability statement. The time horizons for the combined sustainability statement are as follows:

> for the short-term time horizon: less than two years
> for the medium-term time horizon: two to five years
> for the long-term time horizon: more than five years.

Business Model, Value Chain and Strategy

pbb Group's Business Model and Value Chain

The business model of pbb with the description of the strategic business in the Real Estate Finance (REF) segment and the non-strategic business in the Non-Core (NC) segment is already described in the chapter "Business Model" in the section "Group Fundamentals", in this respect reference is made to the explanations there. The key core markets for the REF segment are also listed in the corresponding section. There are plans to divide the REF segment into the Real Estate Finance Solutions (REFS) and Real Estate Investment Solutions (REIS) sub-segments in the future. It should also be noted that sales are divided into three areas based on the geographical location of the financed assets. The Real Estate Finance Continental Europe division covers all continental European regions and the assets financed there with the exception of Germany. The Real Estate Finance UK & USA division covers the regions in the United Kingdom and the United States. Sales in these two areas are primarily aimed at professional national and international property investors, such as property companies, institutional investors and property funds. The Real Estate Finance Germany division covers sales in Germany with the assets financed there. In contrast to the two aforementioned areas, sales here are also aimed at medium-sized companies and regionally orientated customers

The key ESG product groups of pbb Group are Green Loans (based on pbb's Green Loan Framework) on the assets side and Green Bonds (based on pbb's Green Bonds Framework) on the liabilities side (the documentation sources Green Loan Framework and Green Bond Framework have not been audited by the auditor). More information on the Green Loan Framework and Green Bond Framework can be found in the chapter "Climate issues in the banking business". In the course of further anchoring ESG in the business model and in portfolio management, the Group has further intensified the financing of properties rated "green" on the basis of the criteria of its Green Loan Framework, and plans to continue doing so. pbb entered into a cooperation with Groß & Partner Grundstücksentwicklungsgesellschaft mbH and established Eco Estate GmbH in the financial year 2023. In addition to offering ESG products, pbb Group can thus also support its clients on their way to greater sustainability by providing sector-specific ESG advice. pbb's ESG service offering will now be managed under "ECO" and will be consistently expanded. In order to increase pbb's exposure to high-growth topics of the future, as well as its diversification, pbb intends to expand its "manage to zero" ECO offering along the property value chain towards a commission-driven business model. In this respect, the expansion in the direction of ECO Data & Analytics appears particularly attractive.

The economic agents of pbb Group and their relationships with the Group are listed in the following table.

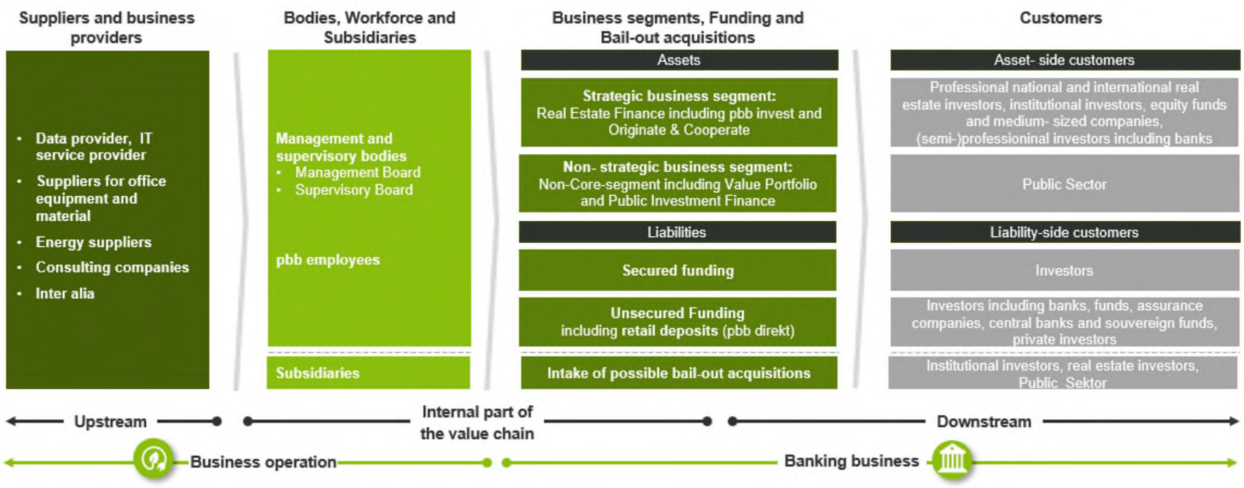
The Economic Agents of pbb Group and their Relationships with the Group

Economic actors	Relationship with the Group
Institutional investors	By issuing various securities, pbb enables institutional investors to make targeted investments in capital market products.
Private investors (pbb direct)	pbb direkt offers its clients deposit business in the form of call money and fixed-term deposit accounts in euros and US dollars. In addition to pbb direkt's online platform, this offer is also made available via third-party providers.
Property developers, property owners, institutional investors such as insurance companies, pension funds and large investors	pbb offers solutions for professional national and international real estate clients such as property companies, institutional investors and real estate funds, with property financings individually tailored to clients' requirements. The sales channels for property financing are operated via the sales offices in Germany and abroad as well as via the syndicated business.
Other banks	Syndicated financing enables larger investment projects thanks to the distribution of the loan volume across several banks.
Public sector	The Non-Core segment consists of public investment finance and non-earmarked financing for the public sector. pbb no longer conducts any new business in this area.
Suppliers and service providers	Thanks to the support of suppliers and service providers such as energy suppliers and IT service providers, pbb Group is able to implement and optimise its internal business processes.

The combined sustainability statement covers pbb Group's value chain. The following figure depicts the upstream, downstream and internal parts of pbb Group's value chain. pbb Group's upstream value chain comprises the activities of business partners who provide services to the Bank and supply it with goods (input). These include energy suppliers, suppliers of office equipment and materials, consulting firms as well as data and technology providers. The upstream value chain is part of pbb Group's business operations. The internal part of the value chain, which is also part of pbb Group's business operations, comprises the management and supervisory bodies (Management Board and Supervisory Board) as well as pbb's employees. The Management Board and Supervisory Board of pbb are described in more detail in the chapter "ESG Governance". Further information on pbb Group's employees, including the number of employees by geographical area, is set out in the chapter "Own Workforce". The business segments, funding and any bail-out acquisitions of pbb Group are part of the internal value chain (output) due to the activities within pbb Group, and are also part of the downstream value chain due to their contribution to the banking business and the provision of services for clients. In individual cases, there may be rescue acquisitions of properties in connection with problem loans, which are generally acquired via subsidiaries or sub-subsidiaries . If the corresponding conditions are met, these are consolidated in pbb Group. The clients of pbb

Group on the assets and liabilities side also belong to the downstream value chain. Institutional clients represent a significant client group of pbb Group. Due to pbb direkt's deposit-taking business, private investors are also important for the Bank.

pbb Group's Value Chain



Key Figures for the Value Chain

Some key figures for the value chain were developed on the basis of estimates and assumptions due to a lack of data. These form the basis for the definition of greenhouse gas reduction targets in the banking business and in our own business operations. They are also particularly relevant for the key figures on Scope 1, Scope 2 and Scope 3 emissions.

The following table provides detailed information on the key figures in the value chain that were estimated using indirect sources, including the basis for their preparation, an explanation of the resulting degree of accuracy and the measures to improve this accuracy in the future.

Key Figures, their Basis, the Degree of Accuracy and Measures to improve Accuracy

Corresponding key figures, which are estimated using indirect sources	The basis for the creation	The resulting degree of accuracy	The measures to improve accuracy in the future
Gross Scope 1 greenhouse gas (GHG) (data on company cars)	Determination of emissions based on the contractually agreed mileage of the vehicles.	High	None
Gross location-based Scope 2 GHG gross emissions (electricity)	Determination of emissions based on country-specific emission factors of the electricity mix.	Medium	None
Gross market-related Scope 2 GHG emissions (electricity)	Determination of emissions based on overarching emission factors of the contractually agreed electricity mix.	Medium	None
Gross market-related Scope 2 GHG emissions (heating, cooling, air conditioning, ventilation, underfloor heating)	Determination of emissions using overarching emission factors per heating type (currently only carried out for the Garching site).	Medium	None

Gross market-related Scope 2 GHG emissions (heating, cooling, air conditioning, ventilation, underfloor heating) for foreign locations	Determination of the underlying final energy consumption via the average final energy consumption per m^2 of the German locations	Low	Data collection via settlements
Gross indirect (Scope 3) GHG emissions Categories 1 (Purchased goods and services), 2 (Capital goods), 4 (Upstream transport and distribution) and 5 (Waste generation in operations)	Determination of emissions from categories 1, 2, 4 and 5 on the basis of sector-specific emission averages, taking into account pbb Group's emissions from 2022. The XDC Climate Explorer tool was used for this purpose.	Low	Update based on new emission and comparative data (taking into account reference years provided by the tool developer)
Gross indirect (Scope 3) GHG emissions Category 7 (Employee Commuting)	Determination of emissions from employee commuting based on assumptions about the employees' mode of transport, the distance of the employees from the respective location and the frequency of office attendance days.	Medium	None
Gross indirect (Scope 3) GHG emissions Category 15 (investments)	Determination of financed emissions based on data with different data quality levels: > Based on real data from the energy performance certificates of the financed properties > GHG emission data calculated on the basis of real energy consumption > GHG emissions estimated on the basis of property type, year of construction and country	Medium	Expansion of the data pool with additional real data by means of continuous data collection processes.

Key Figures, their Measurement Uncertainty and Information on the Sources of Measurement Uncertainty as well as Assumptions, Approximations and Judgements on which the Measurement is based

Corresponding key figures, which are estimated using indirect sources	**Their measurement uncertainty**	**The sources of measurement uncertainty as well as assumptions, approximations and judgements on which the measurement is based**
Gross Scope 1 GHG emissions (data on company cars)	The exact mileage of the vehicles is not known.	Approximate values are used based on the contractually agreed mileage.
Gross location-based Scope 2 GHG emissions (electricity)	The issue here is which electricity mix is actually present in the grid at the location, whereby emission factors are used at country level. This can lead to measurement inaccuracies due to large-scale estimates. The exact GHG emissions at the site are not known.	The specific sources used are (the sources have not been audited by the auditor): > Emission factors for the electricity mix for the USA (European Environment Agency (2021) "Greenhouse gas emission intensity of electricity generation by country") and for Switzerland (Carbon Footprint (2020) "Country specific electricity grid greenhouse gas emission factors"

		> Emission factors for energy sources (LX laws. (2020) "Annex 9") > Primary energy factors for heating (LX laws. (2020) "Annex 4"; German Bundestag (2016) "Primary energy factors")
Gross market-based Scope 2 GHG emissions (electricity)	The measurement uncertainty lies in the fact that overarching emission factors are used for the conversion, which generally apply to Germany, but are also applied to other countries. Here, too, the exact GHG emissions at the site are not known.	Specific sources are used analogue to the gross location-based Scope 2 GHG emissions (electricity).
Gross market-based Scope 2 GHG emissions (heating, cooling, air conditioning, ventilation, underfloor heating)	The measurement uncertainty lies in the fact that overarching emission factors are used for the conversion. Here, too, the exact GHG emissions at the site are not known.	The specific source used is (the source has not been audited by the auditor): LX Laws (2020) "Annex 9"
Gross market-based Scope 2 GHG emissions (heating, cooling, air conditioning, ventilation, underfloor heating) for foreign locations	The measurement uncertainty lies in the fact that the average final energy consumption per m^2 of the German sites is assumed for the foreign sites, as no energy consumption is known here.	Approximate values are used based on data for the German locations.
Gross indirect (Scope 3) GHG emissions Categories 1 (Purchased goods and services), 2 (Capital goods), 4 (Upstream transport and distribution) and 5 (Waste generation at facilities)	These indirect gross GHG emissions have a high degree of measurement uncertainty, as the emissions are estimated on the basis of information provided by peers, information on the categorisation of pbb's corporate context and emission levels of known categories. Furthermore, the reference year used is 2022.	Sector-specific approximations are provided by the XDC tool based on data from 2022, with emissions data from ICE (formerly Urgentum). For each sector supported by the XDC Climate Explorer, the database contains emissions data from at least 30 companies to provide reasonable certainty in the provision of sector-specific approximations.
Gross indirect (Scope 3) GHG emissions Category 7 (Employee commuting)	The measurement uncertainty results from the fact that the emissions caused by commuting are not known, as the frequency of employees' presence at the site and their commuting routes and methods are not known.	Based on assumptions regarding commuting behaviour, presence at the locations and extrapolations, as employees do not provide pbb Group with any information on their individual commuting behaviour.
Gross indirect (Scope 3) GHG emissions Category 15 (investments)	The measurement uncertainty arises in particular when ... > ... only energy consumption data is available, but no GHG emissions data for the property. This uncertainty is analogous to the information on gross Scope 2 GHG emissions. > ... no information is available on the energy consumption/demand or GHG emissions of the properties. The GHG emissions are then estimated based on the property type, year of construction and country. > ... it vomes to the non-core portfolio. There is no real information on GHG emissions here.	Specific sources are used: > For the GHG emissions data calculated on the basis of real energy consumption, the sources for determining the data are analogous to the information on gross Scope 2 GHGemissions. > For GHG emissions estimated based on property type, year of construction and country: Partnership for Carbon Accounting Financials (PCAF) (the source has not been audited by the auditor) > For the non-core portfolio, GHG emissions are estimated using industry averages from Exiobase.

The Business and Sustainability Strategy of pbb Group

pbb Group's business strategy is geared towards continued value-creating business success and forms the basis for the financial planning until the end of 2027, which concretises the strategic orientation. Further information on pbb Group's business strategy in connection with the business model is set out in the chapter "Strategic Orientation" in the section "Group Fundamentals".

pbb Group's sustainability strategy is an integral part of its business strategy. The principle of sustainability is a guiding principle for pbb Group in fulfilling its corporate responsibility, and thus forms the basis of its governance. Sustainability is defined as the self-image of making a significant contribution to securing the long-term future through one's own actions, taking into account the consequences for all of the Company's stakeholders as well as for society and the environment.

pbb Group is convinced that law-abiding behaviour with integrity, responsible corporate governance and compliance with high ethical principles are a necessary condition for long-term business success. For this reason, pbb Group aims to combine long-term economic success and sustainability aspects in the best possible way, thereby creating long-term benefits for society and conserving natural resources. As part of the financial industry, pbb Group sees itself as a transformation financier and sees it as its task to increasingly channel investment funds towards sustainability.

pbb Group is constantly working on integrating the ESG topics of climate and environment (E for environmental), social (S for social) as well as legal and factual aspects of corporate management (G for governance) more strongly into the Group's processes, product range and culture.

In addition to legal, regulatory and supervisory requirements, pbb Group takes into account the needs of its clients as well as the expectations of its investors, the public and its employees. In this context, pbb Group considers a regular, open and mutual exchange to be indispensable in order to recognise the needs of all stakeholder groups at an early stage and to take them sufficiently into account in the decision-making processes. In the holistic sustainability strategy, four Sustainable Development Goals (SDGs) of the United Nations were identified as particularly relevant for the core business, where pbb can make a positive contribution: Gender Equality (SDG 5), Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), and Climate Action (SDG 13) by actively contributing to the decarbonisation of the real estate sector and efforts to reduce its own environmental footprint.

One challenge for pbb Group is to make its contribution to the transformation of the property sector towards greater sustainability. The focus here is not only on climate-relevant aspects, but also on other environmental and social factors. In future, pbb Group plans to address further environmental and social issues in its combined sustainability statement. The sustainability-related strategic elements, measures and targets are presented in detail in the corresponding topic-specific chapters of this report. There are currently no specific sustainability targets based on geographical areas and customer categories. The targets relating to climate and the environment in the banking business relate in particular to the REF portfolio.

pbb's Management Board and Supervisory Board regularly and intensively deal with the ESG business and risk strategy. One basis for this is a system of key performance indicators, which is continuously refined. Regulatory and market developments are also taken into account. In recent years, for example, the focus has been on determining green asset ratios (GAR). However, from pbb Group's perspective, the GAR according to the EU taxonomy are not meaningful with regard to the actual share of environmentally sustainable assets, as there are already restrictions in terms of taxonomy eligibility depending on the size and capital market orientation of clients, among other things. No market practices have yet emerged for adjusted and self-defined ratios. In pbb Group's view, the reduction of CO_2 emissions is expected to become an important objective across the Group. pbb Group has developed a climate pathway with the aim of actively steering the REF portfolio towards reducing CO_2 emissions intensity. pbb Group's climate pathway is geared towards limiting global warming to 1.5 degrees Celsius, calculated from the pre-industrial age to the year 2050, and uses the climate pathways from the Carbon Risk Real Estate Monitor (CRREM), which are customary in the property sector, as a reference. The key figure for CO_2 emissions reduction with target values is derived from the climate pathway developed. In 2024, a start was made on setting up control measures to reduce CO_2 emissions. Implementation to steer the key performance indicator will continue in 2025.

As indicators such as GAR are not very meaningful, no market practice has yet emerged for other indicators and the implementation for managing the CO_2 emissions reduction indicator has not yet been finalised, pbb Group has not yet defined any non-financial performance indicators within the meaning of DRS 20.105.

THE INTERACTION OF THE MATERIAL EFFECTS, RISKS AND OPPORTUNITIES WITH THE STRATEGY AND BUSINESS MODEL

As part of the combined sustainability statement, pbb Group has identified various potential and actual impacts, both positive and negative, as well as risks and opportunities. No impacts, risks and opportunities (IROs) were identified that are specific to pbb Group and as such are not covered by the ESRS. The materiality of these impacts, risks and opportunities was analysed for the business operations and the banking business respectively, whereby the position of the business operations and the banking business can be found in the figure "Value Chain of pbb Group" in the chapter "Business Model, Value Chain and Strategy". The materiality analysis procedure and the identification, assessment and prioritisation of impacts, risks and opportunities are described in more detail in the chapter "Materiality analysis". In addition, the material impacts, risks and opportunities are summarised in the tables "Overview of the material positive and negative impacts of pbb Group including their time horizons, broken down by banking business and business operations" and "Overview of the material financial risks and opportunities of pbb Group, broken down by banking business and business operations" in the chapter "Materiality Analysis". The REF and Non-Core business segments as well as Consolidation & Adjustments (C&A) were taken into account when determining materiality in the banking business. Details on the materiality of the IROs in this context can be found in the tables already mentioned.

The material effects, risks and opportunities may have a significant influence on pbb Group's strategy, decision-making and value chain, but may have a limited impact on the business model. Although the Real Estate Investment Solutions business segment, as part of the Originate & Cooperate business division, aims to ensure the Bank's future viability and profitability with new business focuses, the Group's core business remains property financing.

In connection with the positive impact of offering sustainable financing instruments and/or through the targeted granting of (property) financing to clients, pbb Group plans to increase the share of green loan-eligible properties in the overall commercial real estate finance portfolio to over 30% by the end of 2026, as part of its strategy. This is to be achieved by strengthening new business for environmentally friendly properties in all asset classes and various financing products. In addition, targets have been defined for the emissions intensity of the REF portfolio based on pbb's specific decarbonisation pathway. These targets are described in more detail in the "Climate change" section. Another positive impact on people and the environment could be a change in market sentiment caused by macroeconomic factors, which could lead to an increase in demand for sustainable products and services in the property sector. These significant positive effects in the context of the banking business have a corresponding impact on the downstream and, in some cases, internal value chain.

In our own business operations, the sustainability aspects of climate change mitigation, energy and equality/non-discrimination in particular can have a positive impact on people and the environment by reducing GHG emissions through the use of certified green electricity, promoting women in management positions and promoting a diverse workforce. In addition, various financial opportunities were identified in business operations. In particular, these opportunities take the form of cost savings in buildings by increasing energy efficiency. Additional financial opportunities in business operations arise from the promotion of good working conditions, a diverse workforce and a positive corporate culture. Promoting good working conditions and a positive corporate culture are particularly relevant for employer attractiveness and make it easier to recruit qualified and motivated staff. The early detection of problems in the context of whistleblowing and the expansion of political advocacy can also bring financial opportunities in business operations. These financial opportunities in the context of business operations are particularly evident in the internal part of the value chain. The promotion of partnership-based behaviour with suppliers can also bring financial opportunities. This financial opportunity in the context of business operations has an impact on the upstream value chain. In the banking business, pbb Group can retain existing clients and acquire new clients by promoting good client relationships. This significant financial opportunity in the context of the banking business has an impact on the downstream value chain. Negative impacts on people and the environment could arise from insufficient ambition in reducing GHG emissions. In addition, the financing of real estate with potential contaminated land and low energy efficiency or high energy consumption could occur in the context of real estate, public infrastructure and covered export financing, which could also have a negative impact on people and the environment. These significant negative impacts in the context of the banking business have a corresponding effect on the downstream value chain and, in some cases, on the internal value chain. In the context of business operations, negative impacts can arise due to an inadequate corporate culture, a lack of transparency in dealing with and misuse of lobbying activities and political influence as well as incidents of corruption and bribery. These significant negative effects in the context of business operations are particularly evident in the internal part of the value chain. In business operations, the selection of suppliers without sufficient scrutiny of their ethical behaviour and sustainable business practices can lead to negative impacts on people and the environment. This material negative impact in the context of business operations has an effect on the upstream value chain.

On the risk side, physical, transitory, climate and environmental risk factors as well as social and governance risk factors were analysed with regard to their materiality for pbb Group. Physical risk factors in the banking business, such as floods, tornadoes, heavy rainfall, droughts, storms, forest fires, heat waves, landslides, earthquakes, tsunamis and volcanic eruptions, can have a financial impact on the Bank. In the context of property financing, the market value of a property may fall and/or a customer may be more likely to default. In the context of public infrastructure financing and covered export financing, loss of income may result from business interruptions or the use of alternative facilities. Additional investment costs may also be incurred for reconstruction. Environmental factors also include the issue of environmental pollution, which has been categorised as a material financial risk in the context of the costs of cleaning up contaminated sites and its connection with reduced creditworthiness and an increased probability of default of the customer. Transitory risks in the banking business can arise from factors such low energy efficiency or high energy consumption, a high carbon footprint, new sustainability and environmental regulations and general market sentiment. The granting of (property) financing to companies in energy-intensive industries or to companies that implement projects with conventional energy generation can lead to reputational damage and financial disadvantages. This also applies to the granting of (property) financing to companies whose properties lack energy efficiency. Insufficient ambition in reducing GHG emissions in the banking business can also damage the bank's reputation and results in lower ESG ratings. In addition, a change in market sentiment due to macroeconomic factors could lead to an increase in demand for sustainable products and services in the property sector. If pbb is unable to meet this demand with its products and services, this could lead to financial disadvantages. The increasing regulation of emissions-intensive industries and sectors may increase the risk of stranded assets (stranded assets are assets whose earning power or market value unexpectedly declines significantly, primarily due to environmental or climate-related factors, until they become almost or completely worthless) in the investment. In addition, the ban on energy-intensive technologies can also lead to competitive disadvantages and increase the credit default risk. These material risks in the context of the banking business have a corresponding impact on the downstream and, in some cases, the internal value chain. The governance risk factors focus on the company's own business operations. Greenwashing, cases of corruption and bribery as well as non-transparent handling and misuse of lobbying activities and political influence could damage the Group's reputation and lead to sanctions and penalties. These key governance risk factors in the context of business operations are particularly evident in the internal part of the value chain. In addition, the selection of suppliers without sufficient scrutiny of their ethical behaviour and sustainable business practices can lead to reputational risks as well as legal and financial damage. This key governance risk factor has an impact on the upstream value chain.

The risks identified as part of the materiality analysis and their current financial impact are taken into account in risk management as well as in the stress tests. Should these risks materialise or reach a certain probability of occurrence, reduced income and increased costs could adversely affect pbb Group's financial performance. Early identification of material risks is therefore of great importance in order to be able to take effective countermeasures. pbb Group reviews the resilience of its strategy and business model to current developments by using scenario analyses and stress tests.

THE STAKEHOLDERS OF PBB GROUP AND THEIR INVOLVEMENT FORMATS

As part of its business activities, pbb Group interacts with various stakeholders and maintains an ongoing dialogue with them. Regular dialogue is essential in order to gain a deeper understanding of the diverse perspectives and needs of stakeholders and to support long-term trust and business success. Furthermore, stakeholder involvement and management are an essential component of a successful and holistic business and sustainability strategy.

pbb Group distinguishes between internal and external stakeholders. Internal stakeholders are the employees of pbb Group including the management. External stakeholders are clients (borrowers and private investors of pbb directly), investors, legislators, regulators, auditors, shareholders, suppliers, analysts, credit and ESG rating agencies, associations, the environment and society. These stakeholders are involved in pbb Group's corporate activities as well as in the business and sustainability strategy via various formats and communication channels. These are presented in the following table.

The Stakeholder Groups of pbb Group and their Categories, Involvement Formats and Frequency of Involvement

Stakeholder group	Category	Inclusion format	Frequency
Employees	Internal	> The employee involvement formats are described in the "Own workforce" section	> The frequency of employee involvement is described in the "Own workforce" section.
Borrower	external	> Regular exchange in the context of maintaining contacts and initiating or processing financing transactions in customer meetings, at events, conferences and fairs	> Ongoing
Private investors (pbb direct)	external	> Anonymous analysis of customer behaviour in the online applications > Further information can be found in the chapter "Consumers and end users"	> Regularly > Further information can be found in the chapter "Consumers and end users"
Investors	external	> Regular dialogue between the Debt Investor Relations team and investors via ad hoc telephone calls, at conferences and roadshows > Consideration of market analyses	> Ongoing
Legislator	external	> Compliance with legal requirements as well as notification and reporting obligations (in accordance with the German Banking Act (KWG), etc.) > Indirectly via membership in industry associations (vdp, BdB) including participation in various working groups	> Ongoing > Ongoing
Supervision	external	> In the financial year 2024, pbb Group was in close contact with the European Central Bank (ECB), Deutsche Bundesbank, the German Federal Financial Supervisory Authority (BaFin), the Single Resolution Board (SRB) and the regional supervisory authorities responsible for the foreign locations in France, Spain, England, Sweden and the US, in order to implement regulatory requirements. pbb is a company directly supervised by the ECB and is therefore in regular dialogue with the supervisory authorities > Regular dialogue with supervisors at senior management level (Management Board, Supervisory Board)	> Information is provided on an ad-hoc basis upon request and in accordance with the frequencies defined for the respective regular reports (daily, monthly, quarterly & semi-annually) as well as following the Supervisory Board meetings > Ongoing

		> Supervisory audits on topics selected by the supervisor	> Scheduling by the supervisior
Auditor	external	> Exchange as part of the audit procedures	> Annually, quarterly
Shareholders	external	> The Annual General Meeting offers the opportunity to clarify specific questions directly with pbb Group's executive bodies. > Regular dialogue between the Equity Investor Relations team and shareholders via telephone calls, at conferences and roadshows	> Annually > Ongoing
Suppliers	external	> Regular and event-driven dialogue between the commissioning department and the "Sourcing" team and the respective suppliers	> Ongoing
Analysts	external	> Regular dialogue between the Equity Investor Relations team and analysts > Analyst and investor calls on the quarterly results > Capital Markets Day	> Ongoing > Quarterly > For the first time on 10 October 2024
Credit and ESG rating agencies	external	> Regular earnings calls between the Chief Executive Officer, Chief Financial Officer, the rating agency relations team and credit rating analysts > Rating meetings of the Management Board with analysts from the mandated credit rating agencies > Exchange with ESG rating agencies and consultants from the investment banking and property sectors	> Quarterly and as required > Annually > If required
Associations	external	> Exchange within the framework of association events (depending on the association with the board, working groups, members' meetings, etc.)	> Depending on the frequency of committee meetings
Environment and society	external	> Regular macroeconomic analyses by Economic Analysis, including the development of the economy, interest rates, gross domestic product and unemployment rates > Regular monitoring of market developments and socio-political changes with a focus on real estate in Property Analysis & Valuation > Carrying out market research by strategy consultancies in the event of significant changes	> Regularly

By involving the various stakeholder groups, pbb Group can identify the issues that are of particular importance to them. Long-term employee retention is a key factor for pbb Group's success. Promoting diversity and the individual development of employees, whilst ensuring fair working conditions, is a key aspect of employee retention for pbb Group. The central objective of pbb's human resources strategy is therefore the recruitment, long-term, constant development and motivation of employees. Investors also attach importance to sustainability aspects, as these can have a significant influence on the evaluation and decision-making process for investments. Due to increasing sustainability-related regulation, pbb's clients are looking for corresponding offers. In addition, pbb Group supports a systematic client dialogue with corresponding exchange formats, thereby strengthening pbb's presence and the external perception of its ESG expertise. The aim is to conduct a new ESG customer survey in 2025. Analysing client interests enables the Bank to adapt its business to clients' needs and make it even more client-oriented. By taking into account the interests of its various stakeholders, pbb Group can better understand their sustainability-related demands, expectations and needs. In addition, these insights enable the targeted further development of sustainability activities, which can contribute to increasing the satisfaction of individual stakeholders. This stakeholder involvement helps the Group to make well-considered decisions that both take into account the needs of the various stakeholders and serve to achieve its objectives.

The views and interests of the various stakeholders with regard to the company's sustainability-related impact are discussed at Supervisory Board meetings or communicated on an ad hoc basis as required.

pbb Group's business strategy is updated annually. Changes in the relationship with stakeholders and their positions are to be expected due to future adjustments to the business strategy and the business model.

Materiality Analysis

The risk inventory documentation source described in the "Materiality analysis" section has not been audited by the auditor.

Fundamentals of the Materiality Analysis

To determine the scope of the combined sustainability statement, a materiality analysis must be carried out in accordance with the requirements of ESRS 1 based on the principle of dual materiality. According to the ESRS, a sustainability aspect is material if it is assessed as material either from the inside-out perspective or from the outside-in perspective. The inside-out perspective, which is also referred to as impact materiality, considers the company's impact on people and the environment. The outside-in perspective, which is also referred to as financial materiality, also analyses the financial risks and opportunities of the company. Just like positive and negative impacts, risks and opportunities can arise from the banking business, but also from pbb Group's business operations. The aim of the analysis is to determine the material impacts, risks and opportunities of the Company in relation to the sustainability aspects specified in the ESRS. The sustainability aspects identified as material result in the sum of the requirements to be reported, which are to be included in the combined sustainability statement in addition to the mandatory disclosures from ESRS 2.

Methods and Assumptions

In order to take into account the specific characteristics of a financial institution, whose impacts, risks and opportunities lie primarily in the financed banking business and therefore outside of its own business operations, the "business operations" and "banking business" dimensions were considered and evaluated separately in the materiality analysis. This also enabled a more targeted assessment and discussion of sustainability aspects with clearly defined specialist contact persons and stakeholders.

Involvement of relevant Stakeholders

According to ESRS requirements, stakeholder involvement is an essential part of the materiality analysis. As part of the materiality analysis, pbb Group included the perspectives of representatives of internal and external stakeholders in internal workshops and an online stakeholder survey. The stakeholder groups employees, borrowers, private investors, regulators, legislators, auditors, investors, shareholders, credit and ESG rating agencies, suppliers, analysts, associations and the environment or society were included in the materiality analysis and were identified in accordance with the definition of the stakeholder concept in ESRS 1.

The participants of the internal workshops, who represented both internal and external stakeholders, were assigned the different stakeholder perspectives in order to take their specific views into account when assessing the impacts, risks and opportunities. The assignment was based on the professional expertise of their respective activities within pbb Group. Before the workshops began, the participants were informed about the defined assessment methodology. In addition, an online stakeholder survey was conducted to enable the direct participation of various stakeholder groups. Stakeholders were informed about the survey via pbb Group's internal and external channels, such as the intranet, social media and the pbb client portal. As part of the survey, stakeholders had the opportunity to express their views on the existing assessment of the various sustainability aspects in terms of their relevance for pbb Group.

Identification of the Impacts, Risks and Opportunities to be assessed

First, a catalogue of positive and negative impacts as well as financial risks and opportunities was created, which included the sustainability aspects of the ESRS in relation to pbb Group's business model and value chain. Existing information such as the separate combined Non-Financial Report 2023, the business strategy, passages on ESG risk from the risk report and the internal guidelines of pbb Group served as a basis (the documentation sources business strategy, risk inventory and internal guidelines have not been audited by the auditor). In order to achieve consistency within pbb Group, this catalogue was coordinated with the representatives of risk management and structured analogously to the risk inventory.

It should also be noted that the process for determining financial opportunities is integrated into pbb Group's management process. The results of the materiality analysis, including the financial opportunities, are part of the sustainability strategy. This sustainability strategy is updated annually and forms part of the overarching business strategy.

The assessment of the positive and negative impacts as well as the financial risks and opportunities were reviewed in several workshops by internal representatives and categorised according to their materiality. The results of the online stakeholder survey were also taken into account for the assessment of materiality. The policies, actions and targets for the material impacts, risks and opportunities of the environmental, social and governance topics can be found in the topic-specific chapters of this combined sustainability statement. As part of the materiality analysis, pbb Group did not consult with affected communities.

Assessment and Prioritisation of Impacts, Risks and Opportunities

MATERIALITY OF IMPACT

The assessment of the positive and negative impacts of pbb Group's business activities on people and the environment was based on the categories of extent and scope. The extent of the impacts was determined by their severity, while the scope was determined by the range of these impacts. In the case of negative impacts, an assessment was also made as to whether and to what extent the impacts can be remedied. It was also assessed whether the impacts were actual or potential. The estimated probability of occurrence was also taken into account when assessing potential impacts. In the case of negative impacts in the area of human rights, the methodology stipulates that the severity of the impact takes precedence over the probability of occurrence. The impacts can extend over the time horizons described in the "Introduction" chapter - short-term, medium-term and long-term. A scale was used to assess all parameters. For impact materiality a scale of one to fifteen was defined. The final materiality assessment resulted from a weighting of all affected parameters and, if the threshold value of 8.0 was exceeded. To determine the impact materiality of the context and interrelationships in which the impact of pbb Group could potentially arise, were also analysed with regard to the examination of business activities, business relationships and stakeholders.

In addition to financial materiality, pbb Group's risk inventory also takes into account the impact perspective for the risk factors. The results of the risk inventory were taken into account in the CSRD materiality analysis in order to establish consistency. More information on the procedure for assessing these risk factors in the risk inventory can be found in the "Financial materiality" section.

The following table provides an overview of the material positive and negative impacts of pbb Group's business activities, including their time horizons, broken down by the dimensions of banking business and business operations.

Overview of the Material positive and negative Impacts of pbb Group including their Time Horizons, broken down by Banking Business and Business Operations

Topics in the materiality analysis	Dimension	IRO type, IRO status	Description of the impact	Time horizon
Climate change mitigation (emissions) Energy	Business operations	Positive impact, actual	GHG emissions can be reduced by using green electricity.	Short term
Climate change mitigation (emissions)	Banking business	Positive impact, actual	Offering sustainable financing instruments and/or through the targeted granting of (real estate) financing to customers who adhere to strict environmental standards (essentially only for REF).	Short term
	Banking business	Positive impact, potential	A change in market sentiment can lead to an increase in demand for sustainable products and services in the real estate sector (essentially only for REF).	Long term
	Banking business	Negative impact, potential	Insufficient ambition to reduce GHG emissions in the portfolio.	Medium term
Energy	Banking business	Negative impact, potential	Real estate, public infrastructure and covered export financing with low energy efficiency or high energy consumption.	Medium term
Pollution	Banking business	Negative impact, potential	Financing of real estate with potential contaminated soil can lead to environmental damage due to soil contamination or chemicals in the building fabric (significant only for REF).	Short term
Equal treatment and opportunities for all	Business operations	Positive impact, actual	Promoting women in management positions strengthens gender equality and improves women's career opportunities and quality of life.	Short term
	Business operations	Positive impact, actual	A diverse workforce improves decision-making, the understanding of risks and the recognition of new opportunities.	Short term
Corporate culture	Business operations	Negative impact, potential	If banks do not maintain a good corporate culture, this has a negative impact on their own	Short term

			reputation, on investors and on employees, who value a positive corporate culture.	
Management of relationships with suppliers including payment practices	Business operations	Negative impact, potential	The selection of suppliers without sufficient assessment of their ethical behaviour and sustainable business practices may lead to negative impacts on people and the environment in pbb Group's upstream supply chain.	Short term
Political engagement and lobbying activities	Business operations	Negative impact, potential	A non-transparent approach to and misuse of lobbying activities and political influence can lead to a considerable loss of trust among customers and stakeholders.	Short term
Corruption and bribery	Business operations	Negative impact, potential	Corruption and bribery incidents cause damage to society and the economy, such as the loss of trust in the financial sector, in the resilience of loan agreements or in financial market regulation/rule of law. Corruption also hampers economic development, as it leads to legal uncertainty, distorted competitive conditions and increased costs. Furthermore, corruption (sometimes indirectly) hinders economic development, leads to a poorer health and education system, destroys social capital and thus fuels mistrust in the population towards politics and administration.	Short term

FINANCIAL MATERIALITY

In the context of financial materiality, the CSRD materiality analysis was based on the already well-founded results of the risk analyses from pbb Group's risk inventory. The risk inventory used various data, including external location-specific risk data, to assess the material risks in the portfolios. For risk factors with available ESG risk data, a capital-related quantitative materiality threshold was applied and assessed using expert judgement. Risk factors without available data were also assessed by experts. The pbb experts surveyed have in-depth specialist knowledge and include experts for climate and environmental aspects from the Property Analysis & Valuation division as well as specialists from the Human Resources and Legal departments for the topics of social and governance. In addition, experts from Compliance and Credit Risk Management, particularly those with knowledge of lending and property valuation, were involved in the steps of the assessment process.

In addition, the financial risks and financial opportunities were assessed as part of the CSRD materiality analysis based on the financial impact of the opportunity or risk and the probability of occurrence. When assessing the financial effect, the dependencies on resources and relationships (e.g. business relationships) were also taken into account. The assessment was based on expert judgement. A scale was also defined for the assessment of financial materiality. This lies between one and five, with the final materiality assessment resulting from a weighting of all parameters concerned and exceeding the threshold value of 3.0.

With regard to the materiality of the environmental, social and governance risk factors, the analyses of the risk inventory were interlinked with the results of the materiality analysis from the future CSRD reporting obligation, in which partial results from the CSRD workshops held for this purpose were also considered.

The results of the ESG materiality process serve as the basis for the development of the management strategy, including the formulation of the ESG risk appetite as part of the risk strategy. This includes the definition of suitable risk indicators for risk monitoring and risk quantification using scenario analyses and stress tests.

The following table provides an overview of the material financial risks and opportunities for pbb Group's business activities, broken down into the dimensions of banking business and business operations.

Overview of the Material Financial Risks and Opportunities of pbb Group, broken down by Banking Business and Business Operations

Topics in the materiality analysis	Dimension	IRO type	Description of the risks or opportunities
Climate change mitigation (emissions)	Banking business	Financial risk	Insufficient ambition to reduce GHG emissions in the portfolio.
	Banking business	Financial risk	Increasing regulation of emissions-intensive industries and sectors may increase the risk of stranded assets in investments (material only for REF).
	Banking business	Financial risk	A change in market sentiment could lead to an increase in demand for sustainable products and services in the real estate sector. If pbb is unable to meet this demand with its products and services, this could lead to financial disadvantages (material only for REF).
	Banking business	Financial risk	Transitory risks (e.g. ban on energy-intensive technologies) lead to competitive disadvantages and increase the credit default risk (material only for REF).
Climate change adaption and physical risks	Banking business	Financial risk	Physical climate risks: Floods, heavy rainfall, drought (material only for Non-Core and C&A), windstorms, tornadoes (material only for REF), wildfires (material only for Non-Core and C&A), heatwaves (material only for Non-Core and C&A), landslides (material only for Non-Core and C&A), volcanic areas, tsunamis (material only for REF) and earthquakes.
Energy	Banking business	Financial risk	Real estate, public infrastructure and covered export financing with low energy efficiency or high energy consumption
	Banking business	Financial risk	Reputational risks from lending arise when companies operate in energy-intensive sectors or when properties with low energy efficiency are financed.
Pollution	Banking business	Financial risk	The removal of contaminated sites is costly and can lead to reduced creditworthiness and customer default (material only for REF).
Climate change adaption and physical risks	Business operations	Financial opportunity	Energy efficiency can lead to cost savings in the Bank's buildings.
Equal treatment and opportunities for all	Business operations	Financial opportunity	A diverse workforce improves decision-making, helps to understand risks, recognise opportunities and find innovative solutions.
Good working conditions	Business operations	Financial opportunity	Good working conditions increase satisfaction and efficiency and reduce costs by reducing absenteeism and staff turnover.
	Business operations	Financial opportunity	Good working conditions increase employer attractiveness and secure skilled labour for business success.

Customer feedback	Banking business	Financial opportunity	Regular dialogue and customer feedback make it possible to design products with the customer in mind. This leads to customer loyalty, new customer acquisition and financial benefits.
Corporate Culture	Business operations	Financial risk	Greenwashing: Liability claims due to the sale of green products whose assets do not correspond to the advertised level of environmental friendliness.
	Business operations	Financial opportunity	A positive corporate culture can increase employer attractiveness, reduce absenteeism and staff turnover and lead to cost savings.
	Business operations	Financial opportunity	The bank can reduce or prevent financial losses by uncovering problems at an early stage through whistleblowing.
Management of supplier relationships including payment practices	Business operations	Financial risk	Selecting suppliers without sufficient verification of their ethical behaviour and sustainable business practices may lead to reputational risks as well as legal and financial damage in connection with pbb Group's upstream supply chain.
	Business operations	Financial opportunity	Partnership-based behaviour promotes stable business relationships with suppliers in the future.
Political engagement and lobbying activities	Business operations	Financial risk	A non-transparent approach to and misuse of lobbying activities and political influence can lead to a considerable loss of trust among customers and stakeholders.
	Business operations	Financial opportunity	The legislative process can be influenced by lobbying (e.g. via associations) so that existing laws are amended or new laws are passed, which can lead to an increase in sales or capital relief (e.g. building modernisation and refurbishment, avoidance of overly restrictive capital requirements for certain transactions).
Corruption and bribery	Business operations	Financial risk	Sanctions, penalties or compensation payments caused by incidents of corruption and bribery could place a financial burden on the bank.
	Business operations	Financial risk	Corruption and bribery incidents can cause reputational damage, non-compete clauses and blacklisting, leading to a drop in demand, loss of customers and financial losses.

pbb considers risks from ESG components to be a cross-sectional risk, as the corresponding risk factors have an impact on the other risk types. Due to the classification of ESG risk as a cross-sectional risk and the rather minor quantitative impact, it is not prioritised over the other material risk types. In order to ensure that environmental, social and governance risks are adequately taken into account in the risk management processes, an identification and assessment process for ESG risk factors has been established as an integral part of the annual risk inventory. The impact of the potential ESG risk factors identified on the individual risk types such as credit risk, market risk, business and strategic risk, liquidity and funding risk, operational risk and reputational risk is also analysed and assessed; other risk types may also be affected.

pbb pursues the objective of taking sustainability aspects into account in its business activities and minimising the risk of negative consequences due to ESG risk. An indispensable basis for achieving this objective is appropriate monitoring of ESG risk, in order to be able to take immediate countermeasures if necessary. Specific risk indicators have been defined and assigned to the individual components for monitoring the various aspects of the Group's own ESG risk (inside-out perspective). Yellow and red thresholds have been defined for these risk indicators based on the traffic light system. Both the ESG risk indicators and the internal targets relating to the various aspects of ESG risk are continuously developed, expanded and specified.

The monitoring of environmental risk (outside-in perspective) is currently focussing in particular on the aspects of mitigation and adaptation to climate change associated with (pbb-)financed properties. In internal risk reporting, monitoring has been established with regard to exposures potentially affected by physical and transitory risks as well as the risk of pollution, both for the REF portfolio and for the Non-Core and C&A portfolios. Internal reporting also provides additional transparency with information on E-related market risk sensitivities and ESG-related losses in the case of operational risk in the REF portfolio. Internal reporting is continuously expanded in line with the data situation.

In order to assess biodiversity and environmental risks, suitable public environmental and biodiversity scores for the underlying economic sectors of pbb Group's clients were quantitatively analysed for the entire portfolio according to pbb's assessment. Such scores are regarded as suitable proxies for environmental and biodiversity risks of pbb Group's clients and exist for both a dependency and an impact perspective with regard to environmental and biodiversity risks ("dependency" and "impact" view). Both perspectives were taken into account and analysed in the quantitative materiality analysis.

- In the impact perspective, the scores used include an assessment of the upstream and downstream value chain per economic sector. Furthermore, GHG emissions, resource use including the consumption of water and marine resources and thus transitory risk factors (including carbon footprint and energy consumption) as well as general pollution factors and thus physical risks have also been taken into account as "sub-scores" in the "impact" perspective.
- The upstream and downstream value chain was not taken into account in the dependency perspective.

For the REF portfolio as well as for the sites, data centres and server locations, a possible contribution to biodiversity loss due to land use change was also evaluated using satellite data on the type of land cover at the locations of the properties financed in Europe. As the aforementioned qualitative analyses use proxies, the results obtained were finally reviewed and assessed by the relevant internal experts.

In addition, relevant scenarios from the ECB climate stress test, which use identical narratives to those used in connection with environmental and biodiversity risks, were included in the materiality assessment with regard to operational risk and reputational risk. Both the risk factors associated with the respective scenario as well as the potential impact and the associated time horizon per scenario were determined by expertence judgement. This assessment was preceded by a discussion on the relevance of the scenario for the company.

Overall, biodiversity risks - both inside-out and outside-in - were categorised as not material.

The materiality of the transitory risk factors for the REF segment was determined qualitatively using expert judgement. For the materiality assessment for the non-core portfolio, relevant transitory risk factors were assessed in terms of their potential impact on credit risk using data-based expert judgement.

In the 2024 financial year, transitory and physical risks were analysed as part of the stress tests, including climate-related risks. Various climate scenarios were used, including scenarios that envisage limiting global warming to 1.5 degrees Celsius (based on Network for Greening the Financial System (NGFS) scenarios, among others). Various climate scenarios were also used to determine climate-related risks, including scenarios with high emissions.

Based on the findings of the materiality analysis and the risk inventory, the relevance of climatic risks was analysed using various stress scenarios:

- In order to systematically examine the potential vulnerability of pbb's portfolio and capital position with regard to medium-term transitory climate and environmental risks, a corresponding short-term transition scenario has been defined, calculated and analysed within the normative and economic ICAAP perspective and finally integrated into the stress test programme.
- In order to extend the focus to potential events that manifest themselves over a long-term period, a combined long-term transition risk and chronic physical risk scenario was calculated. In this scenario, the period up to the year 2050 was considered under various climate transition paths.
- The impact of acute physical risks was analysed in a dedicated scenario.

Climate Scenarios for Determining Physical and Transitory Risks

Scenario	(Scientific) source	Narrative/time horizon/dynamics/drivers including relevance for pbb	Coverage of pbb-specific risks	Key influencing factors/limitations
Acute physical risks	Determination of acute climate hazards using K.A.R.L. data	> In this short-term scenario, the impact of acute physical risks on pbb are analysed. > An extreme scenario (200-year event) with an impact on pbb's entire REF portfolio is assumed. > Both direct (e.g. real estate) and indirect losses (e.g. market sentiment) are analysed. > Concentration risks are also mapped.	The property-specific use of possible physical risks means that the risks to the properties can be presented very specifically for the pbb portfolio.	The key influencing factor is the derivation of the risk drivers relevant for pbb within the annual risk inventory, which ensures that all potential vulnerabilities are identified and taken into account accordingly in the stress tests.
Short-term transition scenario	The scenario is based on the development of the NGFS "Delayed Transition" scenario. The macroeconomic parameters (GDP, inflation, unemployment rates, etc.) are taken from NGFS.	> This scenario is used to systematically analyse the potential vulnerability of pbb's portfolio and capital position with regard to short- to medium-term (four-year period starting in 2024, in line with the bank-wide planning process) transitory climate and environmental risks. > The scenario is calculated and analysed in its entirety within the normative and economic ICAAP perspective. > The main assumption of the scenario is a significant and unexpected increase in the CO_2 price of €100 per tonne of CO_2 per year.	In particular, the increase in the CO_2 price affects the modelled property prices and therefore the risk parameters. Specific elements, such as simulated operational risk events and a contamination event, are also simulated as an additional environmental risk.	The key influencing factor is the development of the CO_2 price, which is largely dependent on the political environment.
Combined long-term transition risk and chronic physical risk scenario	As in the medium-term transition scenario, the CO_2 price increase is taken from the ECB stress test. Determination of acute climate risks using K.A.R.L. data. The scenarios (Orderly Transition,	> A combined long-term transition risk and chronic physical risk scenario is calculated in order to extend the focus to potential events that manifest	Similar to the short and medium-term scenario, macroeconomic parameters, property price indices and a modelled balance sheet development are used to determine the risks specific to REF.	On the one hand, there is uncertainty due to the political development of the CO_2 price and the assumed development of the balance sheet structure.

	Disorderly Transition, and Hot House World) are based on the NGFS scenarios.	themselves over a long-term period. > The simultaneous consideration of the two risk drivers "rising CO_2 price" and "damage due to physical risks" represents a very conservative scenario. > In the long-term transition scenario, the period up to 2050 (divided into 2030, 2040 and 2050) is analysed under different climate transition paths.	

Specific models were used to calculate the impacts of the various stress scenarios for the banking business and to manage the resulting risks, taking into account the climate-specific parameters. The results of the three climate risk scenarios were taken into account in the ICAAP and ILAAP perspectives.

The monitoring and management of social and governance risks focuses primarily on governance indicators such as the prevention of money laundering and terrorist financing, compliance with financial sanctions and embargoes, as well as fraud prevention/prevention of other criminal offences, in particular the prevention of corruption. In this respect, pbb Group has taken appropriate precautions and issued various other internal guidelines, instructions and process descriptions in addition to a Compliance Policy and the Code of Conduct; Compliance monitors proper compliance with these requirements. As a securities service provider, pbb also observes various regulations and requirements, in particular to promote appropriate client/investor protection and thus also to protect its own reputation. There are also various mitigation actions in the area of social risks, which aim to minimise these risks in the future. These include the General Equal Treatment Act (AGG) Complaints Office, specialised contacts in the HR department and the whistleblowing hotline. These actions are designed to prevent discrimination and unequal treatment, prevent inappropriate working conditions and avoid the violation of work-related rights.

Updating the Materiality Analysis

The materiality analysis is reviewed regularly, at least annually, with regard to any need for adjustments. The changes to the scope of consolidation at the end of 2024 had no impact on the materiality analysis.

Overview of the Resulting Disclosure Requirements based on the Results of the Materiality Analysis

Based on the materiality analysis, the topics identified as material were assigned the corresponding disclosure requirements of the ESRS. The disclosure requirements listed in the following table and the mandatory disclosures of ESRS 2 have been integrated into this combined sustainability statement.

Overview of the Resulting Disclosure Requirements according to the Results of the Materiality Analysis of pbb Group

ESRS	Disclosure requirements	Description of the disclosure requirements	Chapter in the combined sustainability statement
ESRS 2	BP-1	General basis for preparation of sustainability statements	"Introduction" "Business model, value chain and strategy"
	BP-2	Disclosures in relation to specific circumstances	"Introduction" "Business model, value chain and strategy"
	GOV-1	The role of the administrative, management and supervisory bodies	"ESG Governance"
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	"ESG Governance"
	GOV-3	Inclusion of sustainability-related performance in incentive systems	"ESG Governance"
	GOV-4	Statement of due diligence	"Statement of due diligence"
	GOV-5	Risk management and internal controls for sustainability reporting	"ESG risk management and internal controls over reporting as part of the combined sustainability statement"
	SBM-1	Strategy, business model and value chain	"Business model, value chain and strategy"
	SBM-2	Interests and views of stakeholders	"Business model, value chain and strategy"
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	"Business model, value chain and strategy" "Materiality analysis"
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	"Materiality analysis"
	IRO-2	Disclosure requirements in ESRS and covered by the undertaking's sustainability statement	"Materiality analysis"
E1	GOV-3	Integration of sustainability-related performance in incentive schemes	"ESG Governance"
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	"Significant climate-related and environmental impacts, risks and opportunities"
	IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	"Materiality analysis"

	E1.1	Transition plan for climate change mitigation	"Transition plan for climate change mitigation"
	E1.2	Policies related to climate change mitigation and adaptation	"Climate issues in the banking business" "Climate issues in business operations"
	E1.3	Actions and resources in relation to climate change policies	"Climate issues in the banking business" "Climate issues in business operations"
	E1.4	Targets related to climate change mitigation and adaptation	"Transition plan for climate change mitigation" "Climate issues in the banking business" "Climate issues in business operations"
	E1.5	Energy consumption and mix	"Climate issues in business operations"
	E1.6	Gross Scopes 1, 2, 3 and Total GHG emissions	"Ecological footprint"
	E1.7	GHG removals and GHG mitigation projects financed through carbon credits	"Reduction of greenhouse gases"
	E1.8	Internal carbon pricing	"Carbon pricing"
E2	IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	"Materiality analysis"
	E2.1	Policies related to pollution	"Policies related to pollution"
	E2.2	Actions and resources related to pollution	"Actions and resources related to pollution"
	E2.3	Targets related to pollution	"Targets related to pollution"
E3	IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	"Materiality analysis"
E4	IRO-1	Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	"Materiality analysis"
E5	IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	"Materiality analysis"
S1	SBM-2	Interests and views of stakeholders	"Business model, value chain and strategy"
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	"Own workforce"
	S1.1	Policies related to own workforce	"Own workforce"
	S1.2	Processes for engaging with own workers and workers' representatives about impacts	"Own workforce"
	S1.3	Processes to remediate negative impacts and channels for own workers to raise concerns	"Own workforce"
	S1.4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and	"Own workforce"

		pursuing material opportunities related to own workforce, and effectiveness of those actions	
	S1.5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	"Own workforce"
	S1.6	Characteristics of the undertaking''s employees	"Own workforce"
	S1.7	Characteristics of non-employee workers in the undertaking's own workforce	"Own workforce"
	S1.8	Collective bargaining coverage and social dialogue	"Own workforce"
	S1.9	Diversity metrics	"Own workforce"
	S1.10	Adequate wages	"Own workforce"
	S1.11	Social protection	"Own workforce"
	S1.12	Persons with disabilities	"Own workforce"
	S1.13	Training and skills development metrics	"Own workforce"
	S1.15	Work-life balance metrics	"Own workforce"
	S1.16	Compensation metrics (pay gap and total compensation)	"Own workforce"
	S1.17	Incidents, complaints and severe human rights impacts	"Own workforce"
S4	SBM-2	Interests and views of stakeholders	"Business model, value chain and strategy"
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	"Consumers and end users"
	S4.1	Policies related to consumers and end-users	"Consumers and end users"
	S4.2	Processes for engaging with consumers and end-users about impacts	"Consumers and end users"
	S4.3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	"Consumers and end users"
	S4.4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and endusers, and effectiveness of those actions	"Consumers and end users"
	S4.5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	"Consumers and end users"
G1	GOV-1	The role of the administrative, management and supervisory bodies	"ESG Governance"
	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	"Materiality analysis"
	G1.1	Corporate culture and business conduct policies	"Corporate policy and corporate culture" "Prevention and detection of corruption and bribery"
	G1.2	Management of relationships with suppliers	"Management of supplier relationships and payment practices"

	G1.3	Prevention and detection of corruption and bribery	"Corporate policy and corporate culture" "Prevention and detection of corruption and bribery"
	G1.4	Confirmed incidents of corruption or bribery	"Prevention and detection of corruption and bribery"
	G1.5	Political influence and lobbying activities	"Political influence and lobbying activities"
	G1.6	Payment practices	"Management of supplier relationships and payment practices"

Overview of EU Legislation in the Combined Sustainability Statement

Disclosure requirements	**Data point**	**Materiality**	**Chapter in the combined sustainability statement**
ESRS 2 GOV-1	Board's gender diversity Paragraph 21 (d)	Mandatory information	"ESG Governance"
ESRS 2 GOV-1	Percentage of board members who are independent Paragraph 21 (e)	Mandatory information	"ESG Governance"
ESRS 2 GOV-4	Statement on due diligence Paragraph 30	Mandatory information	"Statement on the duty of care"
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities Paragraph 40(d)(i)	Mandatory information (not applicable)	Not applicable (no information available for pbb Group)
ESRS 2 SBM-1	Involvement in activities related to chemical production Paragraph 40(d)(ii)	Mandatory information (not applicable)	Not applicable (no information available for pbb Group)
ESRS 2 SBM-1	Involvement in activities related to controversial weapons Paragraph 40(d)(iii)	Mandatory information (not applicable)	Not applicable (no information available for pbb Group)
ESRS 2 SBM-1	Involvement in activities related to cultivation and production of tobacco Paragraph 40(d)(iv)	Mandatory information (not applicable)	Not applicable (no information available for pbb Group)
ESRS E1.1	Transition plan to reach climate neutrality by 2050 Paragraph 14	Material	"Transition plan for climate change mitigation"
ESRS E1.1	Undertakings excluded from Paris-aligned Benchmarks Paragraph 16 (g)	Material	"Transition plan for climate change mitigation"

ESRS E1.4	GHG emission reduction targets Paragraph 34	Material	"Climate issues in the banking business" "Climate issues in business operations"
ESRS E1.5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) Paragraph 38	Material	"Climate issues in business operations"
ESRS E1.5	Energy consumption and mix Paragraph 37	Material	"Climate issues in business operations"
ESRS E1.5	Energy intensity in associated with activities in high climate impact sectors Paragraphs 40 to 43	Material (not applicable)	Not applicable (no information available for pbb Group)
ESRS E1.6	Gross Scope 1, 2, 3 and Total GHG emissions Paragraph 44	Material	"Ecological footprint"
ESRS E1.6	Gross GHG emissions intensity Paragraphs 53 to 55	Material	"Ecological footprint"
ESRS E1.7	GHG removals and carbon credits Paragraph 56	Material	"Reduction of greenhouse gases"
ESRS E1.9	Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66	Material (not applicable)	Not applicable (as the data point is not taken into account as part of the transition period in the 2024 reporting year)
ESRS E1.9	Disaggregation of monetary amounts by acute and chronic physical risk Paragraph 66 (a)	Material (not applicable)	Not applicable (as the data point is not taken into account as part of the transition period in the 2024 reporting year)
ESRS E1.9	Location of significant assets at material physical risk Paragraph 66 (c)	Material (not applicable)	Not applicable (as the data point is not taken into account as part of the transition period in the 2024 reporting year)
ESRS E1.9	Breakdown of the carrying value of its real estate assets by energy-efficiency class Paragraph 67 (c)	Material (not applicable)	Not applicable (as the data point is not taken into account as part of the transition period in the 2024 reporting year)
ESRS E1.9	Degree of exposure of the portfolio to climate-related opportunities Paragraph 69	Material (not applicable)	Not applicable (as the data point is not taken into account as part of the transition period in the 2024 reporting year)
ESRS E2.4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil Paragraph 28	Not material	Not applicable
ESRS E3.1	Water and marine resources Paragraph 9	Not material	Not applicable
ESRS E3.1	Dedicated policy	Not material	Not applicable

	Paragraph 13		
ESRS E3.1	Sustainable oceans and seas Paragraph 14	Not material	Not applicable
ESRS E3.4	Total water recycled and reused Paragraph 28 (c)	Not material	Not applicable
ESRS E3.4	Total water consumption in m^3 per net revenue from own operations Paragraph 29	Not material	Not applicable
ESRS 2 - SBM-3 - E4	Paragraph 16(a)(i)	Not material	Not applicable
ESRS 2 - SBM-3 - E4	Paragraph 16 (b)	Not material	Not applicable
ESRS 2 - SBM-3 - E4	Paragraph 16 (c)	Not material	Not applicable
ESRS E4.2	Sustainable land/agriculture practices or policies Paragraph 24 (b)	Not material	Not applicable
ESRS E4.2	Sustainable oceans/seas practices or policies Paragraph 24 (c)	Not material	Not applicable
ESRS E4.2	Policies to address deforestation Paragraph 24 (d)	Not material	Not applicable
ESRS E5.5	Non-recycled waste Paragraph 37 (d)	Not material	Not applicable
ESRS E5.5	Hazardous waste and radioactive waste Paragraph 39	Not material	Not applicable
ESRS 2 - SBM-3 - S1	Risk of incidents of forced labour Paragraph 14 (f)	Material (not applicable)	Not applicable (no information available for pbb Group)
ESRS 2 - SBM-3 - S1	Risk of incidents of child labour Paragraph 14 (g)	Material (not applicable)	Not applicable (no information available for pbb Group)
ESRS S1.1	Human rights policycommitments Paragraph 20	Material	"Own workforce"
ESRS S1.1	Due diligence policies on issues addressed by the International Labour Organisation Conventions 1 to 8 Paragraph 21	Material	"Own workforce"
ESRS S1.1	Process and measures for preventing trafficking in human beings Paragraph 22	Material	"Own workforce"
ESRS S1.1	Workplace accident prevention policy or management system	Material	"Own workforce"

	Paragraph 23		
ESRS S1.3	Grievance/complaints handling mechanisms Paragraph 32 (c)	Material	"Own workforce"
ESRS S1.14	Number of fatalities and number and rate of workrelated accidents Paragraph 88 (b) and (c)	Material (not applicable)	Not applicable (no information available for pbb Group)
ESRS S1.14	Number of days lost to injuries, accidents, fatalities or illnesses Paragraph 88 (e)	Material (not applicable)	Not applicable (no information available for pbb Group)
ESRS S1.16	Unadjusted gender pay gap Paragraph 97 (a)	Material	"Own workforce"
ESRS S1.16	Excessive CEO pay ratio Paragraph 97 (b)	Material	"Own workforce"
ESRS S1.17	Incidents of discrimination Paragraph 103 (a)	Material	"Own workforce"
ESRS S1.17	Non-respect of the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines Paragraph 104 (a)	Material	"Own workforce"
ESRS 2 SBM-3 - S2	Significant risk of child labour or forced labour in the value chain Paragraph 11 (b)	Not material	Not applicable
ESRS S2.1	Human rights policy commitments Paragraph 17	Not material	Not applicable
ESRS S2.1	Policies related to value chain workers Paragraph 18	Not material	Not applicable
ESRS S2.1	Non-respect of the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines Paragraph 19	Not material	Not applicable
ESRS S2.1	Due diligence policies on issues addressed by the International Labour Organizations 1 to 8, Paragraph 19	Not material	Not applicable
ESRS S2.4	Human rights issues and incidents connected to its upstream and downstream value chain Paragraph 36	Not material	Not applicable
ESRS S3.1	Human rights policy commitents Paragraph 16	Not material	Not applicable

ESRS S3.1	Non-respect of the United Nations Guiding Principles on Business and Human Rights, ILO Principles or OECD guidelines Paragraph 17	Not material	Not applicable
ESRS S3.4	Human rights issues and incidents Paragraph 36	Not material	Not applicable
ESRS S4.1	Policies related to consumers and end users Paragraph 16	Material	"Consumers and end users"
ESRS S4.1	Non-respect of the United Nations Guiding Principles on Business and Human Rights and OECD Guidelines Paragraph 17	Material	"Consumers and end users"
ESRS S4.4	Human rights issues and incidents Paragraph 35	Material	"Consumers and end users"
ESRS G1.1	United Nations Convention against Corruption Paragraph 10 (b)	Material (not applicable)	Not applicable (no information available for pbb Group)
ESRS G1.1	Protection of whistleblowers Paragraph 10 (d)	Material (not applicable)	Not applicable (no information available for pbb Group)
ESRS G1.4	Fines for violations of anticorruption and anti-bribery laws Paragraph 24 (a)	Material (not applicable)	Not applicable (no information available for pbb Group)
ESRS G1.4	Standards of anti-corruption and anti-bribary Paragraph 24 (b)	Material (not applicable)	Not applicable (no information available for pbb Group)

ESG Governance

The source of documentation described in the "ESG Governance" section, the Declaration of Conformity with the German Corporate Governance Code, has not been audited by the auditor.

