Quarterly Information
as of 30 September 2020

Deutsche Pfandbriefbank Group

Contents

Business Performance

Key Figures

Deutsche Pfandbriefbank Group (pbb Group)		1.1.–30.9. 2020	1.1.–30.9. 2019
Operating performance according to IFRS			
Profit before tax	in € million	106	187
Net income	in € million	71	155
Key ratios		**1.1.–30.9. 2020**	**1.1.–30.9. 2019**
Earnings per share	in €	0.43	1.06
Cost-income ratio[1]	in %	42.5	41.5
Return on equity before tax[2]	in %	4.3	8.1
Return on equity after tax[2]	in %	2.7	6.6
New business volume Real Estate Finance[3]	in € billion	4.3	6.9
Balance sheet figures according to IFRS		**30.9.2020**	**31.12.2019**
Total assets	in € billion	60.2	56.8
Equity	in € billion	3.3	3.2
Financing volumes Real Estate Finance	in € billion	26.8	27.1
Key regulatory capital ratios[4]		**30.9.2020**	**31.12.2018**
CET1 ratio	in %	15.3	15.9
Own funds ratio	in %	20.4	21.1
Leverage ratio	in %	5.7	5.6
Staff		**30.9.2020**	**31.12.2019**
Employees (on full-time equivalent basis)		772	752
Long-term issuer rating/outlook[5][6]		**30.9.2020**	**31.12.2019**
Standard & Poor's		A-/Credit Watch Negative/ Negative	A-/Negative
Moody's Pfandbrief rating[6]		**30.9.2020**	**31.12.2019**
Public sector Pfandbriefe		Aa1	Aa1
Mortgage Pfandbriefe		Aa1	Aa1

[1] Cost-income ratio is the ratio of general and administrative expenses and net income from write-downs and write-ups on non-financial assets to operating income.
[2] Return on equity before tax respectively after tax is the ratio of annualised profit before tax (net income) less AT1-coupon and average equity (excluding accumulated other comprehensive income (OCI) from cash flow hedge accounting, financial assets at fair value through OCI and AT1 capital).
[3] Including prolongations with maturities of more than one year.
[4] Values as of 31 December 2019 after confirmation of the 2019 financial statements. The figures have been adjusted compared with the presentation in the Annual Report 2019, as the dividend proposal for the financial year 2019 of €0.90 per eligible share was withdrawn on 3 April 2020 and at the Annual General Meeting on 28 May 2020, a resolution was passed to retain the net profit achieved in 2019.
[5] The ratings of unsecured liabilities may diverge from the issuer ratings.
[6] The rating agencies may alter or withdraw their ratings at any time. Ratings of individual securities issued by pbb may deviate from the ratings indicated above, or an individual security may not be rated at all. For the evaluation and usage of ratings, please refer to the rating agencies' pertinent criteria and explanations and the relevant terms of use, which are to be considered. Ratings should not serve as a substitute for personal analysis. They do not constitute a recommendation to purchase, sell or hold securities issued by Deutsche Pfandbriefbank AG (pbb).

This notice is a quarterly report of the Deutsche Pfandbriefbank Group ("pbb Group") in accordance with section 53 of the Exchange Rules (Börsenordnung) of the Frankfurt Stock Exchange. Unless stated otherwise, the following comments are based on (unaudited) consolidated figures in accordance with International Financial Reporting Standards (IFRS), adopted by the EU. Furthermore, also unless stated otherwise, the comments relate to comparison with the same period of the previous year (1 January to 30 September 2019, also referred to as "9m2019" below) or, in the case of details concerning the statement of financial position, comparison with figures as at the previous year's reporting date (31 December 2019).

The SARS-CoV-2 coronavirus led to a global spread of the COVID-19 disease during the reporting period. As a result of the pandemic and the precautionary measures related to it, economic output worldwide, measured in terms of gross domestic product, has slumped drastically and unemployment has climbed.

The economic recession has also impacted on banks, with higher impairments on financial instruments, among other things. Nonetheless, banks are facing the current economic challenges with what is likely to be better capitalisation and liquidity than in previous comparable situations.

The market for commercial real estate finance has also changed, with investor demand and the demand for rented space having fundamentally deteriorated. The hotel and non-food retail sectors have been particularly hard-hit – in contrast, logistics properties have tended to benefit from the strength of the e-commerce business.

The financial markets were confronted initially with marked spread widening and a virtual standstill of issuing activity. Numerous measures taken by the ECB, including asset-purchase programmes or the new Targeted Longer-Term Refinancing Operations (TLTRO III) offered at better terms, helped support the capital markets, with spreads recovering rapidly in the euro area.

Thanks to good levels of capital and liquidity, alongside a risk-conservative business model, pbb Group believes it is well positioned to meet the challenges of the current environment. Despite the crisis, pbb Group's operating stability and internal workflows have not been significantly affected at any time. This is down to our prompt response to the changed environment. For example, we put precautionary measures in place for employees, including mobile and flexible working practices.

To alleviate the effects of the COVID-19 pandemic, Germany and other countries agreed to impose varying forms of payment holidays, including statutory deferrals of certain loan instalments for customers in financial distress owing to the crisis. In Germany, the corresponding rules relate exclusively to loan agreements concluded with consumers and microenterprises, and are therefore of minor significance to pbb Group. The same applies for other countries' moratoria, if they are extended solely to consumer business, and for private moratoria initiated by the banking associations in which pbb is not participating.

In its existing business, pbb has instead actively sought economically viable solutions on an individual basis together with clients. In agreement with the clients, the contractual cash flows were adjusted on a small number of financings in the reporting period. The adjustments to contractual cash flows generally involved deferring or providing relief on current principal repayments or contractual agreements for calculating financial indicators for a certain period of time.

These contract modifications had no material impact on income. None of the modifications were so comprehensive that they constituted a de facto new financing in line for the purposes of IFRS 9. This meant that current financings were not derecognised, nor were modified financings recognised. The number and scope of increased financings to clients – guaranteed by KfW or other development banks – was also very low.

pbb Group is closely monitoring and managing the loan default risk. Financial instruments with a gross carrying amount of €7.6 billion changed during the reporting period, from stage 1 to stage 2 impairments. Whilst their default risk had increased considerably compared with initial recognition, there are no indicators of a impaired credit quality within the meaning of IFRS 9. Compared with year-end 2019, one financial instrument with a gross carrying amount of €53 million was moved from stage 2 to stage 3 impairments. Thanks to very good collateralisation, loss allowance did not need to be increased. Net income from risk provisioning totalled €-84.0 million, with €-41 million attributable to financial instruments at impairment stages 1 and 2.

The Management Board and the Supervisory Board are discussing current developments on a regular basis; moreover, a cross-divisional task force has been established for clarifying issues related to the COVID-19 pandemic. Covering pbb's target markets in particular, this task force closely monitors and analyses prevailing market developments, along with conducting close surveillance of certain market segments particularly affected by the impact of the COVID-19 pandemic (such as hotels and retail). It also analyses and assesses government protection and stimulus programmes in terms of their relevance to our borrowers. Furthermore, pbb Group closely monitors ongoing developments – with a special focus on cash flows and collateral – at a single-exposure level.

The volume of new business (including extensions beyond one year) amounted to €4.4 billion. In view of the sharp decline in the volume of market transactions from the second quarter of 2020 onwards and the strictly conservative risk policy we continued to apply, this was a satisfactory result. As early repayments also declined sharply compared with prior periods, the volume of real estate financings disbursed was largely stable at €26.8 billion as at 30 September 2020, compared to €27.1 billion as at 31 December 2019.

Profit before tax amounted to €106 million. This year-on-year decline (9m2019: €187 million) was mainly attributable to the negative impact on net income from risk provisioning (€-84 million; 9m2020: €-10 million), which resulted in particular from economic conditions brought about by the COVID-19 pandemic. pbb Group achieved a good result with regard to the most important current income and expense items. Net interest income of €354 million was slightly higher than the prior-year figure of €341 million. At €145 million, general and administrative expenses were only marginally higher than the previous year (9m2019: €141 million). The detailed development is described in the development of earnings.

Profit before tax showed a clearly positive trend during the course of 2020. The first two quarters were defined by additions to impairment losses on financial assets without indications for impaired credit quality (stages 1 and 2), so that pre-tax profits amounted to €2 million in the first quarter of 2020 and €29 million in the second quarter of 2020 (taken in isolation). In contrast, pre-tax profit of €75 million in the third quarter of 2020 returned to pre-COVID-19 pandemic levels (Q3 2019: €70 million; quarterly average for 2019: €54 million).