The Role of Company Management

Sustainable management plays a key role in pbb Group's sustainability strategy and its implementation. The effective integration of ESG issues both in management and in all areas of the organisation is essential for the successful realisation of the objectives and the further development of an ambitious strategy. To this end, the role of the Management Board and the Supervisory Board is described in more detail below, starting with the Management Board.

The **Management Board of pbb** is responsible for managing pbb in accordance with the law, the Articles of Association, the rules of procedure, the resolutions of the Management Board and the respective employment contracts. In addition, it is subject to the self-imposed regulations of the internal Code of Conduct applicable to all employees, and defines the strategy for pbb Group. Further information on the Code of Conduct can be found in the chapter "Corporate Policy and Corporate Culture".

The members of the Management Board are obliged to act in pbb's best interests, may not pursue any personal interests in their decisions, are subject to a comprehensive non-competition clause during their term of office, and may not utilise business opportunities to which the Company is entitled for themselves. The members of the Management Board must immediately disclose any potential conflicts of interest to the Chairman of the Supervisory Board and the Management Board, and inform the other members of the Management Board accordingly. The Management Board informs the Supervisory Board regularly, promptly and comprehensively in written and verbal form about relevant events and actions, including any deviations from the course of business. In addition, the Management Board regularly informs the Supervisory Board and the respective committee chairmen about significant developments. If necessary, comprehensive and timely reports are provided on the intended business policy and other fundamental issues relating to the company. In addition, the Management Board consults with the Supervisory Board on the company's strategic direction, including at an annual strategy offsite.

The Management Board is responsible for determining and establishing corporate policy and a proper business organisation in accordance with legal and regulatory requirements and ensuring their implementation. The Management Board is obliged to set up a monitoring system in order to recognise at an early stage any developments that could potentially endanger the company's continued existence and to be able to take appropriate actions in good time. In agreement with the Chairman of the Supervisory Board, the Management Board appoints a Corporate Governance Officer from among its members. This officer is responsible for issues relating to the implementation and monitoring of compliance with regulations and standards in the area of corporate governance. At a Supervisory Board meeting in the 2024 financial year, the Chairman of the Management Board, Kay Wolf, was appointed as the new Corporate Governance Officer. The Supervisory Board monitors the Corporate Governance Officer and reviews the effectiveness of the company's internal governance framework and compliance with the requirements of the Suitability Policy on the basis of an annual report prepared by the Executive and Nomination Committee of the Supervisory Board. This policy provides instructions for the appointment process and suitability assessment for members of the Management Board and Supervisory Board and employees in key functions. If necessary, the Supervisory Board also takes appropriate steps to rectify any deficiencies identified. This also includes monitoring the implementation and maintenance of relevant guidelines, such as the Code of Conduct. Together with the Supervisory Board, the Management Board reports annually on corporate governance in the Corporate Governance Statement, also explaining any deviations from the recommendations of the German Corporate Governance Code.

The members of the Management Board are also in regular contact with the Chairmen of the Supervisory Board and its committees regarding important developments. The Management Board informs the Supervisory Board and its committees regularly and promptly about the economic and financial development of pbb Group. Among other things, material topics and events are discussed at the meetings, including ESG-related topics that are important for assessing the Company's position and development, as well as for its management.

The members of the Management Board in office in 2024 are listed in the following table together with their position, first appointment and end of term of office.

Members of the Management Board, their Position, their first Appointment and the End of their Term of Office

Board members	Position	First order	End of the term of office
Andreas Arndt	Chairman of the Management Board	15 April 2014	29 February 2024
Kay Wolf	Board member Chairman of the Management Board	1 February 2024 1 March 2024	31 January 2029
Thomas Köntgen	Deputy Chairman of the Management Board	1 October 2014	11 May 2026
Dr Pamela Hoerr	Board member	17 January 2024	16 January 2027
Andreas Schenk	Board member	1 March 2014	15 March 2025
Marcus Schulte	Board member	1 January 2019	31 December 2026

In accordance with the Articles of Association, **pbb's Supervisory Board** consists of nine members, of which six members are to be elected by the shareholders and three members by the employees in accordance with the German One-Third Participation Act (Drittelbeteiligungsgesetz). It continuously monitors the Management Board and regularly advises it on the strategic management of the Company. A key focus of the Supervisory Board's supervisory and advisory activities lies in monitoring ongoing business development, developing the business strategy and monitoring the corresponding risks. In doing so, it ensures that the management actions taken by the Management Board are legal, appropriate and proper.

In the 2024 financial year, the Supervisory Board intensively discussed the business transactions of importance to the company on the basis of written and verbal Management Board reports and reviewed them for plausibility. The Supervisory Board's monitoring of and advice to the Management Board also included sustainability issues and compliance with the relevant banking supervisory regulations. The Supervisory Board has set up four committees to fulfil its supervisory duties: a Presidial and Nomination Committee, an Audit Committee, a Risk Management and Liquidity Strategy Committee and a Remuneration Control Committee.

The **Executive and Nomination Committee** regularly advises the Supervisory Board on issues relating to personnel and succession planning for the Management Board and the drafting of Management Board contracts. To promote long-term succession planning on the Management Board, this committee regularly works with the members of the Management Board on the further development of the respective requirement profiles and, when necessary, on analysing the potential of possible candidates based on the internal suitability policy and the guideline for promoting diversity. This committee prepares the annual evaluation of the effectiveness of the fulfilment of the duties of the Management Board, the Supervisory Board and its committees and derives any necessary action from this. It also reports at least once a year on the status, effectiveness and any potential improvements to corporate governance as well as on new requirements and developments. It also prepares decisions for the Supervisory Board in the area of corporate governance. Furthermore, it deals with the implementation of the quota set for the underrepresented gender on pbb's Supervisory Board and Management Board, and with proposals for the replacement of Supervisory Board members to be elected by the shareholders.

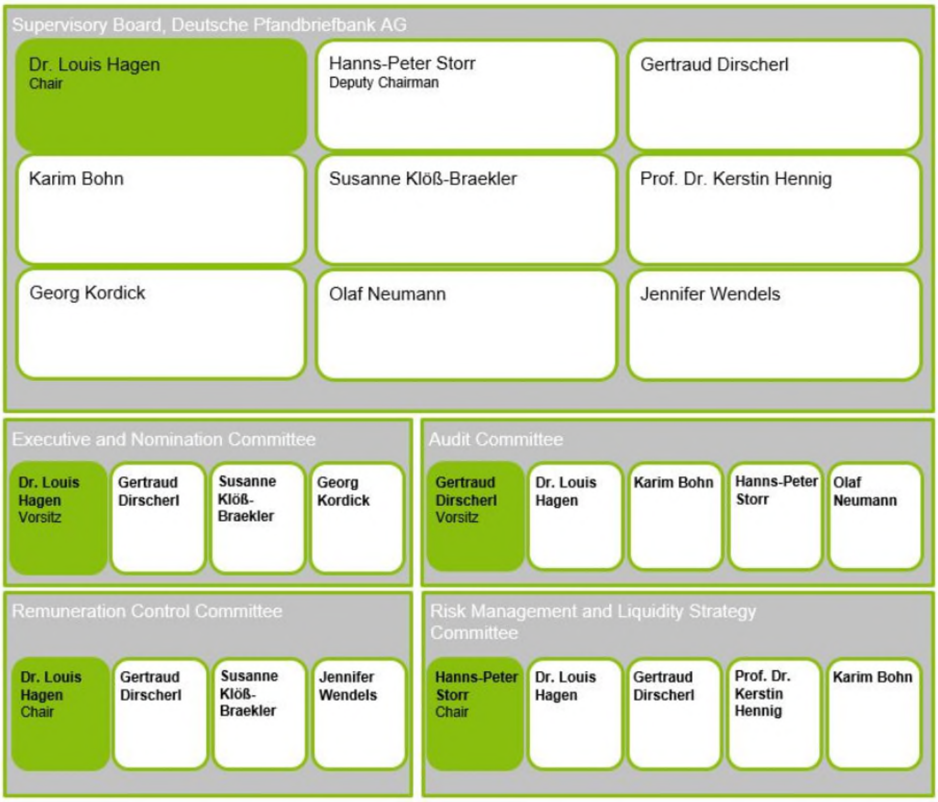
The **Audit Committee** deals with issues relating to accounting and the audit of pbb Group and pbb. Accounting and auditing also include sustainability reporting, taking into account the material impacts, risks and opportunities described in the chapter "Materiality analysis". As part of its duty to audit, the Supervisory Board made use of the possibility of an external review of the content of the combined sustainability statement.

The **Risk Management and Liquidity Strategy Committee** supports the Supervisory Board's control of risk and liquidity management, deals with the risk strategy, reviews the Management Board's risk reporting and is involved in the credit approval process to the extent stipulated in the rules of procedure. It regularly discusses the new business, liquidity and refinancing situation and deals with all types of risk in the banking business, such as credit, market, liquidity and operational risks, taking into account the risk-bearing capacity.

The **Remuneration Control Committee** is responsible for the appropriate structuring of the remuneration systems for the members of the Management Board and employees and prepares corresponding resolutions for the Supervisory Board. It deals with the remuneration report, the target agreements for the members of the Management Board and the review and identification of risk takers.

The positions and committee memberships of the current Supervisory Board members are shown in the following diagram.

Members of the Supervisory Board and their Committee Memberships



Overview of the Bodies in Terms of the Number of (non-executive) Members, Proportion of Women and Men and Proportion of independent Board Members

Organ	Number of managing members	Number of non-executive members	% Women	% Men	% independent committee members
Management Board	5	0	20%	80%	Not specified
Supervisory Board	0	9	44%	56%	100%

In May 2022, the Supervisory Board last set a target of 30% women on the Supervisory Board and 20% on the Management Board by 30 June 2027. This target was achieved in the 2024 financial year. Further information on the topic of diversity can be found in the "Own workforce" section

In accordance with the Declaration of Conformity with the German Corporate Governance Code last issued by the Supervisory Board and Management Board on 23 February 2024, all Supervisory Board members are considered independent. The recommendation with regard to C.10 of the German Corporate Governance Code is therefore also complied with.

Competences of the Management Board and Supervisory Board

All members of the Management Board must take part in training courses on corporate policy to raise awareness and provide further training when they join the company and on a regular basis, i.e. annually or biennially depending on the training content. More detailed information on training is provided in the "Corporate policy and corporate culture" section.

The skills and expertise of the individual members are derived from the skills profile of the Supervisory Board and can be found in the CVs of the Supervisory Board and Management Board members published on the pbb website. The skills profiles are updated annually in the Corporate Governance Report. Each member of pbb's Management Board has theoretical and practical expertise and competences with regard to sustainability aspects. In the year under review, the members of the Management Board took part in a training course on sustainability aspects organised by pbb. The content of the training on sustainability aspects is, among other things, aimed at deepening sustainability aspects with potential sustainability-related impacts, risks and opportunities for pbb Group.

Furthermore, the members of the Management Board are continuously informed in various pbb committees (ESG Committee, relevant other committees, Management Board meetings) about sustainability laws and regulations that are material for pbb, and receive preparatory written and verbal information for decisions on sustainability aspects and their implementation at pbb. The main member of the Management Board responsible for preparing ESG topics, Dr Hoerr, also participates in regular meetings, usually held every fortnight, with the members of the ESG Programme Management Team, the ESG Office and those responsible for the various ESG sub-projects within pbb's various divisions, in which sustainability topics relevant to pbb and their implementation are discussed and prepared for the ESG Committee or the Management Board.

As a matter of principle, the members of the Supervisory Board are responsible for attending the training and development programmes required for their duties. In addition, regular training sessions for the Supervisory Board and the Management Board are organised in advance of the ordinary Supervisory Board meetings with presentations by external speakers. In the 2024 financial year, the annual training programme also included a training measure on sustainability aspects. In addition, the Supervisory Board regularly, but at least every two years, reviews the appropriateness of rotating the chairpersons and members of committees, taking into account the specific experience, knowledge and skills required individually and collectively for these committees.

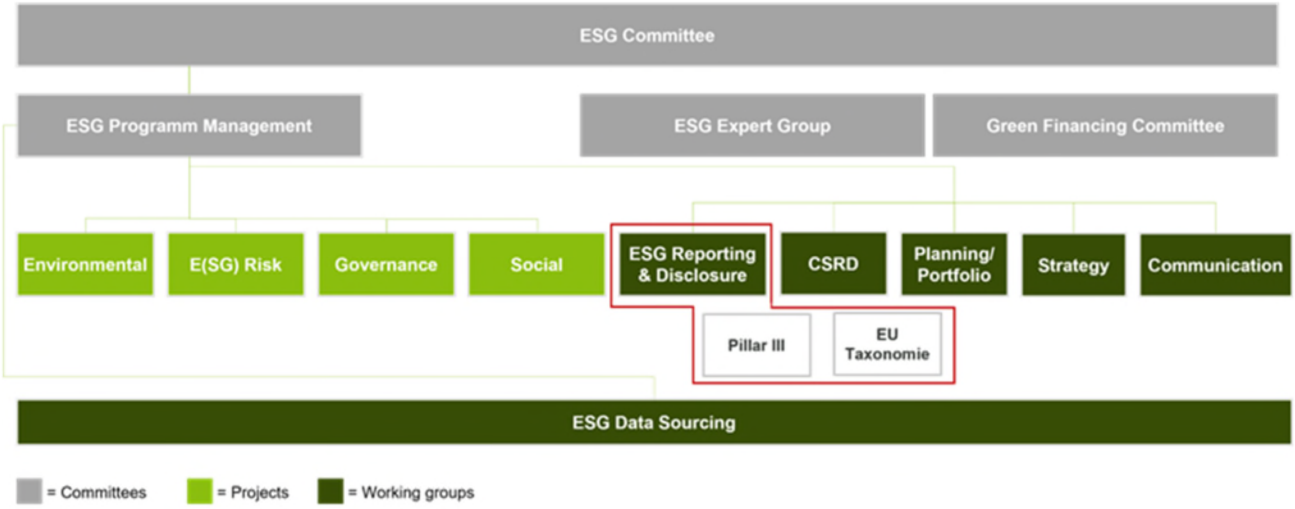
The Supervisory Board has in-depth property expertise with regard to the business model and has international business experience, particularly in Europe and the USA, as well as capital market experience. The Supervisory Board has knowledge of technology and digitalisation, including IT security and data protection. It also has extensive expertise in accounting. The requirements for the audit of the financial statements in accordance with Section 100 (5) of the German Stock Corporation Act (AktG), including sustainability reporting, are met throughout. The Supervisory Board has expertise in risk management, including climate and environmental risks. In addition, the Supervisory Board has expertise in the area of sustainability, in particular the environment, social responsibility and good corporate governance, which are related to pbb Group's impacts, risks and opportunities, among other things. It also has the necessary expertise in compliance, internal audit, law and corporate governance. The professional experience of the Supervisory Board members is relevant for pbb Group's sector, locations and products, among other things.

ESG Governance Structure

In July 2021, the Management Board implemented the **ESG Committee** as a specialist committee. It is dedicated to the topics of environmental (E), social (S) and corporate governance (G) within pbb Group. The Committee is composed of all members of the Management Board, relevant division heads, members of ESG programme management and project managers of the ESG programme, and plays a central role in the development of pbb's ESG business strategy. In doing so, it takes into account regulatory and legal requirements as well as the expectations of investors, clients and other market stakeholders. In addition, the ESG committee develops the ESG targets and the actions required to achieve them. The ESG committee is also responsible for developing ESG-related best practices, identifying potential risks and opportunities, and monitoring the corresponding implementation actions within pbb Group. The ESG Committee also reports to the Supervisory Board on a quarterly basis on developments, the current status of actions and further planning in the area of ESG.

The **ESG programme**, which was also launched in 2021, is based on a governance structure with clearly defined responsibilities and committees. pbb's ESG organisational structure combines two central elements: the decentralised anchoring of responsibility for ESG issues in the relevant departments and processes, and the establishment of a central cross-divisional function that drives and coordinates the ESG agenda (ESG Office). The ESG programme covers the topics of strategy, environment, social issues, corporate governance, ESG risks, data management and ESG communication and reporting. The ESG programme is steered by an active ESG programme management team. The main tasks include bringing together the bank-wide ESG topics, managing them, supporting the ESG Committee and preparing its resolutions. The ESG Office was established in 2022 and is responsible for developing the overarching sustainability strategy and takes on project tasks. The ESG governance structure of pbb Group is shown in the following diagram.

ESG Governance Structure



The results of the materiality analysis were presented to the ESG Committee, the Management Board and the Supervisory Board. In addition, the Management Board was informed about the material impacts, risks and opportunities as part of the process of preparing the combined sustainability statement. The majority of the people represented on the ESG Committee were already involved in the assessment of the impacts, risks and opportunities as part of the materiality analysis. The material impacts, risks and opportunities that were addressed in the 2024 financial year are listed in the "Materiality analysis" section.

The Management Board receives regular risk reports that provide a comprehensive overview as well as detailed information on the risk situation for each risk type and other management-relevant information. The supervisory bodies are also informed about risk-relevant topics at regular intervals. If necessary or at the request of the Management Board or the Supervisory Board, special reports are prepared that deal with specific and acute focal points of risk.

ESG is a fixed item on the agenda of the Supervisory Board meetings. There are at least five Supervisory Board meetings per year so that the Supervisory Board receives a regular ESG update. Through these regular meetings, the boards monitor progress in relation to the sustainability targets. The Supervisory Board has taken note of the business strategy, including the sustainability strategy and the transition plan. It also considered potential impacts, risks and opportunities in the context of environmental and social objectives.

The Management Board is responsible for determining the business objectives and the fundamental strategic orientation of the Company and pbb Group, including ecological and social objectives. The Management Board plays a decisive role in decisions on risk strategies and transaction decisions, particularly in the area of financing. The strategic orientation is set out in various documents such as the Annual Report and pbb Group's business and risk strategy.

The Sustainability-related Incentive and Remuneration System

Once a year, pbb sets overarching strategic priorities for variable remuneration in line with the remuneration strategy, which are closely aligned with the key institutional objectives and plans derived from the business and risk strategy. In its remuneration policy, the Supervisory Board takes into account sustainability-related key performance indicators and is guided by the Corporate Strategic Priorities. These include environmental aspects in the area of "portfolio and financing", social aspects to "further strengthen pbb as a modern and attractive employer", and corporate governance to "further strengthen pbb's governance".

pbb's strategic priorities were anchored and specified accordingly in the divisional targets. This means that pbb has integrated its climate and environmental risk approach into its variable remuneration system. The climate and environment-related targets include, in particular, targets relating to the financing of properties classified as green, or the consideration and minimisation of ESG risks as part of the credit analysis and loan selection process. Further information on climate-related targets can be found in the section "Climate issues in the banking business".

The remuneration of the members of pbb Group's Management Board consists of non-performance-related fixed remuneration components and performance-related variable remuneration. Sustainability-related considerations are integrated into the variable remuneration to ensure that sustainability criteria are appropriately taken into account in the remuneration of the members of the Management Board. The departmental and individual targets of the Management Board members therefore also include ESG targets. The departmental and individual targets set for 2024 include the financing of properties classified as green, the overall sustainability strategy for 2024 and the consideration and minimisation of ESG risks as part of the credit analysis and loan selection process. With the recruitment and promotion of young talent, retention and the promotion of diversity with a focus on the advancement of women, key social sustainability targets were also selected as departmental and individual targets for 2024. A total of 40% of the departmental and individual targets are included in the variable remuneration. The number of departmental and individual targets varies annually, meaning that no fixed percentage can be reported. In 2024, around 30% of the variable remuneration attributable to the departmental and individual targets depends on ESG-related targets, which corresponds to around 12% of the total variable remuneration.

The members of the Supervisory Board are responsible for approving and updating the conditions of the sustainability-related remuneration system.

In accordance with company and regulatory requirements, the members of the Supervisory Board receive fixed remuneration standardised in pbb's Articles of Association.

The disclosures on the inclusion of sustainability-related performance in incentive schemes are in line with the remuneration report required by Articles 9a and 9b of Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies.

ESG Risk Management and internal Controls Reporting as Part of the Combined Sustainability Statement

Risk management for reporting in the context of the combined sustainability statement is generally based on the already established Group-wide internal control system and the Control Attestation Process (CAP) in the Three Lines of Defence model as part of pbb's risk management system (RMS). The structural and procedural implementation in line with the Three Lines of Defence model is intended to enable a holistic view and effective monitoring of risks, including risks in relation to reporting in the context of the combined sustainability statement.

Reporting as part of the combined sustainability statement in accordance with the CSRD will be based on the existing processes of previous reporting. Where necessary, new (sub)processes will be successively added to the process landscape, supplemented by the specifics of reporting as part of the combined sustainability statement and integrated into the risk assessment, risk management and internal control system. The basic process localisation takes place along the assigned main responsibilities for the coordination of the combined sustainability statement between the ESG Office and Communications.

The basis for reporting as part of the combined sustainability statement is the data point list of quantitative and qualitative information to be provided (in accordance with EFRAG Implementation Guidance 3: List of ESRS Datapoints). When some key figures and information are recorded for the first time, the risk inventory in relation to the reporting of the combined sustainability statement and assessment of risks is implemented by grouping them according to the origin of the corresponding data. The results of the materiality analysis as part of the CSRD and operational findings from the corresponding implementation project were taken into account in the grouping.

The risk assessment should include expert estimates of the 1st line areas with regard to possible effects on reporting as part of the combined sustainability statement. Significant process-inherent risks will be transferred to the risk control inventory. In addition, appropriate controls will be defined and established on the basis of the risks still to be identified and assessed for the reporting process as part of the combined sustainability statement. An IT tool based on SAP Fiori with controls and approvals (dual control principle) is used for data collection. There are also plans to establish the corresponding written rules (sfO) for reporting the combined sustainability statement in the Group.

As soon as the results of the risk assessment are available, they are processed and finalised as part of the established internal control system. They are then shared with administrative, management and supervisory bodies in a bank-wide process.

pbb Group is currently identifying the most important risks with regard to reporting in the context of the combined sustainability statement, and is implementing corresponding mitigation strategies, including the associated controls.

Statement on Due Diligence

The following table provides an overview of where the most important aspects and steps of the due diligence process can be found in the combined sustainability statement. These include the processes implemented by pbb Group to analyse materiality and the targeted actions to avoid negative impacts.

The Core Elements of Due Diligence and the Chapters in the Combined Sustainability Statement

Core elements of due diligence	Chapter in the combined sustainability statement
Embedding of due diligence in governance, strategy and business model	"Business model, value chain and strategy" "Materiality analysis" "ESG Governance"
Engaging with affected stakeholders in all key steps of the due diligence	"Business model, value chain and strategy" "Materiality analysis" "ESG Governance"
Identifying and assessing adverse impacts	"Business model, value chain and strategy" "Materiality analysis"
Taking actions to address those adverse impacts	"Transition plan for climate change mitigation" "Climate issues in the banking business" "Corporate policy and corporate culture" "Political influence and lobbying activities" "Prevention and detection of corruption and bribery" "Management of supplier relationships and payment practices"
Tracking the effectiveness of these efforts and communicating	"Climate issues in the banking business" "Ecological footprint"

	"Corporate policy and corporate culture" "Political influence and lobbying activities" "Prevention and detection of corruption and bribery" "Management of supplier relationships and payment practices"

ENVIRONMENT

Material Climate and Environmental Impacts, Risks and Opportunities

Economies around the world are facing the challenge of coping with climate change and the associated transformation towards greater sustainability. The financial industry has a key role to play in the transformation to a climate-neutral economy by channelling investment resources towards improving sustainability in the spirit of sustainable finance. As one of the main global emitters of GHGs, the real estate industry also faces significant challenges in the context of climate change. The transformation in the real estate sector requires enormous investments in future-proof solutions for society as a whole. pbb Group sees it as part of its corporate responsibility to proactively support and, where possible, accelerate this historic shift towards a climate-neutral economy.

As part of the materiality analysis in accordance with the CSRD, pbb Group has developed a catalogue of potential and actual impacts as well as risks and opportunities in the ESRS environmental standards for the aspects of climate change (E1), pollution (E2), water and marine resources (E3), biodiversity and ecosystems (E4) and resource use and circular economy (E5). These relate to the company's own business activities as well as to the upstream, internal and downstream value chain. The IROs were assessed in internal workshops and a stakeholder survey. Detailed information on the procedure and the assessment process can be found in the "Materiality analysis" section. The following material impacts, risks and opportunities were identified for pbb Group for the aspects of climate change (E1) and pollution (E2):

Material Impacts, Risks and Opportunities for the Aspects of Climate Change (E1) and Pollution (E2)

Topics in the materiality analysis	Dimension	IRO type	Description of the impact, risks or opportunity	Chapter in the combined sustainability statement
Climate change mitigation (emissions)	Banking business	Positive impact	Offering sustainable financing instruments and/or through the targeted granting of (property) financing to customers who adhere to strict environmental standards (essentially only for REF)	"Climate issues in the banking business"
	Banking business	Positive impact	A change in market sentiment can lead to an increase in demand for sustainable products and services in the property sector (significant only for REF)	"Climate issues in the banking business"
	Banking business	Negative impact, Financial risk (climate-related transition risk)	Insufficient ambition to reduce GHG emissions in the portfolio	"Climate issues in the banking business"

	Banking business	Financial risk (climate-related transition risk)	Increasing regulation of emissions-intensive industries and sectors may increase the risk of stranded assets in investments (material only for REF).	"Climate issues in the banking business"
	Banking business	Financial risk (climate-related transition risk)	A change in market sentiment could lead to an increase in demand for sustainable products and services in the property sector. If pbb is unable to meet this demand with its products and services, this could lead to financial disadvantages (material only for REF).	"Climate issues in the banking business"
	Banking business	Financial risk (climate-related transition risk)	Transitory risks (e.g. ban on energy-intensive technologies) lead to competitive disadvantages and increase the credit default risk (mainly only for REF).	"Climate issues in the banking business"
Climate change adaption and physical risks	Banking business	Financial risk (climate-related physical risks)	Physical climate risks: Floods, heavy rainfall, drought (material only for Non-Core and C&A) , windstorms, tornadoes (material only for REF), wildfires (material only for Non-Core and C&A), heat waves (material only for Non-Core and C&A), landslides (material only for Non-Core and C&A), volcanic areas, tsunamis (material only for REF) and earthquakes	"Climate issues in the banking business"
Energy	Banking business	Negative impact, Financial risk (climate-related transition risk)	Real estate, public infrastructure and covered export finance with low energy efficiency or high energy consumption	"Climate issues in the banking business"
	Banking business	Financial risk (climate-related transition risk)	Reputational risks from lending arise when companies operate in energy-intensive sectors or when properties with low energy efficiency are financed	"Climate issues in the banking business"
Pollution	Banking business	Negative impact	Financing of properties with potential contaminated soil can lead to environmental damage due to soil contamination or chemicals in the building fabric (significant only for REF).	"Pollution"
	Banking business	Financial risk	The removal of contaminated sites is costly and can lead to reduced creditworthiness and the default of customers (essentially only for REF).	"Pollution"
Climate change mitigation (emissions), Energy	Business operations	Positive impact	GHG emissions can be reduced by using green electricity.	"Climate issues in business operations"
Climate change adaption and physical risks	Business operations	Financial opportunity	Energy efficiency can lead to cost savings in the Bank's buildings.	"Climate issues in business operations"

pbb Group uses stress tests to review the resilience of its strategy and business model to current developments, and uses climate scenarios to continuously refine its data and methodology. As a rule, climate-related aspects are implicitly included in the Bank's stress tests and models. For example, the loans in the REF segment are collateralised by the financed properties, whose market values are influenced by their sustainability. The financial statements of pbb Group itself do not include any direct climate-related assumptions.

Climate Change

The Green Loan Framework and Green Bond Framework policies described in the "Climate change" section have not been audited by the auditor.

Transition Plan for Climate Change Mitigation

pbb Group is committed to the Paris Climate Agreement and its goal of limiting global warming to well below 2 degrees, ideally to 1.5 degrees, compared to the pre-industrial age. pbb Group is making its contribution by setting emission reduction targets by 2050 for the REF portfolio. In concrete terms, this means that pbb Group is working on aligning the loan portfolio with the 1.5 degree target. In order to achieve this overarching climate target, pbb Group is pursuing a holistic approach with its sustainability strategy. A detailed transition plan has been developed for this purpose. This transition plan creates transparency: it shows the current implementation status of pbb Group's climate change mitigation activities and at the same time defines the strategic climate ambitions. In addition, the transition plan describes targets for the banking business and the corresponding implementation actions. pbb Group has also defined climate-related targets for its business operations until 2030 and developed corresponding actions. These are explained in the chapter "Climate-related issues in business operations". However, the focus of pbb Group's transition plan until 2050 is on climate-related issues in the banking business.

The transition plan is an essential part of the sustainability strategy and thus an integral part of the business strategy and financial planning 2025 to 2027. The business strategy, including the sustainability strategy and the transition plan, was adopted by the Management Board of pbb Group on 29 October 2024 and acknowledged by the Supervisory Board on 8 November 2024. The business and sustainability strategy is updated annually. In this context, the transition plan and the actions and targets defined therein are also reviewed and further developed if necessary.

pbb Group records and categorises its corporate GHG emissions, including upstream, internal and downstream corporate processes, into three areas in accordance with the Greenhouse Gas (GHG) Protocol: Scope 1, Scope 2 and Scope 3 emissions:

- Scope 1 emissions: This category comprises direct emissions from pbb Group's own or controlled sources.
- Scope 2 emissions: These are indirect emissions caused by pbb Group's energy procurement.
- Scope 3 emissions: This category includes all upstream, internal and downstream emissions generated along the entire value chain of the Group's business activities.

As part of its climate target setting, pbb Group distinguishes between GHG emissions caused by the banking business (asset side) and GHG emissions caused by its own business operations. The former are allocated to Scope 3 emissions category 15 Investments of the GHG Protocol, while the latter are allocated to the other emissions categories within Scope 1, 2 and 3. Detailed information on pbb Group's ecological footprint can be found in the chapter "Ecological Footprint".

Short, Medium and Long-term Issue Targets of the REF Portfolio

	KPI	Short and medium term goals			Long term goals	
		2025	2026	2027	2030	2050
Banking business	GHG Emission Intensity of REF portfolio	Target path →		39.8 kg CO_2e/m^2	31.4 kg CO_2e/m^2	1.1 kg CO_2e/m^2
	Share of Green Loan eligible assets of REF portfolio	Target path →	> 30%			
	Share of Green Loan eligible assets of REF in new business	32%				
	Transparency rate of REF portfolio with pbb Green score	Target achieved – aim to maintain at least 75%				

In 2021, pbb Group started to align its REF loan portfolio with the Paris Climate Agreement as part of the pbb Green Scoring Model. The first interim operational target set for 2026 was to achieve a green quota of over 30% in relation to the REF loan portfolio in accordance with pbb's Green Loan Framework. In 2024, a long-term decarbonisation pathway was developed for the REF portfolio until 2050 with interim targets in 2027 and 2030. The focus was placed on the REF portfolio, as this represents pbb Group's strategic portfolio. The aim is to reduce the other parts of pbb's portfolio.

This decarbonisation pathway for the strategic REF portfolio shows decarbonisation in physical emission intensities (kg CO_2eq/m^2) and defines a final target in 2050 as well as the following (interim) targets (base year 2023):

- In 2027: 39.8 kg CO_2eq/m^2 (0.54 million tonnes CO_2eq)
- In 2030: 31.4 kg CO_2eq/m^2 (0.45 million tonnes CO_2eq
- In 2050: 1.1 kg CO_2eq/m^2 (0.02 million tonnes CO_2eq

The physical emission intensities are used to calculate the absolute figures in brackets, taking into account an assumed development of the financed area. Due to the restriction to the REF portfolio and the different steering ambitions, which take physical emission intensities weighted by financial indicators as a basis, a direct link between the absolute target values and the disclosure of Scope 3 emissions category 15 of pbb Group's ecological footprint is only possible to a limited extent.

The physical emissions intensity is used as the primary parameter for decarbonising the banking business (asset side) in order to create better comparability with reference scenarios (CRREM). The development is based on the CRREM GHG intensity pathways aligned with the 1.5 degree target.

In the area of financing, the most important decarbonisation lever is the reduction of emissions from the financed properties. The sustainability strategy therefore focuses on supporting the financing of the acquisition of green properties as well as green developments and transformation projects (manage-to-green), such as energy-efficient refurbishments and thus improvements to the energy efficiency of existing buildings. Based on a Green Loan Framework, which was developed in accordance with the Green Loan Principles of the Loan Market Association, pbb Group grants green loans.

In order to also support clients in their green transformation, pbb has entered into a cooperation with Groß & Partner Grundstücksentwicklungsgesellschaft mbH and founded Eco Estate GmbH. Eco Estate GmbH offers green consulting, develops possible solutions for the transformation of properties in the areas of ESG, smart building and taxonomy certification together with its clients, and advises them on implementation options through to the execution of the actions.

On the liabilities side, pbb Group has the option of refinancing green assets via green bonds under certain conditions. These raise funds for activities (in this case the financing of new or existing real estate properties) which (among other things) serve to reduce or prevent damage to the climate. With this interdependent combination of asset and liability products of pbb Group, the aim is to allocate passive funds to environmentally friendly investments and ultimately to achieve the socially and politically required climate targets.

With pbb invest and the new Originate & Cooperate sub-segment, pbb Group is further expanding its commission business, which will consist in part of green investment products.

The transition plan focusses on the financings issued by pbb Group. The transition plan is implemented via the strategy for achieving the targets and the sustainable orientation of the banking business. The transition plan is being implemented on a cross-divisional basis with the involvement of pbb Group employees and external resources. No significant investments or financial resources are utilised. In accordance with the EU Taxonomy Regulation, financial institutions generally do not engage in economic activities directly, but finance economic activities of third parties. As the key performance indicators of the EU Taxonomy Regulation are not very meaningful with regard to the actual share of environmentally sustainable assets for pbb Group due to their currently restrictive regulations (in particular regarding taxonomy eligibility in connection with the counterparty's Non-Financial Reporting Directive obligation), pbb Group has not defined any targets for the Green Asset Ratio. In pbb Group's view, the reduction of greenhouse gases will emerge as an important cross-company target in the future. pbb Group has developed a climate pathway with the aim of actively orienting the REF portfolio towards reducing GHG emissions intensity.

In the year under review, no significant CapEx amounts were invested in connection with economic activities in the coal, oil and gas sectors. Furthermore, pbb Group is not exempt from the Paris-aligned benchmarks.

The majority of pbb Group's GHG emissions fall into Scope 3 emissions category 15 "Investments". This category comprises the emissions which arise during the operating phase of the properties financed by pbb. Locked-in emissions arise here due to the fixed term of these financings. The business plan up to 2027, which also takes into account developments in the portfolio and maturities of the financings and thus also the associated GHG emissions, was used to determine the emissions targets in the banking business. A risk to the achievement of the emission reduction targets due to locked-in emissions is therefore considered to be low, as these were taken into account accordingly in the development of the emission targets. As approximately 65% of the existing REF financings will reach maturity by 2027 (approximately 87% by 2029), pbb Group can flexibly counter potential transition risks and adjust the financing portfolio accordingly. Further information on the issue volume can be found in the "Environmental footprint" section.

Climate Issues in the Banking Business

POLICIES

pbb Group has defined Sustainable Finance as a central pillar of its sustainability strategy. The aim is to promote sustainable finance in both lending and refinancing. In doing so, pbb Group aims to make an active contribution to achieving the Paris Climate Agreement and to align its loan portfolio with the 1.5 degree target.

The contents of pbb Group's sustainability strategy are part of the business and risk strategy. Both strategies have been approved by the Management Board. In accordance with sections 76 (1), 91 (2), 93 (1) sentence 1 AktG and section 25a KWG and the minimum requirements for risk management (in particular AT 4.2 MaRisk), the Management Board is responsible for ensuring that pbb Group companies have a business strategy and a consistent risk strategy. The business strategy is binding and valid for all employees of the business segments and divisions of pbb and - subject to implementation by the respective management - also for the other companies of pbb Group. Together with the risk strategy, the business strategy forms the corporate strategy. Both documents are strategies within the meaning of pbb's documentation hierarchy. The sustainability aspects of the banking business in the business strategy relate to the active portfolio (REF), whereas the sustainability aspects of the risk strategy cover all business segments of pbb Group.

As part of its sustainability strategy, pbb Group has defined a total of five overarching strategic objectives. Two of the objectives relate to the Group's business model, specifically the positioning as a transformation (re-)financier in the real estate industry and sustainable (re-)financing overall. Other overarching objectives relate to sustainable operational ecology and the fulfilment of regulatory requirements. In addition, holistic transparency and communication contribute to the economic success of pbb Group and its values.

The topics of climate change mitigation, climate change adaptation and energy efficiency are part of pbb Group's sustainability and risk strategy. The Management Board is responsible for implementing the strategies relating to climate and environmental issues.

Policies in the context of climate change mitigation

In the context of climate change mitigation, the materiality analysis has identified two material positive impacts, one negative impact and various material financial risks for pbb Group's banking business. These aspects are addressed by pbb Group as part of the sustainability and risk strategy. The policies in the context of these material impacts and risks are explained below:

Positive Impact by Offering Sustainable Financing Instruments and Granting (property) Financing to Customers who adhere to high Environmental Standards

The sustainability strategy is fundamentally aimed at promoting the acquisition of green properties as well as green developments and transformation projects. The following policies exist within pbb Group for this purpose:

The Green Loan Framework was established to determine which properties and financings are categorised as "green". It is based on pbb's own green scoring model and the EU taxonomy. The green scoring model assesses properties on the basis of defined criteria such as energy consumption, sustainability certifications and other sustainability aspects. If a property achieves a defined score, it is generally "Green Loan eligible". A loan is also categorised as "green loan eligible" if the taxonomy alignment criteria are fulfilled independently of the taxonomy eligibility. The taxonomy alignment criteria are met if the Technical Screening Criteria of environmental objectives one, two or four and the respective Do No Significant Harm principles are met in accordance with the EU taxonomy for construction and real estate. The Green Loan Framework is applied to financings in the REF portfolio. The properties are assessed by the Property Analysis & Valuation department and quality assured by a dual control principle. The Green Loan Framework is also reviewed as part of the annual update of the sustainability strategy. The framework is currently being revised.

With the help of the Green Bond Framework, pbb Group can classify loans that fulfil the criteria of the framework as "Green Bond Eligible" and refinance them via green financial instruments. The Green Bond Framework was published in 2020 and updated in 2023. The framework follows the Green Bond Principles of the International Capital Market Association. In order to be classified as green and refinanced with a green bond, an asset must fulfil at least one of two criteria - green building certification or energy efficiency - with the specific requirements depending on the year of construction and type of use of the property. In addition, an exclusion list - particularly in relation to the use of the building - is part of the review, which must be carried out by the Green Bond Committee and decided unanimously. In addition, the financed properties for the Green Bonds are reviewed separately by the Green Bond Committee. pbb Group issues various refinancing instruments in green format on the basis of the existing framework. The Green Bond Framework was externally validated as part of a second party opinion. In addition, the so-called Green Bond Impact Reporting is published annually, in which details on the utilisation of the issue proceeds and the impact calculation methodology are presented. This is also subject to an external review.

As part of the sustainability strategy, the Management Board of pbb Group is responsible for implementing both policies.

Positive Impact and Risk due to a Change in Market Sentiment

pbb Group has defined sustainable finance as a central pillar of its sustainability strategy. The core of these endeavours is the possibility of granting green loans for properties classified as "green" in accordance with the pbb Green Loan Framework, as well as refinancing these via green bonds. This was pbb's response to changes in the market due to the adjusted demand for sustainable products in the real estate sector. pbb Group aims to cushion any changes in market sentiment and demand for sustainable products by adjusting the financing share of green loans compared with traditional loans. The relevant policies "Green Loan Framework" and "Green Bond Framework" are described in detail in the previous section.

Negative Impact and Risk due to insufficient Ambition in Reducing GHG Emissions in the Banking Business

As part of its overarching strategic orientation, pbb Group aims to significantly reduce the GHG emissions from its own portfolio by 2050. If the targets set in this context are not achieved, or if these targets are not ambitious enough, this could lead to reputational risks, for example through negative ESG ratings. In order to minimise these risks, pbb Group has developed the following policies:

The transition plan defines pbb Group's climate ambitions for the banking business and sets out corresponding implementation actions. In this context, a pbb-specific decarbonisation pathway was developed, which specifically aligns and monitors the GHG emissions of the banking business with reference to established reference scenarios (CRREM). Further information on the "Transition Plan" policy can be found in the chapter "Transition Plan for Climate Change Mitigation".

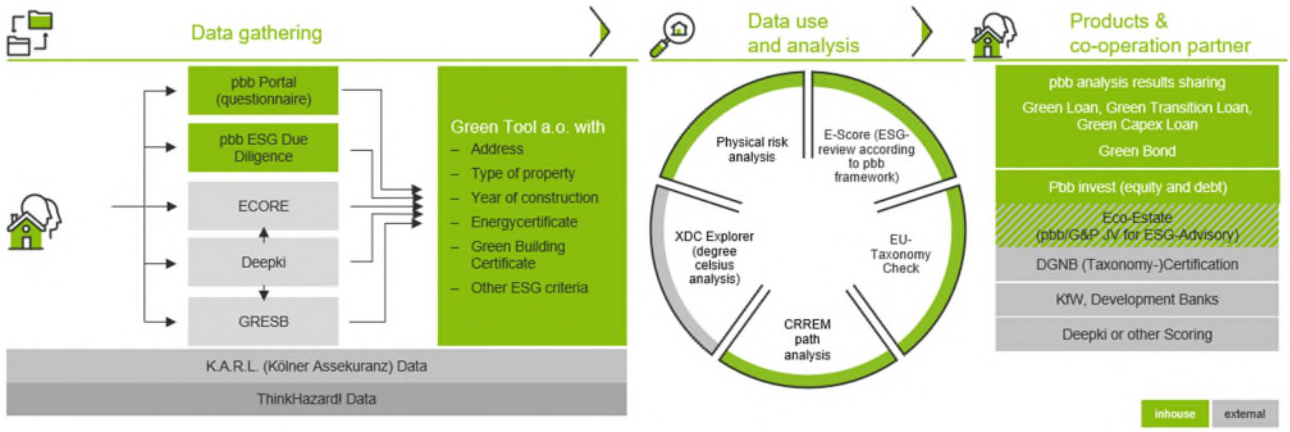
Risk of Stranded Assets

Stranded assets are assets whose earning power or market value unexpectedly declines significantly, primarily due to environmental or climate-related factors, until they become almost or completely worthless. The risk of stranded assets in investments is increased, among other things, by the stricter regulation of emissions-intensive industries and sectors as a result of climate change, but also by potential changes in demand for non-sustainable products.

When financing commercial construction projects or existing properties, both economic and ecological aspects are important. If pbb Group were to ignore the principle of sustainability in this context, the risk with regard to interest and amortisation payments as well as the repayment of loans issued could increase. This could entail considerable financial risks for pbb Group as well as for clients or real estate investors, as they would be liable with their invested equity in the event of a loss. Therefore, pbb Group's corporate interests are aligned with the interests of its direct stakeholders and general sustainability interests. The following policies are relevant in this context:

pbb Group has established a data-based ESG ecosystem in order to better understand the risks - but also the opportunities - of the clients of the REF portfolio in the context of sustainability, and to act as an active partner in this transformation. As part of the sustainability strategy, the Management Board of pbb Group is responsible for implementing the policies. In addition, the ESG ecosystem is reviewed as part of the annual update of the sustainability strategy and further developed if necessary. The monitoring of data processes and analyses within the ESG ecosystem is carried out by the Property Analysis & Valuation department and quality-assured by means of dual controls.

ESG Ecosystem



The first step is to collect and record comprehensive data on various sustainability aspects of the properties financed. This data is collected both internally via questionnaires, which are completed directly by customers in the customer portal, and via the ESG due diligence process. Data from external providers is also used - on the one hand external data for the risk assessment and on the other hand property-specific data, insofar as this is provided by customers via external providers. There are also plans to make greater use of property-specific data from external providers in the future. The property-specific data will then be collated in the pbb Green Tool. In addition to energy certifications, certifications in accordance with various green building standards and other sustainability information such as surface sealing, heating type, material recycling and biodiversity are also recorded. This information is recorded both for all new loan commitments and as part of the regular credit reviews of existing loans.

The "ESG ecosystem" policy is particularly relevant for the risk analyses in the lending process, which are anchored in pbb Group's Real Estate Credit Risk Policy. As a policy, the Real Estate Credit Risk Policy defines the parameters of quantitative and qualitative risk management for the "Real Estate Finance" division, derived from the risk strategy, and is reviewed annually to ensure that it is up to date and is further developed if necessary. Deviations from the guideline are possible. The Credit Risk Management department is responsible for implementing the policy.

The results of the data collection within the ESG ecosystem are incorporated into the credit decision in the subsequent due diligence process, thereby also integrating the principle of economic sustainability into the credit decision with the involvement of the Management Board. The process structure established within pbb Group and the corresponding technical instructions enable close cooperation between Sales, Risk Management and Property Analysis & Valuation at an early stage of the lending process, in order to be able to offer clients customised financing solutions that take sustainability and risk aspects into account. For the due diligence process, the Group relies on in-house property analysts and also cooperates with external appraisers.

The long-term securing of income is based on the evaluation of relevant aspects of property, including economic, demographic and sociographic factors. Property and financing-specific factors as well as physical and transitory environmental factors are also taken into account. As part of the property valuation and risk analysis, not only economic and structural sustainability aspects are considered, but also environmental aspects such as the energy efficiency of a building, contaminated building components and possible contaminated sites as well as the physical and transitory risks resulting from climate change. If contaminated sites are suspected, additional research is carried out and specialised reports are usually obtained. The property is also examined with regard to its EU taxonomy eligibility and alignment. A specially developed decarbonisation tool is used to determine the climate risks of the individual property and the decarbonisation pathway based on CRREM ("transition plan" policy). In addition, the property is assessed using the pbb scoring model (Green Loan Framework policy). The results, including any anomalies or unusual circumstances, are incorporated into a property report, which serves as the basis for credit decisions, among other things. The associated valuation report takes into account the sustainability status of the property with a view to sale or letting and also the long-term value stability of the property through the concept of the mortgage lending value. It also specifies on what basis and at what regular intervals the credit decision must be reviewed and how often or by whom the property is to be inspected or revalued. Particularly close construction support and monitoring is naturally provided for new properties to be built as part of so-called development financing and for construction work on existing properties as part of so-called investment financing.

Attention is also paid to anomalies with regard to working conditions and human rights.

The close integration of the various divisions, particularly through the early involvement of property valuers from the Property Analysis & Valuation division, ensures that new business is carefully selected as a key basis for the long-term business success of the pbb Group and its clients, and to avoid negative consequences for the environment and society.

Management of Transitory Risks

Transitory risks in the banking business can arise due to various factors, such as a lack of energy efficiency, unsustainable construction methods or problematic building materials and types of utilisation. These factors can lead to competitive disadvantages and an increased credit default risk. As part of the annual development of the sustainability strategy, the ESG product range is also taken into account in order to enable a market-driven offering that meets customer demand. The focus here is on financing properties that are already sustainable and on property transformation in order to mitigate the transitory risks in the banking business. The impact of a changing issue price on the property portfolio is also addressed as part of the risk strategy. These effects are monitored on a quarterly basis. In addition, the management of transitory risks is addressed in particular as part of the Real Estate Credit Risk Policy:

Risk analyses are carried out in the lending process for physical and transitory risks. The assessment of energy requirements or consumption is carried out in particular as part of the valuation of collateral. The available data is compared with corresponding standard market benchmarks. In addition, a comparison is made with the CREEM path and a degree analysis is carried out in order to gain an insight into the risk profile. If an ESG maintenance backlog is identified, ESG risk discounts are applied to the market valuation. Similarly, the position of the property on the market and its lettability and saleability are analysed on the basis of ESG criteria. It is examined whether the property can or should be repositioned on the market for letting or sale in an economically viable manner. The main tenants are also analysed with regard to transitory risks, such as the sustainability of their business model and the ability to generate their rent. These analyses form the basis for individual lending decisions and help to mitigate credit risks.

Policies related to climate change adaptation

The materiality analysis identified financial risks in the portfolio in the context of climate change adaptation. In particular, these are various acute physical risks that may affect the financed properties.

Management of Physical Risks

The active management of climate change-related physical and transitory risks is a central component of the risk strategy and the Real Estate Credit Risk Policy. Physical climate and environmental risks can arise from the exposure of the financed properties and infrastructure projects, particularly as a result of acute events such as floods, storms, forest fires and earthquakes. Physical risks and adaptation measures are also considered as part of the review of the properties by property analysts. In this context, pbb pursues a two-stage approach, which starts at the individual property level.

On the one hand, physical climate and environmental risks are reviewed at property level as part of the new business initiation process. The main sources of information are analyses from the external data source K.A.R.L. and a site inspection. If one or more risks are found to be elevated, it is checked whether these can be mitigated by structural or site-specific factors. If this is not the case, it is checked whether there is sufficient insurance. Methodologically, a gross risk is first identified at the site and then analysed to determine the net risk remaining after mitigating measures (structural characteristics, site-specific conditions and adequate insurance).

Secondly, the risks of flood, heavy rain, storm surge, storm, tornado and hail as well as forest fire, landslide, coastal erosion and biodiversity risks are reviewed at least once a year for the existing portfolio. The external data sources K.A.R.L., ThinkHazard! and WRI Aqueduct also serve as sources of information. This serves to identify and monitor risk situations that change over time. In addition to the actual level of risk, the level of exposure in each individual case is also taken into account when determining the material risks of a property. In the existing portfolio, the gross risk at the property locations is also initially identified and an expert assessment is carried out for the conspicuous individual cases. If, for example, a high forest fire risk is identified at the location of a property, Property Analysis & Valuation examines the individual property again for the structural and regional conditions relevant to the respective risk. For example, structural or other features, such as a fire brigade, hydrants on site or forest fire management concepts in the region, can significantly reduce an initially high forest fire risk.

If significant risks are still identified at the end of the process, these are presented at portfolio level via risk reporting and the effective net risk is reviewed for each individual case in order to adjust the cover amount in the Pfandbrief cover pool if necessary.

In addition to the control processes described above, pbb also has a monitoring system focussed on individual events. As soon as a major natural event, such as flooding, occurs, the Bank checks whether financed properties are located in this region and could be affected. The bank is supported in this by satellite image analyses from the Association of Pfandbrief Banks in order to identify affected regions quickly and in a targeted manner. If properties are available, the affected customers are contacted to determine the extent to which the property in question is actually affected. Depending on the accessibility and security situation of the affected areas and properties, the bank also carries out its own on-site inspections in individual cases. The most recent major events (Ahr Valley, summer 2021, southern Germany, spring 2024, south-east Europe, late summer 2024) show that the pbb portfolio has so far only been affected to a minor extent or not at all, and that any damage was covered by the respective insurance policies.

Policies in connection with energy

The materiality analysis has identified one negative impact and two financial risks for the portfolio in the context of energy. These are specifically the following aspects:

Negative Impact and Risk in Connection with the Financing of Properties with low Energy Efficiency or high Energy Consumption

pbb Group has set itself the overarching strategic objective of promoting sustainable finance in both lending and refinancing, and has thus defined Sustainable Finance as a central pillar of its sustainability strategy. In doing so, pbb Group aims to make an active contribution to achieving the Paris Climate Agreement and to align its loan portfolio with the 1.5 degree target.