The Management Board considers pbb's current liquidity situation to be satisfactory. Looking at the funding activities at the beginning of 2020, the Bank's general liquidity status and the liquidity support offered by the ECB, we do not expect any liquidity bottlenecks. Of the measures offered by the ECB, pbb Group took advantage of the attractive terms of the Targeted Longer-Term Refinancing Operations (TLTRO III), which is accounted for in accordance with IAS 20, and participated in the amount of €7.5 billion in June 2020.

At 15.3% as at 30 September 2020, the CET1 ratio (dimensioned to a level expected to be compliant with Basel IV) was in line with the level of 31 December 2019 (15.9%; this value takes into account the appropriation of profits already adopted by the Annual General Meeting). In the normative perspective, pbb significantly exceeded all regulatory minimum ratios for risk-bearing capacity as at 30 September 2020. In the economic perspective, the capital available to cover the risks also exceeded economic capital requirements as at 30 September 2020.

Development in Earnings

Income and expenses

in € million	1.1.– 30.9.2020	1.1.– 30.9.2019	Change
Operating income	374	233	141
Net interest income	354	228	126
Net fee and commission income	4	3	1
Net income from financial instruments at fair value through profit or loss (Net income from fair value measurement)[1]	-12	-16	4
Net income from derecognition of financial instruments not measured at fair value through profit or loss (Net income from realisations)[1]	20	16	4
Thereof: from financial assets at amortised cost	19	15	4
Net income from hedge accounting	4	-2	6
Net other operating income	4	4	-
Net income from allowances on financial assets (Net income from risk provisioning)[1]	-84	-70	-14
General and administrative expenses	-145	-97	-48
Expenses from bank levies and similar dues	-25	-25	-
Net income from write-downs and write-ups on non-financial assets	-14	-10	-4
Net income from restructuring	-	-	-
Profit before tax	**106**	**31**	**75**
Income taxes	-35	-8	-27
Net income	**71**	**23**	**48**
attributable to: Shareholders	71	23	48

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

Net interest income of €354 million was slightly higher than the previous year's figure (9m2019: €341 million), benefiting from lower funding expenses due to maturing bearer bonds and participation in the Bundesbank's US dollar tenders at temporarily better terms, allowing for the replacement of more expensive foreign-currency funding. Participation in the ECB's TLTRO III from 24 June 2020, whose interest-rate benefits are accrued over the term, also had a positive effect. As in the same period of the previous year, pbb Group profited from floors in client business, given the negative interest rate environment. However, the slightly lower portfolio of disbursed (and hence, interest-bearing) financings in REF (average of €26.9 billion; 9m2019: €27.5 billion) burdened net interest income, as did the decline in the non-strategic Value Portfolio, in line with the Bank's strategy. The contribution from the investment of own funds was also lower due to the low interest rate environment.

Net commission income includes fees that were recognised directly through profit or loss. At €4 million, net commission income in the reporting period reached the previous year's value (9m2019: €4 million).

Net income from fair value measurement (€-12 million; 9m2019: €-2million) was burdened chiefly by pull-to-par effects (whereby market value approaches zero towards maturity). This was also impacted by the effect of widening credit spreads for non-derivative financings, which must be reported at fair value through profit and loss, of which the greatest effect was attributable to risk exposures to German federal states. Their fair values declined significantly in the first months of 2020 before partially recovering towards the end of the second quarter and during the third quarter.

The changed economic situation led to a marked decline in market transactions in commercial real estate financing from March 2020 onwards as well as to a change in the competitive dynamics. This led to a decline of early redemptions of financings driven by the current terms available, among other things. The total decline in the volume of early repayments also led to a lower volume of prepayment penalties received, resulting in net income from realisations of €20 million, which were lower year-on-year (9m2019: €31 million).

Net income from hedge accounting (€4 million; 9m2019: €-3 million) included income of €5 million from the conversion of the reference interest rates to the euro short-term rate (€STR). Since the changes in the value of derivatives and hedged items almost completely compensated each other in relation to hedged interest rate risk, there were hardly any other factors impacting upon profit or loss.

Within net other operating income (€4 million; 9m2019: €0 million), reversals of provisions for legal and tax-related matters exceeded additions.

Loss allowance for financial instruments is based on probability-weighted estimates of expected loan losses. While consistently applying the accounting methods, pbb Group adjusted underlying parameters for the estimations, such as expected gross domestic product and the probability weighting of the scenarios to the current new economic situation. For example, in the most likely scenario, pbb Group assumes a 7.0% decline in German gross domestic product for 2020, whereas the 2019 financial statements still predicted a 1.1% growth rate.

Net income from risk provisioning totalled €-84 million (9m2019: €-10 million). With net additions of €41 million (9m2019: net release of €6 million), part of the loss allowance recognised was due to financings without indication of impaired credit quality (as defined in IFRS 9) – i.e. financial instruments with stage 1 or stage 2 impairments. This includes the effect from the movement of financings with a gross carrying amount of €7.6 billion from stage 1 to stage 2 impairments. pbb Group carried out this movement although the change is due to the economic recession induced by the current COVID-19 pandemic. In fact, there is no evidence of data suggesting that the issuers or borrowers of the financings in questions are in significant financial difficulties. In addition, pbb Group did not carry out any management overlays that would have been compatible with the recommendations of the IASB and the European supervisory authorities ESMA, EBA and ECB, and that would have led to a reduction in existing loss allowance. As a result of the additions to impairment losses, coverage – defined as the ratio between impairment losses and gross carrying value on stage 1 and 2 commercial real estate financings – rose significantly to 32 basis points (31 December 2019: 18 basis points; 30 June 2019: 8 basis points).

Furthermore, net additions to impairment losses for financings with indicators of impaired credit quality rating (impairment stage 3) were necessary (€43 million net; 9m2019: net additions of €15 million). This increase in impairment losses was attributable almost exclusively to loans for shopping centres in the UK, reflecting structural change in the retail industry, among other things.

General and administrative expenses of €145 million were slightly above the same period of the previous year (€141 million). This was attributable to higher personnel expenses resulting from an increase in the average number of employees, and to higher non-personnel expenses due to regulatory projects.

Expenses for bank levies and similar dues (€25 million; 9m2019: €23 million) mainly comprised expenses for the bank levy to be recorded already for the full-year 2020 in compliance with IFRIC 21, taking into account pledged collateral amounting to 15% (€23 million; 9m2019: €20 million). The year-on-year increase in expenses for the bank levy resulted in a significant increase in the fund's target volume at EU level. This line item also comprised expenses of €2 million (9m2019: €3 million) for the private Joint Fund for Securing Customer Deposits and the statutory deposit guarantee scheme.

Net income from write-downs and write-ups on non-financial assets (€-14 million; 9m 2019: €-13 million) included scheduled depreciations of tangible assets and amortisation of intangible assets. The year-on-year increase reflected scheduled amortisation of the right of use (capitalised in mid-2019) for the building in Garching. Material impairments on non-financial instruments were not required.

There were no material additions to, or reversals of, restructuring provisions during the reporting period. Net income from restructuring related to income from the reversal of provisions for the same period of the previous year related to Human Resources.

Income taxes (€-35 million; 9m2019: €-32 million) were attributable to current taxes (€-31 million; 9m2019: €-12 million) and to deferred taxes €-4 million (9m2019: €-20 million). The changes are mainly due to the tax treatment by the tax authorities of the higher loss allowance.

Net income amounted to €71 million (9m2019: €155 million), of which €58 million (9m2019: €142 million) was attributable to ordinary shareholders and €13 million (9m 2019: €13 million) to AT1 investors on a pro rata basis (based on the assumption that the discretionary AT1 coupon is serviced in full).