As part of the Green Loan Framework, properties that fulfil the criteria of the pbb Green Score or are taxonomy-aligned are assessed as "green". In addition, a decarbonisation path was developed for the REF portfolio in 2024 as part of the transition plan, which forms the basis for the target of reducing GHG emissions intensity ("transition plan" policy). The basis for achieving the target is the comprehensive assessment of the properties to be financed as part of the credit decision process, including information from the properties' energy performance certificates. In order to achieve the target and thus also to minimise negative effects and financial risks, a targeted approach is taken (risk strategy and "Real Estate Credit Risk Policy" policy).

Reputational Risks from Lending if Companies operate in Energy-intensive Sectors or Properties with low Energy Efficiency are financed

The granting of real estate finance to companies operating in energy-intensive industries may have a negative impact on pbb Group's reputation, and thus result in financial disadvantages such as reduced attractiveness as an employer and the loss of customers and business partners. Similarly, granting real estate financing to companies whose properties are not energy-efficient can also lead to reputational and credit risks.

pbb Group's business model focuses on commercial real estate finance. Loans and advances to non-financial companies are primarily granted to companies from the property and housing or construction sectors. As part of real estate lending, the energy consumption and GHG emissions of individual properties are analysed extensively (risk strategy and "Real Estate Credit Risk Policy" policy). These key figures are compared with market benchmarks such as CREEM or the benchmarks contained in the EU taxonomy. This provides an overview of the property and its positioning on the market. As a result, assessment mechanisms such as pbb Group's ESG scoring and selection mechanisms based on this are used to prevent energy-intensive properties from being financed in comparison to the applicable market standards.

pbb Group has set itself targets with regard to the proportion of green loan eligible assets in the portfolio and the GHG intensity of the financed portfolio (chapter "Climate issues in the banking business"). These play a decisive role in lending and contribute to a portfolio composition in line with the market, which can minimise the reputational risks associated with lending.

In addition, potential reputational risks in connection with tenants that affect significant parts of the property are examined during the lending process and taken into account in the credit decision.

Consideration of interests when defining policies in connection with climate issues in the banking business
The fulfilment of client needs is the focus of pbb Group's business activities. The aim is therefore to harmonise these with the interests of pbb Group. Client orientation is a key success factor for pbb Group in order to build up a loan portfolio which meets the risk and return requirements of pbb Group by means of new commitments or loan extensions. For pbb Group, client orientation means more than just processes or structures. Rather, customer orientation forms the basis for the daily actions of all employees. In this context, proximity to property clients through regular and intensive dialogue as well as the relationship of trust between pbb Group and its clients are of central importance.

pbb Group sees itself as a solid and reliable partner for its clients, providing them with sound expertise. Based on in-depth market and product knowledge, pbb Group is able to enter into a highly specialised dialogue with its clients in order to develop individual financing solutions tailored to the respective client's needs. pbb Group has entered into an open dialogue with its professional, internationally or nationally oriented real estate clients on sustainability matters, GHG implementation targets and feasibility. The aim is and has always been to provide its clients with the best possible support in the transition of their portfolios, not only as a financing partner, but also by providing sustainability-related advice.

In line with this objective, customers were surveyed in 2022 by an interdisciplinary team of ESG experts and sales employees using a dedicated questionnaire on the following topics:

- ESG strategy & status quo
- ESG product requirements
- ESG data and scoring system of pbb
- ESG service requirements.

pbb Group uses the results of the analyses to improve the interaction with its clients and to meet their needs by providing the results of the analyses as well as the Group's ESG products, such as the Green Loan. The Group also uses these results to develop its ESG advisory services. In 2023, pbb Group entered into a cooperation with Groß & Partner and founded Eco Estate GmbH, which offers green consulting services.

In addition, a stakeholder survey was conducted as part of the materiality analysis for this report, in which both internal and external stakeholders had the opportunity to provide their assessment of the sustainability aspects that are material for pbb Group (chapter Materiality Analysis). The results of the materiality analysis have a direct influence on pbb Group's strategic development in the context of sustainability and form the basis for ESG reporting.

TARGETS AND ACTIONS

The strategies are pursued through specific targets and actions for the banking business to reduce GHG emissions, accompanied by regular monitoring and reporting in the ESG Committee and to the Management Board and Supervisory Board. In this context, pbb Group sees itself as a transformation partner for its clients, and endeavours to constantly consolidate and expand this role.

In order to align the financing portfolio with the 1.5-degree target, pbb Group has defined the action of developing a decarbonisation pathway with the aim of reducing GHG emissions in the banking business as part of the transition plan. This was developed for the REF portfolio in 2024. Climate targets were defined based on the greenhouse gas balance of the financing portfolio. The targets were set in cooperation with the relevant internal departments and approved by the Management Board. On this basis, pbb Group is endeavouring to reduce the GHG emissions intensity of the REF portfolio to the following target values for the years 2027, 2030 and 2050. Specific steps to achieve the targets and thus reduce the GHG emissions intensity of the REF portfolio are currently being developed.

- In 2027: 39.8 kg CO_2eq/m^2 (0.54 million tonnes CO_2eq)
- In 2030: 31.4 kg CO_2eq/m^2 (0.45 million tonnes CO_2eq)
- In 2050: 1.1 kg CO_2eq/m^2 (0.02 million tonnes CO_2eq

The physical emission intensities are used to calculate the absolute figures in brackets, taking into account an assumed development of the financed area. Due to the restriction to the REF portfolio and the different steering ambitions, which take physical emission intensities weighted by financial indicators as a basis, a direct link between the absolute target values and the disclosure of Scope 3 emissions category 15 of pbb Group's ecological footprint is only possible to a limited extent.

For each property financed by pbb, emission data is available in different data quality levels. For this purpose, pbb uses the PCAF data quality score from one to four. For the data with data quality scores of one to three, data from customers' energy performance certificates (consumption or demand certificates) is used, which was obtained as part of data collection from pbb's own customers and is received by pbb Group through regular processes. As a rule, these energy performance certificates only include CO_2 emissions. Data with a data quality score of four is estimated using PCAF emission factors based on the property type and the country of the financed property. Only properties with data quality scores one to three were used to develop the decarbonisation pathway. In addition, the five main property types (residential, office, retail, industrial/logistics and hotel/leisure) were used. This means that a total commitment of around 75% was used to develop the climate pathway.

The calculated portfolio starting point makes it possible to forecast the decarbonisation of the property financing portfolio, taking into account the current business plan and its extrapolation up to 2050. As at 31 December 2024, the GHG emission intensity was 45.9 kg CO_2eq/m^2.

To define the decarbonisation path, pbb Group has modelled various scenarios. All scenarios are based on pbb's business planning until 2027. This takes into account planned changes in sales volumes or shifts in the Bank's product portfolio up to 2027. The planning for 2027 was used as the basis for the further development up to 2050. Changes to the business plan are constantly taken into account through an annual update, which may lead to a target adjustment if necessary. The CRREM pathway (CRREM Global Pathways V2) was used as a reference pathway for the target definition, as this is the general market standard for deriving decarbonisation pathways for the real estate sector. A pbb-specific reference pathway was developed based on country- and building type-specific sub-CRREM pathways. The targets developed are based on a reduction pathway that takes into account the pbb REF portfolio as at the reporting date and approximates the pbb-specific reference pathway. Due to the chosen methodology, the decarbonisation pathway takes into account the assumptions and methodologies underlying the CRREM pathways, which means that assumptions on regulatory factors and new technologies are included in the targets. Annual portfolio growth and an increase in green financing were also assumed. The defined targets were not externally hedged.

It is currently not possible to present the reduction in GHG emissions achieved, as there have been changes in the data basis and system-supported mapping of GHG emissions. pbb Group aims to reduce GHG emissions along the defined climate pathway and will report on this in the future.

Furthermore, the aim is to increase the proportion of green loan-eligible assets in the REF portfolio. In the context of this action, pbb Group has defined the following targets:

- based on pbb's specific Green Score. The share of evaluated properties in the REF portfolio was 85.1% as at 31 December 2024. From an overall portfolio perspective, the share of green loan-eligible assets reached 29.4%, and 34.6% in relation to the REF portfolio analysed.
- In addition, the new business volume of green loan-eligible assets in the REF portfolio is expected to reach 32% by the end of 2025. As at 31 December 2024, the share of green loan-eligible assets in the new business volume was 42.2%

Both are aimed at supporting the financing of the acquisition of green properties as well as green developments and transformation projects such as energy-efficient refurbishments, thereby making an active contribution to the decarbonisation of the real estate sector in its role as a transformation financier. The plan is to fully replace these targets with the climate targets from the decarbonisation pathway in 2026. The targets were set in collaboration with the relevant departments and approved by the Management Board. In addition, the targets are monitored in the specialist departments and by the ESG Office. The ESG Office reports quarterly on the progress of target achievement.

The basis for the targets developed is the measure initiated by pbb Group to systematically collect climate-relevant client data. In 2024, the transparency target ratio of 75% was achieved and exceeded at an early stage, enabling a long-term alignment of the e-dimension. As at 31 December 2024, 85.1% of the property portfolio was fully assessed according to ESG criteria. The collection of this data was anchored in the regular processes. This transparency rate will remain an indicator. However, complete transparency will not be achievable. There are various reasons for this, for example, no energy performance certificate is required for listed buildings, or data is not collected due to low loan amounts or short remaining terms. The current value is generally considered to be an achievable value. As at 31 December 2024, pbb Group had a total volume of € 3.48 billion in outstanding green bonds. The systematic follow-up collection of customer data is an ongoing measure that is not limited to any period of time.

Non-financial instruments, such as property, plant and equipment and intangible assets, only play a minor role at pbb Group. In particular, pbb Group does not hold any real estate in its own portfolio. Therefore, climate change mitigation actions for non-financial assets are not material. Non-financial instruments are to be deducted from the numerator in the green asset ratio relevant for financial institutions.

There are no significant CapEx and OpEx contributions for the implementation of the actions.

Climate Issues in Business Operations

To support the 1.5-degree climate target of the Paris Agreement, pbb Group has set itself a long-term climate target. It strives to continuously and sustainably reduce its ecological footprint and minimise its environmental impact. Overall, pbb Group has defined five overarching sustainability targets (chapter "Climate issues in the banking business"). One of these objectives focuses on sustainable business ecology in order to effectively manage the challenges of climate change and to continue to promote more efficient use of natural resources in its own business operations. The Code of Conduct also commits pbb Group to conducting its business in a sustainable and environmentally friendly manner and to identifying environmental risks that could arise in its business activities.

In addition to climate change mitigation, the consumption of resources caused by the Group itself is also discussed below, even if this is considered to be lower compared to the loan portfolio. Key starting points are the buildings used by pbb Group, the organisation of work processes, the use of data centres and employee mobility. The Management Board and Supervisory Board are informed on a quarterly basis about the development of various topics, including the vehicle fleet and travel volume.

POLICIES

As part of the materiality analysis, pbb Group identified the following aspects relating to climate change mitigation, climate change adaptation and energy as material to its business operations:

- Financial opportunity: energy efficiency of buildings leads to cost savings
- Positive impact: The use of green electricity reduces GHG emissions

In order to address this material opportunity and positive impact, pbb Group has anchored the topics of climate change mitigation, climate change adaptation, energy efficiency and the use of renewable energies in its sustainability strategy in the context of its business operations, and operationalised them through targets and actions.

As part of its sustainability strategy, pbb Group aims to reduce its own GHG emissions from business operations. Among other things, this is to be achieved by implementing various decarbonisation actions, such as energy efficiency actions in the Bank's operations and the use of renewable energies at its own locations. The strategic ambition in the context of the material positive impact and financial opportunity in business operations is anchored across the board in the sustainability strategy and is not detailed in any additional policy.

TARGETS AND ACTIONS

The overarching strategic focus on reducing GHG emissions is pursued through suitable targets and actions in business operations. This is accompanied by regular monitoring and reporting in the ESG Committee and to the Management Board and Supervisory Board.

In this context, pbb Group has set itself targets for the reduction of Scope 1, 2 and 3 emissions by 2030. The main positive impacts and opportunities in the context of business operations relate in particular to Scope 2 emissions. However, pbb Group endeavours to maintain a holistic view of GHG emissions when defining targets and actions, and has therefore also set targets and actions for operational Scope 1 and 3 emissions.

pbb Group has made a commitment with regard to operational emissions,

- to reduce Scope 1 emissions (caused in particular by the company car fleet) to 190 tonnes of CO_2eq by the end of 2030,

- to reduce Scope 2 emissions (caused in particular by the energy consumption of office buildings) to 5.3 tonnes of CO_2eq by the end of 2030 (the targets currently only relate to Scope 2 emissions from electricity consumption; in 2025, work is underway to also integrate emissions from heating and ventilation into the Scope 2 emissions targets) and
- to reduce Scope 3 emissions (in terms of emissions caused by business trips, paper consumption and events organised) to 400 t CO_2eq by the end of 2030.

The targets were set in collaboration with the relevant departments and were approved by the Management Board. In addition, the targets are monitored in the specialist departments and by the ESG Office. The ESG Office provides monthly to annual reports on the progress of target achievement in line with the respective data updates.

The targets are based on the requirements from the first amendment to the German Climate Protection Act (2021). The reduction between the base year and 2030 was used for the buildings (Scope 2) and transport (Scope 1 and 3) sectors. pbb Group has been recording its GHG emissions with a focus on CO_2 emissions since 2020. 2023 was chosen as the base year for all scopes in order to ensure comparability. As the first year after the Covid-19 pandemic, this is considered representative with largely normal office operations and work processes, taking into account changed framework conditions (e.g. increase in video conferencing for virtual meetings). The market-based method was used to calculate the Scope 2 emissions contained in the target for all locations. One exception is the New York location, for which the location-based method was used due to the lack of data for the market-based method. The defined targets were not secured externally.

The reference values are as follows (the previous year's figures for scopes 1 to 3 have not been audited by the auditor):

The Reference Values and Reduction Targets for Scopes 1 to 3

Emissions	Reference values[1)]	Reduction targets
Scope 1	302 t	190 t in 2030
Scope 2[2)]	8.1 t	5.3 t in 2030
Scope 3[3)]	633 t	400 t in 2030

1) Based on the year 2023
2) Related to emissions from purchased electricity
3) Related to emissions from business trips, events and paper purchases

Scope 1 emissions include emissions from company cars, Scope 2 emissions include indirect emissions from purchased electricity for rented space at pbb Group's locations, and Scope 3 emissions include emissions from paper consumption, employee business trips and emissions from events (the Annual Press Conference, Analysts' Conference and Annual General Meeting).

Reductions in GHG emissions were already achieved before the defined base year of 2023:

- Scope 1: The reduction in emissions from 387 t CO_2eq in 2020 to 302 t CO_2eq in 2023 corresponds to a reduction of 21%. This was achieved by starting to phase out company cars.
- Scope-2:

Total Electricity Consumption in kWh/a per Year

Electricity consumption in kWh/a	**2020**	**2021**	**2022**	**2023**
Total (all locations)	659,923	615,023	569,131	574,938

> Scope 3: Due to the Covid-19 pandemic and the associated restrictions on business travel, Scope 3 emissions were generally lower in the years 2020 to 2022. The same applies to the organisation of events (such as the Annual General Meeting), which took place virtually in the years mentioned.

There are currently no plans to publish any further targets.

In the course of setting its operational targets, pbb Group has identified decarbonisation levers for Scope 1, 2 and 3 emissions, which are operationalised through corresponding actions (the previous year's figures in the context of Scope 1, 2 and 3 emissions have not been audited by the auditor):

Scope 1 emissions:
Scope 1 emissions have already been reduced by 54% in the period from 2023 to 2024. The reduction is to be continued to 190 tonnes of CO_2eq by 2030

Decarbonisation lever: ecological optimisation of the operational service offering	
Action(s)	Abolition of the company car fleet In 2022, pbb Group terminated the company car programme applicable to the German locations. A transitional arrangement applies until the expiry of the current leasing agreements. This will result in the gradual reduction of the existing vehicle fleet. The malus system based on the WLTP (World-wide Harmonised Light Vehicles Test Procedure) guideline values still applies to the leased vehicles currently available, according to which pbb charges the respective authorised employee a higher monthly fee for leasing a vehicle with high CO_2 emissions compared with vehicles with lower CO_2 emissions. This was intended to incentivise employees to opt for more environmentally friendly company cars. Compared to the previous year, the number of company cars was significantly lower at 23 vehicles (2023: 48 vehicles). Average CO_2 emissions according to the WLTP were 131.65 g/km in 2024 (2023: 143.9 g/km for 48 vehicles) and therefore also below the previous year's level. In total, the company cars generated 139 t CO_2eq (2023: 302 t CO_2eq). These emissions were offset by the purchase of climate certificates. The emission figures stated above refer to the contractually agreed figures and not necessarily to the actual mileage of the vehicles. The majority of the leases expired at the end of 2024 and were not renewed. The other contracts expire at the end of 2026. In addition, pbb Group will continue to provide pool vehicles for business purposes. Further implementation of the action is planned for the medium term. It cannot be ruled out that any GHG savings made by the bank as a result of the abolition of the company car fleet will be offset, made up for or even exceeded by corresponding GHG emissions from employees' privately used cars. However, no data on this is currently available. pbb Group promotes environmentally friendly commuting by its employees.

Scope 2 emissions:
Market-based **Scope 2 emissions** relating to electricity consumption were reduced by 92% in the period from 2023 to 2024. The aim for 2030 is emit a maximum of 5.3 tonnes of CO2eq in Scope 2 emissions in relation to electricity consumption.

Decarbonisation lever: use of renewable energies and improvement of energy efficiency	
Action(s)	Energy-efficient construction of the headquarters The Business Campus Garching, where the building rented by pbb Group is located, serves as the company's headquarters and is geared towards the responsible use of its resources. For example, the central chiller was replaced in 2023 in order to further reduce resource consumption and save energy. The building was constructed in accordance with modern energy standards at the time of construction. The digital infrastructure of the Business Campus was also comprehensively tested and certified in 2023. This measure is ongoing and not limited to any period of time. Utilisation of renewable energies Right at the start of the Business Campus development, an energy centre and a building management system spanning the entire site were installed to enable connection to renewable energy sources and thus optimise energy consumption, which pbb Group also uses accordingly. The rainwater collected in the campus grounds via roads and building roofs is collected in cisterns, cleaned by settling the sediment and channelled into the central lake system. The overflow is channelled into the groundwater via an infiltration area, which is also used to irrigate the entire outdoor facilities via groundwater wells. Visitor car parks are not sealed. In the winter months, the Business Campus is heated regeneratively using the hot water from the geothermal energy produced by EWG Garching, while in summer the geothermal hot water is converted into cold water using absorber technology and can then be used to cool the office space. The Business Campus operates photovoltaic systems, a large proportion of whose output is fed into the Business Campus electricity grid. The Business Campus's other electricity consumption is covered by green electricity generated by hydroelectric and wind power plants. The entire electricity requirements of the company headquarters have been covered entirely by green electricity since 2011. Since 2015, the other German locations have also been using entirely green electricity. The foreign locations also obtain most of their electricity from renewable energy sources. Exceptions are the offices in Madrid, Stockholm and New York, which are only partially supplied with green electricity. Where possible, medium-term energy efficiency actions are planned here. Energy-efficient office equipment Energy-efficient office equipment and strict, demand-orientated device management will save electricity in the long term. All locations are equipped with energy-saving devices: The printers used are certified with the Blue Angel, the laptops with ENERGY STAR 7.1. This measure is ongoing and not limited in time.

Scope 3 emissions:
Scope 3 emissions will be continuously reduced until 2030 in accordance with the defined target pathway.

Decarbonisation lever: use of renewable energies and improvement of energy efficiency	
Action(s)	Energy-efficient data centre operation An important factor in the context of increasing energy efficiency is the operation of data centres. In addition to data protection and the reliability of the centres, power usage effectiveness is also an important value. This expresses the energy efficiency of a data centre. The power usage effectiveness of 1.6 contractually agreed with the data centre based in Frankfurt has been maintained since 2020. In addition, the data centre's electricity consumption was covered by green electricity.

	This measure is ongoing and not limited in time. Optimisation of business trips As a bank with international operations, dialogue and networking between pbb Group's various locations and with clients and other stakeholders are of central importance. This traditionally requires an increased level of business travel throughout Germany and internationally. As part of the Scope 3 climate target for business operations, a detailed analysis of the volume of travel and the corresponding CO2 emissions was carried out. As a result, the Group-wide travel policy was re-evaluated and revised in order to adequately take into account the negative climate impact of business travel . Where travelling is necessary, all pbb Group employees are encouraged to use rail as the most sustainable travel option. In addition, a tool has been developed for the individual divisions to improve the monitoring of emissions caused by business travel. This gives the divisions an overview of the CO2 emissions caused by their business trips. CO2 emissions are monitored on a monthly basis in comparison to the emissions reduction pathway and reported to the division heads and the Management Board. In addition, awareness-raising initiatives and adjustments to travel guidelines were made to further promote the use of rail travel. Due to the Covid-19 pandemic, travel activity was significantly reduced in 2020 and 2021. In 2022, there was an increase again for the first time, which continued in 2023. However, these emissions were reduced again in 2024. CO_2 emissions resulting from air and rail travel and hotel stays amounted to 506 tonnes of CO_2eq across the Group (2023: 639 tonnes of CO_2eq). These emissions were offset by the purchase of climate certificates. This measure is ongoing and not limited in time. Promotion of environmentally friendly commuting Both the company headquarters in Garching and pbb Group's other locations are connected to local public transport. The provision of charging facilities in Garching also promotes the use of electromobility. In addition, there are car-sharing and car-pooling options. In addition to the charging infrastructure for cars provided by the landlord, there is also a charging facility for e-bikes in the bicycle cellar at the Garching site. For employees in Germany in particular, environmentally friendly commuting is to be made more attractive in the short term, for example by subsidising the Deutschlandticket. This is currently possible through the quarterly subsidisation of the GuudCard in the amount of €150 as a sustainable non-cash benefit card, which can be used to purchase the Deutschlandticket, for example.

Decarbonisation lever: decarbonisation of the supply chain	
Action(s)	Integration of climate aspects into the supplier process The consideration of environmental and climate aspects as well as social factors is an important part of pbb Group's purchasing strategy. Suppliers and service providers are assessed according to their ESG performance as part of the regular supplier evaluation. In addition, pbb's Code of Conduct not only requires suppliers and service providers to comply with the law (which is mandatory anyway), but also calls for economically, socially and ecologically responsible behaviour. More information can be found in the chapter "Management of supplier relationships and payment practices". This measure is ongoing and not limited to any period of time

Decarbonisation lever: digitalisation	
Action(s)	Digitalisation of processes The work processes are fundamentally geared towards minimising paper consumption. In this context, various electronic systems are used to largely replace paper-based processes. This applies, for example, to electronic employee services (time recording, payroll accounting, travel expense reports), electronic invoice and contract management, electronic credit files and document rooms for exchanging documents. Further savings potential is offered by the client portal introduced in 2021, which represents an electronic interface between pbb Group and its clients and serves to exchange information and documents. Where paper is used, it is certified as environmentally friendly. Annual reports are only made available in digital form. Further awareness-raising actions and needs analyses for printouts and physical signatures are in preparation. This measure is ongoing and not limited to any period of time.

These decarbonisation levers are intended in particular to achieve the targets for reducing GHG emissions by 2030 and saving other resources such as paper. No climate scenarios are used to identify these levers for operations, and the climate change mitigation actions do not include any "nature-based" solutions.

There are no significant CapEx and OpEx contributions for the implementation of the actions.

ENERGY CONSUMPTION AND MIX

Energy consumption and the energy mix are analysed on an annual basis. For this purpose, information from pbb's individual locations is collected and consolidated. In the 2024 financial year, pbb Group covered 57% of its total energy consumption from renewable sources. All of the Group's German locations have been using exclusively green electricity since 2015, and some of the international locations are also supplied with renewable energy. The previous year's figures for energy consumption and energy mix have not been audited by the auditor.

Energy Consumption and Energy Mix in 2024 and Comparison with 2023

Energy consumption mix	**Consumption 2024**	**Comparison of consumption in 2023**
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	535.6	1,236.5
(3) Fuel consumption from natural gas (MWh)	0	0
(4) Fuel consumption from other fossil sources (MWh)	0	0
(5) Consumption from purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	273.6	285.9
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**809.2**	**1,522.4**
Share of fossil sources in total energy consumption (in %)	**42**	**58**
(7) Consumption from nuclear sources (MWh)	**27.8**	**74.8**
Share of consumption from nuclear sources in total energy consumption (in %)	**1**	**3**
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	**0**	**0**
(9) Consumption from purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	**1,110.8**	**1,043.3**

(10) The Consumption of self-generated non-fuel renewable energy (MWh)	**0**	**0**
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**1,110.8**	**1,043.3**
Share of renewable sources in total energy consumption (in %)	**57**	**40**
Total energy consumption (MWh) (calculated as the sum of lines 6, and 11)	**1,947.8**	**2,640.5**

The Group does not generate any non-renewable energy or energy from renewable sources. Energy consumption is focussed on the bank's own operations. As banking is not a climate-intensive sector, energy intensity is not reported in relation to activities in such sectors.

Ecological Footprint

pbb Group plans to continuously and sustainably reduce its ecological footprint. Although the focus is on avoiding and reducing emissions, unavoidable emissions still occur. These were partially offset by the purchase of environmental certificates.

EMISSIONS IN THE BANKING BUSINESS

A decisive step towards achieving the decarbonisation targets is to quantify the financed emissions that are directly linked to pbb's core business. The portfolio emissions assessment focusses on the buildings financed by pbb Group (REF portfolio). The calculations are based on the requirements of the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the PCAF Global GHG Accounting & Reporting Standard Part A - Financed Emissions. When financing buildings, the focus is on reducing operational emissions, particularly in the areas of heating and energy supply. These emissions are reported under Scope 3 category 15 (investments or financed emissions). The emission values shown represent a gross consideration, i.e. trading in GHG certificates is not taken into account. The reduction in GHG emissions is not based on the key figure for financed emissions, but on the target values for reducing GHG emissions intensity presented in the chapter "Transition plan for climate change mitigation".

EMISSIONS IN BUSINESS OPERATIONS

Since 2020, pbb Group has been collecting data to calculate its operational GHG footprint, based on the requirements of the GHG Protocol. In 2024, the GHG footprint of its own business operations amounted to 1,153,290.6 t CO2eq (market-based). The Group currently uses the Scope 1, Scope 2 and partially Scope 3 emission categories to determine its operational emissions.

Scope 1 emissions include emissions from the vehicle fleet, including the company cars still in use. pbb does not emit any further emissions, for example as part of stationary combustion in the Scope 1 emissions category, as pbb's sites are not owned or controlled by pbb Group.

Scope 2 emissions include emissions from purchased electricity and purchased energy for heating and cooling the locations. pbb Group reports emissions from purchased electricity used to operate the sites, as well as emissions from purchased energy used for heating, cooling, air conditioning, ventilation and underfloor heating at the sites.

Scope 3 emissions include the following emissions from business operations. No emissions were caused in the Scope 3 categories not listed here:

> Category 1 Purchased goods and services: This includes emissions from the production of goods and services. At pbb Group, this specifically includes consumables for office operations, IT equipment (laptops, printers, etc.), data centre operations and consulting services.

> Category 2 Capital goods: This includes emissions from the production of capital goods, such as office furniture. IT equipment is a separate category of capital goods.

- Category 4 Upstream transport and distribution: This includes, in particular, emissions caused by the transport of purchased goods and services to pbb Group, such as IT equipment or other office equipment.
- Category 5 Waste generated in operations: This includes waste generated at pbb Group's office locations (mainly food waste, packaging, paper).
- Category 6 Business traveling: This includes emissions from employees travelling on business. This currently includes air and train travel as well as overnight stays in hotels. Emissions from business trips undertaken in private cars (not company cars) are not taken into account.
- Category 7 Employee commuting: This includes emissions from the commuting behaviour of employees. No emissions from employees' mobile working behaviour are taken into account.
- Category 15 Investments/financed emissions: This category includes emissions resulting from pbb Group's financing activities, for example through property lending.

The ecological footprint is made up as follows (the previous year's figures have not been audited by the auditor).

	Retrospective				Milestones and target years			
	Base year (2023)	2023	2024	2024/2023 (in %)	2025	2030	(2050)	Annual % target/ base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (t CO_2eq)	302	302	139	46	-	190	-	
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (in %)	n/a	n/a	n/a	n/a				
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (electricity, tonnes CO_2eq)	296	296	308	104	-	-	-	
Gross market-based Scope 2 GHG emissions (electricity, tonnes CO_2eq)	8.1	8.1	0.6	7	-	5.3	-	
Gross market-based Scope 2 GHG emissions (heating, cooling, air conditioning, ventilation, underfloor heating, tonnes CO_2eq)	123	123	123	100	-	-	-	
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions (t CO_2eq)	252,605	252,605	1,153,028	456	-	400	-	
Category 1 Purchased goods and services	1,107	1,107	1,107	100				
Category 2 Capital goods	195	195	195	100				
Category 4 Upstream transport and distribution	93	93	93	100				
Category 5 Waste generation in operations	20	20	20	100				
Category 6 Business traveling	639	639	506	79				
Category 7	1,248	1,248	1,212	97				

Employee commuting								
Category 15 Investments - thereof Scope 1 & 2 - thereof Scope 3	249,303 249,303 n/a	249,303 249,303 n/a	1,149,895 453,740 696,155	461 182 n/a				
Total GHG emissions								
Total GHG emissions (location-based) (t CO_2eq)	253,326	253,326	1,153,598	455				
Total GHG emissions (market-based) (t CO_2eq)	253,038.1	253,038.1	1,153,290.6	456				

The assumption "Granularity of target values for the breakdown of total GHG emissions" is relevant for the information on Scope 1 emissions. The calculation is based on the contractually agreed mileage.

In the emission factors used to calculate Scope 2 emissions, the percentage share of biomass or biogenic CO_2 is not separated. In the case of the New York site, the proportion of energy generation from biomass is negligible due to its low volume. GHG emissions other than CO_2 are not available for the location- and market-based method.

The target value for the reduction of Scope 2 emissions is stated including gross location-based Scope 2 GHG emissions from the New York site, as no market-related information was available for this site before 2023.

Information on energy consumption from heating, cooling, air conditioning, ventilation and underfloor heating from 2024 is not available for any of pbb Group's locations. Information on energy consumption from 2023 was available for the German locations Garching, Hamburg and Berlin. Information on energy consumption from 2022 was available for the German sites in Eschborn and Düsseldorf. Based on this data, an average energy consumption per m^2 of rented office space was calculated and thus the energy consumption of the foreign locations was approximated. A constant development is assumed for the year 2024.

Sector-specific emission estimates were used to determine the emissions from Scope 3 categories 1 (Purchased goods and services), 2 (Capital goods), 4 (Upstream transport and distribution) and 5 (Waste generation in operations), taking into account pbb Group's emissions from 2022. An estimated value was also used for Scope 3 category 15 (Investments), as no information was available for this at the time. The XDC Climate Explorer tool was used for these estimates. As these are sector-specific estimates, no emission reduction targets are currently defined for them.

Scope 3 category 6 emissions (business traveling) are calculated on the basis of business trips made by the provider Egencia and therefore have a high degree of accuracy. The calculation of Scope 3 category 6 emissions by the provider Egencia has not been audited by the auditor.

The emissions in Scope 3 category 7 (employee commuting) are based on projections, as employees do not provide pbb Group with any information on their individual commuting behaviour. Consequently, no specific emission reduction targets were defined for this category.

The financed issues (category 15: investments) were reconciled to 31 December 2024 based on the disclosure report dated 30 June 2024. Due to an insignificant expansion of new business without prolongations (less than 2%), an increase in green loan-eligible assets and a reduction in non-core exposure, a recalculation of the financed issues as at 31 December 2024 was not carried out in the second half of the year. Less than 2% of the total REF loan volume is therefore not taken into account, while 98% was already calculated as at 30 June 2024.

The target value for the reduction of Scope 3 emissions takes into account Category 6 as well as the previous categories Events and Paper Purchasing, which are now included under Category 1.

As no gross location-related Scope 2 emissions from heating, cooling, air conditioning, ventilation and underfloor heating were available at the time, the market-related GHG emissions are used to calculate the total GHG emissions (location-related).

The GHG emissions were not validated by any external body other than the one responsible for quality assurance.

The information on greenhouse gas intensity can be found in the following table (the previous year's figures have not been audited by the auditor):

GHG intensity per net revenue	Comparison 2023	N 2024	% N/N-1 2024/2023 (%)
Total GHG emissions (location-based) per net revenue (t CO_2eq/currency unit)	0.00009	0.00038	427
Total GHG emissions (market-based) per net revenue (t CO_2eq/currency unit)	0.00009	0.00038	428

pbb Group has derived the net income from the following items in the financial statements:
- Interest income from the note "Net interest income"
- Commission income from the note "Net commission income"
- Fair value measurement result from the "Income statement"
- Realisation result from the "Income statement"
- Result from hedging relationships from the "Income statement".

This results in total net income of € 3,041 million for 2024 and € 2,854 million for 2023 € (the previous year's figures have not been audited by the auditor).

Reduction of Greenhouse Gases

pbb has not developed any projects within its own activities that contribute to the reduction or storage of greenhouse gases. Furthermore, no contribution was made to such projects within the upstream, internal and downstream value chain.

Since 2020, pbb has purchased carbon credits to cover the GHG emissions caused by its business operations in Scope 1 and 2 as well as parts of Scope 3 (excluding the financing portfolio).

The GHG emissions were offset in 2024 via the third-party provider Climate Partner as part of a verified emission reduction (VER) in combination with voluntary carbon offsetting. The combination project has contributed to the financing of a certified climate change mitigation project in South Africa and also supports humus cultivation in Germany: for every tonne of CO_2eq saved through the contribution via a certified climate change mitigation project, 250 kg of CO2eq are reduced through a humus cultivation project.

The following table shows information on the cancelled carbon credits (the previous year's figures have not been audited by the auditor). In 2024, pbb Group offset the GHG emissions from Scope 1, Scope 2 and Scope 3 categories 6 (business traveling) and 7 (employee commuting) via the certified climate change mitigation project.

Information on Cancelled Carbon Credits per Reporting Year

Carbon credits cancelled in the reporting year	Comparison 2023	N 2024
Total (t CO_2eq)	959 (certified) + 239.75 (voluntary)	1,981 (certified) + 495.25 (voluntary)
Share from removal projects (in %)	20	20
Share from reduction projects (in %)	80	80
Recognised quality standard VER (in %)	80	80
Share from projects within the EU (in %)	20	20
Share of carbon credits that qualify as corresponding adjustment (in %)	80	80

There are no carbon credits to be cancelled in the future.

No greenhouse gas abatement or greenhouse gas reduction projects are carried out for the emissions from the banking business.

pbb Group does not currently have a net-zero target and is not committed to GHG neutrality.

pbb actively supports the Paris Climate Agreement and the 1.5 degree target, whereby the current focus is on avoiding and reducing GHG emissions. There is currently no neutralisation of emissions.

Carbon Pricing

pbb Group does not currently apply any internal carbonpricing systems and does not currently plan to do so in the future.

Pollution

Policies related to Pollution

pbb Group has reviewed its business activities for potential and actual impacts as well as risks and opportunities in connection with pollution and contamination. For this purpose, a risk factor assessment was carried out, taking into account the risk factors "pollution" and "contamination". This process examined the financing of properties and projects where pollution and contamination could pose a particular problem.

In the context of soil pollution, potentially risky or worrying substances and their disposal in the soil are taken into account. This may, for example, involve contaminated sites from former existing buildings, such as used oil, chemicals or other pollutants. In order to carry out an adequate assessment, the Bank's stakeholders and their assessments were included in the process as part of the stakeholder survey (see section "Materiality analysis"). In the context of contaminated soil, a material negative impact and a financial risk for the banking business were identified.

As pollution can result in financial risks, but also negative effects for people and the environment, pbb Group follows the following procedure:

- Potential risks relating to pollution are analysed as part of the new business process.
- The information obtained from this is processed taking into account the risk costs (disposal costs). Where necessary, the market and mortgage lending value of the property is reduced by the calculated risk cost factor in order to determine a realistic market value. This is done by the property appraisers and the Property Analysis & Valuation department.

If this assessment results in very high risks with regard to pollution, the property may not be eligible as collateral and cannot be financed by pbb Group.

The following policies are relevant in the context of pollution:

The Property Analysis & Valuation Manual defines how pbb Group deals with existing contaminated sites, both for the review of new business and for regular monitoring or event-driven revaluations of properties in the REF portfolio. Risks of soil contamination must be documented in an expert report. If there are indications of a possible risk of contamination, a case-specific assessment is required. In addition, the use of generalised deductions for existing contaminated sites is generally not permitted. The Property Analysis & Valuation department is responsible for implementing the guideline. In addition, the validity of the Property Analysis & Valuation Manual is reviewed annually and updated as necessary.

The Real Estate Credit Risk Policy also stipulates that the issue of pollution must be taken into account in risk analyses as part of the lending process. Further information on this policy can be found in the chapter "Climate issues in the banking business".

ACTIONS AND RESOURCES RELATED TO POLLUTION

As pbb Group also finances brownfield developments, there is a risk of contamination in the soil. These can have negative implications for people and the environment. In this context, brownfield explorations relate to the conversion of historically used areas in order to make them usable for new property projects. In order to rule out contaminated sites as far as possible, projects with an unclear contaminated site situation or suspected contaminated sites are usually investigated by the investor and checked for plausibility by the bank. If this has not been done or if the investigation is not plausible, the bank requests a more detailed investigation of the contaminated site.

These contaminated site investigations are carried out on a property-specific basis using the available sources of information (historical use, entry in the contaminated site register, site inspection, soil samples if necessary). As a result, the investor and the bank receive a statement on the relevance of the existing contamination, proposals for removal and an estimate of the disposal costs.

When modernising or converting existing buildings, the components that are intended for further use are examined for contamination (oil and lubricants, asbestos, formaldehyde) and, if necessary, the disposal or removal costs are estimated.

This process allows a risk, if any, to be priced in before the start of construction and a decision to be made on this basis as to whether it is possible to finance such a project. When financing projects on brownfield sites or the modernisation of existing properties, the risks from soil and component contamination can be identified and taken into account in the financing risk.

The measure listed is ongoing and not limited to any period of time. There are no significant CapEx and OpEx contributions for the implementation of the actions.

TARGETS RELATED TO POLLUTION

A corresponding pollution analysis is carried out as part of new business. In this step, potential influences in the context of pollution are analysed, reviewed and taken into account. The results of this analysis have an influence on potential financing and can lead to the complete exclusion of a property from financing by pbb Group. The procedural anchoring of this analysis is essential to ensure that environmental aspects are systematically and consistently integrated into the decision-making processes. pbb Group has not defined any targets in the context of pollution. The effectiveness of the policies and actions is monitored by pbb Group within the relevant departments, for example as part of construction monitoring for new projects or the monitoring of requirements in the regular monitoring of existing properties.

EU TAXONOMY REGULATION

In December 2019, the European Commission presented the EU Green Deal. The aim is for the European Union to become climate-neutral by 2050 by reducing net greenhouse gas emissions to zero. A central component of achieving the climate targets is the EU Taxonomy Regulation (Regulation (EU) 2020/852 / EU Taxonomy Regulation), which has been in force since July 2020 and creates a system for classifying sustainable economic activities. Six environmental targets were defined for this purpose:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

The EU Taxonomy Regulation is supplemented by Delegated Regulations (EU) 2021/2139 (DelVO 2021/2139), (EU) 2021/2178 (DelVO 2021/2178), (EU) 2023/2485 (DelVO 2023/2485) and (EU) 2023/2486 (DelVO 2023/2486), which specify uniform classification criteria for environmentally sustainable economic activities and standardised reporting requirements. This is intended to make the sustainability level of companies' economic activities transparent and comparable. In addition, pbb Group also takes into account the requirements of the Delegated Regulation (EU) 2022/1214 (DelVO 2022/1214 amending DelVO 2021/2139 and DelVO 2021/2178) with regard to economic activities in the areas of nuclear energy and fossil gas. In addition, pbb Group complies with the FAQs on the Taxonomy Regulation issued by the European Commission, which were last published on 29 November 2024.

Reporting Obligations

Financial institutions are required by Article 8 (1) of the EU Taxonomy Regulation to report on their scope of their sustainable economic activities. The reporting obligation began in accordance with Articles 4 and 10 (3) DelVO 2021/2178 with information on the taxonomy-eligibility of environmental objective 1 climate protection and environmental objective 2 adaptation to climate change. In accordance with Article 10 (5) and (7) DelVO 2021/2178, the scope was gradually extended to include the taxonomy-alignment of environmental objectives 1 and 2 and information on the taxonomy-eligibility of the remaining environmental objectives 3 to 6, as well as newly added economic activities.

The reporting obligations consist of extensive quantitative information on key performance indicators (KPIs), which must be published in standardised reporting forms. For credit institutions, the disclosure of the key green asset ratio (GAR) has become mandatory. In accordance with Annex XI DelVO 2021/2178, qualitative disclosures are also required to explain the KPIs determined. In addition, the pbb Group discloses information on activities in the areas of nuclear energy and fossil gas in accordance with Art. 8 (6) and (7) DelVO 2021/2178.

The reported key figures relate to the regulatory scope of consolidation of pbb Group. There are no differences between the regulatory basis of consolidation and the basis of consolidation for the consolidated financial statements (IFRS) of pbb Group as of the reporting date. The pbb Group does not maintain a trading book for securities and derivatives portfolios with the intention of generating short-term profits, which is why the pbb Group does not (in future) have to disclose any information on the GAR trading portfolio.

Taxonomy-eligible Economic Activities

An economic activity is considered taxonomy-eligible pursuant to Art. 1 No. 5 DelVO 2021/2178 if it is defined in the Annexes to DelVO 2021/2139, DelVO 2022/1214, DelVO 2023/2485 or DelVO 2023/2486, regardless of whether this economic activity actually fulfils technical assessment criteria.

Taxonomy-aligned Economic Activities

According to Art. 1 No. 2 DelVO 2021/2178, an economic activity is taxonomy-aligned if it is environmentally sustainable within the meaning of Art. 3 of the EU Taxonomy Regulation. So-called "technical screening criteria" must be met for this. An economic activity must make a **significant contribution** to the realisation of one or more of the six environmental objectives. However, the activity must not significantly harm any other environmental objective (also known as the "Do No

Significant Harm [**DNSH**]" criterion). Finally, (**social) minimum** safeguards for human rights, including labour rights, corruption, taxation and fair competition, must be observed at counterparty level.

As a credit institution, pbb is obliged to further categorise the taxonomy-aligned assets and report them as a partial amount in the standardised reporting forms:

> For all environmental objectives, the partial amount of assets in enabling activities must be recognised in accordance with Art. 16 of the EU Taxonomy Regulation. An enabling economic activity exists if it directly enables other economic activities to make a significant contribution to one or more environmental objectives and fulfils certain conditions.
> For environmental objective 1, the partial amount of assets in transitional activities within the meaning of Art. 10 para. 2 of the EU Taxonomy Regulation must also be reported: 2A transitional activity is defined as an activity for which there is no technologically and economically feasible low-carbon alternative, but which makes a significant contribution to climate change mitigation if it supports the transition to a climate-neutral economy, in line with the pathway towards limiting the temperature increase to 1.5 °C degrees above pre-industrial levels, including through the phasing out of greenhouse gas emissions, in particular from solid fossil fuels, and if this economic activity fulfils certain conditions in the process.

Green Asset Ratio

The GAR is calculated from the ratio of on-balance sheet risk positions that finance taxonomy-aligned economic activities to the total assets of the credit institution - excluding defined deduction items. To determine the taxonomy-non-eligible and taxonomy-aligned assets of counterparties that are not used to finance certain defined activities of the EU Taxonomy Regulation, the counterparty's key performance indicators (KPI) for taxonomy-non-eligible turnover and taxonomy-aligned capital expenditure (CapEx) are used. A green asset ratio based on turnover and a green asset ratio based on CapEx must therefore be reported. When defining the volume of new business (in connection with inflows as KPIs), the pbb Group is guided by the criteria for initial recognition in accordance with IFRS 9.3.1.1.

EU Taxonomy for pbb Group

pbb Group takes into account the requirements of the EU Taxonomy Regulation as part of its business strategy and discloses the reporting obligations as part of the combined sustainability statement. It should be noted that, due to the nature of pbb Group's business activities, there are already restrictions when assessing the taxonomy-eligibility of economic activities. These are reflected in particular in the determination and the amount of the GAR of pbb Group.

Green Asset Ratio of pbb Group

The eligibility of taxonomy-eligible and taxonomy-aligned economic activities when determining the GAR of pbb Group depends on the type of counterparty. A distinction is made between non-financial companies, financial companies, private and public households.

> **Non-financial entities:** Assets vis-à-vis non-financial companies can generally only be taxonomy-non-eligible if the counterparty itself is obliged to report in accordance with Art. 19a or 29a of Directive 2013/34/EU in conjunction with Directive 2014/95/EU (Non Financial Reporting Directive/NFRD) or in accordance with Directive 2022/2464/EU (Corporate Sustainability Reporting Directive/CSRD) and is therefore obliged to report in accordance with the EU Taxonomy Regulation. In particular, this does not apply to small and medium-sized enterprises with fewer than 500 employees, to clients domiciled outside the EU and to non-capital-market-oriented companies. The majority of pbb Group's borrowers are national and international companies operating in the commercial real estate finance business, which use special purpose vehicles (SPVs) for their real estate financing. These clients largely do not fulfil the criteria of the NFRD/CSRD obligation, particularly due to their lack of size and capital market orientation. The companies behind the SPVs also do not fulfil the NFRD/CSRD obligation. Accordingly, assets totaling €28.3 billion (31 December 2023: € 31.4 billion) are not included in the GAR of the pbb Group.

In the case of assets to non-financial companies subject to NFRD/CSRD, a distinction must be made as to whether they are earmarked or not. In the case of earmarking, a detailed examination of the taxonomy alignment of the financed asset is required. If no specific purpose has been financed, the share of taxonomy-eligible and taxonomy-aligned economic activities communicated in the borrower's non-financial reporting is included in pbb Group's GAR.

- **Financial entities:** As with non-financial companies, assets vis-à-vis financial companies can only be taxonomy-non-eligible if the counterparties are subject to an NFRD/CSRD obligation. It is also decisive whether the financing is earmarked for a specific purpose or not. In the case of earmarking, a detailed examination of the taxonomy alignment of the financed asset is required. If there is no specific purpose, the share of taxonomy-eligible and taxonomy-aligned economic activities communicated in the borrower's non-financial reporting is included in pbb Group's GAR. All assets of pbb Group vis-à-vis financial entities subject to NFRD/CSRD are not earmarked. Thus, pbb Group can only rely on the performance indicators reported by the financial entities subject to NFRD/CSRD.
- **Private households:** Assets to private households can only be taxonomy-eligible if they have a special financing purpose (collateralised property financing, renovation financing or vehicle loans). For the taxonomy alignment of the assets, the specific characteristics with regard to the sustainability of the financed property must be derived as part of a detailed examination in addition to the financing purpose. Since 2003, pbb Group and its predecessor institution have no longer been engaged in retail business, and in 2007, it sold the majority of its existing loan portfolio to private households. Accordingly, pbb Group only has legacy cases in its portfolio which are of minor significance. In contrast to many other credit institutions, pbb Group therefore does not have any taxonomy-eligible retail residential property business with private households, which significantly limits the comparability of pbb Group's GAR with other credit institutions.
- **Public budgets:** A distinction must be made between central, regional and local government assets. Exposures to central governments and supranational issuers are generally not included in the GAR. pbb Group classifies assets vis-à-vis regional governments as assets vis-à-vis local governments in the taxonomy eligibility test. Financing of public housing construction or other special financing can be classified as taxonomy-aligned after a detailed sustainability review.
- **Other counterparties/assets:** Collateral obtained through repossession in the form of residential and commercial property can be included in the GAR. However, pbb Group does not hold any such collateral. Furthermore, assets due from central banks are not included in the GAR. Derivative positions, short-term interbank loans and cash (equivalents) may only be included in the denominator of the GAR, as a result of which the GAR ratio is lower, although these are necessary transactions for credit institutions.

Large parts of pbb Group's financial assets are currently taxonomy-non-eligible, as small and medium-sized enterprises, companies domiciled outside the EU and non-capital-market-oriented companies are not taken into account due to the NFRD/CSRD obligation. At pbb Group, this applies in particular to financing of real estate via SPVs, including the companies behind the SPVs. This may change following a review and possible adjustment by the EU in accordance with Art. 9 (1) (a) DelVO 2021/2178. According to the EU Taxonomy Regulation, the purpose of the financing, e.g. whether the financed property fulfils sustainability requirements, is irrelevant. Against this background, pbb Group believes that the taxonomy-non-eligible disclosures and the taxonomy alignment to be reported in the green asset ratios are not meaningful with regard to the actual proportion of assets that finance environmentally sustainable economic activities. pbb Group assumes a significantly higher taxonomy-eligibility if companies were also to be included which do not fall under the reporting obligation of Art. 19a or 29a Directive 2013/34/EU. According to pbb Group's assessment, the majority of pbb Group's assets in commercial real estate finance with a gross carrying amount of € 29.0 billion (31 December 2023:€ 31.1 billion) would be taxonomy-eligible in this case, and the taxonomy alignment of these assets would therefore be reviewed.

KPIs to be Disclosed in Accordance with Article 8 of the EU Taxonomy Regulation

KPIs to be disclosed in accordance with Article 8 of the EU Taxonomy Regulation

	2024	2023
Total assets (€ bn)	44.7	51.5
Total GAR assets according EU-Taxonomy Regulation (€ bn)	37.8	42.1
Taxonomy-eligible (€ mn)		
based on turnover	766	982
based on Capex	769	985
Taxonomy-aligned (€ mn)		
based on turnover	73	103
based on Capex	87	115
Green Asset Ratio (in %)		
based on turnover	0.19	0.24
based on Capex	0.23	0.27

As at 31 December 2023, the total assets of the pbb Group amounted to a total of € 44.7 billion. Of this total € 37.8 billion GAR assets in accordance with the EU Taxonomy Regulation. On the basis of turnover, this included €766 million and on the basis of CapEx €769 million taxonomy-eligible. These were exclusively assets in the area of climate target 1 climate change mitigation and climate target 2 climate change adaptation. A total of € 73 million on the basis of turnover and € 87 million on the basis of CapEx were taxonomy-aligned.

As at 31 December 2024, the GAR based on sales was at 0.19% (31 December 2023: 0,24%) and the GAR based on CapEx was at 0.23%(31 December 2023: 0,27%).

In fiscal year 2024, assets amounting to €4 million or 0.01% on the basis of turnover and €7 million or 0.02% on the basis of CapEx were received.

As of December 31, 2024, as well as December 31, 2023, pbb Group had no taxonomy-eligible or taxonomy-aligned financial guarantees.

The detailed information on the KPIs can be found in the comprehensive standardised reporting forms in accordance with Annex VI in conjunction with Article 8 (6) and (7) of the DelVO 2021/2178 in the appendix to this combined sustainability statement.

Information on Nuclear Energy and Fossil Gas

As of the reporting date of 31 December 2024, pbb Group held two assets which are related to economic relevant economic activities in accordance with DelVO 2022/1214. pbb Group holds assets with a gross carrying amount of € 23 million in connection with economic activities in the areas of fossil gas and nuclear energy (2023: € 25 million), of which € 18 million or 0.05% is attributable to economic activity 4.29. Power generation from fossil gaseous fuels (31 December 2023: €19 million or 0.05%) and €6 million or 0.02%) on economic activity 4.30. Highly efficient combined heat, power and cooling with fossil gaseous fuels (December 31, 2023: €6 million and 0.01%, respectively). Since the respective customers are not subject to NFRD/CSRD, these assets are not taxonomy-eligible. The mandatory reporting forms for disclosures in the areas of nuclear energy and gas in accordance with Annex XII in conjunction with Article 8 (6) and (7) DelVO 2021/2178 can be found in the appendix to this combined sustainability statement.

Voluntary Sustainable Performance Indicators

In pbb Group's view, the GAR ratios according to the EU taxonomy are not meaningful with regard to the actual share of environmentally sustainable assets, as there are already restrictions in terms of taxonomy-eligibility. By referring to the NFRD/CSRD reporting obligation, the taxonomy-eligible criterion excludes financing for small and medium-sized enterprises, companies domiciled outside the EU and non-capital-market-oriented companies across the board. Most of pbb Group's clients do not fulfil the taxonomy eligibility criteria, in particular financings of real estate via SPVs. At the same time, however, these criteria are not an indicator of the sustainability of the financing or the financed property.

Pro forma Green Asset Ratio

For a more meaningful measurement of the share of sustainable financing, pbb Group calculates a pro-forma green asset ratio which abstracts from the taxonomy-eligible criterion in accordance with the EU Taxonomy Regulation. All financial assets that fulfil the comprehensive compliance criteria of the EU Taxonomy Regulation are classified as sustainable, irrespective of the assessment of taxonomy-eligibility. The criteria for assessing taxonomy alignment are the significant contribution to the realisation of one or more of the stated environmental objectives, the non-impairment of one or more of the other environmental objectives and compliance with the minimum safeguards. Abstracting from the taxonomy-eligible criteria is equivalent to the Banking Book Taxonomy Alignment Ratio (BTAR), which the EBA has defined for the so-called Pillar III ESG disclosure in accordance with Art. 449a CRR from the reporting date of 31 December 2024. The pro forma green asset ratio amounts to 16.5% in relation to €29.0 billion REF portfolio (31 December 2023: 15.1% in relation to €31.1 billion) and in relation to the GAR assets of €37.8 billion amounts to 12.8% (31 December 2023: 11.4% in relation to €42.1 billion).

pbb Green Loan Framework

In line with the increasing importance of sustainable financing, pbb Group introduced the pbb Green Loan Framework in the fourth quarter 2021. The pbb Green Loan Framework is based on an independent scoring model: the scoring model allows the evaluation of a property that qualifies for a sustainable loan on the basis of defined criteria from a defined score. According to the pbb scoring model, a property or project is assessed on the basis of the three pillars of energy efficiency, green building certification and additional sustainability criteria (such as distance to public transport and local facilities, use of green electricity or inclusion of biodiversity aspects). Alternatively, properties qualify for a sustainable loan under the pbb Green Loan Framework if they comply with the EU taxonomy.

The share of sustainable assets defined in this way is to be increased by concluding new business or extending existing business in accordance with the pbb Green Loan Framework or the EU taxonomy, without taking taxonomy-eligibility into account. pbb Group sets specific indicators and targets for active strategic management. By 2026, pbb Group aims to have more than 30% green loan-eligible assets in the REF portfolio. In addition, the new business volume of green loan-eligible assets among the financed real estate properties is to reach 32% by 2025. As of 31 December 2023, the share of green loan-eligible assets in the REF portfolio was 21.8% and the volume of new business was 24.8%.

This means that the requirements for EU taxonomy alignment are directly incorporated into pbb Group's strategy, objectives, management and product design processes. The sustainability of properties increasingly correlates with their credit risk. As a result, poor sustainability is having an increasing impact on the higher pricing of financing and the risk-induced selection of new business.

Data Collection during the Taxonomy Check

The constantly increasing non-financial reporting obligations in accordance with the EU Taxonomy Regulation and voluntary reporting as part of the pbb Green Loan Framework are accompanied by a significant increase in data collection requirements. Where possible, existing data is retrieved from the existing systems and successively expanded to include new necessary attributes or data fields. In addition, data sources from external (online) providers have been and are being integrated into the pbb process environment.

The counterparty's NFRD/CSRD obligation is checked within the systems managing the portfolio. For non-earmarked assets, information from the respective company's non-financial reporting on the proportion of taxonomy-non-eligible or taxonomy-compliant assets can be retrieved from the system.

pbb Group has generated the relevant assets and corresponding gross carrying amounts for determining the KPIs from its centralised, cross-divisional data repository. The data warehouse contains the assets at a granular level with numerous attributes. In accordance with IFRS 9, the gross carrying amount corresponds to the amortised cost before taking any impairment into account. Items are allocated on the basis of the Financial Reporting (FinRep), a reporting format standardised by the Committee of Banking Supervisors and the European Banking Authority (EBA) for financial reporting by financial and credit institutions to the supervisory authorities.

The examination of the technical assessment criteria for the significant contribution to the realisation of one or more of the six environmental objectives is based on the list of economic activities defined in the DelVO 2021/2139, DelVO 2022/1214, DelVO 2023/2485 and DelVO 2023/2486. For the pbb Group, the following activities in particular are currently relevant, where a potentially significant contribution to environmental objective 1 climate change mitigation and/or environmental objective 2 climate change adaptation can be made: "7.1. new construction, 7.2. renovation of existing buildings, 7.7. acquisition and ownership of buildings". For all three economic activities, the reduction of primary energy demand is crucial for taxonomy alignment with climate change mitigation. For new buildings, the primary energy requirement must be at least 10% below that of the regional NZEB (nearly zero-energy buildings). This can be verified by means of energy performance certificates. In the case of renovations, a reduction in primary energy demand of at least 30% must be achieved or the legal requirements for comprehensive refurbishments and major renovations in accordance with the Energy Performance of Buildings Directive (EPBD) must be met. In principle, the primary energy demand can be derived from the information in the energy performance certificate. Alternatively, data from energy audits can be used.

When purchasing properties that were built before 31 December 2020, a contribution to climate change mitigation can only be made if the property has energy efficiency class A in the energy performance certificate or is among the top 15% in terms of the primary energy demand of the national/regional building stock. For the derivation of the top 15% properties, reference is made to the vdp co-operation with Drees & Sommer. Benchmarks are available for various asset classes in the residential, office, retail and logistics sectors.