Development in Assets and Financial Position

DEVELOPMENT IN ASSETS

Assets

in € million	**30.9.2020**	**31.12.2019**
Cash reserve	5,611	1,141
Financial assets at fair value through profit or loss	1,354	1,306
Positive fair values of stand-alone derivatives	717	717
Debt securities	134	130
Loans and advances to customers	500	456
Shares in investment funds qualified as debt instruments	3	3
Financial assets at fair value through other comprehensive income	1,728	1,696
Debt securities	1,409	1,325
Loans and advances to other banks	-	15
Loans and advances to customers	319	356
Financial assets at amortised cost after credit loss allowances	49,615	50,224
Financial assets at amortised cost before credit loss allowances	49,822	50,351
Debt securities	7,602	7,679
Loans and advances to other banks	2,649	2,356
Loans and advances to customers	39,571	40,316
Credit loss allowances on financial assets at amortised cost	-207	-127
Positive fair values of hedge accounting derivatives	1,672	2,199
Valuation adjustment from portfolio hedge accounting (assets)	29	19
Tangible assets	40	45
Intangible assets	38	39
Other assets	45	41
Current income tax assets	23	22
Deferred income tax assets	92	90
Total assets	**60,247**	**56,822**

Total assets rose to €60.2 billion in the reporting period (31 December 2019: €56.8 billion). The cash reserve rose to €5.6 billion, due in particular to participation in TLTRO III in the amount of €7.5 billion in June 2020. Contrary effects comprised the repayment of TLTRO II, maturing bearer bonds and expired repo transactions. Financial assets measured at amortised cost decreased marginally, due to a slightly lower notional volume in all three segments and higher impairment losses. The €0.5 billion decline in the positive fair values of hedging derivatives was largely due to Eurex netting effects.

DEVELOPMENT IN FINANCIAL POSITION

Liabilities and equity

in € million	30.9.2020	31.12.2019
Financial liabilities at fair value through profit or loss	715	762
Negative fair values of stand-alone derivatives	715	762
Financial liabilities measured at amortised cost	53,757	49,741
Liabilities to other banks	9,797	4,195
Liabilities to customers	22,927	23,985
Bearer bonds	20,337	20,858
Subordinated liabilities	696	703
Negative fair values of hedge accounting derivatives	2,001	2,562
Valuation adjustment from portfolio hedge accounting (liabilities)	140	81
Provisions	260	263
Other liabilities	55	130
Current income tax liabilities	46	47
Liabilities	**56,974**	**53,586**
Equity attributable to the shareholders of pbb	2,975	2,938
Subscribed capital	380	380
Additional paid-in capital	1,637	1,637
Retained earnings	1,020	966
Accumulated other comprehensive income	-62	-45
from pension commitments	-104	-99
from cash flow hedge accounting	-13	-11
from financial assets at fair value through OCI	55	65
Additional equity instruments (AT1)	298	298
Equity	**3,273**	**3,236**
Total equity and liabilities	**60,247**	**56,822**

Liabilities

The increase in total assets is reflected on the liabilities side in higher financial liabilities at amortised cost. Within this item, liabilities to banks increased, particularly as the drawdown under TLTRO III exceeded the repayment of TLTRO II. Bearer bonds on the other hand declined due to maturities. In line with the assets side, the fair values of hedging derivatives also fell on the liabilities side.

Equity

Equity as at 30 September 2020 increased by €37 million compared to 31 December 2019. Although profit before taxes of €71 million had a positive effect on equity, the impact from higher actuarial losses from pension obligations (€-5 million) was negative. The lower discounting rate of 1.14% (31 December 2019: 1.30%), in line with the development of market interest rates used to measure the obligations, contributed to the higher actuarial loss. Accumulated other comprehensive income from financial assets measured at fair value through other comprehensive income declined by €10 million since the previous year-end, due to effects induced by interest rate and credit developments.

Funding

On 24 June 2020, the ECB provided a total of €1,308.4 billion for a maximum term of three years to banks within the euro area, within the scope of a targeted longer-term refinancing operation. Under this TLTRO III programme, pbb Group drew down a three-year, €7.5 billion tranche. At the same time, pbb Group repaid its liabilities of €1.9 billion from the ECB's TLTRO II programme early, effective 24 June 2020. The funding mix also changed, as fewer repo transactions are being executed. When a defined level of net lending is reached, the variable interest rate on the TLTRO III over the term corresponds to the average interest rate for the deposit facility. In addition, the Bank is granted a further interest rate premium of 50 basis points for the first year of the term in such cases. pbb Group assumes that these conditions will be met, hence interest-rate benefits are accrued over the term. The allocated TLTRO III tranche was reported under liabilities to banks as at 30 September 2020.