The review of the DNSH criteria is based on the detailed criteria of the individual activities required by the EU taxonomy. In addition to documentation provided by customers, pbb Group also uses its own data sources as well as external online tools and databases. For the most significant activities for pbb Group (7.1. New construction, 7.2. Renovation of existing buildings, 7.7. Acquisition and ownership of buildings), the DNSH test is as follows:

> The DNSH criterion of environmental goal 2 Climate change adaptation is assessed by means of climate risk and vulnerability analyses using the online analysis tools "Köln.Assekuranz Risiko Lösungen" (K.A.R.L.) or "Think Hazard", among others. K.A.R.L. is a system developed and continuously optimised by geoscientists to analyse natural hazards exposures. With the involvement of the Association of German Pfandbrief Banks, K.A.R.L. was further developed in accordance with the legal requirements for mortgage cover values. Think Hazard is a database developed and maintained by the Global Facility for Disaster Reduction and Recovery (GFDRR) in which location-based risk assessments for natural hazards are available.

> The DNSH criterion of environmental goal 3 Sustainable use and protection of water and marine resources is linked to compliance with maximum consumption levels, which can be derived from product data sheets, product labels or building certifications. In addition, adverse effects from the construction site must be avoided during new construction. This can be verified by expert reports and building permit conditions.

> The DNSH criterion of environmental objective 4 Transition to a circular economy can only be classified as fulfilled if it can be proven that 70% of construction and demolition waste is recyclable.

> For the DNSH criterion of environmental objective 5 Pollution prevention and control, the client must be able to demonstrate, among other things, that limit values for hazardous substances are complied with and that measures have been introduced to limit noise, dust and pollutant emissions during construction work.

> The pbb Group uses data from the "Land Use and Coverage Area frame Survey" (LUCAS) to verify compliance with DNSH environmental objective 6 "Protection and restoration of biodiversity and ecosystems". LUCAS is an EU statistical survey of land samples that aims to obtain data on land use, land cover and the environment. This enables the pbb Group to check whether a new building is actually not being constructed in areas that are worthy of ecological protection.

The review of compliance with the (social) minimum safeguards ("MSS review") is generally carried out at counterparty level and differs depending on whether it is a (non-)financial company or a local or regional authority.

With regard to (non-)financial companies, pbb Group carries out a risk-based MSS review, which is largely based on the relevant recommendations of the Platform on Sustainable Finance (PSF), which have been adapted to our business activities, and covers the areas of compliance with or violations of human rights and fundamental labour rights, corruption, antitrust law and tax law violations.

Borrowers of pbb Group in the (non-)financial companies category are small and medium-sized enterprises (SMEs) and, in particular, special purpose vehicles (SPVs). In accordance with the PSF recommendations for the MSS review of SMEs, the MSS review for these counterparties therefore focuses on the so-called outcome level, i.e. whether there are specific negative findings about the counterparty with regard to the four aforementioned areas, for example convictions in connection with violations of human rights and fundamental labour rights or in corruption, tax or antitrust proceedings or similar. In this respect, pbb Group already uses existing "Know you Customer" (KYC) tools, whose database is continuously updated by the provider and which automatically generate alerts in the event of negative findings.

If the SME counterparty has employees or - beyond holding and managing the property financed by pbb Group - is operationally active, pbb Group also obtains information on whether the counterparty has established a voluntary commitment to respect human rights and fundamental labour rights and a due diligence process - appropriate with regard to its operational business activities, including its value chain, size and influence (e.g. on suppliers) - in order to continuously identify and, if necessary, pursue, prevent or mitigate any significant negative effects of its business activities on human rights and fundamental labour rights and to report on this.

Insofar as the counterparty is an SPV without employees, which - beyond holding and managing the property financed by us - is also not operationally active, pbb Group refrains from making a corresponding enquiry due to a lack of an obvious risk or a lack of an obvious "Principle Adverse Impact" (PAI) of the counterparty on human and fundamental employee rights. In the absence of an obvious risk or an obvious "Principle Adverse Impact" (PAI) of the counterparty on human and fundamental employee rights, pbb Group refrains from making a corresponding enquiry, but limits itself in this respect to the outcome assessment described above and any negative findings in this regard, whereby pbb Group then - in accordance with the recommendations of the PSF - also extends this outcome assessment to a holding company directly above the SPV with a shareholding of more than 50%.

pbb Group monitors compliance with the (social) minimum safeguards over the entire life cycle of the asset. The review cycle is based on the counterparty's risk and relevance rating.

In the case of local or regional authorities, the data of the respective higher-level central government can generally be used. Relevant human rights conventions must be signed and implemented by the superordinate state. Results from indices such as Freedom House in the area of human rights or the Corruption Perception Index according to Transparency International are decisive in the assessment. This information is usually available online.

SOCIAL AFFAIRS

Social responsibility encompasses a wide range of aspects, including the promotion of equal opportunities, fair working conditions, the protection of human rights and a commitment to the society. These issues are not only ethically relevant, but also have a direct impact on a company's reputation and long-term success. The increasing social awareness of social issues is due to various factors, including growing public awareness of social injustice, the growing importance of diversity and inclusion, and calls for more transparency and accountability from companies. Investors, customers and other stakeholders increasingly expect companies to make a positive contribution to society alongside their economic success.

As key economic players, banks have a social responsibility towards their clients, employees and society. pbb Group is aware of this responsibility and is actively committed to integrating social aspects into its business strategy.

pbb Group's business model requires employees with a high level of specialist knowledge and expertise in a wide variety of areas. A key objective of the human resources strategy is therefore to attract, retain and continuously develop experts. In addition, pbb Group has been stepping up its efforts in the area of young talent with a wide range of activities: From the recruitment of numerous interns and working students to a cross-divisional trainee programme and cooperation with renowned universities related to the real estate sector.

In order to attract the best talent, pbb Group promotes flexible working conditions, a wide range of training opportunities, modern benefits and numerous development prospects, thus positioning itself as an attractive employer on the market. It offers meaningful tasks in an industry that is changing towards sustainability and promotes a corporate culture characterised by flat hierarchies, mutual support and an appreciative attitude.

Specific actions and detailed descriptions in this context can be found in the chapters "Social protection and working conditions" and "Training and professional development".

Material Social Impacts, Risks and Opportunities

As part of the materiality analysis, pbb Group has prepared a catalogue of potential and actual impacts, risks and opportunities in accordance with the ESRS social standards for Own Workforce (S1), Workers in the Value Chain (S2), Affected Communities (S3) and Consumers and End Users (S4). These relate to the company's own business operations as well as the upstream, internal and downstream value chain. The main impacts, risks and opportunities were assessed in internal workshops and through a stakeholder survey. Detailed information on the procedure and assessment process can be found in the section "Materiality analysis". Material impacts and opportunities were identified for pbb Group within the social standards in the areas of Own Workforce (S1) and Consumers and End Users (S4):

Material Impacts, Risks and Opportunities for the Aspects Own Employees (S1) and Consumers and End Users (S4)

Topics in the materiality analysis	Dimension	IRO type	Description of the impact, risks or opportunity	Chapter in the combined sustainability statement
Equal treatment and opportunities for all	Business operations	Positive impact	Promoting women in management positions strengthens gender equality and improves women's career opportunities and quality of life.	"Policies", "Fair and gender-neutral remuneration"
	Business operations	Positive impact	A diverse workforce improves decision-making, the understanding of risks and the recognition of new opportunities.	"Policies", "Involvement of own employees"
	Business operations	Financial opportunity	A diverse workforce improves decision-making, helps to understand risks, recognise opportunities and find innovative solutions.	"Policies", "Involvement of own employees"
Good working conditions	Business operations	Financial opportunity	Good working conditions increase satisfaction and efficiency and reduce costs by reducing absenteeism and staff turnover.	"Policies", "Training and professional development", "Social status and working conditions"
	Business operations	Financial opportunity	Good working conditions increase employer attractiveness and secure skilled labour for business success.	"Policies", "Training and professional development", "Social status and working conditions"

Consumers and end users	Banking business	Financial opportunity	Regular dialogue and customer feedback make it possible to design products with the customer in mind. This leads to customer loyalty, new customer acquisition and financial benefits.	"Consumers and end users"

Own Workforce

Information on the Employees of pbb Group

As at 31 December 2024, pbb Group employed a total of 818 people from 37 different nations in five European countries and the US. Of these, 127 employees are younger than 30 years old, 333 employees are between 30 and 50 years old, and 358 employees are older than 50 years old. 89% of pbb Group's employees are based in Germany. The breakdown of employees by type of contract, gender and country as at 31 December 2024 is shown in the following tables. The number is shown in headcount, whereby Management Board members, interns and working students are not included in the calculation. Within the non-employees, pbb Group employs 42 self-employed persons who provide non-banking services. This number is based on a complete survey of all invoices for the calendar year.

Presentation of the Number of Employees of pbb Group, broken down by Gender

Gender	Number of employees (number of persons)
Male	496
Female	322
Miscellaneous	0
Not specified	0
Total number of employees	818

The most representative figure in the financial statements can be found in the note "Employees" in the "Other information" section of the notes to the consolidated financial statements.

Presentation of the Age Groups of pbb Group Employees

Age group	Number of employees (number of persons)
Younger than 30 years	127
Between 30 and 50 years	333
Older than 50 years	358

Presentation of the Number of Employees in Countries in which the Company has at least 50 Employees or which account for at least 10% of the Company's Total Number of Employees

Country	Number of employees (number of persons)
Germany	727

Presentation of Information on the Employees of pbb Group by Type of Contract, broken down by Gender (in Number of Persons)

	Female	Male	Miscellaneous	Not specified	Total
Number of employees	322	496	0	0	818
Number of employees with permanent employment contracts	322	496	0	0	818
Number of employees with fixed-term contracts	0	0	0	0	0
Number of employees without guaranteed working hours	0	0	0	0	0
Number of full-time employees	193	463	0	0	656
Number of part-time employees	129	33	0	0	162

Presentation of Information on pbb Group's Employees by Type of Contract, Broken down by Country (in Number of Persons) and Proportion of the Total Workforce

	Female	Male	Total	Share
Number of employees	322	496	818	
France	15	14	29	3.5%
Germany	285	442	727	88.9%
Spain	7	1	8	1.0%
Sweden	3	7	10	1.2%
United Kingdom	10	26	36	4.4%
United States of America	2	6	8	1.0%

Number of full-time employees	193	463	656	
France	14	14	28	4.3%
Germany	161	411	572	87.2%
Spain	5	1	6	1.4%
Sweden	2	7	9	1.4%
United Kingdom	9	24	33	5.0%
United States of America	2	6	8	1.2%
Number of part-time employees	129	33	162	
France	1	0	1	<1%
Germany	124	31	155	95.7%
Spain	2	0	2	1.2%
Sweden	1	0	1	<1%
United Kingdom	1	2	3	1.9%
United States of America	0	0	0	0%

In 2024, the total fluctuation rate was 9.30% (adjusted fluctuation rate: 7.48%). Both fluctuation rates were calculated on an annual basis . The unadjusted fluctuation rate is based on the number of employees in accordance with the German Commercial Code and includes deaths, retirements and changes from active to passive partial retirement. In contrast, the adjusted fluctuation rate only includes employer- and employee-initiated fluctuation as well as departures due to the expiry of fixed-term employment contracts. The basis for calculating the adjusted fluctuation is the average headcount over the course of the 2024 financial year. As at December 2024, the voluntary resignation rate for the entire year was 5.20% (43 employees).

Policies

HUMAN RIGHTS POLICY COMMITMENTS

Employees are the basis for sustainable corporate success. Promoting diversity and the individual development of employees under fair working conditions is an integral part of pbb Group's human resources work. As an international company, pbb Group is fully committed to its responsibility to respect and uphold human rights for all employees and the upstream, internal and downstream value chain, and undertakes to strengthen these rights and prevent human rights violations. To this end, regular dialogue takes place with employee representatives. In addition to the legal requirements, such as the General Equal Treatment Act (AGG) and the Remuneration Transparency Act in Germany, the obligation to respect and comply with human rights is enshrined as a central concern in the Code of Conduct and is publicly documented in pbb Group's Human Rights Guideline. The AGG leaflet transposes the European Union's anti-discrimination directive into German law and indirectly leads to the application of the principle of equality in the context of Article 3 of the German Constitution (Grundgesetz). The Pay Transparency Act is intended to help women in particular to better assert their right to equal pay for equal or equivalent work in the future. In the Code of Conduct, pbb Group sets out its indispensable ethical and legal framework for behaviour towards each other and in relation to its clients, business partners, competitors and the public. The effectiveness of the Code of Conduct is monitored through annual training sessions on compliance topics; in addition, Compliance regularly ensures that employees are aware of the contents of the Code of Conduct through compliance communication and awareness-raising measures. In addition, the effectiveness of pbb's Code of Conduct is ensured by the various controls and operational activities at compliance level with regard to ethical issues, reliability checks and the prevention of money laundering and terrorist financing. This Code also explicitly includes the topics of human trafficking, forced labour and child labour and is currently being revised and expanded for 2025. As part of the revision and expansion, the document will be modernised and some further practical examples and scenarios for ethical situations will be integrated into the content. The updated Code of Conduct was not yet published in 2024 and will be available in 2025. The current version 1.9 of the Code of Conduct can still be used by employees and external stakeholders. pbb Group does not tolerate any violation of human rights, be it by its employees or third parties in the context of the value chain. In addition, pbb Group is a signatory to the United Nations (UN) Global Compact and has committed itself to observing its ten principles, which deal with human rights, labour standards, the environment and anti-corruption. To date, no human rights violations have been reported to pbb Group. At the highest level, pbb's Management Board bears overall responsibility for respecting human rights.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL POLICY COMMITMENTS

As part of the materiality analysis, positive impacts and opportunities for pbb Group's workforce were identified in the sustainability aspect of equal treatment and opportunities for all. These relate in particular to the promotion of women, fair remuneration and targeted training, and are addressed in pbb Group's sustainability strategy.

Increased awareness of these issues across all levels and the establishment of a corresponding management and corporate culture support this focus.

In addition, pbb Group has set itself the target of achieving a female quota of 20% in the first to third management levels and a female quota of 30% on the Supervisory Board by 30 June 2027. To this end, specific training measures to promote leadership by women and preferential appointments to vacancies with equal qualifications are introduced as measures. The target quota applies throughout the Group and is monitored as part of regular management reports on the basis of a previous target of 15% (as at 31 March 2022) with the aim of further developing women in management positions in the long term. In addition, the quota of women at the management levels of pbb Group is also taken into account in the variable remuneration of the members of the Management Board. The target is based on market analyses and benchmarking against competitors. There were no changes to the targets or parameters in the 2024 reporting year.

The current gender distribution by number of persons and percentage of the respective management level is shown in the following table:

Presentation of Information on the Employees of pbb Group by Management Level, broken down by Gender (in Number of Persons and per Cent)

Management level	Women Number of persons	Percentage of women	Men Number of persons	Percentage of men	Divers Number of persons	Diverse percentage
1st level (members of the Management Board)	1	*20%*	4	*80%*	0	*0%*
2nd level (division manager)	3	*17.6%*	14	*82.4%*	0	*0%*
3rd level (head of department)	8	*12.7%*	55	*87.3%*	0	*0%*

Fairness, dignity and respect are important guiding principles for pbb Group. Inappropriate treatment or discrimination of pbb Group employees and people in the upstream, internal and downstream value chain will not be tolerated. In order to promote diversity and equal opportunities, pbb Group is committed to the "Diversity Charter" (Charta der Vielfalt) and the processes formulated therein. In addition, protecting against and combating discrimination is part of the human resources strategy. The commitment to the Diversity Charter and the processes formulated therein applies to the entire pbb Group and is defined as a permanent and recurring measure.

When selecting and developing employees, pbb Group is committed to equal opportunities, without differentiating between ethnic origin, skin colour, gender, sexual orientation, gender identity, potential disabilities, age, religion, ancestry, social background or political opinions. The Head of Human Resources is responsible for implementing these principles together with the Management Board.

Furthermore, pbb Group is currently working on a competency-based, standardised interview guideline and an evaluation form for the Human Resources division and managers, with the aim of continuing to prevent discrimination through a high degree of objective decision-making. In addition, preparatory workshops to sensitise managers and training courses are to be offered in order to strengthen unbiased decision-making skills in recruitment decisions.

In order to further sensitise the bank's employees, a new training format is currently being planned that addresses unconscious bias. The format is due to be launched in 2025.

In addition to the requirements of the Diversity Charter and the Code of Conduct, pbb Group takes further actions to protect against discrimination on the basis of international legal provisions. In Germany, for example, it provides all employees with an AGG information sheet, which is sent out with the recruitment documents. This defines discrimination criteria, calls on potential victims to take concrete action in the event of discrimination and sexual harassment and names a contact person (complaints office). Reference is made to the so-called prohibition of discrimination, which rules out disadvantages in the event of discrimination being reported.

Protecting against and combating discrimination is part of the human resources strategy, which thus anchors the sensitisation of employees as a strategic objective of pbb Group.

Furthermore, the Human Resources department is responsible for ensuring that employee representatives are involved in the further development of diversity and non-discrimination. No cases of discrimination were reported in 2024.

pbb Group is obliged to fill at least 5% of its jobs with severely disabled persons or to pay a corresponding equalisation levy. The current proportion is 2.4%. The rehabilitation and participation of people with disabilities is an important concern within pbb Group. pbb Group supports severely disabled persons, persons with equivalent status and employees who are at risk of being disadvantaged due to illness. There is also an elected representative office for severely disabled employees at the Garching site.

POLICIES IN CONNECTION WITH OCCUPATIONAL HEALTH AND SAFETY AND ACCIDENTS AT WORK

The materiality analysis has identified positive impacts and opportunities for pbb Group's employees in the context of working conditions. These relate in particular to the topics of increasing efficiency through good working conditions, and are addressed in pbb Group's sustainability and human resources strategy, as well as promoted through targeted actions.

The physical and mental health and safety of all its employees is of great importance to pbb Group. Occupational health and safety is carried out and documented in accordance with the requirements of the German Statutory Accident Insurance and the Occupational Health and Safety Act and is generally applicable to the entire workforce (100%). This is a recurring measure with the aim of enabling the broadest possible occupational health and safety. No data is available for the 2024 reporting year regarding the number of fatalities, the rate of occupational accidents and the number of days lost due to injuries, accidents, fatalities or illness.

The basic requirements and policies for preventing accidents at work are set out in the "Occupational health and safety" work instruction. The instructions are maintained by the IT Corporate Services department, which also coordinates the operational implementation of policies.

As part of the statutory provisions of the Occupational Health and Safety Act, regular company inspections are carried out by the occupational safety specialist and the company doctor, sometimes accompanied by the works council, and documented accordingly in an inspection report. Based on the respective inspection reports, the occupational safety specialist develops and initiates appropriate actions to rectify defects. The rectification of defects and inspections are then documented and archived. The corresponding documentation is distributed to the management representative, the company doctor, the works council and the IT Corporate Services department.

Every accident at work must be reported immediately by the employee concerned or the respective manager. The accident report must be forwarded to the employers' liability insurance association if the employee is absent from work (sick leave) for more than three days after the accident.

In addition, processes are described in the context of building evacuation. These include proper alerting, execution of the evacuation and regulations for potential emergencies and tasks for first responders and other authorised persons.

All processes are reviewed and updated on an ongoing basis. Appropriate adjustments and improvements can also be discussed and decided in the health and safety committee.

The Human Resources and IT Corporate Services departments as well as the company doctor and the occupational health and safety specialist are involved in defining the requirements of the instruction. Other departments are involved as appropriate. Additional information in the context of occupational safety can be found in the chapter "Social protection and working conditions".

Involvement of Own Employees

Various institutions and formats are used within pbb Group to involve employees in relevant decision-making processes and topics and to clarify the effects in the context of everyday working life. These include employee representatives, such as the works councils in Germany. In addition, (virtual) town halls are regularly organised and management conferences are convened for various management levels. With its news section, the pbb intranet is one of the most important sources of up-to-date information; all employee-relevant processes and information, from co-determination and occupational safety to remuneration and personnel development topics, are also described on topic pages on the intranet. There are also various divisional and departmental communication formats such as (virtual) meetings, jour fixes and newsletters. Events and workshops are organised in the divisions to give employees the opportunity to get involved.

By participating in cross-divisional “focus groups” and various corporate initiatives, workshops and events, there are further opportunities to get involved in current issues and the further development of pbb Group. In 2024, for example, around 450 employees from various locations and divisions took part in workshops to work on pbb Group's “purpose” and company values, as part of the introduction of the new digital credit process and the vision and cultural development project, including preparatory work.

In addition to the aforementioned exchange and participation formats, employees have the opportunity to gain further insights through pbb podcasts, to obtain information in brownbag sessions or to contribute and network on topics in a new "Let's Connect" series. This format also covers topics such as inclusion, the advancement of women and support for special family challenges.

Involvement Formats for Employees and the Frequency of Involvement

Format of inclusion	Description	Frequency
Employee appraisal	Individual discussions between employees and line managers to agree objectives and evaluate performance. The percentage of employees who regularly take part in performance appraisals is 100% for both genders.	Annually
Works meetings	All employees are invited to regular information events on employee matters or on special occasions by the Works Council. Employees have the opportunity to ask questions.	No works meeting was held in Germany in 2024. Instead, the Works Council submitted an annual report. There is usually one works meeting per year.
Townhalls	The Management Board provides information on current business figures, projects and special events. Employees have the opportunity to ask questions.	Quarterly
Management Meeting/Management Conference	One- to two-day conferences for dialogue between the Management Board, division heads and department heads.	Quarterly
Divisional meetings/departmental jour fixe	Meeting and discussion of specific topics of a division or department.	Varies depending on the division/department
Cross-divisional focus groups	Teams of employees from different departments discuss specific topics and develop solutions for certain subject areas within pbb Group.	Depending on the group, between one and four times a month
Networking event "Let's Connect"	Information events organised by employees on topics such as women & career, family & career, etc.	Approximately once a month
Evening events, for example "DonnersTALK"	Informal opportunity to exchange ideas across departments.	Approximately once a month
Brownbag Sessions	Board members or division heads talk and discuss a current topic with employees	If required
Evening guest discussions and fireside chats in various corporate training initiatives	Board members and/or managers	As part of training initiatives
pbb Podcast	Board members, division managers or project managers as well as various specialist employees are interviewed by colleagues and provide in-depth insights into specific topics.	Approximately monthly
Working students and interns get-together	Exchange on relevant topics with the involvement of the HR department and a manager.	Bimonthly

The responsibility for involving the employee representatives and employees and allowing them to participate with regard to the impacts lies with the Human Resources department. The responsible specialist departments are involved in the work with the Works Council for subject-specific consultations with the Works Council. In Germany, 98% of employees are covered by employee representatives. A European Works Council has not been formed.

pbb Group is in regular dialogue with the employee representatives, particularly with regard to working conditions and equal opportunities, and respects their rights. Employees are regularly informed about operational matters by both the employee representatives and pbb Group via the intranet, by e-mail or in personal meetings. Relevant topics include remuneration and working conditions, equal pay, work-life balance and the prevention of discrimination and bullying.

In order to effectively reflect all perspectives of pbb Group's employees and to fully consider potentially marginalised groups, pbb Group has various committees, including works council committees, an equal opportunities reprecenative and a representative body for severely disabled employees, which specifically looks after the interests of employees with severe disabilities. pbb Group offers various options for regular feedback between employees and managers. In addition to the annual performance review, in which employees can also comment on the cooperation between managers and employees, moderated "leadership discussions" are offered on a regular basis. In 2023 and 2024, 360° feedback was also conducted for the first time for the entire first and second management level. In order to facilitate better collaboration based on this, line managers are encouraged to share the results of the 360° feedback with their teams.

In order to better involve employees and external parties, pbb Group has set up a whistleblowing system, which is used to receive internal and external reports of legal violations and undesirable behaviour. This whistleblowing system can be used to submit (anonymous) reports regarding specific suspicions of fraudulent or other illegal behaviour. All reports are treated confidentially. pbb Group takes the concerns of its whistleblowers with regard to security and their future careers seriously. The identity of whistleblowers will not be disclosed without their express consent. Any known attempt to penalise or discourage an employee from reporting potential wrongdoing may result in disciplinary action, up to and including termination of employment. In addition to the whistleblower system described above, pbb Group has set up a complaints office for its employees to report any discrimination under the AGG.

In addition to the works council committees, employees have specific channels at their disposal to express their concerns or needs to pbb Group or to have them examined. In addition to the whistleblower system described above, these include the employee dialogue, various contact mailboxes, direct postal correspondence to members of the Management Board or Supervisory Board, and the option of contacting the AGG complaints office. Once a complaint has been made via the channels and procedures described, the issues addressed are reviewed by the internal complaints management team and forwarded to the relevant departments for processing. The privacy and anonymity of employees are respected in this process.

The Compliance department is responsible for monitoring these processes.

Appropriate Remuneration

The remuneration system and the remuneration strategy are integral components of pbb Group's business and risk strategy. As part of its remuneration strategy, pbb Group aims to grant fair, market-driven and performance-oriented remuneration which is geared towards achieving the objectives of a sustainable increase in pbb Group's profitability as set out in the business and risk strategy. The variable remuneration was designed in such a way that it provides appropriate incentives for individual performance. As a key element of the remuneration system, it promotes and improves cooperation between the various divisions, departments and teams. The variable remuneration gives employees the direct opportunity to participate in pbb Group's success.

The variable remuneration gives employees the direct opportunity to participate in pbb Group's success. The remuneration system for managers and employees for 2024 consists of fixed and variable remuneration as well as industry-standard fringe benefits, such as a company pension scheme via Versicherungsverein des Bankgewerbes, a group accident insurance. The amount of the respective variable remuneration is determined on three levels: Institutional success, success of the respective division and individual success.

In addition, the implementation of regulatory requirements for remuneration in banks is a key element of pbb Group's remuneration system and strategy. All employees receive fair remuneration that is above the minimum wage. The regulatory principle of appropriateness of the individual remuneration components in terms of amount and structure is taken into account, with the aim of avoiding incentives to take disproportionately high risks. The total remuneration and the individual remuneration components of the members of the Management Board and employees are regularly reviewed with regard to an appropriate relationship to function and performance as well as to the situation of pbb Group, and adjusted if necessary. The appropriateness of the remuneration system, the structure and the amount of remuneration were also reviewed in 2024. In addition, pbb Group's remuneration system implements the further regulatory requirements for remuneration, particularly with regard to variable remuneration. The regulatory requirements for remuneration systems in accordance with the Capital Requirements Directive, the German Banking Act, the Remuneration Ordinance for Institutions (Institutsvergütungsverordnung, in particular the requirements for the variable remuneration of risk takers and managers) as well as the requirements of the German Stock Corporation Act and the recommendations of the German Corporate Governance Code apply to pbb Group; any deviations from these recommendations are explained in the Declaration of Compliance with the German Corporate Governance Code (the documentation source "Declaration of Compliance with the German Corporate Governance Code" has not been audited by the auditor).

FAIR AND GENDER-NEUTRAL REMUNERATION

Equal pay for women and men is a high priority for pbb Group. pbb Group is a member of the Employers' Association of the Private Banking Industry; the basis for the remuneration of pbb Group employees at the German locations is the collective bargaining agreement for the private banking industry and public-sector banks, which covers 13% of the employees of the entire pbb Group. Employees outside the EU are not covered by a collective bargaining agreement. Employees are categorised into pay scale groups according to the tasks they perform. This ensures that remuneration is in line with industry standards, based on the employees' qualifications, tasks and functions as well as their professional experience.

In order to ensure the appropriateness and fairness of the remuneration paid to employees not covered by collective bargaining agreements, the market appropriateness of remuneration is reviewed regularly, usually every two years, with the help of external benchmarks based on a function classification system. Benchmarking is based on a standardised system for classifying and allocating functions ("Towers Watson Career Map Model") to three different career ladders (M = Management, P = Professional and T/U = Services/Administration) and to different career levels. The function classification forms the basis for market matching, a process in which internal salary structures are compared with standard industry salaries in the interests of both competitiveness and fairness. The further development of salaries for employees whose remuneration is not covered by a collective bargaining agreement is also based on qualifications, tasks and function, performance and professional experience.

Variable remuneration is determined in a standardised and formalised Group-wide process. The measurement of variable remuneration is based on quantitative and qualitative targets that are taken into account at company, divisional and individual level. The qualitative and quantitative divisional targets are determined annually on the basis of the corporate targets and the planning for the respective financial year. As a first step, the members of the Management Board define overarching strategic priorities for the divisional targets (Corporate Strategic Priorities). The Corporate Strategic Priorities for 2024 also included strategic priorities in the area of ESG. In this way, pbb Group also wanted to promote behaviours in relation to pbb Group's climate and environmental risk approach in 2024. The 100% target value for the corresponding targets is defined in advance in order to measure the degree of target achievement of a division and thus for the assessment of variable remuneration.

As part of regular monitoring of the gender pay gap KPI, possible gender-specific discrimination in remuneration is examined and options for action are discussed. The gender pay gap, i.e. the difference between the average income of female and male employees, expressed as a percentage of the average gross hourly wage of male employees, is 20.6% for the German locations. Group-wide, the figure is 24.3%. The German locations represent around 87% of pbb Group's total workforce. The deviation between the two figures is due in particular to the particularly cost-intensive foreign locations, which currently employ predominantly male colleagues and thus contribute to a distortion of the unadjusted figure. There is no adjustment for potential differences in purchasing power; these are unadjusted values. The gender pay gap was calculated in accordance with the calculation logic of the ESRS. For pbb Group, this unadjusted gender pay gap is the starting point for a regression analysis, which is used to determine the causes of the gender pay gap. The regression analysis is used to calculate the influence of various factors (e.g. age, length of service or education) on remuneration. This shows that many differences in pay can be explained by factors that do not constitute gender discrimination. The adjusted gender pay gap for the German locations is 3.7% (basis: fixed salary and significant benefits in kind).

The pay ratio between the median employee of pbb Group and the highest earners in the entire pbb Group is 1 to 5.8 (Manager to Worker Pay Ratio).

The company pension scheme is an important part of pbb Group's additional benefits. There are defined contribution and defined benefit pension plans for employees in Germany. In the case of defined contribution plans, pbb Group makes contributions for commitments made by inter-company organisations such as Versicherungsverein des Bankgewerbes. A company pension scheme is also offered at the foreign locations in the locally customary form, unless covered by statutory or collectively agreed regulations.

Training and Professional Development

Employee training is one of the key elements of pbb Group's human resources strategy, ensuring that expertise is maintained and expanded, and that employee motivation and retention are high. This is linked to the objective of investing 30 hours per year in the training and development of each employee, in order to develop and promote talent, show employees prospects within pbb Group, improve cooperation and maintain compliance. Training and further education are also essential for employer attractiveness, as they increase employee loyalty to the company and facilitate recruiting. Alongside performance-related remuneration, this topic is considered the most important selection criterion for talent. In 2024, on average 45.6 hours of further training were completed at pbb Group, an increase of 16.5 hours compared to 2023 (previous year's figures have not been audited by the auditor). At 53.0 hours per year on average, participation in further training measures by female employees in the reporting period exceeded the target figure set by the Company itself. For male employees, this figure averaged 40.8 hours

To promote the further development of diversity and gender aspects, pbb Group uses a mentoring programme, among other things. In addition, training on "unconscious bias" is to be included in the standard training programme.

In addition, the continuous improvement of initiatives in the areas of recruiting and employer branding is an important component of the HR strategy. The employer brand positioning, which was carried out at 2024, forms the strategic basis for all HR marketing activities and communication measures for pbb Group as an attractive and sustainable employer. These take a variety of forms, both online and offline. A particular focus is on presentation in social media and at the relevant university fairs. In addition, partnerships have been entered into with universities, which have a wealth of talent due to their focus on the real estate industry and also facilitate the exchange between theory and practice.

Another measure to ensure that vacancies are filled quickly and to a high standard is the targeted qualification of recruiters through training on active sourcing and the personnel selection process. In future, both recruiters and hiring managers will be trained in the use of a structured interview guide in order to further improve the quality of the selection and recruitment process. Recruiters will also be able to draw conclusions about the quality of recruitment with the help of feedback from new employees from the departments or, if necessary, on the basis of probationary period notices.

Quantitative and qualitative progress in areas such as the advancement of women, cumulative employee indicators, training data and figures from recruiting and employer branding, including the associated measures, are summarised and reported in the quarterly HR management report. In addition, feedback from third parties published on online platforms, which is submitted anonymously by external applicants and current and former employees, is systematically recorded and analysed. This allows conclusions to be drawn about pbb Group's attractiveness as an employer. In 2024, pbb Group ranked eighth among its competitors as the most attractive employer in Germany (source: Kununu) with a score of 3.7 and a recommendation rate of 90%.

pbb Group pursues a holistic approach to personnel development that looks at employees individually, provides them with guidance and, if necessary, offers support in their professional and personal qualification and further development. In line with the principle of "manage, challenge, promote", personnel development includes employee appraisals and the identification and planning of training measures to meet the knowledge and skills requirements of individual employees. The resources used for this depend on requirements and are not defined in advance. The annual employee appraisal essentially forms the basis for identifying training needs. If such needs are identified, the content of the training courses is selected and planned between line managers and employees primarily - but not exclusively - as part of the target agreement. Training can be planned as "on-the-job", "near-the-job" or "off-the-job" measures and offered either internally or externally, online or in person. If there is a need for training during the year, further training courses can also be requested in addition to those planned as part of the target agreement meeting.

pbb Group offers a wide range of internal training and qualification programmes. These focus on both professional qualifications and the development of leadership and social skills. This improves the perception of the management role in the line function. In addition, cross-hierarchical measures are offered to strengthen teamwork, improve understanding of intercultural diversity and develop general presentation, moderation, negotiation and time management skills, as well as language training. Specific measures to promote women complement the internal range of seminars and support the promotion of work-life balance at pbb Group. This internal programme is supplemented by external training courses, particularly on specialist, bank-specific topics.

A common understanding of leadership ("Leadership Principles") was developed as part of the vision and cultural development project and will form an important basis for management training in future. At pbb Group, this is organised in a series of "Leadership" seminars. The established "Leadership Academy" provides a basic qualification. Building on this, the "Leadership Excellence" programme supports experienced managers in reflecting on and further improving their leadership and social skills in an increasingly challenging and complex working environment. The "Leadership Journey" and "Leadership Dialogue" modules also focus on the leadership challenges in a hybrid working environment and create a platform for an intensive exchange of leadership ideas. In addition to these programmes, individual coaching for managers and regular management meetings are also offered on a voluntary basis.

As part of its continuous training and qualification programme, pbb Group attaches particular importance to compliance with and internalisation of standards and laws. The Capital Requirements Regulation, the German Banking Act, the German Money Laundering Act, the German Securities Trading Act, the Market Abuse Regulation, the German Pfandbrief Act and the regulations and guidelines based on them are among the core standards to be complied with. pbb Group has therefore defined binding regulations for all employees in guidelines, frameworks and instructions. Regular training is provided on the topics described in order to enable employees to understand and comply with the regulatory requirements in the area of compliance.

In principle, there are various programmes to promote individual employee groups: For graduates, a tailor-made trainee programme offers a successful entry into pbb Group by closely interlinking specialist and interdisciplinary qualifications. Tailor-made company programmes enable more experienced employees to expand their knowledge relevant to the real estate industry and acquire new skills while working. Extensive, specialised ESG qualifications are also offered. A mentoring programme rounds off the range of development and support measures.

Systematic personnel development, which is tailored to the respective needs of the divisions and employees, remains a challenge and an important benchmark for the success of pbb Group's human resources work. It therefore endeavours to continuously expand its range of training opportunities, thereby underlining its ongoing efforts to promote employee skills and satisfaction. New initiatives that complement the existing broad range of measures have therefore already provided important impetus for the coming years in 2024. For example, a further expansion of existing measures for management development, the further promotion of diversity and dealing with change processes was planned in 2024. In addition to the internal "on-the-job" and "near-the-job" measures organised centrally and decentrally, pbb Group employees can take advantage of a wide range of external training measures. For example, pbb Group offers suitable employees practice-oriented qualification programmes that are specifically tailored to the target group.

Succession planning, which is carried out every two years, aims to improve the transfer of knowledge, promote the bank's ability to function and maintain competences within the company. This strategic planning enables a seamless handover of responsibilities and the maintenance of business continuity. Closely linked to succession planning is the talent review, which takes place annually and is reviewed the following year. This measure serves to support the individual development of employees. By identifying and promoting internal talent, pbb Group utilises existing skills and preserves valuable expertise beyond the period of service of individual employees. Succession planning and the talent review cover strategically relevant positions at all locations and are aimed exclusively at the Group's own workforce.

In order to make it easier for new employees to join pbb Group, a great deal of attention is paid to the "joining" process. Induction plans and mentorships, in which an employee with appropriate experience is available as a contact person for new employees' concerns, are systematically provided for and are drawn up individually by the specialist departments as part of the "Onboarding" instructions for new employees. In order to improve the integration of new employees and to familiarise them as quickly as possible with pbb Group's business and central or cross-divisional processes, a "Welcome Day" is held several times a year, at which pbb Group's organisation and business model, as well as interesting facts from the individual divisions, are presentet. In addition, new employees receive a welcome brochure with information about pbb Group's locations, which is also available on the intranet. This is supplemented by an internal training series in which pbb Group's divisions provide an insight into their areas of responsibility and their key work processes. Feedback is requested from all participants in the Welcome Day and other training programmes. The first feedback meeting between new employees and managers generally takes place after around two months. This is recorded on a form and communicated to the staff. After four to five months, the manager is asked whether the probationary period has been completed.

Social Status and Working Conditions

HEALTH AND SOCIAL PROTECTION

A safe and healthy working environment for employees is a high priority for pbb Group. In order to achieve this goal, the Group has established specific structures and committees that continuously deal with occupational health and safety issues. In accordance with local statutory regulations, all employees enjoy social protection against loss of earnings due to illness, unemployment (from the time they make their labour available to the company), occupational accidents and disability, parental leave and retirement. Furthermore, individual locations of pbb Group offer additional social security benefits.

The Occupational Health and Safety Committee at pbb Group's German locations is made up of management representatives (from the Human Resources department), a company doctor, an occupational safety specialist, representatives of the Works Council and safety officers. This committee meets regularly to evaluate the status of occupational safety and health protection and to discuss actions to improve occupational safety and accident prevention measures. The meetings take place every quarter in accordance with legal requirements and as required. Any accidents at work and work-related occupational illnesses that have occurred are also analysed at these meetings. Company doctors offer regular consultations at the Garching and Eschborn sites, and pbb Group provides numerous health programmes. The associated costs are borne by the Company.

In addition, pbb Group is committed to preventive healthcare at its Garching and Eschborn sites by offering voluntary services such as free flu vaccinations, health checks and counselling and financial support for any necessary computer glasses. These actions are part of the comprehensive policies for creating fair working conditions. In addition, pbb Group offers company integration management (BEM) on a voluntary basis to support the reintegration of employees after longer periods of illness.

Together with the employee committees, pbb Group has also implemented actions to increase the flexibility and social security of employees, even in times of change and restructuring. These include a framework social plan (Rahmensozialplan) and a so-called framework agreement (Rahmenvereinbarung), which sets out clear guidelines for dealing with restructuring.

pbb Group offers a wide range of benefits and company services, which may vary depending on the employee's location. These benefits include capital-forming benefits, sick pay, sick pay allowances, anniversary payments, meal allowances, payments for fees of private banking accounts, special leave for special occasions and group accident insurance. Sustainable private consumption and green mobility are supported in Germany with a credit card, the so-called “GuudCard”, and monthly employer payments to all employees. In addition, all employees are entitled to leave for family reasons. 15.6% of employees took this entitlement in 2024; 70 of this group were male and 58 female.

Proportion of Employees who take Leave for Family Reasons

Group of people	Share of employees (in per cent)
Leave used for family reasons	15.6%
Of which male employees	14.1%
Of which female employees	18.0%

In Germany and at the international locations, pbb Group supports various health-promoting actions, such as membership of sports clubs and gyms, eye tests, health checks and workplace assessments.

COMPATIBILITY OF FAMILY AND CAREER

The compatibility of family and career is becoming increasingly important, both for the recruitment of new employees and for the retention of employees. pbb Group offers all employees attractive conditions for balancing family and career through work organisation conditions, such as flexible working hours or the option of mobile working, also in the form of "workation" (mobile working from abroad). The previously introduced regulation on “mobile working” was expanded in 2024. All employees are now entitled to two days of mobile working per week, and mobile working is also possible beyond this in consultation with the manager. Working hours themselves are generally flexible; there are framework working hours for employees who participate in electronic time recording. Parental leave is granted in accordance with the statutory provisions, and when returning from parental leave, pbb Group handles the distribution of working hours with a high degree of flexibility. In addition, pbb Group applies the provisions of the collective labour agreement for the private banking industry and public-sector banks, which allow extended parental leave under certain conditions. In exceptional cases, pbb Group offers the option of bringing children to work if there are childcare problems. In addition to the existing statutory regulations, caring for relatives is supported by the fact that unpaid leave or temporary reductions in working hours can be agreed if necessary.

In addition, pbb Group offers employees in Germany individual options for partial retirement (“Altersteilzeit”).

In addition, the services of the "pme Familienservice" are offered to all employees in Germany; the provision of the "pme Familienservice" is paid for by pbb Group. The range of placement and counselling services is used by employees in particular for topics relating to childcare and "homecare/eldercare". In the event of an acute need for childcare, pme Familienservice offers centralised emergency care. The pme Familienservice also offers counselling in private and professional crisis situations with its "life situation coaching". The counselling services range from topics such as stress levels, management problems and bullying issues to addiction problems. It is available around the clock. pbb Group itself also offers regular training courses on time and stress management.

Furthermore, childcare costs for the care of children who are not of school age are subsidised in Germany - similar to France and the United Kingdom. In Germany, the maximum subsidy is €100 per month per child.

A share of 19.8% of employees working part-time (part-time share of female employees: 40.1%, part-time share of male employees: 6.7%) emphasises the flexible working time models and pbb Group's ongoing support for the compatibility of family and career.

pbb Group only employs temporary staff in rare exceptional cases. The majority of non-employees are consultants, for example in IT, who are hired via corresponding contracts with consulting firms, or freelancers who are engaged via intermediaries. The collective agreement coverage for non-employees was 0% in 2024.

pbb Group is endeavouring to further improve the work-life balance and increase its attractiveness as an employer with a variety of components. Employees are given flexibility in organising their working hours and locations, which should lead to a better work-life balance. In addition, pbb Group already offers various benefits, depending on the region, which provide employees with additional financial or non-material support. The childcare allowance and the option of partial retirement are further important actions that emphasise the company's family-friendly approach and help employees to better reconcile their professional and private commitments. Finally, the mentor system in the onboarding process and the mentoring programme promote the integration and development of new and existing employees. Individual career development is also facilitated through training and further education programmes. For the year 2025, the development of a specialist career is planned in parallel to the classic management career, and family-friendliness and diversity within the company are to be further strengthened with a whole range of actions. These programmes support the transfer of knowledge, strengthen the corporate culture and contribute to the personal and professional development of all employees.

In the context of employer attractiveness and succession planning, pbb Group did not set any quantifiable targets for its own workforce in the 2024 reporting year. The effectiveness of the policies and actions is tracked with regard to the key IROs in the context of the Group's own workforce via the annual succession planning, the talent review, dialogue formats, as well as HR management reporting and evaluations of online feedback from third parties and employees by the HR department.

Consumers and End Users

pbb Group defines consumers as natural persons who acquire, use or manage financial products for personal use, either for themselves or for third parties. End users are natural persons who use or are intended to use a specific financial product. In the context of the combined sustainability statement, the wording "consumers and end users" continues to be used to ensure consistency.

Due to the focus on natural persons, the contents of this chapter relate exclusively to the business of pbb direkt, as pbb Group serves private clients with financial products such as call and fixed-term deposit accounts exclusively within the framework of pbb direkt. The processing of the deposit-taking business is largely outsourced to an external service provider. This provider provides the IT services, operates the call centre and provides the necessary back-office services. The financial products of pbb direkt are hereinafter referred to as retail products.

Policies

The applied standards, objectives and commitments in the context of human rights are applied uniformly to all stakeholders of pbb Group and are therefore equally applicable to the Group's own employees as well as to consumers and end users. No distinction is made between individual consumer groups.

POLICIES RELATED TO RESPECT FOR HUMAN RIGHTS

pbb Group does not tolerate any violation of human rights, be it by its employees or third parties (e.g. consumers and end users) in the context of the value chain. In this context, version 1.9 of the Code of Conduct is available for external stakeholders. When dealing with consumers, all employees must behave with integrity, transparency and honesty at all times. The Group regularly checks that the required safety standards for customers are maintained and that the physical integrity of all stakeholders is taken into account. To date, no human rights violations have been reported to pbb Group. The Management Board is responsible for implementing the policy.

POLICIES IN CONNECTION WITH COMPLAINT MANAGEMENT AND CUSTOMER DIALOGUE

pbb Group has implemented principles and an effective and transparent procedure for appropriate complaint handling, which regulate the submission, processing and follow-up of complaints. In addition, pbb Group has set up the pbb direct customer service, which is operated via the service provider's call centre as a service provider in the downstream value chain. Complaints received via this service are forwarded directly via the JIRA ticket system to the relevant area of pbb Group. In addition, consumers and end users can contact their respective contact persons and the Management Board of pbb Group directly by e-mail, telephone or post. In the case of complaints to the Management Board, Supervisory Board or via third parties, the central complaints management team and, if necessary, other experts are consulted. If no satisfactory solution can be found in this way, it is possible to submit the complaint to another body such as the ombudsmen of private banks, BaFin or the European Online Dispute Resolution Platform.

Contact details for the complaints channels are published on the homepage. Information on the complaints process is also provided there, as well as a specific timetable for responding to the complaint within 15 days. If an enquiry requires a longer processing period, an interim response will be issued after 15 days at the latest. A distinction can also be made between open and anonymous complaint channels within the various contact details. In order to minimise the risk of retaliatory actions for consumers, the anonymous complaint channels can be used in this context.

The pbb direct customer service is available to consumers and end users from Germany for clarification of concerns, also outside of complaints. At the highest level, the Management Board of pbb Group bears overall responsibility for pbb Group's complaints centres and processes.

The Corporate Office documents and analyses incoming complaints, their processing and the actions taken and is responsible for the effectiveness of the complaints system. All complaints are analysed objectively and appropriately in accordance with the complaint handling principles and procedures and potential conflicts of interest are identified. Recurring systematic problems and associated potential legal and operational risks are identified and forwarded to the responsible departments. pbb Group analyses the frequency of specific complaints and responds with appropriate process adjustments, if and insofar as this is necessary. Further information on strategies to protect against retaliation can be found in section G1.1 of the report under "Whistleblower system".

In the context of online banking for retail products, there is generally no direct exchange with consumers and end users, but their behaviour is analysed regularly and anonymously within the online applications. Based on the results, adjustments are made to product features and marketing measures are organised. The overnight and fixed-term deposit accounts of pbb direkt represent an internationally proven standard product; due to the very limited customisation options, there is no need to involve consumers and end users separately.

Appropriate remedial action is taken in the event of damage. A total of 92 complaints were reported for 2024.

In connection with consumers and end users, pbb Group has not set any targets in the current reporting period, taking into account the material opportunities. At present, pbb Group does not monitor the effectiveness of the actions and policies in relation to the material IROs in the context of "consumers and end users".

GOVERNANCE

Material Governance Impacts, Risks and Opportunities

Internal corporate governance is a fundamental success factor and an opportunity for pbb Group.

The governance dimension of sustainability encompasses numerous aspects, including transparency and accountability, the promotion of ethical behaviour, compliance with legal regulations and the implementation of effective risk management systems. These issues are not only relevant for compliance with regulatory requirements, but also have a direct impact on a company's reputation and long-term success. The increasing awareness of governance issues is due to various factors, including growing public awareness of corruption and mismanagement, the importance of transparency and accountability and the demand for greater stakeholder involvement in decision-making processes. Investors, customers and other stakeholders increasingly expect companies not only to be economically successful, but also to maintain high standards of corporate governance.

As key economic players, banks have a special responsibility towards their clients, employees and society as a whole to provide good governance. pbb Group is aware of this responsibility and is actively committed to integrating governance aspects as part of its business activities.

As part of the CSRD materiality analysis, pbb Group prepared a catalogue of potential and actual impacts as well as risks and opportunities in accordance with the ESRS governance standard. The assessment of the material impacts, risks and opportunities was conducted in internal workshops and on the basis of a stakeholder survey. Detailed information on the procedure and assessment process can be found in the chapter "Materiality analysis". The following impacts, risks and opportunities were identified as material for pbb Group within the governance standards.

Material Impacts, Risks and Opportunities for the Aspect of Corporate Policy (G1)

Topics in the materiality analysis	Dimension	IRO type	Description of the impact, risks or opportunity	Chapter in the combined sustainability statement
Corporate culture	Business operations	Financial risk	Greenwashing: Liability claims due to the sale of green products whose asset values do not correspond to the advertised level of environmental friendliness.	"Corporate policy and corporate culture"
	Business operations	Negative impact	If banks do not maintain a good corporate culture, this has a negative impact on their own reputation, on investors and on employees, who value a positive corporate culture.	"Corporate policy and corporate culture"
	Business operations	Financial opportunity	A positive corporate culture can increase employer attractiveness, reduce absenteeism and staff turnover and lead to cost savings.	"Corporate policy and corporate culture"

	Business operations	Financial opportunity	The bank can reduce or prevent financial losses by uncovering problems at an early stage through whistleblowing.	"Corporate policy and corporate culture"
Management of supplier relationships and payment practices	Business operations	Negative impact	The selection of suppliers without sufficient verification of their ethical behaviour and sustainable business practices may lead to negative impacts on people and the environment in pbb Group's upstream supply chain.	"Management of supplier relationships and payment practices"
	Business operations	Financial risk	The selection of suppliers without sufficient verification of their ethical behaviour and sustainable business practices may lead to reputational risks as well as legal and financial damage in connection with pbb Group's upstream supply chain.	"Management of supplier relationships and payment practices"
	Business operations	Financial opportunity	Partnership-based behaviour promotes stable business relationships with suppliers in the future.	"Management of supplier relationships and payment practices"
Anti-competitive behaviour and political engagement or lobbying	Business operations	Financial opportunity	The legislative process can be influenced by lobbying (e.g. via associations) so that existing laws are amended or new laws are passed, which can lead to increased sales or capital relief (e.g. building modernisation and refurbishment, avoidance of overly restrictive capital requirements for certain transactions).	"Political influence and lobbying activities"
	Business operations	Negative impact	A non-transparent approach to and misuse of lobbying activities and political influence can lead to a considerable loss of trust among customers and stakeholders.	"Political influence and lobbying activities"
	Business operations	Financial risk	A non-transparent approach to and misuse of lobbying activities and political influence can damage the bank's reputation and lead to financial losses in the long term.	"Political influence and lobbying activities"
Corruption and bribery	Business operations	Negative impact	Incidents of corruption and bribery cause damage to society and the economy, such as the loss of trust in the financial sector, in the resilience of loan agreements or in financial market regulation/rule of law. Corruption also hampers economic developments, as it leads to legal uncertainty, distorted competitive conditions and increased costs. Furthermore, corruption (sometimes indirectly) hinders economic development, leads to a poorer health and education system, destroys social capital and thus fuels mistrust in the population towards politics and administration.	"Prevention and detection of corruption and bribery"

Business operations	Financial risk	Sanctions, penalties or compensation payments caused by incidents of corruption and bribery could place a financial burden on the bank.	"Prevention and detection of corruption and bribery"
Business operations	Financial risk	Corruption and bribery incidents can cause reputational damage, non-compete clauses and blacklisting, leading to a drop in demand, loss of customers and financial losses.	"Prevention and detection of corruption and bribery"

In addition to the clearly defined impacts, risks and opportunities, pbb Group is bundling its cultural development initiatives within the Vision-Purpose-Values project and aims to comprehensively position the Bank both internally and externally. A corporate vision was created, the "Purpose" defined and corporate values developed and communicated. In addition, leadership principles were defined to serve as orientation for all managers and employees in their day-to-day business.

The vision, which is closely interlinked with the strategic realignment of the strategy in the NEXT project, pursues a top-down approach and describes pbb Group's aspirations in an ambitious and tangible manner. pbb Group presents itself as the financing partner of choice for commercial real estate, and strives to be the leading platform for clients and partners. To this end, pbb Group offers a wide range of financing and investment solutions across the entire real estate value chain.

The "Purpose" of pbb Group, developed in a diverse workshop concept, describes why employees are committed to working for the company and what contribution each individual makes to society and the environment: "We are dedicated to sustainable Real Estate."

The corporate values were also determined in the 2024 cultural development project in numerous workshops involving around 450 employees (including preparatory work) at various locations, managers and the Management Board - and defines what characterises work today, what connects employees, but also guidelines for sustainable, future action. Essentially, the following three values should take centre stage:

Corporate Values of pbb

Future-oriented	Reliable	Collaborative
We think boldly ahead	We keep our promises	We treat each other with respect
We promote and implement innovative solutions and technologies	We actively take responsibility and ownership	We strive to meet the needs and expectations of our stakeholders
We see sustainability as an opportunity for further development	We deliver quality	We believe in joint success
	We create trust through transparency and integrity	We recognize performance and acknowledge competence and expertise

These values were communicated internally in autumn 2024 and have already been integrated into the employee appraisal process. In 2025, they will now be gradually anchored in all departments and divisions using various formats. Everyone in the company is responsible for this, primarily the managers, but also their teams; they are supported in the implementation by almost 40 "cultural change agents". In future, everyone will be required to align their actions with pbb Group's corporate values. These values will also be made visible to clients and applicants.

Leadership Principles

In various workshops, the Management Board and the division heads of pbb Group also agreed on the following fundamental elements of good leadership, which were communicated for the first time at the Management Conference 2024. The core objective is: "We empower and develop people to achieve sustained success for pbb."

This includes the following principles for managers:
- Clarity
- Target and Solution Orientation
- Responsibility
- Trust
- Acting consistently
- Appreciation.

What these terms mean in detail and what pbb Group expects of its management has been described in more detail in guiding principles.

In future, a self-assessment and feedback on the leadership principles will take place in the annual appraisal interview with managers, and any need for development in this area will also be discussed in more detail.

Compliance with the leadership principles ensures a high degree of leadership effectiveness and a sustainable, shared focus for the benefit of pbb Group, in line with the vision and corporate values.

Corporate Policy and Corporate Culture

In the context of corporate policy and corporate culture, two opportunities, one negative impact and one risk have been identified as material. These are used as the basis for responding to the reporting requirements. The Green Loan Framework and Green Bond Framework policies described in the "Corporate policy and corporate culture" section have not been audited by the auditor.

Code of Conduct and Ethical Principles

Transparent, fair, responsible and honest behaviour with the necessary expertise, professionalism and integrity in our conduct towards each other and in our relationships with clients and business partners, competitors and the public is firmly anchored within pbb Group. The implementation of and compliance with the relevant regulatory and internal provisions as well as other relevant laws and regulations are essential. Ethical behaviour and a positive corporate culture are the basic prerequisites for an employer to be attractive to external stakeholders and thus attract qualified and motivated staff, which in turn contributes to an increase in performance.

The Code of Conduct integrates the requirements of the corporate culture and defines the ethical and legal framework as well as the essential requirements that the Group places on all employees. It is a binding component of the employment contracts of all employees and the basis for all rules and regulations within pbb Group. The Code of Conduct is in line with the United Nations Convention Against Corruption (UN-CAC) and accordingly contains clear instructions on the topics of "relationships with clients, suppliers, shareholders, investors and competitors", as well as rules of conduct in the event of conflicts of interest, bribery, granting of advantages, money laundering and market abuse.

pbb Group's human resources work represents a particularly material pillar of the Code of Conduct and focuses on the individual promotion and development of employees as well as the management of the age structure. Equal opportunities are a fundamental principle that does not differentiate between ethnic origin, skin colour, gender, sexual orientation, gender identity, potential disabilities, age, religion, ancestry, social background or political opinions. To emphasise this focus, pbb Group has signed the "Charter of Diversity" and provides various initiatives: A comprehensive human resources policy and active promotion of women serve to retain talent. Other components include tailor-made trainee programmes, student trainee programmes and internship programmes. In the event of any discrimination, employees have various contact persons at their disposal to voice their concerns and point out any shortcomings.

In addition, pbb Group's Code of Conduct documents its commitment to sustainable and environmentally friendly business practices and the identification of environmental risks that may arise in the course of business. The relevant economic factors, as well as social and environmental factors, are also taken into account by pbb Group when making lending and investment decisions. In this way, pbb Group recognises that natural resources are limited and should be used responsibly. The implementation of the Code of Conduct is supervised by the Management Board and applies to all geographical business areas of pbb Group.

Compliance with human rights is operationalised via the Guidelines on human rights. In these Guidelines, pbb Group fully recognises its responsibility to respect, protect and strengthen human rights and to prevent human rights violations. In addition, pbb Group undertakes not to support any business practices that could damage its reputation or where there is a suspicion that a client or supplier is violating pbb Group's ethical standards or acting unlawfully. The implementation of the Guidelines on human rights is overseen by the Management Board and applies to all geographical business areas of pbb Group.

In this context, the Code of Conduct was extended to suppliers in 2021. It therefore also implicitly applies to all customer groups and other business partners, as it requires the responsible member of the Management Board and Compliance to be informed if they become aware of potentially reputationally damaging and/or illegal activities by customers or business partners.

In principle, the applicable legal system and corresponding official regulations form the basis for all corporate decisions and daily actions. As a listed company, pbb Group is subject to the German Corporate Governance Code with the provision "Comply or Explain", as articulated in the corresponding standard.

In addition to the Code of Conduct and the Guidelines on human rights, the overarching "Compliance Management System der pbb" guideline is applied, which bundles all compliance issues and thus forms the basis for the procedurally and methodically effective implementation of external and internal regulations and requirements.

Avoidance of Greenwashing

pbb Group has assessed the topic of greenwashing as a material risk as part of its ESG risk inventory and as part of the materiality analysis in accordance with the CSRD as a sub-category of the risk factor "unethical corporate governance".