During the period from 1 January to 30 September 2020, pbb Group raised new long-term funding volume of €4.8 billion (9m2019: €5.5 billion). This was offset by repurchases and terminations totalling €0.6 billion (9m2019: €0.5 billion). The total amount of funding comprises both Pfandbrief issues and unsecured liabilities, issued both in the form of benchmark bonds and private placements. €3.2 billion (9m2019: €2.5 billion) was attributable to Pfandbrief issues, of which €1.4 billion was issued to pledge as collateral for participation in TLTRO III. At €1.6 billion (9m2019: €3.0 billion), unsecured funding accounted for one third of the volume, which was issued almost exclusively as senior preferred bonds. The transactions were mainly denominated in euro. Unhedged interest rate exposures are usually hedged by swapping fixed against floating interest rates. To minimise foreign currency risk between assets and liabilities, bonds were also issued in Swedish krona (equivalent of €0.2 billion).

Liquidity

As at 30 September 2020, the liquidity coverage ratio was 469% (31 December 2019: 182%).

Off-balance Sheet Commitments

Irrevocable loan commitments of €3.5 billion (31 December 2019: €4.2 billion) represent the majority of off-balance sheet obligations. Contingent liabilities on guarantees and indemnity agreements amounted to €0.2 billion as at 30 September 2020 (31 December 2019: €0.2 billion).

Segment Reporting

Income/expenses

in € million		Real Estate Finance (REF)	Public Invest-ment Finance (PIF)	Value Portfolio (VP)	Consoli-da-tion & Ad-justments (C&A)	**pbb Group**
Operating income	1.1.-30.9.2020	319	31	21	3	374
	1.1.-30.9.2019	319	27	22	3	371
Net interest income	1.1.-30.9.2020	294	29	28	3	354
	1.1.-30.9.2019	290	27	21	3	341
Net fee and commission income	1.1.-30.9.2020	4	-	-	-	4
	1.1.-30.9.2019	5	-	-1	-	4
Net income from fair value measurement	1.1.-30.9.2020	-5	-1	-6	-	-12
	1.1.-30.9.2019	-5	-1	4	-	-2
Net income from realisations	1.1.-30.9.2020	17	1	2	-	20
	1.1.-30.9.2019	31	1	-1	-	31
Net income from hedge accounting	1.1.-30.9.2020	2	1	1	-	4
	1.1.-30.9.2019	-2	-	-1	-	-3
Net other operating income	1.1.-30.9.2020	7	1	-4	-	4
	1.1.-30.9.2019	-	-	-	-	-
Net income from risk provisioning	1.1.-30.9.2020	-85	-1	2	-	-84
	1.1.-30.9.2019	-15	-	5	-	-10
General and administrative expenses	1.1.-30.9.2020	-124	-14	-7	-	-145
	1.1.-30.9.2019	-115	-17	-9	-	-141
Expenses from bank levies and similar dues	1.1.-30.9.2020	-15	-3	-7	-	-25
	1.1.-30.9.2019	-14	-3	-6	-	-23
Net income from write-downs and write-ups of non-financial assets	1.1.-30.9.2020	-12	-1	-1	-	-14
	1.1.-30.9.2019	-10	-2	-1	-	-13
Net income from restructuring	1.1.-30.9.2020	-	-	-	-	-
	1.1.-30.9.2019	3	-	-	-	3
Profit before tax	**1.1.-30.9.2020**	**83**	**12**	**8**	**3**	**106**
	1.1.-30.9.2019	**168**	**5**	**11**	**3**	**187**

Balance-sheet-related measures

in € billion		REF	PIF	VP	C&A	**pbb Group**
Financing volumes[1]	30.9.2020	26.8	5.9	11.7	-	**44.4**
	31.12.2019	27.1	6.3	12.1	-	**45.5**
Risik-weighted assets[2]	30.9.2020	16.1	0.8	0.4	0.5	**17.8**
	31.12.2019	15.8	0.8	0.5	0.6	**17.7**
Equity[3]	30.9.2020	1.8	0.2	0.5	0.4	**2.9**
	31.12.2019	1.7	0.2	0.6	0.4	**2.9**

[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 and AT1 capital.

pbb Group has adjusted the segmentation of income and expenses for the comparable prior-year period, and of equity as at 31 December 2019, in accordance with IFRS 8.29. Previously, the allocation of equity to the operating segments and C&A followed a proportionate approach and was therefore consistent with the distribution of diversified capital within risk management (going-concern approach). For 2020, pbb will continue to allocate reported equity to segments in proportion to economic required capital (in line with the "bottleneck principle"), however incorporating adjusted input parameters from Pillar 1 for the ICAAP economic perspective.

Breakdown of Maturities by Remaining Term

Maturities of specific financial assets and liabilities (excluding derivatives)

in € million	not specified/ repayable on demand	up to 3 months	more than 3 months up to 1 year	more than 1 year up to 5 years	more than 5 years	Total
						30.9.2020
Cash reserve	5,611	–	–	–	–	5,611
Financial assets at fair value through profit or loss	3	4	20	104	506	637
Debt securities	–	1	–	2	131	134
Loans and advances to customers	–	3	20	102	375	500
Shares in investment funds qualified as debt instruments	3	–	–	–	–	3
Financial assets at fair value through other comprehensive income	–	242	383	529	574	1,728
Debt securities	–	66	360	447	536	1,409
Loans and advances to other banks	–	–	–	–	–	–
Loans and advances to customers	–	176	23	82	38	319
Financial assets at amortised cost before credit loss allowances	1,526	3,419	4,302	19,674	20,901	49,822
Debt securities	–	147	324	2,359	4,772	7,602
Loans and advances to other banks	1,490	603	–	–	556	2,649
Loans and advances to customers	36	2,669	3,978	17,315	15,573	39,571
Total financial assets	**7,140**	**3,665**	**4,705**	**20,307**	**21,981**	**57,798**
Financial liabilities at cost	2,178	2,028	3,816	26,712	19,023	53,757
Liabilities to other banks	834	7	78	8,097	781	9,797
Thereof: Registred bonds	–	10	4	330	542	886
Liabilities to customers	1,307	838	2,140	5,614	13,028	22,927
Thereof: Registred bonds	–	344	388	2,999	12,424	16,155
Bearer bonds	37	1,157	1,569	12,946	4,628	20,337
Subordinated liabilities	–	26	29	55	586	696
Total financial liabilities	**2,178**	**2,028**	**3,816**	**26,712**	**19,023**	**53,757**

Maturities of specific financial assets and liabilities (excluding derivatives)

in € million	not specified/ repayable on demand	up to 3 months	more than 3 months up to 1 year	more than 1 year up to 5 years	more than 5 years	Total
						31.12.2019
Cash reserve	1,141	–	–	–	–	1,141
Financial assets at fair value through profit or loss	3	4	17	90	475	589
Debt securities	–	–	–	–	130	130
Loans and advances to customers	–	4	17	90	345	456
Shares in investment funds qualified as debt instruments	3	–	–	–	–	3
Financial assets at fair value through other comprehensive income	–	98	264	867	467	1,696
Debt securities	–	64	73	759	429	1,325
Loans and advances to other banks	–	–	15	–	–	15
Loans and advances to customers	–	34	176	108	38	356
Financial assets at amortised cost before credit loss allowances	1,862	1,775	5,037	20,331	21,346	50,351
Debt securities	–	248	160	2,439	4,832	7,679
Loans and advances to other banks	1,808	–	–	–	548	2,356
Loans and advances to customers	54	1,527	4,877	17,892	15,966	40,316
Total financial assets	**3,006**	**1,877**	**5,318**	**21,288**	**22,288**	**53,777**
Financial liabilities at cost	2,429	3,213	4,825	20,051	19,223	49,741
Liabilities to other banks	1,052	86	43	2,296	718	4,195
Thereof: Registred bonds	–	61	14	184	470	729
Liabilities to customers	1,363	1,226	1,904	5,709	13,783	23,985
Thereof: Registred bonds	–	516	627	2,937	12,971	17,051
Bearer bonds	14	1,883	2,862	11,962	4,137	20,858
Subordinated liabilities	–	18	16	84	585	703
Total financial liabilities	**2,429**	**3,213**	**4,825**	**20,051**	**19,223**	**49,741**

Report on Post-balance Sheet Date Events

There were no significant events after 30 September 2020.

Additional Information

Future-oriented Statements

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

Imprint

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