In accordance with the definition of the European Banking Authority (EBA), pbb Group defines greenwashing as misconduct in which statements, information or publications on ESG-relevant sustainability aspects of a company, a financial product or a financial service do not accurately, clearly and fairly reflect its actual sustainability in the areas of environment, social affairs or good corporate governance. This can potentially be misleading for market participants and lead to liability towards third parties, in particular consumers, shareholders and other investors, or at least to significant reputational damage.

At pbb Group, greenwashing risks exist to varying degrees both at the level of sustainability reporting, i.e. at the level of the Company itself (particularly in the context of regular reporting such as quarterly and annual reports), and in the context of capital market communication with shareholders, debt investors and other third parties. These risks can also arise in connection with employee recruitment. In addition, greenwashing risks are conceivable in connection with green bonds and green loans issued by pbb Group, as well as in the area of service offerings, for example in the Real Estate Investment Solutions division and there in the pbb invest (asset and property management) and Originate & Cooperate sub-divisions, and/or in property selection advice or due diligence support. In this context, pbb Group operates various risk mitigation measures, including the measures described below in the context of the Green Loan Framework and Green Bond Framework policies.

Since the fourth quarter of 2021, pbb Group has been offering Green Loans - based on an internally developed Green Loan Framework - whereby Green Loans are granted exclusively to business customers and the classification of a property financing as a Green Loan is based on the criteria of pbb Group's Green Loan Framework. The Green Loan Framework is available on pbb Group's website and transparently uses either pbb's own scoring model or the EU taxonomy to classify a financing as "green". According to pbb's scoring model, a property or project is assessed on the basis of the three pillars of energy efficiency, green building certification and additional sustainability criteria (such as distance to public transport and local facilities, use of green electricity or inclusion of biodiversity aspects). From a score of 60 points, a property is considered "green" and can therefore be financed with the Green Loan. The existence of the requirements transparently set out in the Green Loan Framework is checked on the basis of customer details and information collected from external sources, in particular from experts in the field of property analysis & valuation, and taken into account by the credit committee as part of the credit process.

There is also a greenwashing risk for pbb Group in connection with the bonds it issues, which serve to refinance green assets, and investors, which are intended to facilitate targeted investments in sustainable capital market products. Green bonds are intended to channel the allocation of capital into more environmentally friendly investments and ultimately promote the socially and politically desired climate targets. In 2020, pbb Group published the pbb Green Bond Framework, which follows the Green Bond Principles of the International Capital Market Association and was last revised in May 2023. It is available on pbb Group's website. According to this framework, in order to be classified as "green" and refinanced with a green bond, an asset must have at least a sufficiently good green building certification or fulfil a certain level of energy efficiency. In addition, an exclusion list - particularly with regard to building utilisation - is part of the assessment, which is carried out by a Green Bond Committee within pbb Group and decided unanimously. In accordance with the Green Bond Framework, pbb Group publishes a quarterly report on the allocation of funds and an annual impact report, which are also available on pbb Group's website (the report on the allocation of funds and the impact report have not been audited by the auditor). The Green Bond Framework was rated "CICERO light green" and "excellent" in terms of governance (structure and processes) by CICERO Shades of Green (part of S&P Global) as an independent expert in a second opinion in April 2023. For the Impact Report for 2023, S&P Global as external expert confirmed in February 2024 that the distribution of assets presented therein meets the criteria of the Green Bond Framework (2020) and that 100% of these are to be assigned to the "light green" category (the 2023 Impact Report has not been audited by the auditor).

In order to minimise or avoid greenwashing risks in connection with pbb Group's sustainability reporting, pbb Group's sustainability reports are prepared with the involvement of experts from various relevant divisions (including Property Analysis & Valuation, Risk Management Control, Legal) and audited on a voluntary basis by independent auditors. As part of the business activities of pbb invest, it is planned to launch equity and debt funds as well as to provide ongoing investment, portfolio and asset management services. The equity and debt funds will be managed by external alternative investment fund managers (AIFMs, in Germany: Kapitalverwaltungsgesellschaft), whereas pbb invest will act as asset and investment manager for the equity funds and as investment advisor for the debt funds. A dedicated ESG strategy will be defined for both equity and debt funds, which will be initially and continuously reviewed by the supervisory authority (BaFin) in the case of the equity fund and by the Commission de Surveillance du Secteur Financier (CSSF) for the debt fund. As the investment decisions, ongoing regulatory portfolio management and risk management will be the responsibility of the respective external AIFM, any greenwashing risks in connection with sustainability reporting will primarily be addressed by the external AIFM itself. Greenwashing risks from any activity of pbb invest as an investment advisor, for example when recommending a property investment or a loan receivable secured by a property, are mitigated by the fact that information on the sustainability of the property (or the borrower) from the areas of ESG must be based on external expert opinions/appraisals and by the involvement of internal experts from relevant divisions, in particular Property Analysis & Valuation. To avoid "greenwashing" risks, employee training is also currently being planned.

Compliance

Compliance is an integral part of pbb Group's corporate culture, reporting directly to the Management Board as an independent division, and is the responsibility of the Chief Risk Officer with a direct functional reporting line via the Money Laundering Officer. The aim of compliance is to promote adherence to legal and regulatory requirements and other legal obligations through preventive corporate organisation and other measures. The aim of the Compliance division is to recognise compliance risks at an early stage and manage them effectively if they come to light. The overarching target of compliance is therefore to prevent reputational damage, corporate penalties, fines, claims for damages or other negative legal consequences.

Any fraudulent activity is taken seriously by pbb Group, both for legal obligations and for economic reasons in its defence. Each individual case is reviewed and documented, and other organisational units (such as Internal Audit or the Legal department) may be involved in addition to Compliance. Where appropriate, suitable measures are also defined and taken to prevent a recurrence of the same case. pbb Group and its Group entities are committed to high standards of honesty, openness and responsibility within the organisation and in all business activities. Reliability and customer trust are of enormous importance to pbb Group, which is why its employees play a key role in this context.

The measures and processes described above require all employees to fully comply with the requirements. In addition to comprehensive "Know Your Customer" (KYC) processes, this includes a continuous comparison of international lists, including in the context of sanctions, suspicion of money laundering or terrorism, risk analyses and ongoing reporting. The external employees of pbb Group are obliged to sign the compliance leaflet in order to adequately fulfil these requirements. The compliance leaflet is the responsibility of the Management Board and applies without geographical differences.

The main legal basis is the German Money Laundering Act. At pbb Group, compliance with this regulation is monitored and audited by internal controls of Compliance and Internal Audit in the sales-related units in line with the 'Three Lines of Defence'. Since 2020, the sales-related units have been supported by the Client Lifecycle Management team in the KYC process, including compliance with legal requirements and internal regulations. The measures to prevent money laundering and terrorist financing are updated on an ongoing basis and are the subject of annual audits by Internal Audit and the annual audit of financial statements. There were no significant findings in 2024.

Whistleblower System

Specific information is important and can help to uncover legal violations or prevent imminent violations. pbb Group has set up a whistleblowing system to receive internal and external reports of imminent or actual breaches of the law and undesirable behaviour ("whistleblowing"). This whistleblowing system can be used to submit anonymous reports regarding specific suspicions of fraudulent or other illegal behaviour. All reports are treated confidentially. Details are set out in the framework "Whistleblowing System of Deutsche Pfandbriefbank AG and its Group companies based in Germany" as well as in the individual foreign local guidelines on whistleblowing, which all employees can access via the Instruction System on the intranet of pbb Group. In addition to the descriptions of how and to whom a report can be made, the framework also contains detailed information regarding confidentiality and the processing of the results. Notification can be made in writing by post or e-mail, or verbally by telephone or in person; for example external third parties can submit a whistleblowing report via a generic e-mail available on the PBB Group website under "Compliance". Upon receipt of the report, the whistleblowing unit (head of the Compliance division) conducts a preliminary investigation and further internal investigations are carried out. Depending on the nature of the matter and the severity of the reported offence, a report to external bodies (auditors, supervisory authorities or law enforcement agencies) may be considered. All employees receive this information about the whistleblowing system when they join pbb Group and in the event of any changes to the framework. The Management Board is responsible for the appropriate availability of the whistleblowing system, which is applicable to all geographical business units of pbb Group.

pbb Group takes the concerns of its whistleblowers with regard to security and career very seriously. The identity of the whistleblower is therefore not disclosed without the whistleblower's express consent. Any known attempt to penalise or discourage an employee from reporting potential wrongdoing may result in disciplinary action, up to and including termination of employment. The framework for the whistleblowing system, including the measures described therein to protect our own employees from retaliation, takes into account the requirements of the German Whistleblower Protection Act (HinSchG). No reports were received through the whistleblower system during the reporting year.

Further Training Programme

All employees and members of the Management Board are required to receive training courses on corporate policies when they join the company and on a regular basis, i.e. annually or every two years, depending on the content of the training, in order to raise awareness. In the case of web-based training, a distinction is made between regulatory training and internal pbb training. The regulatory training courses include the topics covered in the CSRD under corruption and bribery, such as prevention of money laundering and prevention of terrorist financing (annual), competition law (annual), prevention of fraud and other criminal offences (biennial), general compliance topics (biennial) as well as data protection and information security (annual). Successful participation is confirmed with a certificate after a final test, provided that the employees achieve at least 70% of the points in the final test. The Compliance division monitors participation and completion rates for all compliance training courses. The Risk Management & Control department monitors participation in the other training courses mentioned. In principle, the divisional heads of Compliance and Risk Management & Control are responsible for implementing the training policy for the corporate policy.

In addition to the mandatory training courses, pbb Group organises training courses and workshops as required, in order to provide employees and Management Board members with individual further training that is tailored to the business model and the target group. The training courses offered in this context are optional and are focussed on the specific target groups.

While the specialist employees and members of the Management Board are subject to strict control of their mandatory training, the members of the Supervisory Board are generally responsible for the training and development measures required for their tasks, and receive appropriate support from pbb Group. To this end, annual training programmes for the Supervisory Board and the Management Board are held in advance of the ordinary Supervisory Board meetings in the form of presentations by external speakers. In financial year 2024, this annual training programme comprised a total of two training measures on current topics.

Political Influence and Lobbying Activities

In the context of political influence and lobbying activities, a negative impact, an opportunity and a risk have been identified as material. These are used as the basis for responding to the reporting requirements.

pbb is registered in the German transparency register with the number 6400218639. In addition, pbb registered in the German Bundestag's lobby register on 10 July 2024 and received the register number R006840. In future, lobbying activities will be initiated by the Management Board and supervised by the Supervisory Board. There are currently no members of the administrative, management and supervisory bodies who have held a comparable position in the public administration, including government agencies, in the two years prior to their appointment.

The areas of interest and projects relevant to pbb Group's lobbying activities were specified in the lobby register as follows: EU legislation; other in the area of "European policy and European Union"; construction and construction industry; urban development; housing; other in the area of "regional planning, construction and housing"; species protection/biodiversity; climate protection; sustainability and resource protection; other in the area of "environment"; banking and finance. Currently, pbb Group has not defined any positions in these areas, which is also permissible. The definition and registration of positions per area of interest and project are indicated at the latest when contact with addressees within the meaning of the Lobby Register Act is imminent.

pbb Group makes indirect political contributions via membership fees to associations. The lobby-relevant shares of membership fees for the 2023 financial year, paid in 2024, are broken down in the table "List of lobby-relevant shares of membership fees for associations". The lobby-relevant contributions for the 2024 financial year are available after publication of the combined sustainability statement, which is why there may be deviations regarding the contributions to the associations for the financial year 2024. For this purpose, a materiality limit of more than €1,000 has been set, since pbb Group assumes that amounts to associations below this threshold generally do not lead to any political influence. The relevant lobby shares are determined by the respective associations and subsequently communicated to pbb Group; pbb Group is involved exclusively in Germany. No contributions in kind were made. There is no additional validation by an external quality assurance organisation.

List of Lobby-relevant Share of Membership Fees for Associations

Member organisations	Lobby-relevant share of the membership fee
Association of German Pfandbrief Banks	12.30% = €39,898 (based on the financial year 2023)
Association of German Banks	20.70% = €40,836 (based on the financial year 2023)

Prevention and Detection of Corruption and Bribery

In the context of corruption and bribery, two risks and one negative impact have been identified as material. These are used as the basis for responding to the reporting requirements.

Prevention of Money Laundering and Terrorist Financing

Compliance activities focus on the prevention and detection of money laundering, terrorist financing, fraud, corruption and other criminal offences. Compliance with these legal obligations serves to protect customers/investors and therefore also directly protects the company's reputation. The key standards to be complied with in connection with the prevention of money laundering and terrorist financing include the German Banking Act, the German Money Laundering Act and the regulations and guidelines based on these.

In addition, other frameworks and instructions are binding and accessible to all employees, such as the framework on "Prevention of money laundering (prevention of money laundering and terrorist financing) and economic sanctions". In addition, the framework for "The Combating of Further Criminal Acts (“Framework Fraud”)"" and the frameworks "Handling conflicts of interest", "Market abuse and manipulation" and "Competition and antitrust law" are applied.

pbb Group is committed to maintaining high standards for the prevention of money laundering and terrorist financing. For example, Compliance is operationally involved in all high-risk cases as a second line of defence in the KYC check. In addition, pbb Group applies a stricter 25% approach instead of the 50% approach prescribed by BaFin (e.g. 50% of the capital shares/voting rights) at the second participation level in the ownership and control structure when checking the beneficial owners of its clients. This may lead to an increased number of beneficial owners. In addition, pbb Group internally defines shorter statutory KYC monitoring periods. Currently, the KYC audits of customers with a "low-risk" rating are updated every eight years, those with a "medium-risk" rating every three years and those with a "high-risk" rating every year.

All compliance processes and regulations are reviewed on an ongoing basis, with the aim of continuously adapting them to pbb Group's risk situation and continuously optimising monitoring and control measures. Detailed reports on all compliance-relevant topics, including any corruption and bribery issues, are submitted to the members of the Management Board and to the Audit Committee of the Supervisory Board on a quarterly basis**.**

Fraud Prevention, Combating other criminal Offences including Corruption and Bribery

Adequate and continuous legal monitoring is a fundamental building block for the proper implementation of fraud prevention measures. For this purpose, pbb Group uses a workflow system (Regulatory Workflow Centre). This enables comprehensive and early identification of innovations and changes to relevant regulatory requirements and specifications. In addition, the Regulatory Workflow Centre supports the definition of suitable measures to comply with relevant regulations and requirements, as well as their implementation and the corresponding monitoring of implementation. In the 2022 reporting year, a separate disclosure with regard to ESG standards was introduced in the workflow system. In 2023, the tool was extended to pbb Group's foreign locations, where previously only Excel-based recording and processing was used.

Other prevention systems include controls to assess the appropriateness and effectiveness of relevant processes, support and advice for the business divisions by Compliance for new products and process developments, committees with compliance involvement, a pre-approval requirement for employee transactions in financial instruments of pbb Group, background checks (for employees in accordance with the provisions of the German Money Laundering Act and the German Securities Trading Act and with regard to compliance with the provisions of the Code of Conduct and competition law) and the mandatory involvement of Compliance in risk analyses of outsourcing and thus in the approval of due diligence reviews of business partners/service providers. In addition, pbb Group's Compliance division has extensive rights to issue instructions, as well as information and investigation powers, in order to enforce its requirements throughout the Group. The independence of the Compliance division from the controlled business divisions and processes contributes to the quality of the investigations.

In addition to the general fraud prevention measures, "other criminal offences" are actively pursued and avoided by pbb Group.

The definition of "other criminal offence" is based on the regulatory purpose of section 25h of the German Banking Act (KWG) and is therefore very broad. This includes any act, even if only partially intentional, which is characterised, for example, by deception, cover-up, concealment or abuse of trust, and which is capable of endangering or damaging the assets or reputation of pbb Group. This also includes cases in which pbb Group is used to damage the assets of a third party. This definition also includes corruption and bribery.

Employees who are exposed to a higher risk of fraud and bribery due to their tasks and responsibilities are primarily at risk for these criminal offences. In addition to the management of pbb Group, this primarily includes employees with direct client contact, employees in purchasing, employees in the Treasury division as well as employees in the Finance and Operations divisions.

pbb Group does not tolerate any criminal offences and regards any criminal offence as a serious matter. It follows up reports of criminal offences immediately and takes appropriate measures to prevent their recurrence. pbb Group has set up a central Compliance division to prevent these criminal offences. As an independent division, Compliance is also primarily responsible for investigating and, if necessary, prosecuting the matter, with the assistance of other specialist departments.

There is currently no provision for a separate query for violations of corruption and bribery regulations in other departments besides Compliance. There is an obligation to record any knowledge of a criminal offence or knowledge of facts that give rise to suspicion of such an offence in the complaints management tool. Furthermore, controls have been defined to detect and prevent fraud and a whistleblower system has been implemented.

In 2024, there were no convictions for breaches of corruption and bribery regulations. No corresponding fines had to be paid. Compliance is responsible for checking the number of offences by querying the whistleblower system. Due to the fact that there were no violations in the past year, no mitigating measures need to be taken. There is no additional validation by an external body responsible for quality assurance.

In order to prevent criminal offences, pbb Group has taken various precautions to protect itself against damage, particularly from possible fraudulent and/or other criminal offences such as corruption and bribery. In particular, two measures were taken in 2024 in connection with corruption and bribery:

- Obtaining a confirmation of reliability for all employees: At the beginning of the year, all division heads at the second management level of pbb Group submit a confirmation of reliability for their employees. Reliability in this sense is defined as compliance with the obligations in particular under the German Securities trading Act, the German Money Laundering Act and the principles, procedures, controls and behavioural guidelines introduced in the institution to prevent insider trading, fraud and money laundering.
- Provision of mandatory training content: The measure relates to the web-based training courses listed in the section "Training programmes" and covers regulatory content in the context of "Fraud prevention and prevention of other criminal offences" and "Money laundering".

In principle, all binding regulations in this area are defined in the Code of Conduct, in the framework for handling conflicts of interest and in the framework for the Combating of Further Criminal Acts. Among other things, they aim to ensure that employees behave correctly and professionally. The latest versions of all guidelines, frameworks and instructions issued by the Compliance division can be accessed by all employees at any time via the instruction system on pbb Group's intranet. The regulations include guidelines on avoiding conflicts of interest, on accepting and granting favours and gifts, and on dealing with representatives of governments and public bodies. In order to avoid influencing, bribery or corruption, the granting of benefits and advantages to public officials or public mandate holders is prohibited. It may also be punishable under general principles. pbb Group does not tolerate any violations of such regulations by its employees. Gifts and benefits of a certain material value received from or granted to clients or other business partners must be reported to the Compliance division. This is intended to ensure that employees' decisions are not influenced by unauthorised benefits or moral pressure to obtain such benefits.

Competition and Antitrust Law

In its Code of Conduct, in the "Competition and Antitrust Law" framework and in the instruction on Competition Law, pbb Group has established case-specific rules for compliance with the relevant requirements under competition and antitrust law, in particular for discussions with competitors and for the establishment of information barriers. In addition, employees receive annual training on competition and antitrust law.

As a further measure to raise awareness and promote compliance with the requirements, Compliance has implemented a regular confirmation process in which managers in all departments are regularly asked to confirm for their area that they are aware of and comply with the regulations on competition and antitrust law.

Management of Supplier Relationships and Payment Practices

In the context of supplier relationships and payment practices, one opportunity, one negative impact and one financial risk have been identified as material. These are used as the basis for responding to the reporting requirements.

In accordance with pbb Group's standardised procurement guidelines, purchase requests must always be processed via the IT-based order and contract management system, which also serves as a contract database including deadline management. The procurement guideline defines the multi-stage approval process on the basis of the authorisation system and with the involvement of the "(Out) Sourcing Management" purchasing unit.

This unit is responsible for supplier management and aims to provide a suitable supplier portfolio. This includes supplier development, systematic supplier management (including supplier relationship management, supplier visits and surveys) and supplier portfolio management. Suppliers are selected as part of a tender on the basis of a balanced scorecard according to objective, transparent and documented criteria. These include both performance-related criteria (e.g. technical or specialist requirements, commercial conditions) and supplier-related criteria (including company profile, contractual conditions, supplier scoring including social and environmental criteria). The selection and weighting of the criteria is adapted to the subject of the tender and the tender phase.

pbb Group uses regular supplier assessments to categorise and compare its suppliers in order to monitor their performance, including social and environmental aspects, and to make weaknesses transparent. To mitigate the material risk, the so-called "Compliance Caution Framework" (CCF-Scout for short) was implemented. This IT-based search engine supports the screening of business partners, counterparties or suppliers before entering into a new business relationship or monitoring an existing one. All stored information is researched by Uniserv GmbH and includes worldwide sanctions lists and other information from publicly accessible sources, such as the European Union, the Office of Foreign Assets Control or the German Bundesbank. Relevant information from the press and media is also stored.

pbb Group has expanded the annual assessment of its suppliers and service providers to include their ESG performance, and plans to further deepen this assessment in the long term. There are extended requirements for outsourcing within the meaning of the German Banking Act (KWG)

- Regular revision of the risk analysis including sustainability risks for all outsourcing activities
- Annual monitoring of the service provider including ESG dimension for non-material outsourcing
- An annual due diligence including ESG dimension for material outsourcing.

In addition, the Code of Conduct for Suppliers stipulates that suppliers should not only comply with existing laws, but also act in an economically, socially and ecologically responsible manner.

pbb Group has implemented both technical and organisational measures to prevent late payments to its suppliers. These measures and the associated controls are defined in the "Invoice verification and invoice approval" instruction, with the aim of ensuring that invoices are approved as efficiently and promptly as possible. The instruction describes the invoice verification activities for each input channel and the electronic invoice approval process depending on the invoice amount. The instruction applies to all suppliers and regions and is the responsibility of the "Finance" division management. There is a central invoice receipt (for both digital and analogue invoices) and a central system-supported invoice processing. In addition, a technical escalation procedure has been implemented in the invoice processing and approval process.

pbb Group's standard payment target is 30 days from receipt of invoice. It applies to all suppliers, regardless of company size. In calendar year 2024, invoices received were settled on average within seven days of receipt. All invoices received were taken into account to determine the average value. The standard payment target was met in 97.6% of cases. Both of these key figures were collected using a tool. As part of a centralised survey in the division, it was determined that there were no court or dunning proceedings for late payment in the 2024 reporting year.

Appendix to the Combined Sustainability Statement

The information to be disclosed in accordance with Article 8 of the EU Taxonomy is presented below in the standardised reporting forms in accordance with Annex VI DelVO 2021/2178.

Note The information is prepared in euros and generally rounded to millions of euros (€ million). The principle of materiality is observed when disclosing information. There may be minor discrepancies in the totals of figures due to rounding.

0 Overview of the KPIs to be disclosed by credit institutions in accordance with Article 8 of the Taxonomy Regulation 31.12.2024

		Total environmentally sustainable assets (Turnover based) (Umsatz-basiert)	Total environmentally sustainable assets (CapEx based) (CapEx-basiert)	KPI**** (Turnover based)	KPI***** (CapEx based)	% coverage (over total assets)*** (Turnover based)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**73**	**87**	**0.19%**	**0.23%**	**84.61%**	**72.13%**	**15.39%**

		Total environmentally sustainable assets (Turnover based) (Umsatz-basiert)	Total environmentally sustainable assets (CapEx based) (CapEx-basiert)	KPI**** (Turnover based)	KPI***** (CapEx based)	% coverage (over total assets)*** (Turnover based)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)*	**4**	**7**	**0.01%**	**0.02%**	**1.13%**	**0.36%**	**5.98%**
	*Trading book**	0	0	0.00%	0.00%			
	Financial guarantees	0	0	0.00%	0.00%			
	Assets under management	0	0	0.00%	0.00%			
	*Fees and commissions income***	0	0	0.00%	0.00%			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks´ total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

The calculation of the values in the '% coverage (of total assets)' column has been changed compared to the previous year. The values are now calculated by dividing the total GAR assets and GAR inflows by total assets. In the previous year, the values were calculated by dividing the total taxonomy-compliant assets by total assets.

0 Overview of the KPIs to be disclosed by credit institutions in accordance with Article 8 of the Taxonomy Regulation 31.12.2023

		Total environmentally sustainable assets (Turnover based) (Umsatz-basiert)	Total environmentally sustainable assets (CapEx based) (CapEx-basiert)	KPI**** (Turnover based)	KPI***** (CapEx based)	% coverage (over total assets)*** (Turnover based)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Main KPI	**Green asset ratio (GAR) stock**	**103**	**115**	**0.24%**	**0.27%**	**81.84%**	**68.17%**	**18.16%**

		Total environmentally sustainable assets (Turnover based) (Umsatz-basiert)	Total environmentally sustainable assets (CapEx based) (CapEx-basiert)	KPI**** (Turnover based)	KPI***** (CapEx based)	% coverage (over total assets)*** (Turnover based)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (flow)*	**54**	**60**	**0.13%**	**0.14%**	**3.77%**	**15.83%**	**7.58%**
	*Trading book**	0	0	0.00%	0.00%			
	Financial guarantees	0	0	0.00%	0.00%			
	Assets under management	0	0	0.00%	0.00%			
	*Fees and commissions income***	0	0	0.00%	0.00%			

The calculation of the values in the '% coverage (of total assets)' column has been changed compared to the previous year. The values are now calculated by dividing the total GAR assets and GAR inflows by total assets. In the previous year, the values were calculated by dividing the total taxonomy-compliant assets by total assets.

1. Assets for the calculation of GAR (turnover based)

		a	b	c	d	e	f	g	h	i	j
											31.12.2024
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
Million EUR					Of which Use of Proceeds	Of which transitional	Davon ermöglichende Tätigkeiten			Of which Use of Proceeds	Of which enabling
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,581	605	73	0	52	5	162	0	0	0
2	**Financial undertakings**	1,603	478	22	0	4	2	0	0	0	0
3	Credit institutions	1,603	478	22	0	4	2	0	0	0	0
4	Loans and advances	703	185	8	0	3	1	0	0	0	0
5	Debt securities, including UoP	899	293	14	0	1	1	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0
20	**Non-financial undertakings**	72	69	51	0	48	3	0	0	0	0
21	Loans and advances	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	72	69	51	0	48	3	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0
24	**Households**	2	2	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	2	2	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0				
28	**Local governments financing**	3,904	57	0	0	0	0	161	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	3,904	57	0	0	0	0	161	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	32,248	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**	30,609									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	24,721									
35	Loans and advances	24,442									
36	of which loans collateralised by commercial immovable property	18,728									
37	of which building renovation loans	274									
38	Debt securities	279									
39	Equity instruments	0									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	5,888									
41	Loans and advances	5,861									
42	Debt securities	27									
43	Equity instruments	0									
44	Derivatives	619									
45	**On demand interbank loans**	783									
46	**Cash and cash-related assets**	0									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	237									
48	**Total GAR assets**	37,829	605	73	0	52	5	162	0	0	0
49	**Assets not covered for GAR calculation**	6,879									
50	**Central governments and Supranational issuers**	4,869									
51	**Central banks exposure**	2,010									
52	**Trading book**	0									
53	**Total assets**	44,708	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations											
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0

The disclosure of financial guarantees has been changed compared to the previous year. In the previous year, financial guarantees also included counterparties not subject to NFRD. In 2024, only counterparties subject to NFRD will be included in the disclosure of financial guarantees.

		k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	€ million			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
24	**Households**					0	0	0	0								
25	of which loans collateralised by residential immovable property					0	0	0	0								
26	of which building renovation loans					0	0	0	0								
27	of which motor vehicle loans																
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**																
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																
35	Loans and advances																
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
40	Non-EU country counterparties not subject to NFRD disclosure obligations																
41	Loans and advances																
42	Debt securities																
43	Equity instruments																
44	Derivatives																
45	**On demand interbank loans**																
46	**Cash and cash-related assets**																
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																
48	**Total GAR assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	**Assets not covered for GAR calculation**																
50	**Central governments and Supranational issuers**																
51	**Central banks exposure**																
52	**Trading book**																
53	**Total assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

		ab	ac	ad	ae	af
						31.12.2024
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
€ million				Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	766	73	0	52	5
2	**Financial undertakings**	478	22	0	4	2
3	Credit institutions	478	22	0	4	2
4	Loans and advances	185	8	0	3	1
5	Debt securities, including UoP	293	14	0	1	1
6	Equity instruments	0	0		0	0
7	Other financial corporations	0	0	0	0	0
8	of which investment firms	0	0	0	0	0
9	Loans and advances	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0
11	Equity instruments	0	0		0	0
12	of which management companies	0	0	0	0	0
13	Loans and advances	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0
15	Equity instruments	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0
17	Loans and advances	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0
19	Equity instruments	0	0		0	0
20	**Non-financial undertakings**	69	51	0	48	3
21	Loans and advances	0	0	0	0	0
22	Debt securities, including UoP	69	51	0	48	3
23	Equity instruments	0	0		0	0
24	**Households**	2	0	0	0	0
25	of which loans collateralised by residential immovable property	2	0	0	0	0
26	of which building renovation loans	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0
28	**Local governments financing**	218	0	0	0	0
29	Housing financing	0	0	0	0	0
30	Other local government financing	218	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0
33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					

37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	Derivatives					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	766	73	0	52	5
49	**Assets not covered for GAR calculation**					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**Total assets**	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees	0	0	0	0	0
55	Assets under management	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0

1. Assets for the calculation of GAR (CapEx-based)

		a	b	c	d	e	f	g	h	i	j
											31.12.2024
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
€ million		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Davon ermöglichende Tätigkeiten			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5,581	608	86	0	18	49	162	0	0	0
2	**Financial undertakings**	1,603	482	27	0	4	4	0	0	0	0
3	Credit institutions	1,603	482	27	0	4	4	0	0	0	0
4	Loans and advances	703	187	10	0	3	2	0	0	0	0
5	Debt securities, including UoP	899	295	17	0	2	2	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0
20	**Non-financial undertakings**	72	67	59	0	14	44	0	0	0	0
21	Loans and advances	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	72	67	59	0	14	44	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0
24	**Households**	2	2	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	2	2	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0				
28	**Local governments financing**	3,904	57	0	0	0	0	161	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	3,904	57	0	0	0	0	161	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	32,248	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**	30,609									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	24,721									
35	Loans and advances	24,442									
36	of which loans collateralised by commercial immovable property	18,728									
37	of which building renovation loans	274									
38	Debt securities	279									
39	Equity instruments	0									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	5,888									
41	Loans and advances	5,861									
42	Debt securities	27									
43	Equity instruments	0									
44	Derivatives	619									
45	**On demand interbank loans**	783									
46	**Cash and cash-related assets**	0									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	237									
48	**Total GAR assets**	37,829	608	86	0	18	49	162	0	0	0
49	**Assets not covered for GAR calculation**	6,879									
50	**Central governments and Supranational issuers**	4,869									
51	**Central banks exposure**	2,010									
52	**Trading book**	0									
53	**Total assets**	44,708	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations											
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0

The disclosure of financial guarantees has been changed compared to the previous year. In the previous year, financial guarantees also included counterparties not subject to NFRD. In 2024, only counterparties subject to NFRD will be included in the disclosure of financial guarantees.

		k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	€ million			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
24	**Households**					0	0	0	0								
25	of which loans collateralised by residential immovable property					0	0	0	0								
26	of which building renovation loans					0	0	0	0								
27	of which motor vehicle loans																
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**																
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																
35	Loans and advances																
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
40	Non-EU country counterparties not subject to NFRD disclosure obligations																
41	Loans and advances																
42	Debt securities																
43	Equity instruments																
44	Derivatives																
45	**On demand interbank loans**																
46	**Cash and cash-related assets**																
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																
48	**Total GAR assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	**Assets not covered for GAR calculation**																
50	**Central governments and Supranational issuers**																
51	**Central banks exposure**																
52	**Trading book**																
53	**Total assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

		ab	ac	ad	ae	af
						31.12.2024
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
€ million				Of which Use of Proceeds	Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	769	87	0	18	49
2	**Financial undertakings**	483	27	0	4	4
3	Credit institutions	483	27	0	4	4
4	Loans and advances	187	10	0	3	2
5	Debt securities, including UoP	295	17	0	2	2
6	Equity instruments	0	0		0	0
7	Other financial corporations	0	0	0	0	0
8	of which investment firms	0	0	0	0	0
9	Loans and advances	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0
11	Equity instruments	0	0		0	0
12	of which management companies	0	0	0	0	0
13	Loans and advances	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0
15	Equity instruments	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0
17	Loans and advances	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0
19	Equity instruments	0	0		0	0
20	**Non-financial undertakings**	67	59	0	14	44
21	Loans and advances	0	0	0	0	0
22	Debt securities, including UoP	67	59	0	14	44
23	Equity instruments	0	0		0	0
24	**Households**	2	0	0	0	0
25	of which loans collateralised by residential immovable property	2	0	0	0	0
26	of which building renovation loans	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0
28	**Local governments financing**	218	0	0	0	0
29	Housing financing	0	0	0	0	0
30	Other local government financing	218	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0
33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					

37	of which building renovation loans					
38	Debt securities					
39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	Derivatives					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	769	87	0	18	49
49	**Assets not covered for GAR calculation**					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**Total assets**	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees	0	0	0	0	0
55	Assets under management	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0

1. Assets for the calculation of GAR (turnover based)

		ag	ah	ai	aj	ak	al	am	an	ao	ap
											31.12.2023
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
€ million		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Davon ermöglichende Tätigkeiten			Of which Use of Proceeds	Of which enabling
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7,035	814	103	0	99	3	169	0	0	0
2	**Financial undertakings**	2,153	632	0	0	0	0	0	0	0	0
3	Credit institutions	2,153	632	0	0	0	0	0	0	0	0
4	Loans and advances	1,242	399	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	912	234	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0
20	**Non-financial undertakings**	149	139	103	0	99	3	0	0	0	0
21	Loans and advances	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	149	139	103	0	99	3	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0
24	**Households**	5	4	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	4	4	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0				
28	**Local governments financing**	4,728	38	0	0	0	0	169	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	4,728	38	0	0	0	0	169	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	35,086									
33	**Financial and Non-financial undertakings**	33,273									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	26,076									
35	Loans and advances	25,652									
36	of which loans collateralised by commercial immovable property	19,333									
37	of which building renovation loans	161									
38	Debt securities	424									
39	Equity instruments	0									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	7,196									
41	Loans and advances	7,170									
42	Debt securities	26									
43	Equity instruments	0									
44	Derivatives	745									
45	**On demand interbank loans**	812									
46	**Cash and cash-related assets**	0									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	257									
48	**Total GAR assets**	42,121	814	103	0	99	3	169	0	0	0
49	**Assets not covered for GAR calculation**	9,345									
50	**Central governments and Supranational issuers**	6,617									
51	**Central banks exposure**	2,728									
52	**Trading book**	0									
53	**Total assets**	51,466	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations											
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0

Disclosure of financial guarantees amended: Only counterparties subject to NFRD are disclosed for financial guarantees. In 2023, counterparties not subject to NFRD were also included for financial guarantees.

	€ million	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
24	**Households**					0	0	0	0								
25	of which loans collateralised by residential immovable property					0	0	0	0								
26	of which building renovation loans					0	0	0	0								
27	of which motor vehicle loans																
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**																
33	**Financial and Non-financial undertakings**																
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																
35	Loans and advances																
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
40	Non-EU country counterparties not subject to NFRD disclosure obligations																
41	Loans and advances																
42	Debt securities																
43	Equity instruments																
44	Derivatives																
45	**On demand interbank loans**																
46	**Cash and cash-related assets**																
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																
48	**Total GAR assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	**Assets not covered for GAR calculation**																
50	**Central governments and Supranational issuers**																
51	**Central banks exposure**																
52	**Trading book**																
53	**Total assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

		bg	bh	bi	bj	bk
						31.12.2023
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
€ million				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	982	103	0	99	3
2	**Financial undertakings**	632	0	0	0	0
3	Credit institutions	632	0	0	0	0
4	Loans and advances	399	0	0	0	0
5	Debt securities, including UoP	234	0	0	0	0
6	Equity instruments	0	0		0	0
7	Other financial corporations	0	0	0	0	0
8	of which investment firms	0	0	0	0	0
9	Loans and advances	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0
11	Equity instruments	0	0		0	0
12	of which management companies	0	0	0	0	0
13	Loans and advances	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0
15	Equity instruments	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0
17	Loans and advances	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0
19	Equity instruments	0	0		0	0
20	**Non-financial undertakings**	139	103	0	99	3
21	Loans and advances	0	0	0	0	0
22	Debt securities, including UoP	139	103	0	99	3
23	Equity instruments	0	0		0	0
24	**Households**	4	0	0	0	0
25	of which loans collateralised by residential immovable property	4	0	0	0	0
26	of which building renovation loans	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0
28	**Local governments financing**	206	0	0	0	0
29	Housing financing	0	0	0	0	0
30	Other local government financing	206	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**					
33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					
37	of which building renovation loans					
38	Debt securities					

39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	Derivatives					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	982	103	0	99	3
49	**Assets not covered for GAR calculation**					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**Total assets**	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees	0	0	0	0	0
55	Assets under management	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0

1. Assets for the calculation of GAR (CapEx-based)

		ag	ah	ai	aj	ak	al	am	an	ao	ap
											31.12.2023
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
	€ million	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Davon ermöglichende Tätigkeiten			Of which Use of Proceeds	Of which enabling
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7,035	817	115	0	14	6	169	0	0	0
2	**Financial undertakings**	2,153	636	0	0	0	0	0	0	0	0
3	Credit institutions	2,153	636	0	0	0	0	0	0	0	0
4	Loans and advances	1,242	407	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	912	229	0	0	0	0	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0
20	**Non-financial undertakings**	149	139	115	0	14	6	0	0	0	0
21	Loans and advances	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	149	139	115	0	14	6	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0		0
24	**Households**	5	4	0	0	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	4	4	0	0	0	0	0	0	0	0
26	of which building renovation loans	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0	0				
28	**Local governments financing**	4,728	38	0	0	0	0	169	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	4,728	38	0	0	0	0	169	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	35,086	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**	33,273									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	26,076									
35	Loans and advances	25,652									
36	of which loans collateralised by commercial immovable property	19,333									
37	of which building renovation loans	161									
38	Debt securities	424									
39	Equity instruments	0									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	7,196									
41	Loans and advances	7,170									
42	Debt securities	26									
43	Equity instruments	0									
44	Derivatives	745									
45	**On demand interbank loans**	812									
46	**Cash and cash-related assets**	0									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	257									
48	**Total GAR assets**	42,121	817	115	0	14	6	169	0	0	0
49	**Assets not covered for GAR calculation**	9,345									
50	**Central governments and Supranational issuers**	6,617									
51	**Central banks exposure**	2,728									
52	**Trading book**	0									
53	**Total assets**	51,466	0	0	0	0	0	0	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations										
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0

Disclosure of financial guarantees amended: Only counterparties subject to NFRD are disclosed for financial guarantees. In 2023, counterparties not subject to NFRD were also included for financial guarantees.

	€ million	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2	**Financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
12	of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
20	**Non-financial undertakings**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0		0	0	0		0	0	0		0	0	0		0
24	**Households**					0	0	0	0								
25	of which loans collateralised by residential immovable property					0	0	0	0								
26	of which building renovation loans					0	0	0	0								
27	of which motor vehicle loans																
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	**Financial and Non-financial undertakings**																
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations																
35	Loans and advances																
36	of which loans collateralised by commercial immovable property																
37	of which building renovation loans																
38	Debt securities																
39	Equity instruments																
40	Non-EU country counterparties not subject to NFRD disclosure obligations																
41	Loans and advances																
42	Debt securities																
43	Equity instruments																
44	Derivatives																
45	**On demand interbank loans**																
46	**Cash and cash-related assets**																
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**																
48	**Total GAR assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	**Assets not covered for GAR calculation**																
50	**Central governments and Supranational issuers**																
51	**Central banks exposure**																
52	**Trading book**																
53	**Total assets**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																	
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

	€ million	bg	bh	bi	bj	bk
						31.12.2023
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	985	115	0	14	6
2	**Financial undertakings**	636	0	0	0	0
3	Credit institutions	636	0	0	0	0
4	Loans and advances	407	0	0	0	0
5	Debt securities, including UoP	229	0	0	0	0
6	Equity instruments	0	0		0	0
7	Other financial corporations	0	0	0	0	0
8	of which investment firms	0	0	0	0	0
9	Loans and advances	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0
11	Equity instruments	0	0		0	0
12	of which management companies	0	0	0	0	0
13	Loans and advances	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0
15	Equity instruments	0	0		0	0
16	of which insurance undertakings	0	0	0	0	0
17	Loans and advances	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0
19	Equity instruments	0	0		0	0
20	**Non-financial undertakings**	139	115	0	14	6
21	Loans and advances	0	0	0	0	0
22	Debt securities, including UoP	139	115	0	14	6
23	Equity instruments	0	0		0	0
24	**Households**	4	0	0	0	0
25	of which loans collateralised by residential immovable property	4	0	0	0	0
26	of which building renovation loans	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0
28	**Local governments financing**	206	0	0	0	0
29	Housing financing	0	0	0	0	0
30	Other local government financing	206	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	0	0	0	0	0
33	**Financial and Non-financial undertakings**					
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations					
35	Loans and advances					
36	of which loans collateralised by commercial immovable property					
37	of which building renovation loans					
38	Debt securities					

39	Equity instruments					
40	Non-EU country counterparties not subject to NFRD disclosure obligations					
41	Loans and advances					
42	Debt securities					
43	Equity instruments					
44	Derivatives					
45	**On demand interbank loans**					
46	**Cash and cash-related assets**					
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**					
48	**Total GAR assets**	985	115	0	14	6
49	**Assets not covered for GAR calculation**					
50	**Central governments and Supranational issuers**					
51	**Central banks exposure**					
52	**Trading book**					
53	**Total assets**	0	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations						
54	Financial guarantees	0	0	0	0	0
55	Assets under management	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0

2. GAR sector information (turnover-based) 31.12.2024

	a	b	e	f	i	j	m	n	q	r	u	v	y	z
Breakdown by sector - NACE 4 digits level (code and label)	**Climate Change Mitigation (CCM)**		**Climate Change Adaptation (CCA)**		**Water and marine resources (WTR)**		**Circular economy (CE)**		**Pollution (PPC)**		**Biodiversity and Ecosystems (BIO)**		**TOTAL (CCM + CCA + WMR + CE + P + BE)**	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	MNn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
M71.11	72	51	0	0	0	0	0	0	0	0	0	0	72	51

2. GAR sector information (CapEx-based) 31.12.2024

	a	b	e	f	i	j	m	n	q	r	u	v	y	z
Breakdown by sector - NACE 4 digits level (code and label)	**Climate Change Mitigation (CCM)**		**Climate Change Adaptation (CCA)**		**Water and marine resources (WTR)**		**Circular economy (CE)**		**Pollution (PPC)**		**Biodiversity and Ecosystems (BIO)**		**TOTAL (CCM + CCA + WMR + CE + P + BE)**	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
M71.11	72	59	0	0	0	0	0	0	0	0	0	0	72	59

2. GAR sector information (turnover-based) 31.12.2023

	a	b	e	f	i	j	m	n	q	r	u	v	y	z
Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WMR + CE + P + BE)	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
M71.11	149	103	0	0	0	0	0	0	0	0	0	0	149	103

2. GAR sector information (CapEx-based) 31.12.2023

	a	b	e	f	i	j	m	n	q	r	u	v	y	z
Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		Water and marine resources (WTR)		Circular economy (CE)		Pollution (PPC)		Biodiversity and Ecosystems (BIO)		TOTAL (CCM + CCA + WMR + CE + P + BE)	
	Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)		Non-Financial corporates (Subject to NFRD)	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
M71.11	149	115	0	0	0	0	0	0	0	0	0	0	149	115

3. GAR KPI stock (turnover-based)

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i
										31.12.2024
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	10.84%	1.30%	0.00%	0.93%	0.08%	2.89%	0.00%	0.00%	0.00%
2	**Financial undertakings**	29.80%	1.36%	0.00%	0.26%	0.13%	0.02%	0.01%	0.00%	0.00%
3	Credit institutions	29.80%	1.36%	0.00%	0.26%	0.13%	0.02%	0.01%	0.00%	0.00%
4	Loans and advances	26.32%	1.10%	0.00%	0.38%	0.15%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	32.53%	1.57%	0.00%	0.16%	0.11%	0.03%	0.01%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	95.16%	70.17%	0.00%	66.25%	3.54%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	95.16%	70.17%	0.00%	66.25%	3.54%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	73.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	1.45%	0.00%	0.00%	0.00%	0.00%	4.13%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	1.45%	0.00%	0.00%	0.00%	0.00%	4.13%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	1.60%	0.19%	0.00%	0.14%	0.01%	0.43%	0.00%	0.00%	0.00%

Since 2024, the percentages have been calculated in relation to the total amount of the counterparty in the respective line (in the previous year, they were calculated on the basis of the total GAR assets).

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible			
			Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned		
				Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
25	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans					0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immov-able properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	aa	ab	ac	ad	ae	af
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13.73%	1.30%	0.00%	0.93%	0.08%	12.48%
2	**Financial undertakings**	29.82%	1.37%	0.00%	0.26%	0.13%	3.58%
3	Credit institutions	29.82%	1.37%	0.00%	0.26%	0.13%	3.58%
4	Loans and advances	26.32%	1.10%	0.00%	0.38%	0.15%	1.57%
5	Debt securities, including UoP	32.55%	1.58%	0.00%	0.16%	0.11%	2.01%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	95.16%	70.17%	0.00%	66.25%	3.54%	0.16%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	95.16%	70.17%	0.00%	66.25%	3.54%	0.16%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	73.70%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	5.58%	0.00%	0.00%	0.00%	0.00%	8.73%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	5.58%	0.00%	0.00%	0.00%	0.00%	8.73%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	2.03%	0.19%	0.00%	0.14%	0.01%	84.61%

3. GAR KPI stock (CapEx-based)

		a	b	c	d	e	f	g	h	i
										31.12.2024
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	10.89%	1.55%	0.00%	0.33%	0.87%	2.90%	0.01%	0.00%	0.00%
2	**Financial undertakings**	30.09%	1.68%	0.00%	0.27%	0.27%	0.02%	0.02%	0.00%	0.00%
3	Credit institutions	30.09%	1.68%	0.00%	0.27%	0.27%	0.02%	0.02%	0.00%	0.00%
4	Loans and advances	26.61%	1.44%	0.00%	0.37%	0.30%	0.01%	0.01%	0.00%	0.00%
5	Debt securities, including UoP	32.81%	1.87%	0.00%	0.18%	0.24%	0.03%	0.03%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	92.82%	82.22%	0.00%	19.39%	61.37%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	92.82%	82.22%	0.00%	19.39%	61.37%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	73.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	1.45%	0.00%	0.00%	0.00%	0.00%	4.13%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	1.45%	0.00%	0.00%	0.00%	0.00%	4.13%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	1.61%	0.23%	0.00%	0.05%	0.13%	0.43%	0.00%	0.00%	0.00%

Since 2024, the percentages have been calculated in relation to the total amount of the counterparty in the respective line (in the previous year, they were calculated on the basis of the total GAR assets).

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible			
			Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned		
				Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
25	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans					0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	aa	ab	ac	ad	ae	af
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13.78%	1.55%	0.00%	0.33%	0.87%	12.48%
2	**Financial undertakings**	30.11%	1.70%	0.00%	0.27%	0.27%	3.58%
3	Credit institutions	30.11%	1.70%	0.00%	0.27%	0.27%	3.58%
4	Loans and advances	26.62%	1.45%	0.00%	0.37%	0.30%	1.57%
5	Debt securities, including UoP	32.84%	1.89%	0.00%	0.18%	0.24%	2.01%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	92.82%	82.22%	0.00%	19.39%	61.37%	0.16%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	92.82%	82.22%	0.00%	19.39%	61.37%	0.16%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	73.70%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	5.58%	0.00%	0.00%	0.00%	0.00%	8.73%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	5.58%	0.00%	0.00%	0.00%	0.00%	8.73%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	2.03%	0.23%	0.00%	0.05%	0.13%	84.61%

3. GAR KPI stock (turnover-based)

		ag	ah	ai	aj	ak	al	am	an	ao
										31.12.2023
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	11.57%	1.46%	0.00%	1.40%	0.04%	2.40%	0.00%	0.00%	0.00%
2	**Financial undertakings**	29.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	29.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	32.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	25.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	93.60%	69.30%	0.00%	66.40%	1.90%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	93.60%	69.30%	0.00%	66.40%	1.90%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	88.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.80%	0.00%	0.00%	0.00%	0.00%	3.57%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.80%	0.00%	0.00%	0.00%	0.00%	3.57%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	1.93%	0.24%	0.00%	0.23%	0.01%	0.40%	0.00%	0.00%	0.00%

Figures adjusted: since 2024, the percentages have been calculated in relation to the sum of the counterparty in the respective line (in the previous year, based on the total GAR assets).

	% (compared to total covered assets in the denominator)	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible			
			Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned		
				Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
25	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans					0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immov-able properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	bf	bg	bh	bi	bj	bk
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	13.96%	1.46%	0.00%	1.40%	0.04%	13.67%
2	**Financial undertakings**	29.37%	0.00%	0.00%	0.00%	0.00%	4.18%
3	Credit institutions	29.37%	0.00%	0.00%	0.00%	0.00%	4.18%
4	Loans and advances	32.11%	0.00%	0.00%	0.00%	0.00%	2.41%
5	Debt securities, including UoP	25.64%	0.00%	0.00%	0.00%	0.00%	1.77%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	93.60%	69.30%	0.00%	66.40%	1.90%	0.29%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	93.60%	69.30%	0.00%	66.40%	1.90%	0.29%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	88.64%	0.00%	0.00%	0.00%	0.00%	0.01%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.01%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	4.37%	0.00%	0.00%	0.00%	0.00%	9.19%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	4.37%	0.00%	0.00%	0.00%	0.00%	9.19%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	2.33%	0.24%	0.00%	0.23%	0.01%	81.84%

3. GAR KPI stock (CapEx-based)

	% (compared to total covered assets in the denominator)	ag	ah	ai	aj	ak	al	am	an	ao
										31.12.2023
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	11.61%	1.64%	0.00%	0.20%	0.08%	2.40%	0.00%	0.00%	0.00%
2	**Financial undertakings**	29.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	29.52%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	32.76%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	25.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	93.50%	77.40%	0.00%	9.60%	3.70%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	93.50%	77.40%	0.00%	9.60%	3.70%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	88.64%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.80%	0.00%	0.00%	0.00%	0.00%	3.57%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.80%	0.00%	0.00%	0.00%	0.00%	3.57%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	1.94%	0.27%	0.00%	0.03%	0.01%	0.40%	0.00%	0.00%	0.00%

Figures adjusted: since 2024, the percentages have been calculated in relation to the sum of the counterparty in the respective line (in the previous year, based on the total GAR assets).

		ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible			
			Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned		
	% (compared to total covered assets in the denominator)			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
25	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans					0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immov-able properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	bf	bg	bh	bi	bj	bk
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	14.01%	1.64%	0.00%	0.20%	0.08%	13.67%
2	**Financial undertakings**	29.52%	0.00%	0.00%	0.00%	0.00%	4.18%
3	Credit institutions	29.52%	0.00%	0.00%	0.00%	0.00%	4.18%
4	Loans and advances	32.76%	0.00%	0.00%	0.00%	0.00%	2.41%
5	Debt securities, including UoP	25.11%	0.00%	0.00%	0.00%	0.00%	1.77%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	93.50%	77.40%	0.00%	9.60%	3.70%	0.29%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	93.50%	77.40%	0.00%	9.60%	3.70%	0.29%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	88.64%	0.00%	0.00%	0.00%	0.00%	0.01%
25	of which loans collateralised by residential immovable property	100.00%	0.00%	0.00%	0.00%	0.00%	0.01%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	4.37%	0.00%	0.00%	0.00%	0.00%	9.19%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	4.37%	0.00%	0.00%	0.00%	0.00%	9.19%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	2.34%	0.27%	0.00%	0.03%	0.01%	81.84%

4. GAR KPI flow (turnover-based)

		a	b	c	d	e	f	g	h	i
										31.12.2024
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.38%	0.08%	0.00%	0.05%	0.02%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	4.81%	0.28%	0.00%	0.17%	0.06%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	4.81%	0.28%	0.00%	0.17%	0.06%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	10.48%	0.61%	0.00%	0.38%	0.14%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.37%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.20%	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%

Since 2024, the percentages have been calculated in relation to the total amount of the counterparty in the respective line (in the previous year, they were calculated on the basis of the total GAR assets).

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible			
			Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
25	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans					0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	aa	ab	ac	ad	ae	af
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.38%	0.08%	0.00%	0.05%	0.02%	1.13%
2	**Financial undertakings**	4.81%	0.28%	0.00%	0.17%	0.06%	0.94%
3	Credit institutions	4.81%	0.28%	0.00%	0.17%	0.06%	0.94%
4	Loans and advances	10.49%	0.62%	0.00%	0.38%	0.14%	0.91%
5	Debt securities, including UoP	0.37%	0.02%	0.00%	0.00%	0.00%	0.03%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.20%	0.01%	0.00%	0.01%	0.00%	1.13%

4. GAR KPI flow CapEx-based)

	% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i
										31.12.2024
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.43%	0.12%	0.00%	0.05%	0.03%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	4.97%	0.42%	0.00%	0.16%	0.12%	0.01%	0.00%	0.00%	0.00%
3	Credit institutions	4.97%	0.42%	0.00%	0.16%	0.12%	0.01%	0.00%	0.00%	0.00%
4	Loans and advances	10.85%	0.93%	0.00%	0.37%	0.27%	0.01%	0.01%	0.00%	0.00%
5	Debt securities, including UoP	0.38%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.21%	0.02%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%

Since 2024, the percentages have been calculated in relation to the total amount of the counterparty in the respective line (in the previous year, they were calculated on the basis of the total GAR assets).

	% (compared to total covered assets in the denominator)	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible			
			Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
25	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans					0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	aa	ab	ac	ad	ae	af
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1.43%	0.12%	0.00%	0.05%	0.03%	1.13%
2	**Financial undertakings**	4.98%	0.42%	0.00%	0.16%	0.12%	0.94%
3	Credit institutions	4.98%	0.42%	0.00%	0.16%	0.12%	0.94%
4	Loans and advances	10.87%	0.94%	0.00%	0.37%	0.27%	0.91%
5	Debt securities, including UoP	0.38%	0.02%	0.00%	0.00%	0.00%	0.03%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.21%	0.02%	0.00%	0.01%	0.01%	1.13%

4. GAR KPI flow (turnover-based)

		ag	ah	ai	aj	ak	al	am	an	ao
										31.12.2023
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	% (compared to total covered assets in the denominator)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8.41%	0.77%	0.00%	0.73%	0.02%	0.58%	0.00%	0.00%	0.00%
2	**Financial undertakings**	24.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	24.10%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	26.37%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	21.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	48.89%	36.20%	0.00%	34.69%	0.99%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	48.89%	36.20%	0.00%	34.69%	0.99%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.87%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.87%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	1.40%	0.13%	0.00%	0.12%	0.00%	0.10%	0.00%	0.00%	0.00%

Figures adjusted: since 2024, the percentages have been calculated in relation to the sum of the counterparty in the respective line (in the previous year, based on the total GAR assets).

	% (compared to total covered assets in the denominator)	ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible			
			Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
25	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans					0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	bf	bg	bh	bi	bj	bk
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8.99%	0.77%	0.00%	0.73%	0.02%	3.77%
2	**Financial undertakings**	24.10%	0.00%	0.00%	0.00%	0.00%	3.42%
3	Credit institutions	24.10%	0.00%	0.00%	0.00%	0.00%	3.42%
4	Loans and advances	26.37%	0.00%	0.00%	0.00%	0.00%	1.84%
5	Debt securities, including UoP	21.00%	0.00%	0.00%	0.00%	0.00%	1.59%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	48.89%	36.20%	0.00%	34.69%	0.99%	0.15%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	48.89%	36.20%	0.00%	34.69%	0.99%	0.15%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.87%	0.00%	0.00%	0.00%	0.00%	0.19%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.87%	0.00%	0.00%	0.00%	0.00%	0.19%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	1.50%	0.13%	0.00%	0.12%	0.00%	3.77%

4. GAR KPI flow (CapEx-based)

	% (compared to total covered assets in the denominator)	ag	ah	ai	aj	ak	al	am	an	ao
										31.12.2023
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	8.52%	0.85%	0.00%	0.11%	0.04%	0.58%	0.00%	0.00%	0.00%
2	**Financial undertakings**	24.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	24.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	27.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	20.96%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	48.84%	40.43%	0.00%	5.01%	1.93%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	48.84%	40.43%	0.00%	5.01%	1.93%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%				
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.87%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.87%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	1.42%	0.14%	0.00%	0.02%	0.01%	0.10%	0.00%	0.00%	0.00%

Figures adjusted: since 2024, the percentages have been calculated in relation to the sum of the counterparty in the respective line (in the previous year, based on the total GAR assets).

		ap	aq	ar	as	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be
	% (compared to total covered assets in the denominator)	**Water and marine resources (WTR)**				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible				Taxonomy-eligible			
			Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned				Taxonomy-aligned		
				Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling			Of which Use of Pro-ceeds	Of which enab-ling
	GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
25	of which loans collateralised by residential immovable property					0.00%	0.00%	0.00%	0.00%								
26	of which building renovation loans					0.00%	0.00%	0.00%	0.00%								
27	of which motor vehicle loans					0.00%	0.00%	0.00%	0.00%								
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immov-able properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total covered assets in the denominator)	bf	bg	bh	bi	bj	bk
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator						
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	9.10%	0.85%	0.00%	0.11%	0.04%	3.77%
2	**Financial undertakings**	24.45%	0.00%	0.00%	0.00%	0.00%	3.42%
3	Credit institutions	24.45%	0.00%	0.00%	0.00%	0.00%	3.42%
4	Loans and advances	27.01%	0.00%	0.00%	0.00%	0.00%	1.84%
5	Debt securities, including UoP	20.96%	0.00%	0.00%	0.00%	0.00%	1.59%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	48.84%	40.43%	0.00%	5.01%	1.93%	0.15%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	48.84%	40.43%	0.00%	5.01%	1.93%	0.15%
23	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%
24	**Households**	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
25	of which loans collateralised by residential immovable property	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.87%	0.00%	0.00%	0.00%	0.00%	0.19%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.87%	0.00%	0.00%	0.00%	0.00%	0.19%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	1.52%	0.14%	0.00%	0.02%	0.01%	3.77%

5. KPI off-balance sheet exposures (turnover-based)

		a	b	c	d	e	f	g	i	j
										31.12.2024
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
	% (compared to total eligible off-balance sheet assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

		k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z
		Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	% (compared to total eligible off-balance sheet assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

% (compared to total eligible off-balance sheet assets)		aa	ab	ac	ad	ae
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%

5. KPI off-balance sheet exposures (CapEx-based)

% (compared to total eligible off-balance sheet assets)		a	b	c	d	e	f	g	i	j
										31.12.2024
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transiti-onal	Of which enab-ling			Of which Use of Proceeds	Of which enab-ling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	aa	ab	ac	ad	ae
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%

5. KPI off-balance sheet exposures (turnover-based)

		a	b	c	d	e	f	g	i	j
		31.12.2023								
	% (compared to total eligible off-balance sheet assets)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

		k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z
		Disclosure reference date 31.12.2023															
	% (compared to total eligible off-balance sheet assets)	Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	aa	ab	ac	ad	ae
		31.12.2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%

5. KPI off-balance sheet exposures (CapEx-based)

	% (compared to total eligible off-balance sheet assets)	a	b	c	d	e	f	g	i	j
		31.12.2023								
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transiti-onal	Of which enab-ling			Of which Use of Proceeds	Of which enab-ling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z
		31.12.2023															
		Water and marine resources (WTR)				**Circular economy (CE)**				**Pollution (PPC)**				**Biodiversity and Ecosystems (BIO)**			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

	% (compared to total eligible off-balance sheet assets)	aa	ab	ac	ad	ae
		31.12.2023				
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%

INFORMATION ON NUCLEAR ENERGY AND FOSSIL GAS

With DelVO 2022/1214, the European Commission has expanded the technical assessment criteria in DelVO 2021/2139 and DelVO 2021/2178 to include economic activities in the fossil gas and nuclear energy sectors, as a high potential for decarbonisation is seen in this area. Turnover- and CapEx-based information on taxonomy-eligible and taxonomy-compliant activities must be reported in the following report forms in accordance with Article 8(6) and (7) of the Delegated Regulation 2021/2178.

Template 1 Nuclear and fossil gas related activities (turnover) 31.12.2024

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 1 Nuclear and fossil gas related activities (turnover) 31.12.2023

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 1 Nuclear and fossil gas related activities (GAR flow) 31.12.2024

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 1 Nuclear and fossil gas related activities (GAR flow) 31.12.2023

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 1 Nuclear and fossil gas related activities (financial guarantees) 31.12.2024

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 1 Nuclear and fossil gas related activities (financial guarantees) 31.12.2023

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Template 2 Taxonomy-aligned economic activities (denominator, turover-based) 31.12.2024

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	73	0.19%	73	0.19%	0	0.00%
8	**Total applicable KPI**	73	0.19%	73	0.19%	0	0.00%

Template 2 Taxonomy-aligned economic activities (denominator, CapEx-based) 31.12.2024

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	87	0.23%	86	0.23%	0	0.00%
8	**Total applicable KPI**	87	0.23%	86	0.23%	0	0.00%

Template 2 Taxonomy-aligned economic activities (denominator, turover-based) 31.12.2023

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	103	0.24%	103	0.24%	0	0.00%
8	**Total applicable KPI**	103	0.24%	103	0.24%	0	0.00%

Template 2 Taxonomy-aligned economic activities (denominator, CapEx-based) 31.12.2023

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	115	0.27%	115	0.27%	0	0.00%
8	**Total applicable KPI**	115	0.27%	115	0.27%	0	0.00%

Template 3 Taxonomy-aligned economic activities (numerator, turnover-based) 31.12.2024

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	73	100.00%	73	99.83%	0	0.17%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	73	100.00%	73	99.83%	0	0.17%

Template 3 Taxonomy-aligned economic activities (numerator, CapEx-based) 31.12.2024

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	87	100.00%	86	99.66%	0	0.34%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	87	100.00%	86	99.66%	0	0.34%

Template 3 Taxonomy-aligned economic activities (numerator, turnover-based) 31.12.2023

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	103	100.00%	103	100.00%	0	0.00%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	103	100.00%	103	100.00%	0	0.00%

Template 3 Taxonomy-aligned economic activities (numerator, CapEx-based) 31.12.2023

	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	115	100.00%	115	100.00%	0	0.00%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	115	100.00%	115	100.00%	0	0.00%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities (turnover-based) 31.12.2024

	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	694	1.83%	532	1.41%	161	0.43%
8	**Total amount and proportion of taxonomy eligible but taxonomy-aligned economic activities in the denominator of the applicable KPI**	694	1.83%	532	1.41%	161	0.43%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities (CapEx-based) 31.12.2024

	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	683	1.80%	521	1.38%	161	0.43%
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	683	1.80%	521	1.38%	161	0.43%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities (turnover-based) 31.12.2023

	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	879	2.09%	711	1.69%	169	0.40%
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	879	2.09%	711	1.69%	169	0.40%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities (CapEx-based) 31.12.2023

	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%	0	0.00%	0	0.00%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	870	2.07%	702	1.67%	169	0.40%
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	870	2.07%	702	1.67%	169	0.40%

Template 5 Taxonomy non-eligible economic activities (turnover-based) 31.12.2024

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18	0.05%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.02%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	37,039	97.91%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	37,063	97.97%

Template 5 Taxonomy non-eligible economic activities (CapEx-based) 31.12.2024

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	18	0.05%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.02%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	37,036	97.90%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	37,060	97.97%

Template 5 Taxonomy non-eligible economic activities (turnover-based) 31.12.2023

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19	0.05%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.01%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	41,113	97.61%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	41,139	97.67%

Template 5 Taxonomy non-eligible economic activities (CapEx-based) 31.12.2023

	Economic activities	Amount	Percentage
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	19	0.05%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0.01%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.00%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	41,110	97.60%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	41,136	97.66%

Independent Auditor's Report

ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE COMBINED SUSTAINABILITY STATEMENT

To Deutsche Pfandbriefbank AG, Munich/Germany

Assurance Conclusion

We have conducted a limited assurance engagement on the sustainability statement of Deutsche Pfandbriefbank AG, Munich/Germany, combining the consolidated sustainability statement and the non-financial statement of the parent, included in section "Combined sustainability statement" of the combined management report for the parent and the group, ("the Combined Sustainability Statement") for the financial year from 1 January to 31 December 2024. The Combined Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 and Sections 289b to 289e, 315b and 315c German Commercial Code (HGB) for a combined non-financial statement.

The parts of the Combined Sustainability Statement marked as unassured are not subject to our assurance engagement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Combined Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 289b to 289e, 315b and 315c HGB for a combined non-financial statement, and the specifying criteria presented by the executive directors of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe

- that the consolidated sustainability statement included in the accompanying Combined Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the entity to identify information to be included in the consolidated sustainability statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section "Materiality assessment" of the consolidated sustainability statement, or
- that the disclosures in the Combined Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

We do not express an assurance conclusion on the parts of the Combined Sustainability Statement marked as unassured.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in section "German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Sustainability Statement".

We are independent of the entity in accordance 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. Our audit firm has applied the requirements of the IDW Quality Management Standards. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Directors and the Supervisory Board for the Combined Sustainability Statement

The executive directors are responsible for the preparation of the Combined Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the specifying criteria presented by the executive directors of the Company and for designing, implementing and maintaining such internal control as they have considered necessary to enable the preparation of a combined sustainability statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e. fraudulent reporting in the Combined Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Combined Sustainability Statement as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Combined Sustainability Statement.

Inherent Limitations in Preparing the Combined Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. The executive directors have made interpretations of such wording and terms in the Combined Sustainability Statement. The executive directors are responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Combined Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Combined Sustainability Statement

Our objective is to express a limited assurance conclusion based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Combined Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the specifying criteria presented by the executive directors of the Company and to issue an assurance report that includes our assurance conclusion on the Combined Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism. We also

- obtain an understanding of the process used to prepare the Combined Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Combined Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. 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. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's executive directors and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In performing our limited assurance engagement, we

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Combined Sustainability Statement.
- Inquired of the executive directors and relevant employees involved in the preparation of the Combined Sustainability Statement about the preparation process, including the materiality assessment processes carried out by the entity to identify the disclosures to be reported in the Combined Sustainability Statement, and about the internal controls related to this process.
- evaluated the reporting policies used by the executive directors to prepare the Combined Sustainability Statement.
- evaluated the reasonableness of the estimates and related information provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors were unable to obtain.
- performed analytical procedures or tests of details and made inquiries in relation to selected information in the Combined Sustainability Statement.
- considered the presentation of the information in the Combined Sustainability Statement.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Combined Sustainability Statement.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)" dated 1 January 2024 of the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties as a basis for making (financial) decisions based on it.

Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

Munich/Germany, 26 February 2025

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:
Prof. Dr Carl-Friedrich Leuschner

Wirtschaftsprüfer
(German Public Auditor)

Signed:
Martin Kopatschek

Wirtschaftsprüfer
(German Public Auditor)

TRANSLATION
– German version prevails –

Consolidated Financial Statements

Income Statement

Income statement

in € million	Note	2024	2023
Net interest income	34	465	482
thereof: interest income from financial instruments not measured at fair value through profit or loss (IAS 1.82a)		1,954	1,920
Net fee and commission income	35	5	3
Net income from financial instruments at fair value through profit or loss (net income from fair value measurement)[1]	36	-3	-
Net income from derecognition of financial instruments not measured at fair value through profit or loss (net income from realisations)[1]	37	79	85
thereof: from financial assets at amortised cost		40	36
Net income from hedge accounting	38	3	1
Net other operating income	39	-5	32
Net income from allowances for credit losses on financial assets (net income from risk provisioning)[1]	40	-170	-212
General and administrative expenses	41	-245	-249
Expenses from bank levies and similar dues	42	-4	-25
Net income from write-downs and write-ups of non-financial assets	43	-21	-27
Profit before tax		**104**	**90**
Income tax	44	-14	1
Net income		**90**	**91**
attributable to: Shareholders of pbb		90	91

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

Earnings per share

in €	Note	2024	2023
Basic earnings per share	46	0.48	0.51
Diluted earnings per share	46	0.48	0.51

Statement of Comprehensive Income

Statement of comprehensive income

in € million	2024	2023
Net income	**90**	**91**
Accumulated other comprehensive income	-11	-6
Items that will not be reclassified to profit or loss, net of tax	-3	-21
Gains/losses on pension commitments, before tax	-4	-24
Income tax relating to items that will not be reclassified to profit or loss	1	3
Items that may be reclassified to profit or loss, net of tax	-8	15
Gains/losses on cash flow hedge accounting, before tax	-13	-4
unrealised gains/losses	-	-
gains/losses reclassified to profit or loss	-13	-4
Gains/losses on financial assets at fair value through other comprehensive income, before tax	3	22
unrealised gains/losses	3	22
gains/losses reclassified to profit or loss	-	-
Income tax relating to items that may be reclassified to profit or loss	2	-3
Comprehensive income for the period	**79**	**85**
attributable to: Shareholders	79	85

Statement of Financial Position

Assets

in € million	Note	31.12.2024	31.12.2023	1.1.2023
Cash reserve	9, 47	2,010	2,728	1,044
Financial assets at fair value through profit or loss	10, 48	1,247	944	1,075
Positive fair values of stand-alone derivatives		484	494	562
Debt securities		127	123	117
Loans and advances to customers		633	324	394
Shares in investment funds qualified as debt instruments		3	3	2
Financial assets at fair value through other comprehensive income	11, 49	1,256	1,475	1,692
Debt securities		1,255	1,354	1,409
Loans and advances to customers		1	121	283
Financial assets at amortised cost after credit loss allowances	12, 50	39,225	45,228	48,734
Financial assets at amortised cost before credit loss allowances		39,764	45,811	49,121
Debt securities		2,471	4,014	5,377
Loans and advances to other banks		1,737	2,507	5,763
Loans and advances to customers		35,434	39,155	37,839
Claims from finance lease agreements		122	135	142
Credit loss allowances on financial assets at amortised cost		-539	-583	-387
Positive fair values of hedge accounting derivatives	13, 51	135	251	262
Valuation adjustment from porfolio hedge accounting (assets)	14, 52	-43	-56	-84
Investments accounted for using the equity method		14	-	-
Property and equipment	15, 53	33	20	27
Intangible assets	16, 54	51	53	49
Other assets	17	72	68	58
Current income tax assets	27	51	43	31
Deferred income tax assets	27	118	129	119
Total assets		**44,169**	**50,883**	**53,007**

Liabilities and equity

in € million	Note	31.12.2024	31.12.2023	1.1.2023
Financial liabilities at fair value through profit or loss	18, 56	700	662	686
Negative fair values of stand-alone derivatives		700	662	686
Financial liabilities measured at amortised cost	19, 57	39,369	45,913	47,672
Liabilities to other banks		2,943	6,079	7,507
Liabilities to customers		18,091	18,829	17,889
Bearer bonds		17,732	20,402	21,641
Subordinated liabilities		603	603	635
Negative fair values of hedge accounting derivatives	20, 58	493	789	1,125
Valuation adjustment from porfolio hedge accounting (liabilities)	21, 59	-2	-49	-112
Provisions	22, 60	115	117	135
Other liabilities	23	63	68	57
Current income tax liabilities	27	10	18	19
Deferred income tax liabilities	27	2	-	-
Liabilities		**40,750**	**47,518**	**49,582**
Equity attributable to the shareholders of pbb	24, 63	3,121	3,067	3,125
Subscribed capital		380	380	380
Additional paid-in capital		1,637	1,637	1,637
Retained earnings		1,227	1,162	1,214
Accumulated other comprehensive income		-123	-112	-106
Additional equity instruments (AT1 capital)		298	298	298
Non-controlling interest in equity		-	-	2
Equity		**3,419**	**3,365**	**3,425**
Total equity and liabilities		**44,169**	**50,883**	**53,007**

Statement of Changes in Equity

Statement of changes in equity

in € million	Subscribed capital	Additional paid-in capital	Retained earnings	Pension commit-ments	Cash flow hedge accounting	Financial assets at fair value through OCI	Additional equity instruments (AT1 capital)	Non-controlling interest	**Equity**
	Equity attributable to the shareholders								
				Accumulated other comprehensive income (OCI) from:					
Balance at 1.1.2023	**380**	**1,637**	**1,214**	**-49**	**-26**	**-31**	**298**	**2**	**3,425**
Distribution (dividend)	-	-	-128	-	-	-	-	-	-128
Payment on AT1 capital	-	-	-17	-	-	-	-	-	-17
Comprehensive income for the period	-	-	91	-21	-4	19	-	-	85
Net income	-	-	91	-	-	-	-	-	91
OCI for the period, after taxes	-	-	-	-21	-4	19	-	-	-6
Balance at 31.12.2023	**380**	**1,637**	**1,162**	**-70**	**-30**	**-12**	**298**	**-**	**3,365**
Balance at 1.1.2024	**380**	**1,637**	**1,162**	**-70**	**-30**	**-12**	**298**	**-**	**3,365**
Share purchase	-	-	-	-	-	-	-	-	-
Distribution (dividend)	-	-	-	-	-	-	-	-	-
Payment on AT1 capital	-	-	-25	-	-	-	-	-	-25
Comprehensive income for the period	-	-	90	-3	-11	3	-	-	79
Net income	-	-	90	-	-	-	-	-	90
OCI for the period, after taxes	-	-	-	-3	-11	3	-	-	-11
Balance at 31.12.2024	**380**	**1,637**	**1,227**	**-73**	**-41**	**-9**	**298**	**-**	**3,419**

Statement of Cash Flows

Statement of cash flows[1)]

in € million	2024	2023
Net income/loss	**90**	**91**
Write-downs and depreciation on tangible and intangible assets	21	27
Write-downs, provisions for losses on, and write-ups of, financial assets at amortised cost	207	231
Impairment / Revaluation on Financial Instruments measured at Fair Value OCI	-	-
Result from the disposal of financial securities at amortised cost	-74	-66
Result from the disposal of securities at fair value through other comprehensive income	-2	-
Change in other non-cash positions	453	289
Other adjustments	-452	-483
Subtotal	**243**	**89**
Change in assets and liabilities from operating activities after correction of non-cash components		
Increase in assets/decrease in liabilities (-)		
Decrease in assets/increase in liabilities (+)		
Financial instruments at fair value through profit or loss and positive/negative fair values of hedge accounting derivatives	-385	37
Financial assets at fair value through other comprehensive income	118	156
Financial instruments at amortised cost (without payments in/of subordinated capital)	-2,442	-319
Other assets from operating activities	-7	-14
Other liabilities from operating activities	-87	-85
Interest income received	3,032	2,821
Interest expense paid	-2,654	-2,242
Taxes on income paid/refund	-13	-22
Cash flow from operating activities	**-2,195**	**421**
Proceeds from the sale of securities	1,986	1,763
Payments for the acquisition of securities	-454	-296
Payments for the acquisition of tangible and intangible assets	-24	-23
Cash flow from investing activities	**1,508**	**1,444**
Proceeds from additional equity instruments (AT1)	-	2
Disbursement of dividends	-	-128
Payments in/of subordinated liabilities	-	-30
Payments from Leasing Liabilities	-6	-6
Payment on AT1 capital	-25	-17
Change non-controlling interest	-	-2
Sale of shares of consolidated subsidiaries	-	-
Cash flow from financing activities	**-31**	**-181**
Cash and cash equivalents at the end of the previous period	2,728	1,044
+/- Cash flow from operating activities	-2,195	421
+/- Cash flow from investing activities	1,508	1,444
+/- Cash flow from financing activities	-31	-181
Cash and cash equivalents at the end of the period	**2,010**	**2,728**

[1)] Explanations in Note "Notes to the Items in the Consolidated Statement of Cash Flows".

Notes

1. General Information

Deutsche Pfandbriefbank AG (pbb), with its registered office in Munich, Germany, is a public limited company and a leading provider of commercial real estate finance and public investment finance. The Company is registered in the commercial register of the Munich local court (Amtsgericht München) under registration number HRB 41054; it is the parent company of Deutsche Pfandbriefbank Group (pbb Group). The address of the principal place of business is Parkring 28, 85748 Garching, Germany.

The financial statements are stated in euros, the presentation currency of pbb Group, and principally rounded to millions of Euro (€ million). Information is presented in accordance with the principle of materiality. Minor differences may occur regarding the figures and totals stated due to rounding. Items under €500,000.00 are presented as zero respectively zero balances are denoted by a dash.

The Management Board of pbb prepared these consolidated financial statements on 25 February 2025 and approved them for publication.

ACCOUNTING POLICIES

2. Principles

pbb has prepared the present Consolidated Financial Statements for the period ending 31 December 2024 in line with EC ordinance No. 1606/2002 of the European Parliament and Council of 19 July 2002 in accordance with International Financial Reporting Standards (IFRS). The IFRS are standards and interpretations adopted by the International Accounting Standards Board (IASB). These are the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS) and the interpretations of the IFRS Interpretations Committee (formerly IFRIC) respectively the former Standing Interpretations Committee (SIC); they are also based on the regulations of commercial law which are applicable in accordance with Section 315e (1) HGB (German Commercial Code).

The Consolidated Financial Statements are based on IFRS as adopted in European law by the European Commission as part of its endorsement process. With the exception of certain regulations on fair value hedge accounting for a portfolio hedge of interest rate risks in IAS 39 Financial Instruments: Recognition and Measurement, all the IFRS published by the IASB and required to be applied were fully endorsed by the European Union (EU). According to the option pursuant to IFRS 9.7.2.21 ppb Group still applies the requirements of IAS 39 for hedge accounting instead of the requirements in chapter 6 of IFRS 9. Within the framework of fair value hedge accounting for a portfolio hedge of interest rate risks, pbb Group applies a part of the exemptions permitted under European law. Therefore, the present consolidated financial statements comply with IFRS applicable in the EU, but not with IFRS as a whole as promulgated by the IASB.

Initially Adopted IFRS, Interpretations and Amendments in 2024

In financial year 2024, pbb Group has applied all mandatory standards, interpretations and amendments to the extent that they have been endorsed by the European Union. However, in order to ensure the comprehensibility and information content of these consolidated financial statements, the pbb Group has omitted disclosures on non-relevant or non-material matters where appropriate. The following amendments were applied for the first time:

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements: The amendments to IAS 7 and IFRS 7 (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements) introduced additional qualitative and quantitative disclosure requirements regarding financing arrangements with suppliers, in particular reverse factoring arrangements as the most common form. The pbb Group does not engage in such transactions.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Noncurrent - Deferral of Effective Date; and Non-current Lia bilities with Covenants: The purpose of the amendments to IAS 1 is to clarify that the classification of liabilities as current or non-current is based on the company's existing rights as at the reporting date. Management expectations as to whether such a right will actually be exercised should not be taken into account. If a right to extend

is subject to one or more conditions (e.g. covenants) that are only tested/reviewed at a later date (after the reporting date), the decisive factor for classification is whether the conditions were met on the reporting date. In addition, the IASB clarifies that loan terms which - the option of the creditor - may lead to the debt being settled in equity interests of the entity are to be taken into account for classification purposes, unless there is a separately recognised equity instrument within the meaning of IAS 32. In the pbb Group, the initial application did not result in any material changes to the classification and presentation of liabilities in the statement of financial position, as these are already classified according to their maturity.

> Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback: The amendments to IFRS 16 specify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability arising in the sale and leaseback transaction. As pbb Group does not currently engage in any sale and leaseback transactions, the initial application of the amendments had no impact on pbb Group's development in assets, financial position and earnings.

Standards, interpretations and amendments adopted into European law that are not yet mandatory

pbb Group does not plan to early apply standards and amendments that have been adopted into European law as at the balance sheet date, but whose adoption is not mandatory until later financial years. The following standards and amendments had been adopted into European law as at the balance sheet date, but their application was not yet mandatory:

Designation	Publication	Initial application	Expected effects
Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	15.8.2023	1.1.2025	The amendments to IAS 21 are intended to help entities determine whether a currency can be exchanged for another currency and what accounting treatment to apply if it cannot be exchanged. As the pbb Group only has assets and liabilities in currencies that are currently exchangeable, the amendments are not expected to have any impact on the financial position and performance.

IFRS, Interpretations and Amendments issued but not yet endorsed by the EU

The following amendments have not yet been endorsed by the European Union at the balance sheet date:

Designation	Publication	Initial application	Expected effects
IFRS 19: Subsidiaries without Public Accountablity: Disclosures	9.5.2024	1.1.2027	IFRS 19 introduces material simplifications to the disclosure requirements for subsidiaries that are not subject to their own public reporting requirements and whose parents apply IFRS for their published consolidated financial statements. For pbb as a capital market-oriented financial institution, no relevant application cases are expected to arise.
IFRS 18: Presentation and Disclosure of Financial Statements	9.4.2024	1.1.2027	IFRS 18 will replace the previous standard IAS 1 - Presentation of Financial Statements. It is intended to improve the presentation of financial information and make financial statements more transparent and easier to compare. Among other things, the new standard introduces the three new categories Operating, Investing and Financing in the income statement. In addition, IFRS 18 includes new disclosure requirements for publicly communicated performance measures defined by management. As a result of IFRS 18, the pbb Group will change the structure of the income statement and include new disclosures in the notes.
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	18.12.2024	1.1.2026	The subject of these amendments and clarifications is the accounting treatment of electricity supply contracts. Accordingly, the own-use exception in IFRS 9.2.4 is also applicable to electricity supply contracts in which the quantity actually supplied is uncertain due to the nature of the contract and partial sales are made as a result, which are triggered by this natural uncertainty and are unavoidable due to market conditions. The amendments and clarifications also include the application of hedge accounting and additional disclosures for such contracts. As the pbb Group does not have any electricity supply contracts for which the actual quantity supplied is uncertain due to natural factors, the initial application is not expected to have any impact on the Group's net assets, financial position and results of operations.

Annual Improvements Volume 11	18.7.2024	1.1.2026	The IASB's improvements summarised in a collective amendment standard are limited to less urgent but nevertheless necessary amendments and corrections to IFRSs. Annual Improvements Volume 11 comprises amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. None of these amendments are expected to have a material impact on the pbb Group.
Amendments to IFRS 9 and IFRS 7: Classification and Measurement of Financial Instruments	30.5.2024	1.1.2026	The amendments focus on rules for applying the cash flow criterion for the purposes of categorising financial instruments, for example with ESG conditions or non-recourse assets, as well as contractually linked instruments. Another focus is on the derecognition of financial liabilities that have been settled electronically. New disclosure requirements have also been included. Based on pbb Group's portfolio as of 31 December 2024, pbb Group does not expect the amendments to have a material impact on the income statement or statement of financial position based on the analysis of the standard amendments to date.

Statement of compliance for the German Corporate Governance Code

Company's Management Board and the Supervisory Board published a statement of compliance for the German Corporate Governance Code according to section 161 AktG in this annual report as well as on pbb's website (https://www.pfandbriefbank.com/en/the-company/corporate-governance.html).

Combined Management Report

The combined management report meets the requirements of section 315 (1) and (2) HGB and the from Deutschen Rechnungslegungs Standards Committee (DRSC) published DRS 20.It comprises fundamental information about the Group, a report on the economic position, a risk and opportunity report, a report on expected developments, commentary on pbb's unconsolidated Annual Financial Statements under HGB, supplemental information and a Combined Sustainability Statement. The risk and opportunity report contains information which, under IFRS 7, is required to be disclosed.

3. Consistency

pbb Group applies its accounting policies on a consistent basis in accordance with the Conceptual Framework for Financial Reporting, as well as IAS 1 and IAS 8. Except for the matter outlined below, the same accounting policies were applied as in the consolidated financial statements as at 31 December 2023:

The segment reporting methodology was further developed for the 2024 financial year. Since the beginning of 2024, equity has no longer been allocated to the operating segments on the basis of economic capital, but on the basis of risk-weighted assets (RWA). The background to this is that the RWAs now represent the bottleneck factor in current capital planning. As a result of this change, more equity is allocated to Real Estate Finance (REF) and less equity to Non-Core (NC) and Consolidation & Adjustments (C&A). The previous year's figures were adjusted in accordance with IFRS 8.29. As at 31 December 2023, REF equity increased from €2.3 billion to €2.9 billion and NC and C&A equity each decreased from €0.4 billion to €0.1 billion. In the previous year, the REF net interest income increased from €434 million to €437 million, while the NC net interest income decreased from €46 million to €45 million and the C&A net interest income from €2 million to €0 million.

4. Consolidation

Number of subsidiaries/entities[1)]	Subsidiaries: Fully consolidated subsidiaries – Total	Fully consolidated subsidiaries – Thereof: special purpose entities	Not fully consolidated subsidiaries – Total	Not fully consolidated subsidiaries – Thereof: special purpose entities
1.1.2023	**2**	**-**	**-**	**-**
Additions	-	-	-	-
Disposals	-	-	-	-
Mergers/ accruals	-1	-	-	-
31.12.2023	**1**	**-**	**-**	**-**
1.1.2024	**1**	**-**	**-**	**-**
Additions	4	4	1	-
Disposals	-	-	-	-
Mergers/ accruals	-	-	-	-
31.12.2024	**5**	**4**	**1**	**-**

[1)] Without pbb.

A subsidiary is an entity that is controlled by another entity. Control is deemed to exist if pbb has decision-making powers to manage relevant activities, has a right to significant returns from the subsidiary, and can use its decision-making powers to influence the amount of significant variable returns.

Structured entities are entities in which voting rights or similar rights are not the dominant factors in determining control, such as if the voting rights relate merely to administrative duties and the relevant activities are governed by contractual agreements.

In January 2024, pbb established and initially consolidated 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 stage 3 loan from pbb in March 2024 and, following the transaction, has 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. The shares in 161 North Clark Holdco LLC are accounted for by the pbb Group using the equity method.

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 pbb Beteiligungs GmbH does not have any assets apart from the shareholder contribution, the company was not included in the consolidated financial statements due to immateriality.

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. Alabama Two Asset Management LLC 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. The three companies are included in pbb's consolidated financial statements by way of full consolidation. Prior to the restructuring, the financings were measured at amortised cost and were impaired to stage 3. The tranching of the three financings and the initial consolidation of the three companies resulted in the effect that the subordinated tranches are to be measured at fair value through profit or loss, utilising the existing stage 3 credit loss allowances. At Alabama Two Asset Management LLC, there was also a reversal of risk provisions recognised in profit or loss in the amount of €9 million, as the fair value of the property financing exceeded the net carrying amount at the time of restructuring. There were no effects on the earnings situation of the other two companies.

Uniform Consolidated Accounting

The unconsolidated financial statements of the consolidated companies are incorporated in the consolidated financial statements of pbb using uniform accounting and measurement principles. Assets, liabilities, income, expenses and cash flows of the parent company and all of its subsidiaries are shown as if it is one single entity. Business relations within the group of consolidated companies are offset against each other for consolidation purposes.

Business relationships within the scope of consolidation are offset and interim results from intra-group transactions are eliminated.

5. Disclosures of Interests in Subsidiaries

These Consolidated Financial Statements include a list of shareholdings in the Note “Holdings of pbb” containing subsidiaries and other shareholdings. The financial year for all fully-consolidated companies is the calendar year.

Significant Restrictions with respect to the Usability of Assets within the Group

Statutory, contractual or regulatory restrictions and protective rights of non-controlling interests may limit the Group in its ability to obtain access to the assets and to easily transfer them to respectively from another company or other companies and settle the Group’s liabilities. As at the balance sheet date, there were no non-controlling interests that were material for the Group.

6. Disclosures of Interests in Associates

In January 2024, pbb acquired 21.7% of the shares in the company 161 North Clark Holdco LLC, New York City, USA, via its own established and consolidated subsidiary Niagara Asset Management LLC, Atlanta, USA, as part of a salvage acquisitions carried out with syndicate partners. pbb Group accounts for the shares in 161 North Clark Holdco LLC using the equity method. In accordance with IAS 1.54, the pbb Group recognises these shares in the statement of financial position in the newly included line "Investments accounted for using the equity method". In the income statement, accounting using the equity method did not result in any material income or expenses in 2024.

SOMA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Darmstadt KG, Düsseldorf, which was not included at equity in the consolidated financial statements in previous years due to its minor significance, was dissolved in February 2024.

7. Financial Instruments

According to IAS 32, a financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Recognition and Derecognition

pbb Group recognises a financial asset or a financial liability in its statement of financial position if a Group company becomes party to the contractual provisions of the financial instrument.

The purchases or sales of financial instruments are recognised on the trading date. Premiums and discounts are recognised in accordance with the accrual concept in the position net interest income. In accordance with the primary derecognition concept of IFRS 9, a financial asset has to be derecognised if all risks and rewards have substantially been transferred. If the main risks and rewards of ownership of the transferred financial asset are neither transferred nor retained, and if control over the transferred asset is retained, the Company has to recognise the asset to the extent of its continuing involvement. There are no transactions within pbb Group which result in partial derecognition due to a continuing involvement. Compensation for voluntary early repayment of receivables by customers is reported as net income from realisations for reasons of transparency.

In case of genuine repurchase agreements and synthetic securitisations the assets transferred do not qualify for derecognition because derecognition criteria of IFRS 9 are not met.

Collateral with the same counterparty and same conditions (e.g. ISDA master agreement) must be netted. Accordingly, only the net amount is disclosed.

Classification and Measurement of Financial Instruments

A financial asset or a financial liability shall be measured at its fair value at initial recognition plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The amortised costs are the amount at which the financial asset or financial liability is measured at initial recognition minus the principal payments, plus or minus the cumulative amortisation using the modified effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

Financial instruments at fair value are measured on the basis of stock market prices or other market prices, if existent (Level 1). If a price is not available from an active market, observable market prices from comparable financial instruments are used (Level 2). If prices from comparable financial instruments are not available, valuation models are used that are based on observable market parameters. If these parameters are not observable at the markets, the measurement of the financial assets is based on models with non-market-observable parameters (Level 3). The measurement models used are market standard models. A description of these models and the products is given in the Note “Fair Values of Financial Instruments”.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e. the fair value of the consideration given or received. If pbb Group determines that the fair value at initial recognition differs from the transaction price the financial instrument will be measured at fair value at initial recognition if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (Level 1) or based on a valuation technique that uses only data from observable markets (Level 2). pbb Group records the difference as a gain or loss in these cases. In all other cases the difference between the fair value and the transaction price (so called day one profit) is deferred. In the financial years 2023 and 2022 there were no day one profits.

For the purposes of subsequent measurement, financial assets must be divided into the following three categories:
- at fair value through profit or loss (FVPL)
- at fair value through other comprehensive income (FVOCI)
- at amortised cost (AC)

The categorisation of financial assets depends on the entity’s business model for managing financial assets (business model criterion) and the contractual cash flow characteristics of the financial asset (contractual cash flow criterion) at initial recognition.

A financial asset shall be measured at amortised cost (AC) if both of the following conditions are met:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and.
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset shall be measured at fair value through other comprehensive income (FVOCI) if both of the following conditions are met:

> the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets; and
> the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

A financial asset shall be measured at fair value through profit or loss (FVPL) unless it is measured at amortised cost or at fair value through other comprehensive income. However, an entity can make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. pbb Group holds equity instruments of an insignificant amount. These are measured at fair value through profit or loss.

In the first step the financial assets are categorised based on business model criterion. An entity's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Accordingly, this condition is not an instrument-by-instrument approach to classification and should be determined on a higher level of aggregation. For this purpose, the entity must consider all relevant evidence that is available at the date of assessment. Such relevant evidence includes, but is not limited to:

> how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
> the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed;
> how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or the contractual cash flows collected);
> the expected frequency, value and timing of sales in prior periods, the reasons for those sales and expectations about future sales activities.

Principally, pbb Group aggregates its financial assets for the determination of the business model criterion on the level of segments. However, in the Real Estate Finance (REF) segment, the transactions to be syndicated form a special portfolio. In addition, the Non-Core (NC) segment is divided into a portfolio with the intention to hold and a portfolio with the intention to hold and sell. In addition, Consolidation & Adjustments (C&A) includes portfolios with an intention to hold as well as the liquidity portfolio, for which there is an intention to hold and sell.

In accordance with IFRS 9 B4.1.3A, the business model may be to hold assets to collect contractual cash flows even if the entity sells financial assets in certain situations. Such exceptions may be due to an increased credit risk of the financial asset, which the pbb Group measures by the loan to value of the financing or a change to non-investment grade, among other things. Other exceptions are sales of financial assets with a short remaining term, provided that the realisable proceeds approximate the remaining cash flows. In addition, sales of financial assets are consistent with the business model of holding assets to collect contractual cash flows if the sales are infrequent (even if of significant value) or if they are not significant both individually and in aggregate (even if frequent). To determine significance, pbb Group compares, among other things, the volume of the holdings sold with the total volume of the portfolio to which the assets belonged. A rare reason may be, for example, a reaction to a change in regulatory treatment, as in the case of the ppb Group's portfolio transaction of financial assets in the USA and the United Kingdom in 2024.

If cash flows are realised in a way that differs from pbb Group's expectations at the time the business model was assessed, this does not result in a prior period error in the entity's financial statements, nor does it change the classification of the remaining financial assets held under this business model. The prerequisite is that pbb has considered all relevant information that was available at the time the business model was assessed. There may be a deviation from the business model if, for example, more or fewer assets are sold than assumed when the assets were classified. Such a deviation exists in the pbb Group for the financial assets measured at amortised cost in the NC segment. As all relevant information available at the time of the assessment was taken into account for these assets, they continue to be measured at amortised cost.

pbb Group has to reclassify financial assets if it changes the business model for managing those financial assets. Such changes according to IFRS 9B4.41 which are expected to be very infrequent are determined by the senior management as a result of externally or internally significant changes and externally demonstrable changes. Examples may be in the context of business combinations or shut downs of operations. There have not been reclassifications of financial assets in the years 2024 and 2023.

In the second step of the categorisation an entity has to classify a financial asset on the basis of the contractual cash flow characteristics (contractual cash flow criterion). For this, an entity shall assess whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding. The principal is the fair value of the financial asset at initial recognition. Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (for example, liquidity risk) and costs, as well as a profit margin. When assessing the contractual cash flows pbb Group also considers derivatives embedded in a host contract. For example, if leverage increases the volatility of the contractual cash flows the contractual cash flow criterion will not be fulfilled. Furthermore, for financings of structured entities without the right ofrecourse on specific assets of the borrower or payments from these assets has to be assessed whether primarily a loan risk or an investment risk exists. If there is primarily an investment risk but not primarily a loan risk the contractual cash flow criterion will not be fulfilled. pbb Group assesses this distinction on the basis of the loan to value at the date of the initial recognition of the financial asset.

An entity may, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the resulting gains and losses on different bases (so called fair value option). pbb Group does not use the fair value option for financial assets.

Non derivative financial liabilities have to be measured at amortised cost, unless they are hold for trading purposes or are designated at fair value through profit or loss. As of 31 December 2024 and 31 December 2023 pbb Group has not issued compound financial instruments with multiple embedded derivatives.

The amount of change in the fair value of financial liabilities designated at fair value through profit or loss (fair value option) that is attributable to changes in credit risk of that liability shall be presented in other comprehensive income and the remaining amount of change in profit or loss. pbb Group does not have non-derivative financial liabilities measured at fair value through profit or loss and does not use the fair value option for financial liabilities. Derivatives have to be measured at fair value through profit or loss unless they are used as hedging instruments in the scope of cash flow hedge accounting.

According to IFRS 9 the non-derivative financial instruments of pbb Group are aggregated, classified and measured as follows:

> Segment Real Estate Finance (REF): Non-derivative financial instruments are principally measured at amortised cost (business model: financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows). The exceptions are financial assets or parts of financial assets, for which there is an intention to syndicate (business model: financial asset is neither held within a business model whose objective is to hold financial assets in order to collect contractual cash flows nor within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets). These have to be accounted for at fair value through profit or loss.
> Non-Core (NC) segment: Non-derivative financial instruments are principally measured at amortised cost (business model: financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows). Exceptions are:

  - Financial assets or parts of financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. These are measured at fair value through other comprehensive income.
  - Financial assets which do not fulfill the contractual cash flow criterion and therefore have to be measured at fair value through profit or loss.
- Portfolios in Consolidation and Adjustments (C&A): Non-derivative financial instruments are principally measured at amortised cost (business model: financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows). Exceptions are:
  - Financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. These financial assets of the liquidity portfolio are measured at fair value through other comprehensive income.

The European Market Infrastructure Regulation (EMIR) imposes a clearing obligation for standardised Over-The-Counter (OTC) derivatives. pbb uses Eurex Clearing as central clearing agent for derivatives. For Eurex cleared transactions, pbb applies on-balance sheet netting. On-balance sheet netting is applied for each currency, and comprises the carrying amounts of the derivatives as well as the margins calculated (and collected or credited) by Eurex Clearing. The net book values are disclosed under “positive fair values of hedge accounting derivatives” or “negative fair values of hedge accounting derivatives”.

In alignment with the customer the contractual cash flows of a financial instrument in the existing business may be renegotiated or otherwise modified. Such changes made to existing terms of a contractual relationship during the contract term are called modifications. Modifications may be market-driven commercial renegotiations or can be performed to avoid larger credit defaults. It is necessary to check whether the modification is significant or insignificant.

Significant modifications are substantial to the extent that they, in essence, constitute a new financial instrument. The modification can be significant due to qualitative (for example change of counterparty or of currency) or due to quantitative reasons. In case of significant modifications the old financial instrument has to be derecognized and a modified new financial asset has to be recognized as a new asset.

In case of insignificant modifications the agreed amendments to the contractual cash flows have to be discounted and the difference between the present value of the modified contractual payments determined in this way and the carrying amount (present value of the contractual payments before modification) are recognized through profit or loss. In the years 2024 and 2023 the effects in the profit and loss statement from insignificant modifications of financial assets were not material.

Loans at risk of default are restructured by pbb Group if the borrower’s financial position has deteriorated but a positive going-concern forecast for the loan exposure can still be expected. This is carried out by changing the underlying terms and conditions or side agreements by means of a unilateral or mutual declaration of intent. Restructuring agreements should maximise opportunities to realise its outstanding loans or at least minimise the risk of default of the loan exposure. These generally include inter alia standstill agreements, maturity extensions, changed interest payment/repayment terms, interest/repayment reductions or the suspension of contractual agreements (e.g. financial covenants) so that the borrower is again able to meet their payment obligations. The credit risk associated with restructured loans is managed by the Group’s Credit Risk Management units.

Accounting of Impairment

The regulations regarding impairments in accordance with IFRS 9 are relevant for assets measured either at “amortised cost” or at “fair value through other comprehensive income” as well as for off-balance sheet obligations, such as loan commitments and financial guarantees. The rules do not have to be applied for equity instruments. An impairment is implied for financial assets measured at fair value through profit or loss at subsequent measurement. IFRS 9 contains a model according to which provisions for credit losses may be created upon initial recognition of the financial asset (or on the date when the Group becomes a contracting party of the loan commitment or financial guarantee) on the basis of credit losses expected at that time. According to IFRS 9.5.5.17 this is an unbiased and probability-weighted amount that is determined by evaluation of a range of possible outcomes and scenarios. It will be clarified that this is a probability weighted average and not the most probable amount.

Upon initial recognition, the impairments in lending business are based on expected credit losses within the following twelve months (so-called stage 1). The 12-months expected credit loss is part of the lifetime expected credit losses and corresponds to the expected credit losses from defaults that may occur for the financial instrument within twelve months after balance sheet date. In case of a significant increase in the financial asset’s credit risk within the context of subsequent measurement (stage 2) or in case of a credit impairment (stage 3), the impairment has to reflect the lifetime expected credit losses. pbb Group does not apply the simplified approach for loans from lease agreements but also differentiates these into the impairment stage 1 and 2.

The same definition of default is used for IFRS 9 as for regulatory purposes. For this a default is defined if

- it is unlikely that the borrower can fully fulfil its payment obligations, or
- the borrower has material past dues of more than 90 days.

Group determines the expected credit losses on an individual basis.

pbb Group developed check criteria for the allocation to the three impairment stages of IFRS 9 which is very closely linked to the methods and instruments for credit and risk monitoring. In addition, the practice of credit risk management leads to an intensification of supervision with increasing impairment stage. Each financial asset which does not have to be measured at fair value through profit or loss has to be allocated to stage 1 at initial recognition if it is not credit-impaired. A financial asset moves to stage 2 if the credit risk has increased significantly but is not credit-impaired. This is the case if

- as rebuttable presumption there is a past due of more than 30 days; or
- the financial asset is non-investment grade and the multi-year probability of default at balance sheet date exceeds the multi-year probability of default at initial recognition of the financial asset by a factor of at least 2.5.
- any forbearance measures were implemented for a performing financial instrument.

The criterion of 30 days past due can be rebutted for example in the case of so called technical past dues. This can be the case if the borrower transfers the amount owed to a wrong account and corrects this at short notice.

Counterparties of loans and securities which credit has deteriorated compared with the date of initial recognition but which still have an investment grade rating and which do not have a payment past due of more than 30 days are assessed as very low-risk in the allocation to the impairment stages.

A financial asset will have to be moved to stage 3 if it is credit-impaired. A deal will be credit-impaired if one or more events that have detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- pbb Group, for economic reasons or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower concessions that pbb Group would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties;
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

For purchased or originated credit-impaired financial assets (POCI) only the cumulative changes in lifetime expected credit losses since initial recognition have to be recognised as a loss allowance at balance sheet date. For such financial assets expected credit losses shall be discounted using the credit-adjusted effective interest rate determined at initial recognition. The credit-adjusted effective interest rate has to be applied to the amortised cost from initial recognition. The recognition of interest income will have to be determined this way for the entire maturity also if the borrower recovers. The interest income is attributed to the POCI-asset, received repayments have to be recognised as repayments. pbb Group did not purchase or originate credit-impaired financial assets as of 31 December 2024 and as of 31 December 2023.

pbb Group principally uses a model-based approach for determining the amount of expected credit losses. Regulatory risk parameters (probability of default/PD, loss given default/LGD) and contract information, for example the contractually agreed cash flows, are used as a basis for determining the amount of credit losses of the stage 1 and stage 2 financial instruments. The exposure size results from the comparison of the contractually agreed cash flows and the expected cash flows. The risk parameters listed above are linked to the exposure size to determine the expected losses. In addition expectations about prepayments (so called prepayment rates), expected prolongations of loans (so called prolongation rates) and expected drawings of undrawn parts of a commitment (so called credit conversion factor/CCF) are considered in the expected cash flows. The risk parameter PD is determined for each borrower with the aid of customer specific rating methods. Several customer specific risk factor for example the debt ratio, return indicators and similar quantitative indicators are input factors of the rating methods. The risk parameter LGD is determined with the aid of specific LGD models in which especially expected recovery ratios from the disposal of collaterals or other parts of the asset, the transaction specific ratio of current collaterals and the book value of the loan as well as the expected time till receipt of payments are material input factors. These PD rating methods and LGD models are also methods used as an approach for risk assessment and risk controlling.

The regulatory risk parameters are transformed adequately so that the requirements of IFRS 9 are fulfilled. These include the deduction of conservative adjustments which are used for regulatory purposes, the consideration of macro-economic factors for the purpose of the so called point in time transformation and the transition from the regulatory discount rate to the effective interest rate required by IFRS 9. Particularly the transformations ensure that the risk parameters are unbiased. Historic data about rating migration together with forecasts of macro-economic developments (for example the unemployment rate, the economic growth per country, 5-year swap rate per currency and – for real estate financings – the development of collateral market values differentiated by object types and regions) are used for the determination of multi-year probabilities of default. For this information according to the type of customer are used. pbb Group forecasts relevant indicators on the basis of internal analyses and externally available data. The interest income is calculated by applying the effective interest rate on the financial asset, therefore on the gross book value (book value before risk provision).

In determining point-in-time default probabilities, macroeconomic projections issued, for example, by the ECB, other central banks and economic research institutions in relation to the unemployment rate and the gross domestic product are used. Only the forecast for the year 2025 is used for transactions included in Stage 1 allowances. The forecasts until the year 2028 are used for transactions of Stage 2 allowances. As from 2029, a model for convergence to the long-term average will be applied.

As at 31 December 2024, pbb Group did not adjust the expected credit losses in the form of a management overlay, as it believes that the model-based allowances for losses on loans and advances adequately reflect the current risk situation.

The management overlay in the amount of €31 million, which existed as at 31 December 2023, was fully reversed by pbb Group 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 expected credit losses of impairment stage 3 are determined on the basis of individual cash flows with several probability-weighted scenarios. The amount of risk provision equals the difference between the carrying amount of the asset and the present value of the expected future cash flows. The latter is calculated on the basis of the initial effective interest rate. The expected future cash flows take into account the marketability of collaterals for example charges on the land/mortgages. The interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

Climate-related uncertainties are risk drivers that are usually implicitly included in the models used to determine expected credit losses. In the REF segment, for example, loans are collateralised by the financed properties. The market values of the properties are influenced by their sustainability. As the property market values are generally derived from comparable transactions on the property market, the share of climate-related uncertainties in the expected credit losses cannot be separated. Accordingly, it is also generally not possible to determine whether or which property financings have changed the impairment level as a result of climate-related uncertainties.

A financial asset has to be written-off by using the existing booked impairment if a recovery is not feasible based on adequate judgement. This is generally the case if in the process of a realization of the collateral a residual claim remains and if it is foreseeable that no further amounts are expected from the borrower (for example due to insolvency/lack of funds). pbb groups attempts to collect the remaining claim completely or at least partly by enforcement activities for written-off loans in justified exceptions.

Accounting of Hedge Accounting

As long as regulations on accounting for macro hedges have not yet been adopted, the IASB provides the possibility by an option to apply the former rules pursuant to IAS 39. For hedge accounting pbb Group exercised the accounting option and retains the current regulation of IAS 39. The accounting of hedge relationships is shown in the section “Notes to Derivative Transactions and Hedged Items”.

Disclosure/Notes

IFRS 7 (Financial Instruments: Disclosures and IFRS 13 (Fair Value Measurement) required disclosures according to classes of financial instruments. pbb Group mainly defined the measurement categories according to IFRS 9– sub divided in the products loans and advances and debt securities as well as liabilities to other banks, liabilities to customers, bearer bonds and subordinated liabilities – irrevocable loan commitments, financial guarantees, hedging derivatives and cash reserve as well as claims from finance lease agreements.

Specific disclosures required by IFRS 7 are shown in the risk and opportunity report for example about credit risk, market risk and liquidity risk.

8. Leases

According to IFRS 16, a lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

pbb Group as a Lessor

Upon initial recognition of a lease, lessees recognise a lease liability as well as a right-of-use asset. The lease liability is discounted using the present value of future lease payments; simultaneously, lessees recognise a right-of-use asset in the amount of the discounted lease liability. Discounting is based on the interest rate underlying the lease or, if this rate is not readily available, on the incremental borrowing rate of pbb Group for the respective lease. Usually, right-of-use assets are depreciated on a straight-line basis over the projected term of the lease. All payment obligations of the lessee resulting from leases are subsequently measured at amortised cost using the effective interest method. The lease liability is remeasured when the future lease payments are modified due to a change in the index rate, or when pbb Group changes its assessment as regards the exercise of extension or termination options. In case of such a remeasurement of the lease liability, the carrying amount of the right-of-use asset is also adjusted accordingly.

pbb Group discloses right-of-use assets in tangible assets, while lease liabilities are disclosed under other liabilities. Depreciation of right-of-use assets is recognised in the note on net gains and losses from write-downs and write-ups of non-financial assets. Interest expenses resulting from lease liabilities are disclosed in net interest income.

pbb Group as a Lessee

As a lessor, pbb Group has entered into finance leases only. Regarding finance leases, substantially all risks and rewards incidental to ownership of the leased asset are transferred to the lessee. The lessor recognises receivables in the amount of the net investment value. Lease payments received are divided into an interest portion, which is recognised through profit or loss, and a principal portion.

pbb Group discloses loans and advances from finance leases under financial assets at amortised cost. Interest income from finance leases is disclosed in net interest income.

9. Cash Reserve

Cash reserve contains balances with central banks which are measured at cost.

10. Financial Assets at Fair Value through Profit or Loss

The financial assets at fair value through profit or loss consist of positive fair values of stand-alone derivatives and the following non-derivative financial assets:

- Loans and advances, debt securities, shares in investment funds and in entities which are not measured at-equity due to their immateriality which do not fulfil the contractual cash flow criterion.
- Parts of financial assets, for which there is an intention to syndicate.

Financial assets of this balance sheet position are measured at fair value. Changes of the fair value within a period affect profit or loss in the line item net income from fair value measurement of the income statement. The payments and amortisation of interests from this position are shown in net interest income.

11. Financial Assets at Fair Value through Other Comprehensive Income

The position financial assets at fair value through other comprehensive income consists of loans and advances as well as securities of the measurement category at fair value through other comprehensive income. These are non-derivative financial assets which fulfil the contractual cash flow criterion of IFRS 9 and which are held within a business model whose objective is achieved by both collecting cash flows and selling financial assets. Parts of the debt securities and loans and advances of the Value Portfolio and Consolidation & Adjustment fulfil these criteria.

Financial assets of this balance sheet position are measured at fair value. Changes of the fair value within a period are shown in accumulated other comprehensive income of equity without affecting profit or loss. The payments and amortisation of interests from these positions are shown in net interest income. Impairments of all three stages according to IFRS 9 are shown in net income from risk provisioning of the income statement and in accumulated other comprehensive income in the statement of financial position. Gains or losses from derecognition of financial assets measured at fair value through other comprehensive income are shown in net income from realisations.

12. Financial Assets at Amortised Cost after Credit Loss Allowances

The position financial assets at amortised cost after credit loss allowances contains loans and advances as well as securities of the measurement category at amortised cost. These are non-derivative financial assets which fulfil the contractual cash flow criterion of IFRS 9 and which are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. Debt securities and loans and advances of the segment Real Estate Finance fulfil these criteria unless they are intended for syndicated financing. In addition, those parts of the Non-Core and Consolidation & Adjustments segments that meet the cash flow criterion and are held as part of a business model whose objective is to collect the contractual cash flows are recognised at amortised cost.

Financial assets of this balance sheet position are measured at amortised cost. Interest income and expenses from this position is shown in net interest income. Impairments of all three stages according to IFRS 9 are shown in net income from risk provisioning of income statement. The assets are shown before and after impairments in the income of financial position. Gains or losses from derecognition of financial assets measured at fair value through other comprehensive income are shown in net income from realisations.

13. Positive Fair Values of Hedge Accounting Derivatives

The position positive fair values of hedge accounting derivatives contains the fair value of derivatives which are subject to hedge accounting and which are positive. As pbb Group does not designate derivatives in cash flow hedge accounting anymore the position only includes derivatives of the micro fair value hedge accounting and of the portfolio hedge of interest rate risks to a lesser extent, currency risks. These derivatives are measured at fair value. Changes of the fair value within a period affect profit or loss and are disclosed in the position net income from hedge accounting in the income statement. The interest payments and amortisations of these positions are shown in net interest income.

14. Valuation Adjustment from Portfolio Hedge Accounting (Assets)

The position valuation adjustment form portfolio hedge accounting (assets) contains the fair values subject to the hedged risks in the hedged cash flows of the portfolios of hedged items on the asset side. In the context of portfolio hedge accounting interest rate risks from loans and advances as well as from liabilities are hedged on a portfolio basis.

15. Tangible Assets

Tangible assets are generally measured at cost of purchase or cost of production. The carrying amounts are depreciated on a straight-line basis in accordance with the expected useful lives of the assets. In addition, tangible assets are tested at least annually for impairment. If the value of tangible assets has impaired, an impairment loss is recognised in profit or loss. If the reasons for the impairment no longer exist, an amount not exceeding amortised cost or cost of production is reversed through profit or loss. For fixtures in rental buildings calculations are based on the term of the contract, taking into account any extensions options if this term is shorter than the normal useful economic life.

The normal useful economic life amounts to:
> Fixture in rental buildings: 5-15 years
> IT equipment (broad sense): 3-5 years
> Other operating equipment: 3-25 years

Subsequent cost of purchase or costs of conversion are capitalised if an additional economic benefit is generated for the Company. Maintenance expenses of tangible assets are recognised in profit or loss of the financial year in which they arose.

Right-of-use assets from leasing are disclosed in “tangible assets”. The accounting of the right-of-assets is described in the note “leases”.

16. Intangible Assets

Purchased and internally generated software are the main items recognised as intangible assets. Goodwill, brand names and customer relations are not capitalised.

Software is an intangible asset with a finite useful life. Purchased software is measured at the amortised purchase cost. Internally generated software will be capitalises if it is probable that future economic benefits is generated for the Group and the expenses can be measured reliably. Expenses eligible for the capitalisation of internally generated software include external, directly attributable costs of materials and services as well as personnel expenses for employees directly associated with the creation of software used by the Company. Software is amortised on a straight-line basis over expected useful lives of three to eight years. In addition, intangible assets with a finite useful life are tested for impairment annually or whenever there is an indication that the intangible asset may be impaired or its useful life has reduced.

17. Other Assets

Other assets mainly comprise the collaterals pledged for the banking levy. The collaterals are accounted for at amortised cost. The balance sheet value of the collateral is shown in the note "Assets pledged as collateral". The recognition of collateral is shown in the note "Contingent liabilities, other obligations and contingent assets".

18. Financial Liabilities at Fair Value through Profit or Loss

The financial liabilities at fair value through profit or loss contain the negative fair values of stand-alone derivatives. Financial liabilities of this balance sheet position are measured at fair value. Changes of the fair value within a period affect profit or loss in the line item net income from fair value measurement of the income statement. The payments and amortisation of interests from this position are shown in net interest income.

19. Financial Liabilities at Amortised Cost

The position financial liabilities at amortised cost consists of all non-derivative financial liabilities. Financial liabilities of this balance sheet position are measured at amortised cost. Interest income and expenses from this position is shown in net interest income. Gains or losses from derecognition of financial liabilities measured at amortised cost are shown in net income from realisations. Such derecognitions may result from prepayments of borrowers.

Amongst others the position financial liabilities at amortised cost contains subordinated liabilities. In the event of insolvency or liquidation subordinated liabilities may only be repaid after all non-subordinated creditors have been satisfied. For some instruments of subordinated liabilities the holders participate in any net loss or unappropriate retained earnings. In addition, the interest entitlement can be ceased or reduced under specific conditions. For other instruments the interest payment ceases only in case of a net loss respectively unappropriate retained earnings which can be recovered depending on the structuring.

Pursuant to IAS 32 the subordinated capital instruments issued by companies of pbb Group were classified as financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

20. Negative Fair Values of Hedge Accounting Derivatives

The position negative fair values of hedge accounting derivatives contains the fair value of derivatives which are subject to hedge accounting and which are negative. As pbb Group does not designate derivatives in cash flow hedge accounting anymore the position only includes derivatives of the micro fair value hedge accounting and of the portfolio hedge of interest rate risks and, to a lesser extent, currency risks. These derivatives are measured at fair value. Changes of the fair value within a period affect profit or loss and are disclosed in the position net income from hedge accounting in the income statement. The interest payments and amortisations of these positions are shown in net interest income.

21. Valuation Adjustment from Portfolio Hedge Accounting (Liabilities)

The position valuation adjustment form portfolio hedge accounting (liabilities) contains the fair values subject to the hedged risks in the hedged cash flows of the portfolios of hedged items of the liability side. In the context of portfolio hedge accounting interest rate risks from loans and advances as well as from liabilities are hedged on a portfolio basis.

22. Provisions

A provision is a liability of uncertain timing or amount. A provision shall be recognised when an entity has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. According to IAS 37.15 in rare cases it is not clear whether there is a present obligation. In these cases a past event is deemed to give rise to a present obligation if, taking into account of all available evidence, it is more likely than not that a present obligation exists at the end of the reporting period. In rare cases, for example in a law suit, it may be disputed whether certain events have occurred or whether those events result in a present obligation. In such a case, pbb determines whether a present obligation exists at the end of the reporting period by taking into account all available evidence, including, for example, the opinion of experts.

Under IAS 37.36 et seq., the best estimate is used for measuring provisions for contingent liabilities and contingent losses attributable to pending transactions. Long-term provisions are generally discounted with an interest rate that reflects the current assessments of the time value of money and the risks specific to the liability and if the interest rate is positive.

Provisions for commitments and guarantees given are booked on the basis of impairment rules of IFRS 9 and disclosed under provisions.

Provisions for defined benefit plans are calculated on the basis of actuarial reports in accordance with IAS 19. They are measured using the projected unit credit method. The amount of the provision equals the so-called net defined benefit liability which is the difference between the present value of the defined benefit obligation and the fair value of plan assets. pbb has concluded plan assets in the form of a qualifying insurance policy to hedge parts of the risk from the defined benefit obligations. The reinsurance is pledged to the plan beneficiaries.

The determination of the net defined benefit liability is based on demographic and financial actuarial assumptions. A demographic assumption for example is the mortality for which pbb uses guidance tables. For financial actuarial assumptions the discount rate has the greatest effect on the amount of defined benefit liability. The interest rate used for the measurement is determined by reference to market yields at the end of the reporting period on high-quality, fixed-interest corporate bonds.

Net interest on the defined benefit liability is determined by multiplying the defined benefit liability with the discount rate. The determination is done at the beginning of the financial year taking into account any changes in the net defined benefit liability as a result of contribution and benefit payments during the period. Net interest on defined benefit liability are shown together with all other effects on income statement from the defined benefit obligations and the plan assets in the position pension expenses and related employee benefit costs in general and administrative expenses.

Remeasurements of the net defined benefit liability result from actuarial gains and losses and the return on plan assets excluding amounts included in net interest on the net defined benefit liability. Remeasurements of the net defined benefit liability are shown in equity in the position profit/losses from pension obligations. Changes of remeasurements of the net defined benefit liability within a period are shown as a component of the statement of comprehensive income. Actuarial gains and losses result from increases or decreases in the present value of the defined benefit obligation due to changes of actuarial assumptions and experience adjustments. Changes of the discount rate usually have the biggest effect on the actuarial gains and losses.

Along with other German financial institutions, pbb Group is a member of the pension fund BVV Versorgungskasse des Bankgewerbes e. V. ("BVV"). Both pbb Group as an employer and the eligible employees make regular contributions to the BVV pension schemes. BVV insurance tariffs are calculated and designed to provide fixed pension payments, plus profit participations. Every BVV member entity has a subsidiary responsibility for the pension claims of its eligible employees. pbb Group classifies the BVV pension scheme as a defined benefit plan, but discloses it as a defined contribution plan for accounting purposes because the information available is not sufficient to recognise it as a defined benefit plan. pbb Group considers the risk of becoming liable to pension obligations due to its subsidiary responsibility as very remote, and does not recognise any provisions in this respect.

23. Other Liabilities

Accruals are one position in other liabilities. This also includes short-term liabilities to employees, for instance flexitime credits and vacation entitlements. The accrued liabilities are recognised at the amount likely to be utilised. If the obligations listed at this note cannot be quantified precisely on the balance sheet date and if the criteria specified in IAS 37 for recognising provisions are satisfied, these items have to be disclosed as provisions. Leasing liabilities are a further position in Other Liabilities whose accounting is described in the note "leases".

24. Equity

The equity includes the equity attributable to the shareholders, the additional equity instruments (AT1 capital) and non controlling interests. The equity attributable to the shareholders consists of the subscribed capital, additional paid-in capital, retained earnings, consolidated profit and accumulated other comprehensive income. The accumulated other comprehensive income contains the reserves for remeasurements of defined benefit commitments (gains/losses from pension obligations), for cash flow hedge accounting and for financial assets at fair value through other comprehensive income (FVOCI).

The AT1 capital is classified as equity since there is neither an obligation to repay the capital nor is there an obligation for ongoing debt service. The transaction costs directly attributable to the issue of the AT 1 capital and paid coupons are deducted directly from equity.

25. Share-based Payment

Since the financial year 2016 in line with the German Regulation of Remuneration in Financial Institutions (Institutsvergütungsverordnung – InstVergV), the payout structure of pbb Group's performance-related remuneration for members of the Management Boad and certain employees whose services hase a significant influence on the overall risk profile of pbb Group is divided into a disbursement portion and a so-called deferral portion. 50% of the payout portion is paid out in cash in the following financial year. The remaining 50% of the payout portion is economically influenced by the performance of pbb's share price and is paid out after a holding period. The deferral period for the deferral portion is three years, four years or five years. If the deferred remuneration components become an entitlement, half of the respective deferral portion is paid out in cash. The other half is in turn economically influenced by the performance of pbb's share price and is also paid out after the expiry of a holding period.

The aforementioned deferral portion of the variable remuneration which are influenced in financial terms by the development of the pbb share price, represents share-based remuneration. This share-based payment does not represent an option programme for physical shares, but rather for virtual shares where the amount set accordingly is converted into an equivalent number of virtual shares. This equivalent number corresponds to the number of virtual shares granted in the reporting period. The calculation of the number of virtual shares is based on the average Xetra closing price of the pbb share in February of the year subsequent to the financial year for which the variable remuneration is granted (subscription price). The resulting number of virtual shares is automatically converted into a cash amount after a holding period of one year, and paid out. In the year of payment, these virtual shares are presented as "exercised in the reporting period". The conversion is based on the average Xetra closing price of the pbb share in February of the disbursement year (disbursement price). Therefore, half of the variable remuneration of the employees concerned is linked to the performance of the pbb share price as part of the sustainability component.

The share-based remuneration may be forfeited after granting if the beneficiary was significantly involved in or responsible for conduct that led to significant losses or a significant regulatory sanction for the institution, or if he or she seriously violated relevant external or internal regulations regarding suitability and conduct (§§ 18 (5), 20 IVV).

When, in the context of share-based payment, the service is provided by the beneficiary, the resulting liability of pbb Group is recognised at fair value through profit or loss. The fair value of the liability is remeasured as at each reporting date, taking into account pbb's share price, until the liability is settled, with all changes in fair value being recognised in profit or loss. The volume of share-based payment is disclosed in Note 'Related parties disclosures'.

26. Currency Translation

Currency translation is carried out in accordance with the regulations of IAS 21. On the balance sheet date, monetary items in a foreign currency are translated into the functional currency. The reporting currency is Euro. Non-monetary items which were stated in a foreign currency using historical cost of purchase are measured using the exchange rate applicable at date of purchase.

Income and expenses attributable to currency translation are generally recognised in profit or loss in net other operating income/expenses.

All entities of the Group have Euro as the functional currency. Therefore, the group of consolidated companies does not include any companies from hyperinflationary countries.

27. Income Taxes

Income taxes are accounted for and measured pursuant to IAS 12 and according to IFRIC 23. Apart from the exceptions defined in the standard, deferred taxes are calculated for all temporary differences between the IFRS values and the tax values (balance sheet method). Deferred tax assets arising from non-utilised losses carried forward, interest assets carried forward and tax credits are recognised if required in accordance with IAS 12.34 et seq.

Deferred taxes are calculated using the national tax rates which are expected at the time the differences are settled, as the concept of deferred taxes is based on the presentation of future tax assets or tax liabilities (liability method). Changes in tax rates have been taken into account.

If it is unlikely that the amounts disclosed in pbb's tax declarations will be realised (uncertain tax positions), tax liabilities are recognised. The liability amount is derived as being the best possible estimate of the expected tax payment (expected amount or most likely amount of tax uncertainty). Tax claims from uncertain tax positions are recognised if they will likely be realised.

pbb Group applies the exemption from recognising deferred taxes resulting from the implementation of the global minimum tax rules by the respective countries. The pbb Group does not operate in countries that have a nominal tax rate below the 15% threshold. pbb Group has disclosed the disclosure requirements in relation to the IAS 12 amendments in the note 'Income Taxes'.

28. Non-current Assets Held for Sale

In accordance with IFRS 5, a non-current asset or disposal group must be classified as held for sale if the related carrying amount is primarily realised by a disposal transaction and not by continued use. To reclassify an asset as held for sale, certain conditions must be met on a cumulative basis. Above all, there must be a specific intention to sell, the asset must be immediately available and the disposal must be highly probable. As at 31 December 2024 and at 31 December 2023 pbb Group did not own any assets held for sale.

29. Judgements and estimations

When preparing the financial statements, pbb Group makes future-related judgements as well as estimations, which may carry a considerable risk of a major change to the disclosed assets and liabilities becoming necessary during the next financial year. The assumptions and parameters underlying the estimates to be made are based on the exercise of appropriate judgement.

Going-Concern

The Consolidated Financial Statements of pbb are based on the judgement of going-concern. The conditions of going-concern are described in the report on expected developments.

Classification of Financial Instruments (Business model criteria)

For measurement purposes the financial assets have to be classified into the three measurement categories at fair value through profit or loss, at fair value through other comprehensive income and at amortised cost. The classification depends amongst others on the contractual cash flow criterion. The assessment of this criterion is based on judgements which are described in the note “Financial Instruments”. For example, this relates to the assessment of the intention to hold financial assets in the future.

Allowances

pbb shall recognise a loss allowance for expected credit losses on a financial asset that is measured at amortised cost or at fair value through other comprehensive income, a lease receivable or specific loan commitments and financial guarantee contracts. For this reasonable and supportable information, including forward-looking information, have to be taken into account.

Expected credit losses are a probability-weighted estimate of credit losses, i.e. the present value of expected cash shortfalls, over the life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that entity is expected to receive. Upon initial recognition, the impairments in lending business are based on expected credit losses for twelve months (so-called stage 1). The 12-month expected credit loss is that part of the lifetime expected credit losses, which is equal to the expected credit losses from defaults that may occur for the financial instrument within twelve months after balance sheet date. In case of a significant increase in the financial asset’s credit risk within the context of subsequent measurement (stage 2) or in case of a credit impairment (stage 3), the impairment has to reflect the expected default events over the life of the transaction (lifetime expected credit loss).

The methods and judgements, including forward-looking information, for the determination of a change of an impairment stage and estimation of the amount of impairment are reviewed at least annually.

In accordance with IAS 8.34, accounting estimates must be changed if the circumstances on the basis of which the estimate was made change or as a result of new information or increasing experience. The determination of credit loss allowances on financial instruments is based on accounting estimates. The risk parameters probability of default (PD) and loss given default (LGD), among others, are used as the basis for determining the amount of stage 1 and 2 credit loss allowances and transformed to a point-in-time estimate of the current situation. The point-in-time transformation uses parameters based on historical loss experience. In 2024, the pbb Group made an accounting-related change in estimates for the measurement of credit loss allowances for non-impaired financial instruments (stages 1 and 2): The accounting-related change in estimate reflects 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 LGD model, such as loan-to-value, has been adjusted in line with historical experience. The accounting-related change in estimates resulted in an addition to risk provisioning of €24 million, which was attributable to financial assets and thus had an impact of €-24 million on net income from risk provisioning.

Fair Values of Original and Derivative Financial Instruments

The fair value of financial instruments that are not listed on active markets is measured using valuation models. In such cases, a check is performed regularly to assess whether the valuation models provide a comparable benchmark for current market prices. The valuation models can only take into account quantifiable factors (e.g. cash flows and discount rates) that also require estimates. Changes in estimations of these factors might have an impact on the fair values of the financial instruments.

Criteria in the area of environment, social and governance (ESG) should have a growing influence on the fair values of financial instruments in the future. This could lead to adjustments in estimates and measurement models.

Hedge Accounting

Relations between hedged items and hedging instruments can be presented in hedge accounting. A relationship only qualifies for hedge accounting when certain conditions specified under IAS 39.88 are satisfied. Amongst others the hedge has to be very efficient with regard to achieving compensation for the risks resulting from changes in the fair value or the cash flow in relation to the hedged risk.

The determination of the effectiveness of the risk hedge depends on risk measuring methods, the parameters which are used and estimations relating to the probability of occurrence. These methods and parameters are continuously developed in line with the risk management objectives and strategies.

Intangible Assets, Tangible Assets including Right-of-Use assets from Leases

Intangible assets and tangible assets include right-of-use assets from leases are subject to estimation uncertainties, particularly in the determination of the useful life of assets respecitively the expected contractual period of the lease and the associated amount of depreciation/amortisation recognised per period.

Provisions

Estimates are used in the measurement of provisions at pbb Group. Estimation uncertainties arise in particular during assessment of the amount of the future cash outflows, the time horizon and the discount rate.

Bank Levy

pbb Group has utilised the option of paying contributions to the European bank levy, the deposit protection fund and the compensation scheme of German banks not exclusively by means of so-called regular contributions, but partly in the form of an irrevocable payment obligation by providing cash collateral. The pbb Group recognises collateral in accordance with the meeting reports of the Banking Committee of the Institute of Public Auditors in Germany. It is stated therein that the transfer of cash as cash collateral leads to the recognition of a financial receivable from the collateral taker (restructuring fund) and to the derecognition of the cash. In pbb Group's opinion, no provisions need to be recognised as it is unlikely that the collateral will be utilised by the SRB.

The accounting policy is based on judgements. It cannot be ruled out that the legal assessment of the cash collateral will change. One reason for this may be the outcome of ongoing legal proceedings of a French bank, which is independent of the pbb Group, against the Single Resolution Board (SRB) for the European bank levy.

Income Taxes

pbb Group is subject to a wide range of national tax regulations with regard to the calculation of income taxes. In order to measure the tax expenses, it is necessary to make estimates that are calculated with the existing knowledge as of the balance sheet date and closely related to the tax return prepared in the following financial year. In some countries, the current tax charges attributable to the current financial year can only be definitely finalised after the corresponding tax audit has been completed. The variances with regard to the estimated tax burden may have a positive or negative influence on the tax burden in future years.

With regard to the capitalisation of deferred taxes on loss carryforwards and other tax credits, the extent as well as the actual availability of such tax benefits are subject to estimation. These estimates are subject to change based on new information and findings. Major losses carried forward are subject to national German tax law, and their availability depends inter alia on the restrictions set out in Sections 10 d EStG, 8 c KStG as well as Section 10 a GewStG restrictions. Deferred tax assets arising from losses carried forward are therefore recognised to the extent as it is likely that future taxable income will be available to offset the non-utilised tax losses carried forward. The actual tax result situation in future periods - and thus the actual usability of loss and interest carryforwards - may differ from the estimate at the time the deferred taxes are recognised.

Consolidation

Companies and structured entities must be consolidated if pbb has direct or indirect control over them. Control is deemed to exist if pbb has decision-making powers to manage relevant activities, has a right to significant returns from the subsidiary and can use its decision-making powers to influence the amount of the significant variable returns. The level of control is assessed on the basis of contractual and economic relationships to the company or the structured entity. The assessment whether pbb exerts control or substantial influence over the company may result in judgement leeway.

30. Notes to segment reporting by operating segment

Segment reporting for the 2024 financial year was prepared in accordance with IFRS 8 Operating Segments. In line with the Management Approach under IFRS 8, segment reporting discloses segment-specific, management-relevant financial information that is also regularly used by Management Board (Chief Operating Decision Maker) when deciding on the allocation of resources, and for assessing the earnings power of segments. Based on the organisational structure, which is aligned to the various products and services offered, two business segments have been determined in line with internal management reporting.

Within segment reporting, income is determined by deducting matched-maturity funding rates prevailing at the time of concluding a transaction from the interest rate charged to the client. The input parameters required for this purpose are set at the time of originating a new business transaction, within the scope of accounting for individual transactions. In addition, income from investing the Bank’s own funds is included at segment level. The allocation of liquidity costs to the operating segments is based on the transfer price mechanism for the individual transaction. The income of pbb Group's operating segments is based exclusively on transactions with external customers. For this reason, pbb does not present income per business segment separately according to internal and external income.

Income or expenses that cannot be allocated directly to a specific lending transaction (in particular, the results from disposal of assets held for liquidity management, from market-induced effects on net income from fair value measurement, hedging relationships, the reversal or addition of provisions in the non-lending business as well as the bank levy) are allocated to the business segments, usually on a pro-rata basis, in line with financing volumes.

The allocation of general and administrative expenses to the operating segments differentiates between expenses which can be directly attributed and those which are not directly attributable. Expenses (of the sales units, for example) which are directly attributable can be clearly assigned to the segments via the cost centre. Expenses that cannot be directly allocated (for example central divisions) are distributed to the segments using allocation keys for each cost centre.

Segment risk-weighted assets (RWA) are determined in accordance with the allocation of individual transactions (credit risk, for example) and with the allocated risk types (operational risks, for example). Risk types that are not directly attributable are allocated to the segments according to defined keys.

Since the beginning of 2024, balance sheet equity has been allocated to the segments on the basis of RWA in accordance with the bottleneck principle and no longer on the basis of economic capital as was the case until the end of 2023 (see note ‘Consistency’).

Real Estate Finance (REF)

The REF operating segment comprises financing for professional property investors subsumed under Real Estate Finance Solutions (REFS). These include national and international property companies, institutional investors and property funds as well as medium-sized companies and regionally oriented customers, particularly in Germany. The properties financed are mainly office buildings, residential properties, retail and logistics properties and (business) hotels. Due to their still small size, the earnings components of the Real Estate Investment Solutions division, including pbb Invest, are also reported in the REF segment until further notice.

Non-Core (NC)

The non-strategic operating segment NC includes financing eligible for Pfandbrief cover primarily for the provision and improvement of public infrastructure and non-earmarked financing to the public sector (budget financing).

Consolidation & Adjustments (C&A) reconciles the sum of the segment results to the consolidated result. The column includes income from the investment of allocated equity.

The new **Real Estate Investment Solutions** business area is not yet shown as a separate segment, as neither its operating income, its profit before tax nor its assets account for at least 10 per cent of the cumulative assets of all operating segments. It is part of REF.

31. Income statement by operating segment

Income/expenses

in € million		REF	Non-Core	C&A	pbb Group
Operating income	2024	451	93	-	**544**
	2023	514	89	-	**603**
Net interest income	2024	438	27	-	**465**
	2023	437	45	-	**482**
Net fee and commission income	2024	6	-1	-	**5**
	2023	4	-1	-	**3**
Net income from fair value measurement	2024	-2	-1	-	**-3**
	2023	-	-	-	**-**
Net income from realisations	2024	11	68	-	**79**
	2023	44	41	-	**85**
Net income from hedge accounting	2024	2	1	-	**3**
	2023	1	-	-	**1**
Net other operating income	2024	-4	-1	-	**-5**
	2023	28	4	-	**32**
Net income from risk provisioning	2024	-171	1	-	**-170**
	2023	-213	1	-	**-212**
General and administrative expenses	2024	-231	-14	-	**-245**
	2023	-219	-30	-	**-249**
Expenses from bank levies and similar dues	2024	-3	-1	-	**-4**
	2023	-17	-8	-	**-25**
Net income from write-downs and write-ups of non-financial assets	2024	-20	-1	-	**-21**
	2023	-24	-3	-	**-27**
Profit before tax	**2024**	**26**	**78**	**-**	**104**
	2023	**41**	**49**	**-**	**90**

Cost-income ratio[1)]

in %		REF	Non-Core	pbb Konzern
Cost-income ratio	2024	55.7	16.1	**48.9**
	2023	47.3	37.1	**45.8**

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.

32. Balance-sheet-related measures by operating segment

The Management Board controls balance-sheet-related measures by operating segments based on financing volumes, on risk-weighted assets and on equity.

Balance-sheet-related measures

in € billion		REF	Non-Core	C&A	**pbb Group**
Financing volumes[1]	31.12.2024	29.0	9.7	-	**38.7**
	31.12.2023	31.1	12.4	-	**43.5**
Risik-weighted assets[2]	31.12.2024	20.2	0.2	0.2	**20.6**
	31.12.2023	17.5	0.6	0.5	**18.6**
Equity[3]	31.12.2024	3.1	-	0.1	**3.2**
	31.12.2023	2.9	0.1	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 accumulated other comprehensive income (OCI) from cash flow hedge accounting, financial assets at fair value through OCI, AT1 capital and non controlling interest.

33. Breakdown of operating income

Operating income by products

Operating income by products

in € million		Real estate financing	Other Products	**pbb Group**
Operating income	2024	451	93	**544**
	2023	514	89	**603**

Operating income by regions

pbb Group differentiates between the regions Germany, Rest of Europe and USA. Allocation of values to regions is based on the location of the registered offices of the Group companies or their branches respectively their representative offices.

Operating income by regions

in € million		Germany	Rest of Europe	USA	**pbb Group**
Operating income	2024	504	33	7	**544**
	2023	567	30	6	**603**

Operating income by customers

There were no significant customers within the meaning of IFRS 8.34 in the financial years 2024 and 2023.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

34. Net interest income

Net interest income

in € million	2024	2023
Interest income	2,951	2,760
from financial assets at fair value through profit or loss	994	837
from financial assets at fair value through other comprehensive income	32	40
from financial assets at amortised cost	1,922	1,880
from other assets	3	3
Interest expenses	-2,486	-2,278
from financial liabilities at fair value through profit or loss	-1,067	-911
from financial liabilities measured at amortised cost	-1,161	-1,091
Hedge accounting derivatives (net)	-257	-275
from other liabilities	-1	-1
Total	**465**	**482**

The net interest income contains positive interest (net) from derivatives in the amount of €1 million (2023: negative interest of €2 million).

35. Net fee and commission income

Net fee and commission income

in € million	2024	2023
Fee and commission income	11	8
from financial assets at amortised cost and financial liabilties not at fair value through profit or loss	11	8
Other lending business	11	8
Fee and commission expenses	-6	-5
from financial assets at amortised cost and financial liabilties not at fair value through profit or loss	-6	-5
Securities and custodial services	-5	-3
Other lending business	-1	-1
Trust, fiduciary and other services	-	-1
Total	**5**	**3**

Fee and commission income is recognised at a point in time when the performance obligation is satisfied, i.e. the service is provided, by pbb Group. Fee and commission income is generated mainly in the REF segment.

36. Net income from fair value measurement

Net income from fair value measurement

in € million	2024	2023
Net income from stand-alone derivatives	3	-11
Interest derivatives	3	-11
Net income from other financial assets at fair value through profit or loss	-6	11
From debt instruments	-6	11
Debt securities	3	5
Loans and advances	-9	6
Total	**-3**	**-**

37. Net income from realisations

Net income from realisations

in € million	2024	2023
Income from derecognition of financial instruments	116	94
from assets measured at fair value through other comprehensive income	2	4
from disposal	2	4
from financial assets at amortised cost	75	37
from disposal	69	30
from early repayment	6	7
from financial liabilities measured at amortised cost	39	53
from early repayment	39	53
Expenses from derecognition of financial instruments	-37	-9
from financial assets at amortised cost	-35	-2
from disposal	-35	-2
from financial liabilities measured at amortised cost	-2	-7
from early repayment	-2	-7
Total	**79**	**85**

38. Net income from hedge accounting

Net income from hedge accounting

in € million	2024	2023
Net income from micro fair value hedge accounting	-3	-4
from hedged items	-225	-347
from hedging instruments	222	343
Net income from portfolio hedge accounting	6	5
from hedged items	-56	-24
from hedging instruments	62	29
Total	**3**	**1**

39. Net other operating income

Net other operating income

in € million	2024	2023
Net income from foreign currency translation	-7	3
Net income from provisions in non-lending business	-3	29
Miscellaneous other operating income	5	-
Total	**-5**	**32**

40. Net income from risk provisioning

Net income from risk provisioning

in € million	2024	2023
From financial assets	-172	-219
Stage 1	2	19
Stage 2	10	-27
Stage 3	-184	-211
Income from recoveries from written-off financial assets	-	1
Net income from provisions in off balance sheet lending business	2	6
Total	**-170**	**-212**

Net income from risk provisioning from financial assets resulted almost completely from financial assets ‘at amortised cost’ apart.

41. General and administrative expenses

General and administrative expenses

in € million	2024	2023
Personnel expenses	-131	-134
Wages and salaries	-108	-105
Social security expenses	-17	-15
Pension expenses and related employee benefit expenses	-9	-9
Other personnell expenses/income	3	-5
Non-personnel expenses	-114	-115
Office and operating expenses	-8	-6
Consulting expenses	-27	-28
IT expenses	-64	-64
Other non-personnel expenses	-15	-17
Total	**-245**	**-249**

42. Expenses from Bank Levies and Similar Dues

Expenses from bank levies and similar dues[1)]

in € million	2024	2023
Bank levies	-	-22
Compensation scheme of German banks	-4	-3
Total	**-4**	**-25**

1) Includes administrative expenses invoiced for the dues/levies.

43. Net Income from Write-downs and Write-Ups of Non-financial Assets

Net income from write-downs and write-ups of non-financial assets

in € million	2024	2023
Depreciation or amortisation	-21	-19
Tangible assets	-8	-7
Thereof: Right-Of-Use of lease assets	-6	-6
Intangible assets	-13	-12
Impairments	-	-8
Intangible assets	-	-8
Total	**-21**	**-27**

44. Icome Tax

Breakdown

in € million	2024	2023
Current taxes	2	-9
Deferred taxes	-16	10
Thereof: Deferred taxes on losses carried forward	-18	12
Total	**-14**	**1**

Current taxes include tax income for previous years in the amount of €12 million (2023: €6 million). The tax income for previous years results materially from tax refund claims for previous years and from the reassessment of tax audit risks. In the previous year, it mainly resulted from tax refund claims in Germany and the USA.

For domestic companies, the deferred taxes are calculated using the future uniform rate of corporation tax of 15.0% plus the corresponding 5.5% solidarity surcharge and the trade tax depending on the locally applicable assessment rate (the current basic rate is 3.5%). This resulted in a tax rate for the calculation of deferred taxes of 27.67% (2023: 27.67%).

The following overview shows the development of the deferred taxes recognised in the financial statements:

Development of deferred taxes

in € million	2024	2023
Deferred taxes recognised in the statement of financial position	-	-
Difference to prior year	-13	10
Thereof: Recognised in profit or loss	-16	10
OCI from pension commitments	-	-
OCI from financial assets at fair value through OCI	-0	-3
OCI from Cash flow hedge accounting	-	-

Overall, deferred taxes credited directly to equity increased by €3 million (2023: €0 million).

Reconciliation

in € million (unless otherwise indicated)	2024	2023
Profit or loss before tax	104	90
Applicable (legal) tax rate in %	27.67	27.67
Expected (computed) tax expense	-29	-25
Tax effects		
arising from deductible and non-deductible items	8	-2
arising from valuation adjustments and non-application of deferred taxes	-5	22
arising from prior years	12	6
Reported income taxes	**-14**	**1**
Group tax ratio in %	**13.46**	**-1.11**

Following the precise determination on euro basis, the corporate tax rate was at 13.53% (2023: -1.45%)

The tax rate applicable for the reporting year, including solidarity surcharge, was 27.67% (2023: 27.67%) and was comprised of the 15.0% German corporate tax rate currently valid, the payable solidarity surcharge of 5.5% as well as the average trade tax rate of 11.84% (2023: 11.84%).

The foreign tax rates range between 20.6% and 30.5%. In Germany, the effective current tax burden with corporation tax, solidarity surcharge and trade tax is 9.49% (2023: 11.07%) due to the utilisation of loss carryforwards as part of German minimum taxation. The decrease in the effective current tax burden compared to 2023 is due to the fact that the Growth Opportunities Act increased the utilisation of loss carryforwards for corporation tax from 60% to 70% for the assessment periods 2024 to 2027.

The effects attributable to deductible and non-deductible items relate primarily to taxable additional income and minoar taxable result as well non-deductible expenses, which do not have to be taken into account as deferred taxes as a result of permanent differences, but which have reduced or increased the basis of taxation.

The effects arising from valuation adjustments and non-application of deferred taxes comprise effects from write up of deferred tax assets of balance differences and the use of tax losses carried forward previously unrecognised.

The item effects from previous years includes actual taxes from previous years, which result materially from tax refund claims and the reassessment of tax audit risks. In the previous year, it resulted primarily from tax refund claims in Germany and the USA.

The Group tax ratio is the quotient of the stated income taxes (current and deferred taxes) and profit before tax.

The deferred tax liabilities or deferred tax assets relate to the following items:

Deferred tax liabilities/assets

in € million	2024	2023
Financial assets and liabilities at fair value	181	199
Financial assets at amortised cost after credit loss allowances	3	23
Positive fair values of hedge accounting derivatives	8	43
Other assets/liabilities	17	16
Deferred tax liabilities before offsetting	**209**	**281**
Offsetting	-207	-281
Deferred tax liabilities after offsetting	**2**	**-**
Financial assets and liabilities at fair value	147	263
Financial assets and liabilities at amortised cost	65	-
Positive/negative fair values of hedge accounting derivatives	49	44
Other assets/liabilities	17	27
Provisions	6	18
Losses carried forward	40	58
Deferred tax assets before offsetting	**324**	**410**
Offsetting	-207	-281
Deferred tax assets after offsetting	**118**	**129**

The assessment of the recoverability of deferred tax assets on deductible temporary differences and on loss carryforwards is based on tax planning derived from the general corporate planning.

On the reporting date, there were unused tax loss carryforwards for corporation tax totalling €2,453 million (31 December 2023: €2,467 million) and for trade tax totalling €2,632 million (31 December 2023: €2,460 million), for which no deferred tax assets were recognised. The loss carryforwards can be utilised indefinitely, subject to any detrimental change of shareholder. Of the unused tax loss carryforwards for corporation tax on which no deferred tax assets were recognised, €6 million was attributable to the permanent establishment in Spain (31 December 2023: €7 million). In addition, no deferred tax assets were recognised on deductible temporary differences of €257 million (31 December 2023: €328 million) that can be carried forward indefinitely. The origination and reversal of temporary differences resulted in deferred tax income of €2 million (2023: tax expense of €2 million).

Tax rate changes did not result in major deferred tax expenses or income in the current year nor in the previous year.

The utilisation of previously unrecognised tax losses led to a reduction in the actual income tax expense of €14 million (2023: reduction in income tax expense of €0 million). Deferred tax expenses of €17 million (2023: €21 million) resulted from the utilisation and loss allowances of previously recognised tax loss carryforwards.

In 2024 and 2023 there were no differences associated with investments in subsidiaries.

Global minimum tax

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.

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

45. Net Gains/Net Losses

The income statement contains the following net gains/net losses recognised in profit or loss by measurement categories:

Net Gains/Net Losses by measurement categories

in € million	2024	2023
Financial assets		
at fair value through profit ot loss	-3	-
from stand-alone derivatives	3	-11
from debt instruments	-6	11
at fair value through other comprehensive income	2	4
at amortised cost	-132	-183
Financial liabilities		
at amortised cost	37	46

The net gains and lossesshown in the table include additions to and reversals of credit loss allowances, derecognition gains and losses as well as the fair value measurement results from financial instruments recognised in profit or loss.

46. Earnings Per Share

Earnings per share

		2024	2023
Net income attributable to shareholders of pbb	in € million	90	91
Thereof: attributable to the ordinary shareholders	in € million	65	68
Thereof: attributable to the AT1 investors	in € million	25	23
Average number of ordinary shares issued	pieces	134,475,308	134,475,308
Adjusted average number of ordinary shares issued pieces	pieces	134,475,308	134,475,308
Basic earnings per share	**in €**	**0.48**	**0.51**
Diluted earnings per share	**in €**	**0.48**	**0.51**

Earnings per share are calculated in accordance with IAS 33 by dividing net income/loss attributable to the ordinary shareholders holders by weighted average number of ordinary shares. Net income/loss is allocated under the assumption of after-tax interests for the AT1 capital, which are accrued pro rata temporis as well as assuming full operation of the discretionary AT1-coupon.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (ASSETS)

47. Cash reserve

Cash reserve

in € million	31.12.2024	31.12.2023
Balances with central banks	2,010	2,728
Total	**2,010**	**2,728**

Cash on hand as of 31 December 2024 amounts to €0 million as was the case in previous year.

48. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss

in € million	31.12.2024	31.12.2024
Positive fair values of stand-alone derivatives	484	494
Interests in companies and funds qualified as debt instruments	3	3
Shares in investment funds	3	3
Debt securities	127	123
Bonds and notes	127	123
Public-sector issuers	87	84
Other issuers	40	39
Loans and advances to customers	633	324
Public-sector loans and advances	135	137
Real estate loans and advances	498	187
Total	**1,247**	**944**

49. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income

in € million	31.12.2024	31.12.2023
Debt securities	1,255	1,354
Bonds and notes	1,255	1,354
Public-sector issuers	369	540
Other issuers	886	814
Loans and advances to customers	1	121
Public-sector loans and advances	1	21
Other	-	100
Total	**1,256**	**1,475**

50. Financial assets at amortised cost after credit loss allowances (including claims from finance lease agreements)

Financial assets at amortised cost before credit loss allowances

in € million	31.12.2024	31.12.2023
Debt securities	2,471	4,014
Bonds and notes	2,471	4,014
Public-sector issuers	1,763	3,286
Other issuers	708	728
Loans and advances to other banks	1,737	2,507
Public-sector loans and advances	547	548
Investments in money	407	1,147
Other loans and advances to other banks	783	812
Loans and advances to customers	35,434	39,155
Public-sector loans and advances	6,907	8,250
Real estate loans and advances	28,491	30,875
Other loans and advances to customers	36	30
Claims from finance lease agreements	122	135
Total	**39,764**	**45,811**

Development in risk provisioning

in € million	1.1.2024	Transfer Stage 1	Transfer Stage 2	Transfer Stage 3	New Business and additions	Repayments and derecognitions	Amounts used	Changes of credit risk (net)	Other changes	31.12.2024
Allowances for credit losses on financial assets	-583	-	-	-	-14	12	250	-170	-34	-539
measured at amortised cost	-583	-	-	-	-14	12	250	-170	-34	-539
Debt securities	-1	-	-	-	-	1	-	-	-	-
Stage 1	-1	-	-	-	-	1	-	-	-	-
Loans and advances to customers	-582	-	-	-	-14	11	250	-170	-34	-539
Stage 1	-38	-10	6	-	-14	5	4	10	-	-37
Stage 2	-130	10	-6	21	-	6	8	4	-4	-91
Stage 3	-414	-	-	-21	-	-	238	-184	-30	-411
Provisions for off-balance-sheet lending business (contingent liabilies and other commitments)	-6	-	-	-	-	2	-	-	-	-4
Stage 1	-2	-	-	-	-	1	-	-	-	-1
Stage 2	-4	-	-	-	-	1	-	-	-	-3
Total	**-589**	**-**	**-**	**-**	**-14**	**14**	**250**	**-170**	**-34**	**-543**

Development in risk provisioning

in € million	1.1.2023	Transfer Stage 1	Transfer Stage 2	Transfer Stage 3	New Business and additions	Repayments and derecognitions	Amounts used	Changes of credit risk (net)	Other changes	31.12.2023
Allowances for credit losses on financial assets	-387	-	-	-	-32	16	35	-203	-12	-583
measured at amortised cost	-387	-	-	-	-32	16	35	-203	-12	-583
Debt securities	-1	-	-	-	-	-	-	-	-	-1
Stage 1	-1	-	-	-	-	-	-	-	-	-1
Loans and advances to customers	-386	-	-	-	-32	16	35	-203	-12	-582
Stage 1	-44	-24	32	2	-32	3	-	48	-23	-38
Stage 2	-131	24	-32	12	-	13	-	-40	24	-130
Stage 3	-211	-	-	-14	-	-	35	-211	-13	-414
Provisions for off-balance-sheet lending business (contingent liabilies and other commitments)	-13	-	-	-	-4	3	-	7	1	-6
Stage 1	-5	-2	1	-	-4	3	-	5	-	-2
Stage 2	-8	2	-1	-	-	-	-	2	1	-4
Total	**-400**	**-**	**-**	**-**	**-36**	**19**	**35**	**-196**	**-11**	**-589**

[1] Adjustment of the previous year's amounts of loss allowance on loans and advances to customers: originally, €27 million was transferred from stage 2 to stage 1 and €39 million from stage 1 to stage 2. The net change in credit risk originally amounted to €50 million in stage 1 and -€53 million in stage 2.

Loss allowances on financial assets measured at fair value through other comprehensive income and on receivables from finance leases amounted to less than €1 million as at 31 December 2024 and 31 December 2023.

If all stage 1 financial assets were in stage 2, the level of credit loss allowances would increase by €44 million as at 31 December 2024 (31 December 2023: €57 million). For the off-balance sheet business, there would also be an increase of €2 million as at the reporting date (31 December 2023: €4 million).

If all stage 2 financial assets were in stage 1, the level of credit loss allowances would decrease by €38 million (31 December 2023: €62 million). For the off-balance sheet business, there would also be a reduction of €1 million (31 December 2023: €3 million).

pbb Group used a base scenario with a weighting of 55% (31 December 2023: 55%), a positive scenario with a weighting of 5% (31 December 2023: 5%), and a negative scenario with a weighting of 40% (31 December 2023: 40%) as the basis for the calculation of the loss allowances of Stages 1 and 2. If the positive scenario were weighted at 100%, the credit loss allowances would be reduced by €17 million (2023: €33 million). If the negative scenario were weighted at 100%, the credit loss allowances would increase by €10 million (2023: €22 million).

When determining loss allowances, information about past events, current conditions and forecasts of future economic developments are incorporated in accordance with IFRS 9.5.5.17. Material parameters for economic development are the expectations as regards the gross domestic product and the unemployment rate. pbb Group has used the following values.

Forecast of gross domestic product in percent

	Positive			Basis			Negative		
Country/year	2025	2026	2027	2025	2026	2027	2025	2026	2027
Germany	2.0	2.1	1.1	0.2	0.8	0.9	-2.1	1.4	0.9
France	2.2	2.1	1.5	0.9	1.3	1.3	-1.0	1.0	1.2
Spain	2.8	3.0	1.6	2.5	1.9	1.7	0.4	1.1	1.3
Italy	1.4	0.9	0.3	0.8	1.1	0.9	-1.8	1.1	0.9
United Kingdom	2.3	2.6	1.7	1.7	1.3	1.5	-0.3	0.8	1.2
USA	3.2	3.0	2.1	2.4	2.1	2.1	2.0	1.8	2.0

Forecasts of unemployment rate in percent

	Positive			Basis			Negative		
Country/year	2025	2026	2027	2025	2026	2027	2025	2026	2027
Germany	3.4	3.2	3.1	3.9	3.7	3.5	4.7	4.7	4.0
France	7.3	7.2	7.1	7.7	7.6	7.5	8.5	8.8	8.1
Eurozone	6.3	6.2	6.1	6.5	6.3	6.1	7.5	7.8	6.8
United Kingdom	4.2	4.1	4.1	4.0	4.0	4.0	5.5	5.6	4.8
USA	4.0	4.0	4.0	4.1	4.1	4.1	4.6	4.4	4.2

Forecasts of five-year swap rate in percent

	Positive			Basis			Negative		
Currency/year	2025	2026	2027	2025	2026	2027	2025	2026	2027
EUR	2.0	2.1	2.3	2.2	2.3	2.4	2.4	2.5	2.5
GBP	3.7	3.7	3.9	4.0	4.0	4.0	4.2	4.2	4.1
USD	3.7	3.7	3.9	4.0	4.0	4.0	4.2	4.2	4.1
CHF	0.0	0.2	0.3	0.2	0.4	0.4	0.4	0.5	0.5
SEK	2.3	2.5	2.7	2.6	2.7	2.8	2.8	2.9	2.9

Development in gross carrying amounts

in € million	1.1.2024	Transfer Stage 1	Transfer Stage 2	Transfer Stage 3	New Business and additions	Repayments and derecognitions	Direct write-offs	Other	31.12.2024
Gross carrying amounts of financial assets	47,302	-	-	-	4,329	-10,591	-259	250	41,031
measured at fair value through other comprehensive income	1,491	-	-	-	450	-645	-	-29	1,267
Debt securities	1,370	-	-	-	450	-527	-	-27	1,266
Stage 1	1,370	-	-	-	450	-527	-	-27	1,266
Loans and advances to other banks	-	-	-	-	-	-	-	-	-
Loans and advances to customers	121	-	-	-	-	-118	-	-2	1
Stage 1	121	-	-	-	-	-118	-	-2	1
measured at amortised cost	45,811	-	-	-	3,879	-9,946	-259	279	39,764
Debt securities	4,014	-	-	-	-	-1,375	-	-168	2,471
Stage 1	4,014	-	-	-	-	-1,375	-	-168	2,471
Loans and advances to other banks	2,507	-	-	-	499	-1,266	-	-3	1,737
Stage 1	2,507	-	-	-	499	-1,266	-	-3	1,737
Loans and advances to customers	39,155	-	-	-	3,380	-7,292	-259	450	35,434
Stage 1	30,972	-1,816	1,034	-	3,352	-4,857	-19	-20	28,646
Stage 2	6,697	1,747	-1,786	119	-	-2,099	-16	364	5,026
Stage 3	1,486	69	752	-119	28	-336	-224	106	1,762
Claims from finance lease agreements	135	-	-	-	-	-13	-	-	122
Stage 1	135	-	-	-	-	-13	-	-	122
Off-balance-sheet business [1]	2,288	-	-	-	371	-1,104	-	-125	1,430
Stage 1	1,896	-264	16	-	365	-943	-	-5	1,065
Stage 2	320	233	-37	-	-	-115	-	-120	281
Stage 3	72	31	21	-	6	-46	-	-	84
Total	**49,590**	**-**	**-**	**-**	**4,700**	**-11,695**	**-259**	**125**	**42,461**

[1] Notional amount of contingent liabilities and other commitments.

Development in gross carrying amounts

in € million	1.1.2023	Transfer Stage 1	Transfer Stage 2	Transfer Stage 3	New Business and additions	Repayments and derecognitions	Direct write-offs	Other	31.12.2023
Gross carrying amounts of financial assets	50,849	-	-	-	8,446	-12,150	-35	192	47,302
measured at fair value through other comprehensive income	1,728	-	-	-	303	-532	-	-8	1,491
Debt securities	1,450	-	-	-	303	-376	-	-7	1,370
Stage 1	1,450	-1	-	-	303	-375	-	-7	1,370
Stage 2	-	1	-	-	-	-1	-	-	-
Loans and advances to customers	278	-	-	-	-	-156	-	-1	121
Stage 1	278	-	-	-	-	-156	-	-1	121
measured at amortised cost	49,121	-	-	-	8,143	-11,618	-35	200	45,811
Debt securities	5,377	-	-	-	-	-1,326	-	-37	4,014
Stage 1	5,377	-	-	-	-	-1,326	-	-37	4,014
Loans and advances to other banks	5,763	-	-	-	1,211	-4,464	-	-3	2,507
Stage 1	5,763	-	-	-	1,211	-4,464	-	-3	2,507
Loans and advances to customers	37,839	-	-	-	6,932	-5,815	-35	234	39,155
Stage 1	28,006	-2,942	3,030	-	6,931	-4,177	-	124	30,972
Stage 2	9,000	2,860	-3,926	191	-	-1,519	-	91	6,697
Stage 3	833	82	896	-191	1	-119	-35	19	1,486
Claims from finance lease agreements	142	-	-	-	-	-13	-	6	135
Stage 1	142	-	-	-	-	-13	-	6	135
Off-balance-sheet business[1]	3,044	-	-	-	953	-1,550	-	-159	2,288
Stage 1	2,570	-213	191	-	901	-1,508	-	-45	1,896
Stage 2	470	208	-259	57	-	-41	-	-115	320
Stage 3	4	5	68	-57	52	-1	-	1	72
Total	**53,893**	**-**	**-**	**-**	**9,399**	**-13,700**	**-35**	**33**	**49,590**

[1] Notional amount of contingent liabilities and other commitments.

In contrast to the amount to be reported in the statement of financial position, the gross carrying amount of financial assets measured at fair value through other comprehensive income does not include the accumulated changes in fair value of €-12 million (31 December 2023: €-16 million).

The maximum default risk to which pbb Group is exposed is reflected in the net carrying amounts presented in the statement of financial position for financial assets measured at amortised cost, and in the fair values presented in the statement of financial position for financial assets measured at fair value through other comprehensive income.Loans and advances to customers of stage 3 were collateralised in an amount of €1,351 million as at the reporting date (31 December 2023: €1,072 million).

At pbb Group, contractual amounts outstanding of €0 million (31 December 2023: €0 million) existed for financial assets that were written off in 2024 and that continue to be subject to enforcement measures.

Due to collateral provided, pbb Group did not recognise stage 3 credit loss allowances as at 31 December 2023 for credit-impaired financial instruments with a carrying amount of €426 million (31 December 2023: €329 million). Thereof, €255 million (31 December 2023: €293 million) moved to level 3 in the reporting year. The collateral is in the form of mortgages of properties in good locations and in state guarantees.

In 2024 and 2023, pbb Group did not receive any financial and non-financial assets that meet the IFRS recognition criteria by taking possession of collateral held in the form of security or by utilising other credit collateral.

51. Positive fair values of hedge accounting derivatives

Positive fair values of hedge accounting derivatives

in € million	31.12.2024	31.12.2023
Positive market values of hedge accounting derivatives	135	251
Total	**135**	**251**

52. Valuation adjustment from portfolio hedge accounting (assets)

The line item valuation adjustments from portfolio hedge accounting includes the positive fair values in relation to the hedged risks in the portfolios of hedged items. They amounted to €-43 million as at 31 December 2024 (31 December 2023: €-56 million).

53. Tangible assets

Development of tangible assets

	2024			2023
in € million	Operating equipment	Right of Use assets (IFRS 16)	Total	Total
Acquisition/production costs				
Balance at 1.1.	**15**	**44**	**59**	**59**
Additions	12	9	21	4
Disposals	-5	-9	-14	-4
Balance at 31.12.	**22**	**44**	**66**	**59**
Depreciation and write-ups				
Balance at 1.1.	**-13**	**-26**	**-39**	**-32**
Amortisation	-2	-6	-8	-7
Disposals	5	9	14	-
Balance at 31.12.	**-10**	**-23**	**-33**	**-39**
Carrying amounts				
Balance at 31.12.	**12**	**21**	**33**	**20**

54. Intangible assets

Development of intangible assets

in € million	Software acquired 2024	Internally developed Software 2024	Other intangible assets 2024	Total 2024	Total 2023
Acquisition/production costs					
Balance at 1.1.	**61**	**106**	**15**	**182**	**162**
Additions	5	2	5	12	23
Reclassifications	3	5	-8	-	-
Disposals	-	-1	-	-1	-3
Balance at 31.12.	**69**	**112**	**12**	**193**	**182**
Amortisation and write-ups					
Balance at 1.1.	**-36**	**-90**	**-3**	**-129**	**-113**
Amortisation	-5	-8	-	-13	-12
Impairment	-	-	-	-	-8
Disposals	-	-	-	-	4
Reclassifications	-	-3	3	-	-
Balance at 31.12.	**-41**	**-101**	**-**	**-142**	**-129**
Carrying amounts					
Balance at 31.12.	**28**	**11**	**12**	**51**	**53**

Research and development expenditure recognised as an expense amounted to €22 million (2023: €25 million).

55. Repurchase agreements

As a pledgor of genuine repurchase agreements, the pbb Group has pledged assets with a carrying amount of €0.5 billion (31 December 2023: €3.3 billion). The securities are still part of the assets. The consideration received amounted to €1.5 billion (31 December 2023: €4.4 billion). They are reported exclusively under financial liabilities measured at amortised cost. Assets in repurachse agreements are the only transferable assets the acquirer can sell or repledge in the absence of default.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EQUITY AND LIABILITIES)

56. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss

in € million	31.12.2024	31.12.2023
Negative fair values of stand-alone derivatives	700	662
Total	**700**	**662**

57. Financial liabilities at amortised cost

Financial liabilities at amortised cost

in € million	31.12.2024	31.12.2023
Liabilities to other banks	2,943	6,079
Liabilities to central banks	502	924
Registered Mortgage Pfandbriefe	310	389
Registered Public Pfandbriefe	393	868
Other registered securities	193	183
Other liabilities to other banks	1,545	3,715
Liabilities to customers	18,091	18,829
Registered Mortgage Pfandbriefe	3,484	3,203
Registered Public Pfandbriefe	4,251	5,072
Other registered securities	1,840	1,866
Other liabilities to customers	8,516	8,688
Bearer bonds	17,732	20,402
Mortgage Pfandbriefe	10,699	12,418
Public Pfandbriefe	1,731	1,889
Other bearer bonds	5,302	6,095
Subordinated liabilities	603	603
Securitised subordinated liabilities	578	578
Non-securitised subordinated liabilities	25	25
Total	**39,369**	**45,913**

58. Negative Fair Value of Hedge Accounting Derivatives

Negative fair values of hedge accounting derivatives

in € million	31.12.2024	31.12.2023
Negative market values of hedge derivatives	493	789
Total	**493**	**789**

59. Valuation adjustment from portfolio hedge accounting (liabilities)

The item “Valuation adjustment from portfolio hedge accounting (liabilities)” comprises negative fair values as regards the hedged risks in the hedged portfolios of hedged items. They totalled €-2 million as at 31 December 2024 (31 December 2023: €-49 million).

60. Provisions

Provisions

in € million	31.12.2024	31.12.2023
Provisions for pensions and other post employment defined benefit obligations	65	62
Provisions for off-balance-sheet lending business	4	6
Other provisions	46	49
Total	**115**	**117**

There are defined contribution and defined benefit plans for the employees of pbb Group. In the defined contribution plans pbb makes payments for commitments by industry-wide organisations. In almost all non-German entities, a defined percentage of fixed salary is paid into externally managed pension funds for employees as part of defined contribution pension schemes. Expenses in respect of defined contribution plans amounted €5 million (2023: €4 million). The expense is expected to remain largely constant in 2025. Expenses in respect of defined contribution plans for persons with a key function in the pbb Group, amounted to €1 million (2023: less than €1 million). The employer’s contribution to the statutory pension insurance amounted to €6 million (2023: €6 million).

There are defined benefit pension commitments for many employees in Germany. There are no defined benefit pension commitments in the non-German entities. For the defined benefit plans the employees receive a direct commitment from their respective company. The receipt of retirement pensions or disability pensions starts after a vesting period is fulfilled, at the earliest after reaching a minimum age in the case of part of full incapacity for work, at the latest when goind into retirment, usually after completion of the 65th year of life. In case of active employees, there are predominatnly modern modular pension plans. For the other eligible persons there are also final salarybased defined benefit plans. The annual pension module depends, among other things, on the gross annual salary paid and the member's length of service. The surviving dependant's pension usually amounts to 60% of the pension of the spouse respectively the entitlement on that. The pension plan is administered by pbb itelf with the aid of an external service provider.

Pension provisions are recognised for obligations arising from direct commitments. The defined benefit plans have been principally closed for new entrants since 1 April 2004. There have been no plan amendments, curtailments and settlements in the years 2024 and 2023.

The risk of insolvency is covered within the framework of legal requirements by Pensionssicherungsverein a.G. in relation to the total amount of pension obligations.

The following actuarial assumptions were used to measure the defined benefit pension obligations:

Actuarial assumptions

in %	**31.12.2024/ 1.1.2025**	**31.12.2023/ 1.1.2024**
Discount rate	3.48	3.53
Rate of increase in pension obligations	2.25	2.50
Rate of increase in future compensation and vested rights[1)]	2.50	2.50

[1)] pbb Group expects a rate of increase in future compensation and vested rights of 0% for the active Management Board members in the financial years 2023 and 2022.

The rate of increase in career for members of the Management Board amounts 0.0% (31 December 2023: 0.0%), for directors and non-pay-scale staff 1.5% (31 December 2023: 1.5%) and for payscale staff 0.5% (31 December 2023: 0.5%). The guidance tables 2018G from KLAUS HEUBECK AG were used as the biometric basis.

The defined benefit pension commitments of pbb do not contain any unusual or entity-specific risks. pbb is faced by the common demographic risks, for example from longevity or invalidity of the entitled employees, and common financial risks like for example a change of the discount rate. pbb took out reinsurance to protect itself against parts of these risks. The reinsurance is a qualifying insurance policy in accordance with IAS 19 and thus is a plan asset. The fair value of plan assets is a component of the net liability from defined benefit plans which is deducted from the present value of the defined benefit obligation. The reinsurance does not consist of any unusual or plan-specific risks.

Principally, the pension payments of the reinsured pension obligations are funded by the income from the plan assets. If the income does not cover the pension payments pbb has to pay the pensions out of its own funds. For the non-reinsured pension obligations the payments are also made out of own funds.

Statement of financial position items (net defined benefit liability)

in € million	**31.12.2024**	**31.12.2023**
Present value of defined benefit obligation	229	232
Fair value of plan assets	-164	-170
Total	**65**	**62**

Development of net defined benefit liability

in € million	2024	2023
Balance at 1.1.	**62**	**39**
Pension expenses	4	4
Remeasurements	4	24
Reclassifications in reimbursements	-	-
Direct payments to beneficiaries	-5	-5
Balance at 31.12.	**65**	**62**

Development of defined benefit obligation

in € million	2024	2023
Balance at 1.1.	**232**	**214**
Current service costs	2	2
Interest expenses	8	9
Remeasurements	1	20
Actuarial gains/losses from demographic assumptions	-	-
Actuarial gains/losses from financial assumptions	-4	18
Actuarial gains/losses from experience assumptions	5	2
Payments to beneficiaries	-14	-13
Balance at 31.12.	**229**	**232**

Plan assets consist exclusively of reinsurance pledged to plan beneficiaries. The plan assets accordingly do not contain any own financial instruments or any own used tangible assets. No further material contributions to the plan assets are aimed in 2025. pbb does not use special asset-liability matching strategies to manage the pledged reinsurance.

Development of fair value of plan assets

in € million	2024	2023
Balance at 1.1.	**170**	**175**
Interest income	6	7
Remeasurements	-3	-4
Payments to beneficiaries	-9	-8
Reclassifications in/from reimbursements	-	-
Balance at 31.12.	**164**	**170**

Development of pension expenses

in € million	2024	2023
Service costs	2	2
Current service costs	2	2
Net interest expenses	2	2
Interest expenses on defined benefit obligation	8	9
Interest income on plan assets	-6	-7
Total	**4**	**4**

Pension expenses are expected to be similar in 2025 compared to 2024. Pension expenses are part of general and administrative expenses.

Remeasurements of the net defined benefit liability result from actuarial gains and losses and the return on plan assets excluding amounts included in net interest on the net defined benefit liability.

Remeasurement recognised in other comprehensive income (equity)

in € million	2024	2023
Actuarial gains/losses from demographic assumptions	-	-
Actuarial gains/losses from financial assumptions	4	-18
Actuarial gains/losses from experience assumptions	-5	-2
Remeasurements from plan assets	-3	-4
Total	**-4**	**-24**

Development of reimbursement

in € million	2024	2023
Balance at 1.1.	**1**	**1**
Additions	-	-
Disposals	-	-
Balance at 31.12.	**1**	**1**

The reimbursements result from unpledged reinsurance policies.

The quantitative sensitivity analysis – which uses the same measurement methods as the obligation recognised in the statement of financial position – for the material actuarial assumptions is as follows:

Actuarial assumptions

			Gross obligation	
in € million		Change of sensitivity level (+ increase/- decrease)	**31.12.2024**	**31.12.2023**
Basic value of the calculation of sensitivity			229	232
Discount rate	in percentage points	+ 0.5	216	218
	in percentage points	- 0.5	243	246
Rate of increase in pension obligations	in percentage points	+ 0.5	241	243
	in percentage points	- 0.5	219	221
Rate of increase in future compensation and vested rights	in percentage points	+ 0.5	229	232
	in percentage points	- 0.5	229	232

The assumption of mortality only has an immaterial effect because the risk of longevity is mainly covered by plan assets.

The weighted average duration of the defined benefit obligations amounted to 12 years at 31 December 2024 (31 December 2023: 12 years).

Development of restructuring provisions and other provisions

in € million	Restructuring provisions	Other provisions
Balance at 1.1.2023	**1**	**82**
Additions	-	31
Reversals	-1	-48
Amounts used	-	-19
Other		3
Balance at 31.12.2023	**-**	**49**
Balance at 1.1.2024	**-**	**49**
Additions	-	21
Reversals	-	-8
Amounts used	-	-16
Reclassifications	-	-1
Other	-	1
Balance at 31.12.2024	**-**	**46**

Provisions in off-balance sheet lending business primarily comprise provisions for guarantee risks, letters of credit, irrevocable loan commitments and litigation risks. The development of these provisions is presented in in detail in the Note "Financial assets at amortised cost after credit loss allowances (including claims from finance lease agreements)".

The provisions for obligations from share-based payment transactions, reported as part of other provisions, are described in the Note "Related parties disclosures".

Other provisions include provisions for variable remuneration of €19 million (31 December 2023: €19 million), for termination benefits of €12 million (31 December 2023: €16 million), for legal and tax risks of €3 million (31 December 2023: €1 million) and for legal expenses of €1 million (31 December 2023: €1 million).

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 the pbb Group assumes that these claims are unfounded and can probably be defended against in the event of a legal dispute.

No legal proceedings exist for which the Management Board believes the probability of an outflow of resources – or another impact on pbb Group's business activities – to be likely or which are of material significance to pbb Group for other reasons with an provision requirement 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 Group's business activities.

61. Other liabilities

Other liabilites include lease liabilites of €19 million. (31 December 2023: of €16 million).

62. Maturities of specific financial assets and liabilities

Maturities of specific financial assets and liabilities (without derivatives and without finance lease)

						31.12.2024
in € million	repayable on demand/ unspecified	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**
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	3,891	5,842	19,769	9,315	39,642
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
Total financial assets	**2,839**	**4,030**	**6,013**	**20,875**	**9,914**	**43,671**
Financial liabilities at amortised 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: registered securities	-	22	166	490	218	896
Liabilities to customers	859	1,799	2,240	5,119	8,074	18,091
Thereof:registered securities	-	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**

Maturities of specific financial assets and liabilities (without derivatives and without finance lease)

						31.12.2023
in € million	repayable on demand/ unspecified	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**
Cash reserve	2,728	-	-	-	-	2,728
Financial assets at fair value through profit or loss	3	5	5	266	171	450
Debt securities	-	-	-	84	39	123
Loans and advances to customers	-	5	5	182	132	324
Shares in investment funds qualified as debt instruments	3	-	-	-	-	3
Financial assets at fair value through other comprehensive income	-	224	401	369	481	1,475
Debt securities	-	123	383	368	480	1,354
Loans and advances to customers	-	101	18	1	1	121
Financial assets at amortised cost before credit loss allowances	841	3,985	5,783	23,068	11,999	45,676
Debt securities	-	157	159	2,566	1,132	4,014
Loans and advances to other banks	812	1,150	-	250	295	2,507
Loans and advances to customers	29	2,678	5,624	20,252	10,572	39,155
Total of financial assets	**3,572**	**4,214**	**6,189**	**23,703**	**12,651**	**50,329**
Financial liabilities at amortised cost	1,465	4,938	8,310	20,403	10,797	45,913
Liabilities to other banks	321	1,152	2,881	1,137	588	6,079
Thereof: registered securities	-	49	100	793	497	1,439
Liabilities to customers	1,131	1,803	2,265	5,491	8,139	18,829
Thereof: registered securities	-	204	524	2,137	7,276	10,141
Bearer bonds	13	1,966	3,164	13,201	2,058	20,402
Subordinated liabilities	-	17	-	574	12	603
Total of financial liabilities	**1,465**	**4,938**	**8,310**	**20,403**	**10,797**	**45,913**

63. Equity

Share capital equals the maximum liability of the shareholder for the liabilities of the corporation to its creditors. The share capital as of 31 December 2024 and during the entire financial year 2024 amounted to €380,376,059.67 which 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. In the fiscal years 2024 and 2023, pbb did not hold any treasury shares.

Please refer to the disclosures pursuant to section 315a (1) HGB included in the "Supplemental Information" section of the Combined Management Report for information on authorised and contingent capital.

Additional paid-in capital includes contributions from a previous financial year as well as premiums from the issue of shares; except for an amount of €25,383,131.91 (31 December 2023: €25,383,131.91) the additional paid-in capital was freely available pursuant to section 272 (2) no. 4 HGB. Retained earnings were generally created only from net income of the current financial year or previous periods including the current consoliated profit.

Net income of €90 million in particular had a positive effect on the development of equity. By contrast, actuarial losses from pension obligations increased by €3 million due to the discount rate used for measurement (31 December 2024: 3.48%; 31 December 2023: 3.53%), which decreased in line with the market interest rate trend. Accumulated other comprehensive income from financial assets at fair value through other comprehensive income increased by €3 million compared to the end of the previous year due to interest rate and credit-related effects.

The additional equity instruments include Additional Tier 1 (AT1) capital in the total nominal amount of €300 million less transaction costs of €2 million. AT1 capital qualifies as equity because there is no obligation to repay, or to make debt servicing payments on an ongoing basis. The bond issued by pbb in 2018 carries an initial coupon of 5.75% and has no final maturity. The coupon for the new five-year interest period from 28 April 2023 is 8.474%. There are certain conditions attached to the coupon payments. The coupon on the AT1-capital of €25 million payed in April 2024 reduced retained earnings and is disclosed separately in the statement of changes in equity.

Dividends

	2024	2023
Dividends recognized as distributions to owners in € per share	0.00	0.95
Dividends proposed or declared but not recognized as distributions to owners prior to approval of the financial statements for publication, in € million	20	-
Dividends proposed or declared but not recognized as distributions to owners prior to approval of the financial statements for issue, in € per share	0.15	0.00

64. Trust Business

As at 31 December 2024 and 31 December 2023, there were no trust assets or liabilities reported in the statement of financial position.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

65. Disclosures to the items in the consolidated statement of cash flows

The consolidated statement of cash flows shows the cash flows of the financial year broken down by operating activities, investing activities and financing activities. Cash and cash equivalents correspond to the balance sheet item cash reserve, and include cash in hand and credit balances at central banks.

Operating activities are defined broadly, and correspond to operating result. Cash flow from operating activities includes payments (inflows and outflows) attributable financial assets at fair value through profit or loss/positive fair values of hedging derivatives, financial assets at fair value through other comprehensive income, financial assets at amortised cost and other assets. Inflows and outflows attributable to financial liabilities measured at fair value through profit or loss/negative fair values from hedging derivatives, liabilities measured at amortised cost (without inflows/outflows from subordinated liabilities) and other liabilities are also included under operating activities. The interest and dividend payments resulting from operating activities are shown under cash flow from operating activities. This also relates to cash flows frum subordinated liabilities. In addition, payments for the interest portion of lease liabilities as well as short-term lease contracts with a maturity of less than 12 months are part of the cash flow from operating activities.

Cash flow from investing activities comprises payments for investment and security holdings as well as for tangible and intangible assets.

Cash flow from financing activities comprises inflows from capital increases, payments into reserves and silent participations, inflows and outflows for subordinated capital as well as payments for the amortisation part of lease liabilities.

Liabilities development from financing activities

in € million	2024	2023
Subordinated liabilities		
Balance at 1.1.	**603**	**635**
changes from financing cash flows	-1	-32
Other changes	1	-
Balance at 31.12.	**603**	**603**

NOTES TO DERIVATIVE TRANSACTIONS AND HEDGED ITEMS IN HEDGE ACCOUNTING

Risks are the possibilities to deviate from the planned future targets resulting from unpredictability of the future and disruptions. Interest rate risks and foreign exchange risks are primarily relevant for pbb Group. These arise from open positions for example in the case of mismatches of maturities or the variability respectively fixing of interest rates. Interest rate risks and in to a lesser extent foreign exchange risks are accounted in hedge accounting. Other risks of the hedged items like for example credit risk are not accounted in hedge accounting but are controlled throughout the Group.

Generally pbb Group hedges interest rate risks. However, in individual cases this may not be possible or sensible. The hedge ratio is determined in relation to the expectation for example of the interest rate development or the costs of hedging. If the risk is not hedged completely for example because the interest rate of the underlying asset does not match completely with the interest rate of the hedging instrument hedge ineffectiveness may arise. A further source of ineffectiveness may be different credit risks of the counterparties of the hedged item and hedging instrument.

Hedging relationships between financial instruments are classified as a fair value hedge, a cash flow hedge or hedge of a net investment in a foreign operation in accordance with IAS 39. Hedging instruments used to hedge interest rate risks are mainly interest rate derivatives, for example interest rate swaps and interest rate options.

Specific disclosures required by IFRS 7 are shown in the risk and opportunity report, amongst others about credit risk, market risk and liquidity risk.

FAIR VALUE HEDGE ACCOUNTING

Under IAS 39, with a fair value hedge, a recognised asset, a recognised liability, offbalance-sheet fixed obligation or a precisely designated part of such an asset, liability or obligation, is hedged against the risk of a change in fair value which is attributable to a specific risk and possibly has an effect on profit or loss for the period.

If the hedge of the fair value in the course of the reporting period meets the criteria of IAS 39.88, the hedge is accounted as follows:

- The profit or loss arising when the hedging instrument is remeasured at fair value (for a derivative hedging instrument) or the currency component of its carrying amount measured in accor-dance with IAS 21 (for non-derivative hedging instruments) is recognised in profit or loss for the period and
- The carrying amount of a hedged item is adjusted affecting profit or loss by the profit or loss arising from the hedged item and attributable to the hedged risks. This is applicable if the hedged item is otherwise measured at cost. The profit or loss attributable to the hedged risk is recognised in profit or loss for the period if the hedged item is an a financial asset measured at fair value through other comprehensive income. The amortisation of the hedge adjustment is started on the date of the revoking of the hedge relationship.

pbb Group uses fair value hedge accounting for micro-hedge and macro-hedge relationships. With the focus of asset and liability management on macro interest rate management of the banking book, fewer micro fair value hedges are being recognised, so that the portfolio of micro hedge relationships is continuously decreasing.

Interest rate risks are hedged under micro fair value hedge accounting. Any ineffectiveness within the permissible range pursuant to IAS 39 is reported under net income from hedging relationships. Positive and negative market values of hedging instruments are reported at fair value in positive fair value of hedge accounting derivatives or negative fair values of hedge accounting derivatives, respectively. The adjustment of the hedged item’s carrying amount by the profit or loss attributable to the hedged risk directly affects the hedged item. The retrospective effectiveness test is conducted using the regression analysis. The dollar-offset method is used to quantify prospective ineffectiveness. If the hedge relationship is terminated for reasons other than the derecognition of the hedged item, the difference between the carrying amount of the hedged item at that point and the value at which it would have been carried, had the hedge never existed (the unamortised fair value adjustment), is amortised through profit or loss over the remaining term of the original hedge and recognised in net interest income. If the hedged item is derecognised, for example due to disposal or repayment, the unamortised fair value adjustment is recognised immediately in profit or loss.

In the context of portfolio hedge accounting within the meaning of IAS 39, interest rate risks from loans and advances as well as from liabilities are hedged on a portfolio basis. The portfolio hedge accounting is aimed to account the effects from the macro interest steering for hedged positions. The fair values as regards the hedged risks in the hedged cash flows of the portfolios of hedged items are reported either on the assets or on the liabilities side as valuation adjustments from portfolio hedge accounting. The changes in the fair value of hedged risks from the portfolios of hedged items are recognised in net income from hedging relationships. The market values of hedging instruments are recognised in statement of financial position at fair value in positive fair values of hedge accounting derivatives or negative fair values of hedge accounting derivatives, respectively. The changes in value are shown in net income from hedging relationships, thus largely compensating the effect on profit or loss from the valuation of the cash flows from the portfolios of hedged items. The cash flows from the portfolios of hedged items are determined monthly within the framework of a dynamic hedge designation and discontinuation process. The resulting valuation adjustments are amortised over the remaining term of the time band and recognised in net interest income. In case of a derecognition of cash flows of hedged items from the portfolio of hedged items, the associated valuation adjustment is reversed on a pro-rata basis and recognised in net income from realisations.

Embedded floors for credit transactions can be designated as part of portfolio hedge accounting in accordance with IAS 39. In portfolio hedge accounting, there is no regular designation, but a one-off designation. Value adjustment items are amortised over the remaining term from early termination.

CASHFLOW HEDGE ACCOUNTING ACCORDING

In accordance to IAS 39, a cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with the recognised asset or liability (for instance some or all future interest payments on variable-interest debt) or a highly probable forecast transaction that could affect profit or loss.

Under cash flow hedge accounting, hedging instruments are measured at fair value. The measurement result has to be broken down into an effective and an ineffective portion of the hedge relationship. As at 31 December 2024, and 31 December 2023, pbb Group did not designate any derivatives to cash flow hedges. The cash flow hedge reserve remaining from designations will be reversed in line with the hedged cash flows from underlying transactions. In this context, a prospective effectiveness test is carried out on a quarterly basis and, in the event of ineffectiveness, the cash flow hedge reserve is reversed through profit or loss accordingly.

66. Derivative transactions

In order to minimize (reduce) both the economic and the regulatory credit risk, bilateral netting agreements have been concluded. By means of such netting agreements, the positive and negative fair values of the derivatives contracts included under the master agreement can be offset against one another, and the future regulatory risk add-ons for these products can be reduced. Through this netting process, the credit risk is limited to a single net claim on the party to the contract.

For both regulatory reports and the internal measurement and monitoring of the credit commitments, such risk-reducing techniques are utilised only if they are considered to be enforceable under the respective legal system in the event that the business associate becomes insolvent. Legal advice is taken in order to check enforceability.

Similar to the master agreements, pbb Group concludes collateral agreements with its business associates to collateralise the net claim or liability remaining after netting (obtained or pledged collateral). Usually, this colalteral management (by depositing cash collateral) reduces credit risk by means of prompt measurement and adjustment of the exposure to the customers.

Volume of derivatives as of 31 December 2024				Nominal amount	Fair value/carrying amount		
	Remaining maturities						Fair value change for effectiveness calculation
in € million	up to 1 year	more than 1 to 5 years	more than 5 years	**Total**	positive	negative	
Stand-alone derivatives [1]	**7,251**	**9,992**	**1,455**	**18,698**	**484**	**700**	
Interest rate derivatives	4,415	8,467	1,455	14,337	469	620	
OTC derivatives	4,415	8,467	1,455	14,337	469	620	
Interest rate swaps	1,726	4,839	1,435	8,000	446	595	
Interest rate options	2,689	3,628	20	6,337	23	25	
Currency derivatives	1,974	-	-	1,974	4	28	
OTC derivatives	1,974	-	-	1,974	4	28	
Forward currency transactions	1,974	-	-	1,974	4	28	
Other derivatives	862	1,525	-	2,387	11	52	
Cross currency basis swaps	862	1,525	-	2,387	11	52	
Derivatives in fair value hedge accounting [2][3]	**6,124**	**13,672**	**12,636**	**32,432**	**135**	**493**	**222**
Interest rate derivatives	6,124	13,672	12,636	32,432	135	493	220
OTC derivatives	6,124	13,672	12,636	32,432	135	493	220
Interest rate swaps	6,124	13,159	11,947	31,230	135	488	219
Interest rate options	-	513	689	1,202	-	5	1
Other derivatives	-	-	-	-	-	-	2
Cross currency basis swaps	-	-	-	-	-	-	2

[1] Recognised in the statement of financial position under "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss".
[2] Recognised in the statement of financial position under "Positive fair values of hedge accounting derivatives" or "Negative fair values of hedge accounting derivatives".
[3] Including exposure to Eurex Clearing AG after offsetting derivatives and cash collateral. Due to offsetting with Eurex derivatives in the amount of €13.8 billion, a reclassification was made from stand-alone derivatives to derivatives in fair value hedge accounting.

Volume of derivatives as of 31 December 2023				Nominal amount	Fair value/carrying amount		
	Remaining maturities						Fair value change for effectiveness calculation
in € million	up to 1 year	more than 1 to 5 years	more than 5 years	Total	positive	negative	
Stand-alone derivatives [1]	**6,112**	**11,930**	**934**	**18,976**	**494**	**662**	
Interest rate derivatives	3,160	10,864	934	14,958	456	627	
OTC derivatives	3,160	10,864	934	14,958	456	627	
Interest rate swaps	533	5,137	914	6,584	379	549	
Interest rate options	2,627	5,727	20	8,374	77	78	
Currency derivatives	2,497	-	-	2,497	19	31	
OTC derivatives	2,497	-	-	2,497	19	31	
Forward currency transactions	2,497	-	-	2,497	19	31	
Other derivatives	455	1,066	-	1,521	19	4	
Cross currency basis swaps	455	1,066	-	1,521	19	4	
Derivatives in fair value hedge accounting [2][3]	**5,451**	**17,957**	**15,657**	**39,065**	**251**	**789**	**343**
Interest rate derivatives	5,451	17,957	15,517	38,925	229	789	350
OTC derivatives	5,451	17,957	15,517	38,925	229	789	350
Interest rate swaps	5,305	17,414	14,782	37,501	229	781	353
Interest rate options	146	543	735	1,424	-	8	-3
Other derivatives	-	-	140	140	22	-	-7
Cross currency basis swaps	-	-	140	140	22	-	-7

[1] Recognised in the statement of financial position under "Financial assets at fair value through profit or loss" or "Financial liabilities at fair value through profit or loss".
[2] Recognised in the statement of financial position under "Positive fair values of hedge accounting derivatives" or "Negative fair values of hedge accounting derivatives".
[3] Including exposure to Eurex Clearing AG Eurex Clearing AG after offsetting derivatives and cash collateral. Due to offsetting with Eurex derivatives in the amount of €14.8 billion, a reclassification was made from stand-alone derivatives to derivatives in fair value hedge accounting.

The fair value change for the effectiveness test of derivatives in portfolio hedge accounting amounted to €62 million in 2024 and resulted from interest rate derivatives/interest rate swaps (2023: €29 million from interest rate derivatives/interest rate swaps).

Counterparties	31.12.2024		31.12.2023	
	Fair value		Fair value	
in € million	positiv	negativ	positiv	negativ
Central governments and central banks of OECD member states	2	-	2	-
OECD banks	602	1,076	731	1,236
OECD financial institutions	-	20	-	26
Other companies and private individuals	15	97	12	189
Total	**619**	**1,193**	**745**	**1,451**

The reserve for cash flow hedge accounting, where derivatives were no longer designated in the financial years 2024 and 2023, amounted to €-41 million (31 December 2023: €-30 million) after deferred taxes. In 2024, €-11 million (2023: €-4 million) before taxes was reclassified from the cash flow hedge reserve to net interest income.

67. Hedged items under Hedge Accounting

Hedged items under Hedge Accounting 31 December 2024	Micro fair value hedge				Potfolio hedge	
		thereof:				
in € million	Carrying amount	hedge adjustment included in carrying amount	hedge adjustment remaining after discontinuation of hedging relationship	Value change for the effectiveness test in the period	Valuation adjustment	Change for effectiveness calculation in reporting period
Financial assets at fair value through other comprehensive income	470	3	9	3	-	-
Interest related hedge accounting	470	3	9	3	-	-
Financial assets at amortised cost	9,127	-107	335	-4	-43	-24
Interest related hedge accounting	9,127	-107	335	-2	-43	-24
Currency related hedge accounting	-	-	-	-2	-	-
Financial liabilities measured at amortised cost	19,872	-370	122	-224	-2	-32
Interest related hedge accounting	19,872	-370	122	-224	-2	-32

Hedged items under Hedge Accounting 31 December 2023	Micro fair value hedge				Potfolio hedge	
		thereof:				
in € million	Carrying amount	hedge adjustment included in carrying amount	hedge adjustment remaining after discontinuation of hedging relationship	Value change for the effectiveness test in the period	Valuation adjustment	Change for effectiveness calculation in reporting period
Financial assets at fair value through other comprehensive income	379	-	14	4	-	-
Interest related hedge accounting	379	-	14	4	-	-
Financial assets at amortised cost	11,369	-146	564	272	-56	-7
Interest related hedge accounting	11,271	-143	564	265	-56	-7
Currency related hedge accounting	98	-3	-	7	-	-
Financial liabilities measured at amortised cost	21,249	-623	235	-623	-49	-17
Interest related hedge accounting	21,249	-623	235	-623	-49	-17

The item "Valuation adjustment from portfolio hedge accounting (assets)" comprises fair values as regards the hedged risks in the hedged cash flows from the portfolios of hedged items (assets). The item "Valuation adjustment from portfolio hedge accounting (liabilities)" comprises fair values as regards the hedged risks in the hedged cash flows from the portfolios of hedged items (liabilities).

Ineffectiveness of the hedge [1)]

in € million	2024	2023
Result from micro fair value hedge accounting (interest rate risk)	-3	-4
Result from portfolio hedge accounting (interest rate risk)	6	5
Total	**3**	**1**

1) Reported in net income from hedge accounting.

Interbank offered rates (IBOR) are used as reference rates for pricing and calculating payment flows for a large number of financial instruments. Due to the weaknesses of the previous interbank rates revealed for the first time as part of the LIBOR scandal, legislators and supervisory authorities worldwide are working towards establishing a system with transaction-based, risk-free reference rates (RFR) or reforming the calculation of reference 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 that the EURIBOR interest rate will remain the reference interest rate for at least the next few years.

In September 2019, the Financial Reporting Committee (FAB) of the Institute of Public Auditors in Germany (IDW), together with the IDW's Banking Committee (BFA), published the accounting note "Handelsbilanzielle Folgen der Änderung bestimmter Referenzzinssätze ("IBOR-Reform") für Finanzinstrumente" (IDW RH FAB 1.020) on the possible effects of the IBOR reform on the commercial balance sheet. pbb has taken this accounting note into account in the preparation of the 2024 annual financial statements.

OTHER NOTES TO THE FINANCIAL INTRUMENTS

68. Undiscounted cash flows of financial liabilities

Contractually agreed undiscounted cash flows of the financial liabilities according to IFRS 7.39

in € billion	31.12.2024	31.12.2023
Up to 3 months	6	5
From derivative financial instruments	-	-
From non-derivative financial instruments	6	5
More than 3 months to 1 year	5	10
From derivative financial instruments	-	-
From non-derivative financial instruments	5	10
More than 1year to 5 years	21	23
From derivative financial instruments	-	-
From non-derivative financial instruments	21	23
More than 5 years	13	14
From derivative financial instruments	1	-
From non-derivative financial instruments	12	14
Total	**45**	**52**

The undiscounted cash flows are presented in accordance with the contractually maturity, meaning that options or termination rights are not taken into account. This presentation does not reflect the economic management which is based on expected cash flows. The liquidity risk strategy and management is described in the Risk and Opportunity Report.

69. Assets assigned or pledged as collateral

Assets (without cash collaterals) have been pledged as collateral for the following liabilities and received collaterals:

Liabilities

in € million	31.12.2024	31.12.2023
Financial liabilities measured at amortised cost	1,688	4,598
Total	**1,688**	**4,598**

The following assets were pledged as collateral for the aforementioned liabilities:

Assets pledged

in € million	31.12.2024	31.12.2023
Financial assets at fair value through other comprehensive income	230	1,143
Financial assets at amortised cost	433	2,381
Total	**663**	**3,524**

The assets pledged mainly resulted from repurchase agreements. The transactions were carried out at the normal standard terms for repurchase transactions and concluded on an arm's-length basis.

In addition, cash collateral was provided for irrevocable payment obligations for the bank levy in the amount of €42 million (31 December 2023: €42 million), for the Deposit Protection Fund in the amount of €3 million (31 December 2023: €3 million) and for the Compensation Scheme of German Banks in the amount of €6 million (31 December 2023: €4 million). The recognition of collateral is shown in the note "Contingent liabilities, other obligations and contingent assets".

70. Collaterals permitted to resell or repledge

The fair value of the collateral received for which there is a right to sell or repledge without default of the collateral provider exclusively includes collateral from reverse repo transactions. As the collateral taker, pbb Group has the right to realise or repledge the collateral, provided that it returns equivalent securities upon termination of the transaction. As at 31 December 2024, the fair value of the collateral received amounted to €405 million (31 December 2023: €1,156 million); of this amount, €405 million (31 December 2023: €1,156 million) was repledged

71. Transfer of financial assets

When pbb Group transfers financial assets that do not qualify for derecognition (see also Note “Financial Instruments”), they continue to be reported in the statement of financial position.

Transfer of financial assets as of 31 December 2024

in € million	Transferred financial assets that are not derecognised in their entirety			
	Transferred assets		Corresponding liabilities	
	Carrying amounts	thereof: Repo transactions	**Carrying amounts**	thereof: Repo transactions
Financial assets at fair value through other comprehensive income	230	230	220	220
Debt securities	230	230	220	220
Financial assets at amortised cost	433	246	413	230
Debt securities	246	246	230	230
Loans and advances to customers	187	-	183	-
Total	**663**	**476**	**633**	**450**

Transfer of financial assets as of 31 December 2023

in € million	Transferred financial assets that are not derecognised in their entirety			
	Transferred assets		Corresponding liabilities	
	Carrying amounts	thereof: Repo transactions	**Carrying amounts**	thereof: Repo transactions
Financial assets at fair value through other comprehensive income	1,143	1,143	1,110	1,110
Debt securities	1,143	1,143	1,110	1,110
Financial assets at amortised cost	2,381	2,136	2,254	2,011
Debt securities	2,136	2,136	2,011	2,011
Loans and advances to customers	245	-	243	-
Total	**3,524**	**3,279**	**3,364**	**3,121**

The fair value of the financial assets at amortised cost amounted to €409 million as at the reporting date (31 December 2023: €2,348 million). The fair value of the associated liabilities amounted to €400 million (31 December 2023: €2,233 million). The net position from the fair values of the assets and liabilities at amortised cost amounted to €9 million (31 December 2023: €114 million). The pbb Group does not derecognise the financial assets, as not all material opportunities and risks associated with ownership (in particular the credit risk) have been transferred.

In addition, securities with a carrying amount of €56 million (31 December 2023: €125 million) were transferred to Eurex as collateral for default fund contribution and initial margin for derivatives transactions.

In principle, pbb Group has no continuing involvement in transferred and derecognised financial assets.

72. Fair values of financial instruments

The fair value of financial instruments, in the opinion of pbb Group, is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (exit price). The fair values were determined as of the balance sheet date based on the market information available and on valuation methods described here.

All financial assets and liabilities that are measured at fair value are grouped into the three fair value hierarchies by pbb Group. Reclassifications within the fair value hierarchy are made at the end of the reporting period. The three-level hierarchy is based on the degree to which the input for the fair value measurement is observable:

- Level 1 – quoted priced (unadjusted) in active markets for identical financial assets or financial liabilities (market prices)
- Level 2 – inputs that are observable either directly or indirectly, other than quoted prices included within Level 1
- Level 3 – valuation techniques that include inputs that are not based on observable market data (unobservable inputs)

Fair values and fair value hierarchy of financial instruments

in € million					31.12.2024
					Fair value
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets in the scope of IFRS 13	**43,830**	**43,021**	**5,065**	**9,444**	**28,512**
Measured at fair value in the statement of financial position	2,638	2,638	1,255	881	502
Financial assets at fair value through profit or loss	1,247	1,247	3	746	498
Positive fair values of stand-alone derivatives	484	484	-	484	-
Debt securities	127	127	-	127	-
Loans and advances to customers	633	633	-	135	498
Shares in investment funds qualified as debt instruments	3	3	3	-	-
Financial assets at fair value through other comprehensive income	1,256	1,256	1,252	-	4
Debt securities	1,255	1,255	1,252	-	3
Loans and advances to customers	1	1	-	-	1
Positive fair values of hedge accounting derivatives	135	135	-	135	-
Not measured at fair value in the statement of financial position	41,192	40,383	3,810	8,563	28,010
Cash reserve	2,010	2,010	2,010	-	-
Financial assets at amortised cost[1)]	39,225	38,373	1,800	8,563	28,010
Debt securities	2,471	2,386	1,033	1,216	137
Loans and advances to other banks	1,737	1,728	746	945	37
Loans and advances to customers	34,895	34,133	21	6,276	27,836
Claims from finance lease arrangements	122	126	-	126	-
Valuation adjustment from porfolio hedge accounting (assets)	-43	-	-	-	-
Liabilities in the scope of IFRS 13	**40,560**	**39,607**	**14,280**	**14,011**	**11,316**
Measured at fair value in the statement of financial position	1,193	1,193	-	1,193	-
Financial liabilities at fair value through profit or loss	700	700	-	700	-
Negative fair values of stand-alone derivatives	700	700	-	700	-
Negative fair values of hedge accounting derivatives	493	493	-	493	-
Not measured at fair value in the statement of financial position	39,367	38,414	14,280	12,818	11,316
Financial liabilities measured at amortised cost	39,369	38,414	14,280	12,818	11,316
Liabilities to other banks	2,943	2,903	282	1,001	1,620
Liabilities to customers	18,091	17,560	2	8,163	9,395
Bearer bonds	17,732	17,393	13,996	3,169	228
Subordinated liabilities	603	558	-	485	73
Valuation adjustment from porfolio hedge accounting (liabilities)	-2	-	-	-	-

1) Less credit loss allowances.

Fair values and fair value hierarchy of financial instruments

in € million	Carrying amount	Fair value	Level 1	Level 2	Level 3
					31.12.2023
					Fair Value
Assets in the scope of IFRS 13	**50,570**	**49,840**	**7,649**	**11,061**	**31,130**
Measured at fair value in the statement of financial position	2,670	2,670	1,336	1,137	197
Financial assets at fair value through profit or loss	944	944	3	754	187
Positive fair values of stand-alone derivatives	494	494	-	494	-
Debt securities	123	123	-	123	-
Loans and advances to customers	324	324	-	137	187
Shares in investment funds qualified as debt instruments	3	3	3	-	-
Financial assets at fair value through other comprehensive income	1,475	1,475	1,333	132	10
Debt securities	1,354	1,354	1,333	13	8
Loans and advances to customers	121	121	-	119	2
Positive fair values of hedge accounting derivatives	251	251	-	251	-
Not measured at fair value in the statement of financial position	47,900	47,170	6,313	9,924	30,933
Cash reserve	2,728	2,728	2,728	-	-
Financial assets at amortised cost[1)]	45,228	44,442	3,585	9,924	30,933
Debt securities	4,013	3,937	2,765	516	656
Loans and advances to other banks	2,507	2,500	794	1,688	18
Loans and advances to customers	38,573	37,865	26	7,580	30,259
Claims from finance lease agreements	135	140	-	140	-
Valuation adjustment from porfolio hedge accounting (assets)	-56	-	-	-	-
Liabilities in the scope of IFRS 13	**47,315**	**46,035**	**15,875**	**18,616**	**11,544**
Measured at fair value in the statement of financial position	1,451	1,451	-	1,451	-
Financial liabilities at fair value through profit or loss	662	662	-	662	-
Negative fair values of stand-alone derivatives	662	662	-	662	-
Negative fair values of hedge accounting derivatives	789	789	-	789	-
Not measured at fair value in the statement of financial position	45,864	44,584	15,875	17,165	11,544
Financial liabilities measured at amortised cost	45,913	44,584	15,875	17,165	11,544
Liabilities to other banks	6,079	6,033	321	4,335	1,377
Liabilities to customers	18,829	18,263	8	9,237	9,018
Bearer bonds	20,402	19,819	15,546	3,187	1,086
Subordinated liabilities	603	469	-	406	63
Valuation adjustment from porfolio hedge accounting (liabilities)	-49	-	-	-	-

1) Less credit loss allowances.

According to the general principles of IFRS 13 concerning fair value measurement techniques, an entity shall, in all cases, maximise the use of relevant observable inputs and minimise the use of unobservable inputs. All financial assets and liabilities measured at fair value are assigned to one level of the fair value hierarchy, depending on the respective inputs used.

Disclosures to the measurement methods and input parameters

Both the Finance and the Risk Management & Control divisions play a role in the measurement process. The Finance division supplies accounting data. This includes:

> identification data, such as business identification numbers or International Securities Identification Numbers (ISINs)
> static data such as notional amounts, name and country of the counterparty and (remaining) terms
> accounting data such as carrying amounts, accruals and the effects of hedge accounting

Risk Management & Control calculates additional data used to measure fair value such as interest rates, credit spreads and market prices, as well as internal ratings and LGDs for certain financial instruments.

Risk Management & Control uses the determined input parameters to calculate (and provide to Finance) the fair value or measurement price of financial instruments based on accepted and validated measurement methods. Finance consolidates the data received from Risk Management & Control with the data held for accounting and reporting purposes, and verifies completeness.

The fair value of financial assets at fair value through profit or loss with impaired credit quality is not determined on the basis of models, but on the basis of the individual cash flows of the individual asset estimated in the various scenarios.

Level 2 instruments measured at fair value as of 31 December 2024

Measurement methods	Observable parameter
DCF methods	Euro zone inflation rates
(discounted cash flow)	Reference interest rates
	Seasonalities of Euro zone inflation rates
	Spot market exchange rates
	Yield curves
Option pricing models	Cap volatilities
	CMS spread options (strike price)
	CMS spread options (option price)
	Euro zone inflation rates
	Reference interest rates
	Seasonalities of Euro zone inflation rates
	Swaption volatilities
	Spot market exchange rates
	Exchange rates volatilities
	Yield curves

Level 3 instruments measured at fair value as of 31 December 2024

Measurement methods	Non-observable parameters	Observable parameter
DCF methods	PD/LGD model spread	+/-2 rating levels for PD; +/-0,1 for LGD
Proxy model	Proxy models	+/- triple standard deviation

Financial instruments not measured at fair falue as of 31 December 2023

Measurement methods	Observable parameter (level 2)	Non-observable parameter (level 3)
DCF-Methoden	(Own) credit spreads and Liqui-AddOns, if necessary	Internal rating classes
	Reference interest rates	Recovery rates
	Risk-free interest rate	Estimated remaining maturities
	Observable future cash flows	Estimated future cash flows
	Benchmark interest rates	(Own) credit spreads (secondary market grid)
Bachelier cap-floor model (for floored plain vanilla floater)	Additional cap volatilities including smile	Additional cap volatilities including smile
Bachelier cap-floor model (for fixed coupons options)	Additional swaption volatilities including smile	Additional cap volatilities including smile
Prices on non-active markets	Prices of proxy trades	-

Sensitivities

The calculation of sensitivity is based on shock scenarios for correlations and volatilities pursuant to the level 3 measurement methods table. These amounts were calculated independently from each other.

Non-observable spreads in a PD (probability of default)/LGD (loss given default) model are used for the valuation of intended syndication transactions. The application of alternative spreads results in a change in fair value of €+6 million and €-11 million, respectively.

Alongside this, FVOCI securities and FVOCI receivables are measured using a proxy approach. The alternative scenario shows an only minor fair value change (plus or minus less than €1 million).

Changes in level 3 instruments measured at fair value

in € million	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss
Balance at 1.1.2023	**256**	**16**	**-**
Profit or loss/OCI	-4	-4	-
Additions (new business)	-	-	-
Disposals/repayments	-65	-2	-
Balance at 31.12.2023	**187**	**10**	**-**
Balance at 1.1.2024	**187**	**10**	**-**
Profit or loss/OCI	-8	-	-
Additions (new business)	452	-	-
Disposals/repayments	-133	-6	-
Balance at 31.12.2024	**498**	**4**	**-**

73. Contractual Modifications

The amortised cost of a financial asset in impairment stages 2 and 3 for which the contractual cash flows were not changed significantly in the reporting period amounted to €1,034 million before the modification (31 December 2023: €1,573 million). In 2024 and 2023, this resulted in a net modification result of €0 million after taking risk provisions into account. The modifications related to concessions (forbearance) on the part of the pbb Group, particularly in the form of deferrals.

As at 31 December 2024, there were no financial assets in the portfolio (31 December 2023: €310 million) that were not subject to significant modifications in the current year during their allocation to impairment stage 2 and were transferred to impairment stage 1 regardless of the modification due to a lower risk of default. No stage 3 financial assets were transferred to impairment stage 1 in 2024 and 2023 following a non-significant modification.

74. Netting of financial instruments

The following tables show the gross carrying amounts of recognised financial assets respectively liabilities, the gross carrying amounts of the items offset in the statement of financial position and the net amounts of the financial assets and liabilities recognised in the statement of financial position. They also show the rights of set-off that did not lead to an offsetting in the statement of financial position, the collateral received for financial assets, the collateral pledged for financial liabilities and the net amounts of financial assets and liabilities remaining following the application of the netting agreements and deduction of the collateral.

Gross carrying amounts of the items offset in the statement of financial position

Derivatives settled via Eurex Clearing AG led to a reduction in total assets of €1.0 billion as at 31 December 2024 (31 Decem-ber 2023: €1.4 billion) due to offsetting in the balance sheet.

Netting agreements

In order to minimise the legal risk as well as the economic and regulatory counterparty default risk, standardised bilateral netting agreements in the derivatives business are concluded. The national respectively international agreements used are the German, the French and the Spanish Master Agreement for Financial Futures and the ISDA Master Agreement issued by the International Swaps and Derivatives Association. The derivatives cannot be offset in the statement of financial position since their conditions are not identical (for example different terms or currency underlyings).

Collateral

In addition, pbb Group also enters into collateral agreements to hedge the net receivables and net liabilities arising following offsetting according to the netting agreements (collateral received or pledged). The collateral used is primarily cash collateral; however, securities are sometimes also used by way of title transfer.

Netting of financial instruments as of 31.12.2024

in € billion	Gross carrying amounts of recognised financial assets/liabilities	Gross carrying amounts of the items offset in the statement of financial position	Net amounts presented in the statement of financial position	Rights of set-off that did not lead to an offsetting in the statement of financial position	Received respectively pledged collateral	Remaining net amount
Financial assets	**1.6**	**1.0**	**0.6**	**0.3**	**0.3**	**-**
Positive fair values of derivatives	1.6	1.0	0.6	0.3	0.3	-
Financial liabilities	**2.2**	**1.0**	**1.2**	**0.3**	**0.9**	**-**
Negative fair values of derivatives	2.2	1.0	1.2	0.3	0.9	-

Netting of financial instruments as of 31.12.2023

in € billion	Gross carrying amounts of recognised financial assets/liabilities	Gross carrying amounts of the items offset in the statement of financial position	Net amounts presented in the statement of financial position	Rights of set-off that did not lead to an offsetting in the statement of financial position	Received respectively pledged collateral	Remaining net amount
Financial assets	**2.1**	**1.4**	**0.7**	**0.4**	**0.3**	**-**
Positive fair values of derivatives	2.1	1.4	0.7	0.4	0.3	-
Financial liabilities	**2.9**	**1.4**	**1.5**	**0.4**	**1.1**	**-**
Negative fair values of derivatives	2.9	1.4	1.5	0.4	1.1	-

OTHER NOTES

75. Contingent liabilities and other commitments

Irrevocable loan commitments form the largest part of other commitments. Irrevocable loan commitments comprise all commitments of a creditor which can grant a loan and advance at a later date and which can cause a credit risk. These are mainly credit commitments which are not fully drawn.

Contingent liabilities and other commitments represent the maximum default risk within the meaning of IFRS 7. pbb Group has a claim for reimbursement of expenses in case a contingent liability is utilised.

Contingent liabilities and other commitments

in € million	31.12.2024	31.12.2023
Contingent liabilities	**99**	**63**
Guarantees and warranties	99	63
Other commitments	**1,465**	**2,225**
Irrevocable loan commitments	1,465	2,225
Commitments from bank levies	**51**	**49**
Collateral pledged	51	49
Total	**1,615**	**2,337**

As at the balance sheet date, the fair value of contingent liabilities was €99 million (31 December 2023: €63 million) and the fair value of irrevocable loan commitments was €1,437 million (31 December 2023: €2,209 million).

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

The liabilities from bank levies include cash collateral relating to irrevocable payment obligations to the Financial Market Stabilisation Authority from the bank levy, the Deposit Protection Fund and the Compensation Scheme of German Banks. These result from the utilisation of the option not to pay contributions in full, but to make partial payments 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 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 2024, the collateral for the Compensation Scheme of German Banks was increased accordingly by €2 million (2023: Increase for European bank levy by €6 million and €1 million for Compensation Scheme of German Banks). In addition, the pbb Group is obliged to make additional contributions upon request.

The pbb Group 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 as cash collateral at the institution subject to the contribution obligation (collateral provider) leads to the recognition of a financial receivable from the collateral taker (restructuring fund) and to the derecognition of the cash. The institution preparing the balance sheet must also check on each balance sheet date whether there is a sufficient probability that the collateral will be utilised. 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 the pbb Group, has brought an action against the Single Resolution Board (SRB) for the European bank levy in order to obtain the return of its cash collateral following the surrender 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 appealed against the judgement. According to pbb Group's assessment, the judgement of the General Court, which is not yet final, has no effect on the accounting treatment of the collateral. In pbb Group'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 the pbb Group 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.

76. Leases

Operate lease as a lessee

As a lessee, pbb Group currently exclusively recognises right-of-use assets referring to land and buildings used in line with IFRS 16. pbb Group entered all of its rental contracts on an arm’s length basis. Some of these contracts contain renewal options potentially extending the lease term for several periods, price adjustment provisions in the form of stepped rents or index clauses, as well as early termination provisions. Regarding lease extension options, and early termination options, pbb Group took what is presently considered the most likely scenario into consideration. pbb Group measured lease liabilities at the corresponding lease payments, which were discounted with the incremental borrowing rate applicable to the respective liability. pbb Group has not made use of rent concessions that would have been granted as a result of the COVID-19 pandemic.

IFRS 16 provides options to exclude leases with a lease term of 12 months or less, as well as low-value assets (defined with a threshold value of €5,000 at pbb Group) from the scope of application. pbb Group has applied these options: expenses for this kind of leases were recognised through profit or loss on a straight-line basis over the contractual term of the underlying asset. Such expenses were disclosed as other operating expenses, or administrative expenses if the payments referred to rental expenses for business premises.

pbb Group discloses right-of-use assets in ‘tangible assets’ (see ‘tangible assets’ note), while lease liabilities are disclosed under ‘other liabilities’ (see ‘other liabilities’ note). Depreciation of right-of-use assets is recognised in the note on ‘net income from write-downs and write-ups of non-financial assets’ (see respective note). Immaterial interest expenses resulting from lease liabilities are disclosed in ‘net interest income’.

For further information on the depreciation, additions or other adjustments made to right-of-use assets, please refer to the statement of changes in tangible assets as disclosed in the “tangible assets” note.

Contractual maturities of undiscounted cash flows from lease liabilities

in € million	31.12.2024	31.12.2023
up to 1 year	4	5
more than 1 year to 5 years	14	10
more than 5 years	3	1
Total	**21**	**16**

Lease in the income statement

in € million	2024	2023
Depreciation	6	6
Interest expense	-	-
Short term leases, less than 12 month	1	1
Total	**7**	**7**

Lease in the statement of cash flows

in € million	2024	2023
Payments for short term leases, less than 12 month (Cash flow from operating activities)	-	-
Interest portion of lease liabilities payments (Cash flow from operating activities)	-	-
Repaymens portion of lease liabilities payments (Cash flow from financing activities)	6	6
Total	**6**	**6**

Finance lease as a lessor

The finance lease receivables due from the lessee are broken down in the following tables by gross and net investment value and by the corresponding maturities.

in € million	31.12.2024	31.12.2023
Gross investment	**141**	**157**
Unearned finance income	-19	-22
Net investment/present value of minimum lease payments	**122**	**135**

Allocation by maturities

in € million	31.12.2024	31.12.2023
Gross investment	**141**	**157**
up to 1 year	16	16
more than 1 year to 2 years	17	17
more than 2 years to 3 years	17	17
more than 3 years to 4 years	17	17
more than 4 years to 5 years	18	17
more than 5 years	56	73
Present value of minimum lease payments	**122**	**135**
up to 1 year	12	12
more than 1 year to 2 years	13	12
more than 2 years to 3 years	14	13
more than 3 years to 4 years	15	14
more than 4 years to 5 years	15	15
more than 5 years	53	69

pbb Group’s finance leases refer to the financing structure for an office building.

In the financial year under review and the previous financial year, no any sale-and-leaseback transactions or third-party sublease agreements were entered into.

77. Key regulatory capital ratios

The Management Board manages the Group’s capitalisation, based on regulatory capital ratios in accordance with the CRR and additional regulations for capitalisation announced by the ECB (Supervisory Review and Evaluation Process – “SREP”).

Please refer to Risk and Opportunity Report for capitalisation management as well as for key regulatory capital ratios.

78. Group auditor’s fee

Group auditor's fee

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

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.

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

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

79. Related parties disclosures

According to IAS 24 (Related-Party Disclosures), a party is related to an entity if, directly or indirectly through one or more intermediaries, the party controls or is controlled by the reporting entity, has an interest in the entity that gives it significant influence over the entity or has joint control over the entity as well as associates and joint ventures. In addition, retirement benefit schemes for postemployment benefits for employees are also included under related parties.

Related Entities

As at the balance sheet date, the pbb Group had no receivables (31 December 2023: €7 million) and no liabilities to associates not accounted for using the equity method.

The liabilities to defined contribution pension plans amounted to €1 million as at 31 December 2024 (31 December 2023: €1 million).

Management in key positions

Management in key positions are persons who are directly or indirectly responsible for planning, directing and controlling the activities of pbb Group; for pbb Group, this means the members of the Management Board and the Supervisory Board.

For 2024, pension payments for former members of the Management Board and their surviving dependants totalled €4,867 thousand (2023: €4,768 thousand). The remuneration of the members of pbb's Supervisory Board in office during the year under review amounted to €729 thousand (2023: €699 thousand); this exclusively related to fixed remuneration for Supervisory Board activities (including remuneration for committee activities).

Vested remuneration claims of related persons[1)]

in € thousand	Short-term benefits[2)]	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments[2)]	2024 Total	2023 Total
Total	**5,577**	**1,781**	**374**	**-**	**942**	**8,674**	**6,856**

[1)] The reporting follows the so-called "vesting principle": the remuneration components that were earned in the relevant reporting period 2024 are reported.

Pension obligations to related persons

in € thousand	31.12.2024	31.12.2023
Total[1)]	**68,260**	**68,116**

[1)] Of which €51,687 thousand (2023: €53,350 thousand) for pensioners and their surviving dependants.

DISCLOSURE PURSUANT TO SECTION 314 NO. 6 OF THE HGB, BY GROUPS OF INDIVIDUALS

Remuneration paid to Management Board members

in € thousand	2024[1)] 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 for 2023. In 2023, members of the Executive Board who left before the 2023 financial year did not receive any remuneration.

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

Provisions for pensions

in € thousand	2024[1)] Additions/ reversals	Total
Management Board members who were in office during the financial year 2024	1,809	16,214
Management Board members who retired prior to the financial year 2024	-1,664	51,687
Total	**145**	**67,901**

[1)] The provisions for pensions for Management Board members in office in the 2023 financial year amounted to €14,405 thousand as at 31 December 2023. The provisions for pensions for members of the Managment Board who left the company before the 2023 financial year amounted to €53,351 thousand as at 31 December 2023.

Remuneration paid to Supervisory Board members of pbb

in € thousand	2024[2)] 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 employee representatives on the Supervisory Board, which they received independently of their Supervisory Board activities on the basis of the employment contracts concluded with them, is not shown.
[2)] The remuneration of the Supervisory Board members in office in the 2023 financial year totalled €699 thousand for 2023. Supervisory Board members who left the Board before the 2023 financial year did not receive any remuneration in 2023 either.

With the exception of the employee representatives on the Supervisory Board, who are naturally also 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.

STATEMENT ACCORDING TO ARTICLE 19 MMVO

On 7 March 2024, the Chairman of the Supervisory Board, Dr Louis Hagen, acquired shares in the company for the equivalent of €20,556.80 at a price of €4.672 per share in the XETRA trading system (see notification dated 12 March 2024, published at www.pfandbriefbank.com/investoren/pflichtveroeffentlichungen/directors-dealings-vorstand-aufsichts-rat.html and at www.dgap.de). Apart from this i) to the knowledge of pbb, the members of the Management Board and the Supervisory Board and persons closely related to them did not hold any shares of pbb to a reportable extent on 31 December 2024 and 31 December 2023 and ii) to the knowledge of pbb, no shares of pbb or related instruments to a reportable extent were acquired or sold by members of the Management Board and the Supervisory Board or persons closely related to them in 2024 and 2023.

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).

The total amount expensed for share-based payment transactions during the financial year 2024 was 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.

80. Employees

Average number of employees

	2024	**2023**
Employees (excluding apprentices)	831	848
Thereof: senior staff in Germany	16	19
Total	**831**	**848**

81. Members of the Supervisory Board and of the Management Board

Supervisory Board of pbb in financial year 2024

Name Age as at 31 December 2024 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 66 years Chairman 25.5.2023	**Lawyer and former Chairman of the Management Board of Münchner Hypothekenbank eG** Chairman of the Executive and Nomination Committee and of the Remuneration Control Committee; Member of the Audit Committee and of 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 (since 30.1.2025 Chairman)
Hanns-Peter Storr 65 years Member; Deputy Chairman 12.5.2021	**Entrepreneur** Chairman of the Risk Management and Liquidity Strategy Committee; Member of the Audit Committee	**BHW Bausparkasse AG, Hameln** – Member of the Supervisory Board
Karim Bohn 53 years Member 30.11.2023	**Chief Financial Officer der Canyon Bicycles GmbH** Member of the Audit Committee (since 23.2.2024); Member of the Risk Management and Liquidity Strategy Committee (since 23.2.2024)	-
Gertraud Dirscherl 66 years Member 2.2.2022	**Entrepreneur** Chairwoman of the Audit Committee; Member of the Remuneration Control Committee and the Risk Management and Liquidity Strategy Committee; Member of the Executive and Nomination Committee (since 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 60 years Member 19.7.2022	**Professor Frankfurt School of Finance & Management** **University Professor Frankfurt School of Finance & Management (since 1.11.2023)** 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 (unti 1.5.2024) **Ehret & Klein AG, Starnberg** – Member of the Supervisory Board (13.2.2024 to 31.1.2025)
Susanne Klöß-Braekler 60 years Member 12.5.2021	**Independent Supervisory and Advisory Board Member, Investor, Senior Advisor** Member of the Executive and Nomination Committee and of the Remuneration Control Committee	**ING-DiBa AG, Frankfurt/Main** – Chairwoman of the Supervisory Board **Oddo BHF SE, Frankfurt/Main** – Member of the Supervisory Board **Cembra Money Bank AG, Zürich** – Member of the Supervisory Board
Georg Kordick 64 years Employee Representative 22.2.1990	**Bank employee** Member of the Executive and Nomination Committee (since 8.8.2024)	–
Olaf Neumann 49 years Employee Representative 12.5.2021	**Bank employee** Member of the Audit Committee (since 8.8.2024)	–
Heike Theißing 64 years Employee Representative (until 30.9.2024) 7.7.2011	**Bank employee** Member of the Remuneration Control Committee (until 30.9.2024)	**–**
Jennifer Wendels 31 years Employee Representative (since 1.10.2024) 1.10.2024	**Bankangestellte** Member of the Remuneration Control Committee (since 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	-

82. Holdings of pbb

Holdings of pbb as of 31 December 31.12.2024

Additional statement according to HGB Name Place of business and country	Purpose of business	Interest in % Total (Sec 16 (4) Aktiengesetz)	Interest in % Of which held indirectly	Differing voting rights in %	Currency	Equity in thousands	Net income/ loss in thousands
Consolidated companies							
IMMO Invest Real Estate GmbH[1)] Munich, Germany	Purchase of salvage acquisitions	100.00	-	-	EUR	948	-
Niagara Asset Management LLC, Atlanta	Purchase of salvage acquisitions	100.00	-	-	USD	38,645	1,036
Alabama One Asset Management LLC, Atlanta	Purchase of salvage acquisitions	100.00	-	-	USD	2,567	3
Alabama Two Asset Management LLC, Atlanta	Purchase of salvage acquisitions	100.00	-	-	USD	4,959	-1,934
Alabama Three Asset Management LLC, Atlanta	Purchase of salvage acquisitions	100.00	-	-	USD	39,388	9
Not consolidated companies							
pbb Beteiligungs GmbH[1)] Munich, Germany	Purchase of salvage acquisitions	100.00			EUR	25	-
Associated companies							
161 North Clark Holdco LLC, New York, USA	Purchase of salvage acquisitions	21.74	21.74	-	USD	78,934	4,026
Associated companies not measured at equity due to minor significance							
Eco Estate GmbH Frankfurt/Main, Germany	ESG consulting	35.00			EUR	152	-451

[1)] Profit transfer by shareholders on the basis of profit and loss transfer agreement.

83. Country-by-Country Reporting

The requirements of Article 89 CRD (Capital Requirements Directive CRD IV) concerning to so-called Country-by-Country Reporting were endorsed in German law by Section 26a KWG (German Banking Act).). In the financial years 2024 and 2023, no company, branch or representative office of pbb received public aid. The ratio of net profit/loss to total assets of the pbb Group amounted to 0.2% as at 31 December 2024 (31 December 2023: 0.2%). The other disclosures pursuant to section 26a KWG are contained in the following table:

Country-by-Country Reporting (Additional statement according to Section 26a KWG) as of 31 December 2024

Type of business Name and place of business	Country	Number of employees[1]	Turnover[2) 3)] (in € million)	Income/loss before tax[3)] (in € million)	Income taxes[3)] (in € million)
Deposit taking credit institution					
Deutsche Pfandbriefbank AG, Munich	Germany	690	504	92	-13
Branch of a deposit taking credit institution					
Deutsche Pfandbriefbank AG, London branch	United Kingdom	35	15	3	-1
Deutsche Pfandbriefbank AG, Madrid branch	Spain	7	2	1	-
Deutsche Pfandbriefbank AG, Paris branch	France	28	12	5	2
Deutsche Pfandbriefbank AG, Stockholm branch	Sweden	10	4	1	-
Representative office of a deposit taking credit institution					
Deutsche Pfandbriefbank AG, representative office New York	USA	8	6	1	-
Provider of ancillary services					
IMMO Invest Real Estate GmbH, Munich	Deutschland	-	-	-	-
Niagara Asset Management LLC, Wilmington	USA	-	1	1	-
Alabama One Asset Management LLC, Atlanta	USA	-	-	-	-
Alabama Two Asset Management LLC, Atlanta	USA	-	-	-	-2
Alabama Three Asset Management LLC, Atlanta	USA	-	-	-	-

1) Full-time equivalents not including apprentices, interns/working students and short-term employees with fixed terms < 1 year.
2) Operating income as turnover equivalent.
3) Figures before consolidation.

84. Report on Post-balance Sheet Date Events

There were no events after 31 December 2024 with a material impact on the development in assets, financial position and earnings of the pbb Group.

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, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

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 CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGE-MENT REPORT

Audit Opinions

We have audited the consolidated financial statements of Deutsche Pfandbriefbank AG, Munich/Germany, and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit and loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2024, and the notes to the consolidated financial statements, including material accounting policy information. 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 Internal 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 consolidated financial statements comply, in all material respects, with the IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter "IFRS Accounting Standards") as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) German Commercial Code (HGB) and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated 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 referred to 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 referred to 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 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance 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 promulgated 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 Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance 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 consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated 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 consolidated financial statements as a whole and in forming our audit opinion 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 determined 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 consolidated financial statements)
b) auditor's response

Determination of risk provisioning in the lending business

a) As at 31 December 2024, a total of bEUR 39.2 in "Financial assets at amortised cost after credit loss allowances" are recognised in the consolidated financial statements of Deutsche Pfandbriefbank AG, which makes up 88.8% of total assets. The existing risk provisioning of mEUR 539 has already been deducted from these assets. Risk provisioning includes both individually determined stage 3 specific allowances of mEUR 411 and stage 1 and 2 risk provisions determined using a model-based approach of mEUR 128. Additional contingent liabilities and other commitments amount to bEUR 1.6, for which provisions of mEUR 4 have been made in the lending business, which fully relate to stage 1 and 2 portfolio 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. The expected stage 3 credit loss is determined based on individual cash flows in several probability-weighted scenarios. The amount of risk provision equals the difference between the carrying amount of the asset and the present value of the expected future cash flows. The latter is calculated based on the initial effective interest rate. 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 commitments).

Upon initial recognition of the loans and advances, the risk provisioning in the lending business are based on expected credit losses for twelve months (stage 1). The twelve-month expected credit loss is that part of the lifetime expected credit losses that is equal to the expected credit losses from defaults that may occur statistically within twelve months after the reporting date. In case of a significant increase in the financial asset's credit risk within the context of subsequent measurement (stage 2), the risk provisioning has to reflect the expected default events over the transaction's lifetime. For determining stage 1 and 2 credit losses, the Bank generally uses a model-based procedure based on the internal 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. The internal risk parameters are transformed by taking into account forward-looking information. Stage 1 and 2 risk provisions 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 the impairment rules under IFRS 9 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 credit loss allowances, 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 allowances is prone to uncertainties.

The disclosures on the determination of allowances in the lending business can be found in the notes to the consolidated financial statements in note 7 "Financial Instruments", subsection "Accounting of Impairment", in note 29 "Judgements and Estimations", subsection "Allowances", as well as in note 50 "Financial Assets at Amortised Cost after Credit Loss Allowances (Including Claims from Finance Lease Agreements)", subsection "Development in risk provisioning".

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 (stage 3 risk provisions or specific allowances). Moreover, we conducted a test of design and implementation and of operating effectiveness of the controls with respect to the determination of stages 1 and 2 risk provisions.

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 Bank 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 stage 1 and 2 risk provisions based on a representative sample.

For the purpose of assessing the determination of stage 1 and 2 risk provisions 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 consolidated financial statements.

Other Information

The executive directors and/or the supervisory board 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 pursuant to Section 297 (2) sentence 4 and Section 315 (1) sentence 5 HGB regarding the consolidated financial statements and the combined management report, and
- the unaudited content of the combined management report marked as "unaudited", and
- all other parts of the annual report,
- but not the consolidated financial statements, not the audited content of 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 consolidated 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 consolidated 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 Consolidated Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated 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 consolidated financial statements, the executive directors are responsible for assessing the Group'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 unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated 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 Group’s financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Group’s position and, in all material respects, is consistent with the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Group.
- 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 Group’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 consolidated 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 Group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and with the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- plan and perform the audit of the consolidated financial statements in order to obtain sufficient appropriate audit evidence regarding the financial information of the entities or of the business activities within the Group, which serves as a basis for forming audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and inspection of the audit procedures performed for the purposes of the group audit. We remain solely responsible for our audit opinions.
- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with German law, and the view of the Group'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 consolidated 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 Consolidated 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 consolidated 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 800f4945661ca3aed90bad4d9386ae5cffa92883042d4c66587a02da170c49b0, 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 consolidated 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 consolidated 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 consolidated 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 Consolidated 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 consolidated 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 "Group 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 parent are responsible for the preparation of the ESEF documents based on the electronic files of the consolidated financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements according to Section 328 (1) sentence 4 no. 2 HGB.

In addition, the executive directors of the parent 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.

Group 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 intentional 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 consolidated financial statements and to the audited combined management report.
- evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the general meeting on 2 June 2024. We were engaged by the supervisory board on 13 June 2024. We have been the group auditor of Deutsche Pfandbriefbank AG, Munich/Germany, without interruption 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 consolidated financial statements and the audited combined management report as well as with the audited ESEF documents. The consolidated 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 consolidated financial statements 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 THE 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 this Annual Report is the authoritative version and only the German version of the Combined Management Report and the Consolidated Financial Statements were audited by the auditors.