

NORD/LB Regulatory Update

Nachhaltigkeit in der gewerblichen Immobilienfinanzierung



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ESG

ESG Program provides for holistic approach with clear responsibilities assigned

ESG Programme

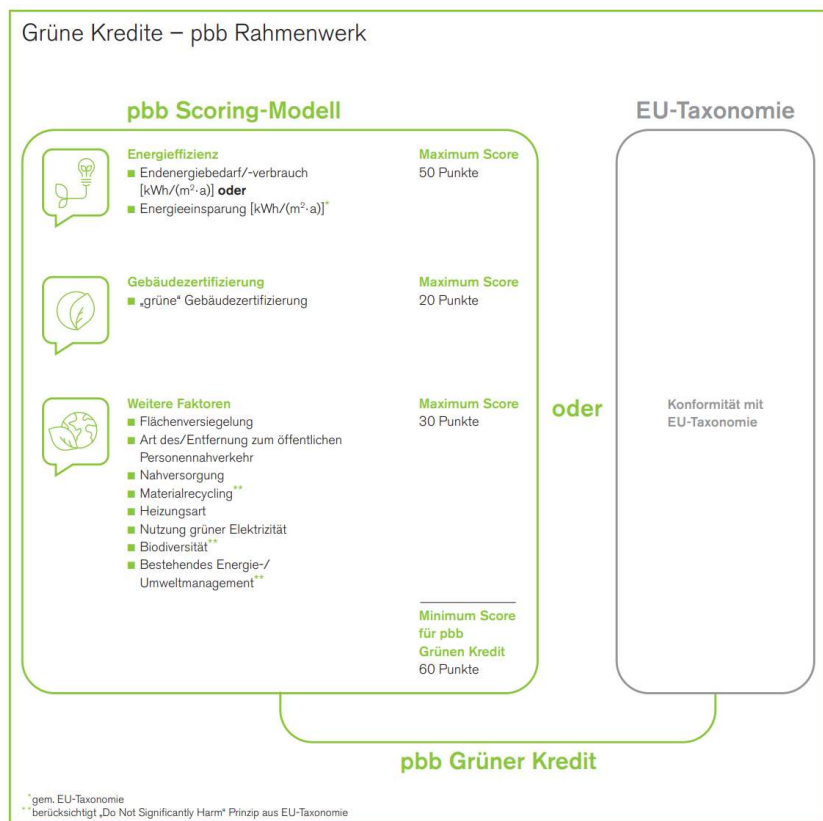


	2021	2022	10/23
ISS ESG	C Prime	C Prime	C Prime
MSCI	A	AA	AAA
Moody's ESG Solutions	Score 43	Score 44	Score 50

- ESG at core of pbb's strategy:
 - pbb can make a real difference, reducing the real estate sector's significant CO₂ impact
 - Green finance bank and transformation partner
 - Active portfolio steering with clear roadmap to align CRE portfolio with Paris 1.5° C target by 2045/50
- ESG risk structurally integrated in risk management landscape and overall business strategy
 - Comprehensive monitoring of physical and transitional risks in REF exposure – portfolio & individual loan basis
 - ESG risk assessment integral part of credit process
- Comprehensive ESG programme in place
 - Management Board responsibility – ESG targets part of remuneration
 - Operationally, all ESG dimensions covered with clear responsibilities assigned, e.g. EU taxonomy alignment for REF business
- Progress acknowledged by regulator, ESG rating agencies and capital markets. ESG Rating Upgrade to AAA from MSCI in 11/23 driven by improved governance aspects.

Grüner Kredit

Neben der technischen Anforderung auch entsprechende Dokumentation erforderlich



pbb Rahmenwerk für Grüne Kredite und Scoring-Modell

Für grüne Kredite gibt es bislang keinen etablierten Marktstandard. Die pbb hat deshalb ein Rahmenwerk für Grüne Kredite entwickelt, das auf zwei Elemente abstellt: ein eigenständiges **Scoring-Modell oder die EU-Taxonomie**. Das pbb Scoring-Modell erlaubt auf Basis festgelegter Kriterien die Bewertung einer Immobilie, die sich ab einem definierten Score für einen grünen Kredit qualifiziert. Alternativ vergibt die pbb Grüne Kredite für Gebäude, die der EU-Taxonomie entsprechen.

Das Scoring-Modell der pbb berücksichtigt drei Dimensionen: Die **Energieeffizienz** eines Gebäudes, die **Gebäudezertifizierungen** sowie weitere **Nachhaltigkeitsfaktoren**. Zu letzteren gehören Faktoren wie die Flächenversiegelung oder die Verfügbarkeit und die Entfernung zum ÖPNV (Öffentlicher Personennahverkehr), aber auch die Verwendung recycelter Materialien beim Bau oder die Art der Heizung und die Nutzung von grüner Elektrizität.

Funktionsweise des pbb Scoring-Modells

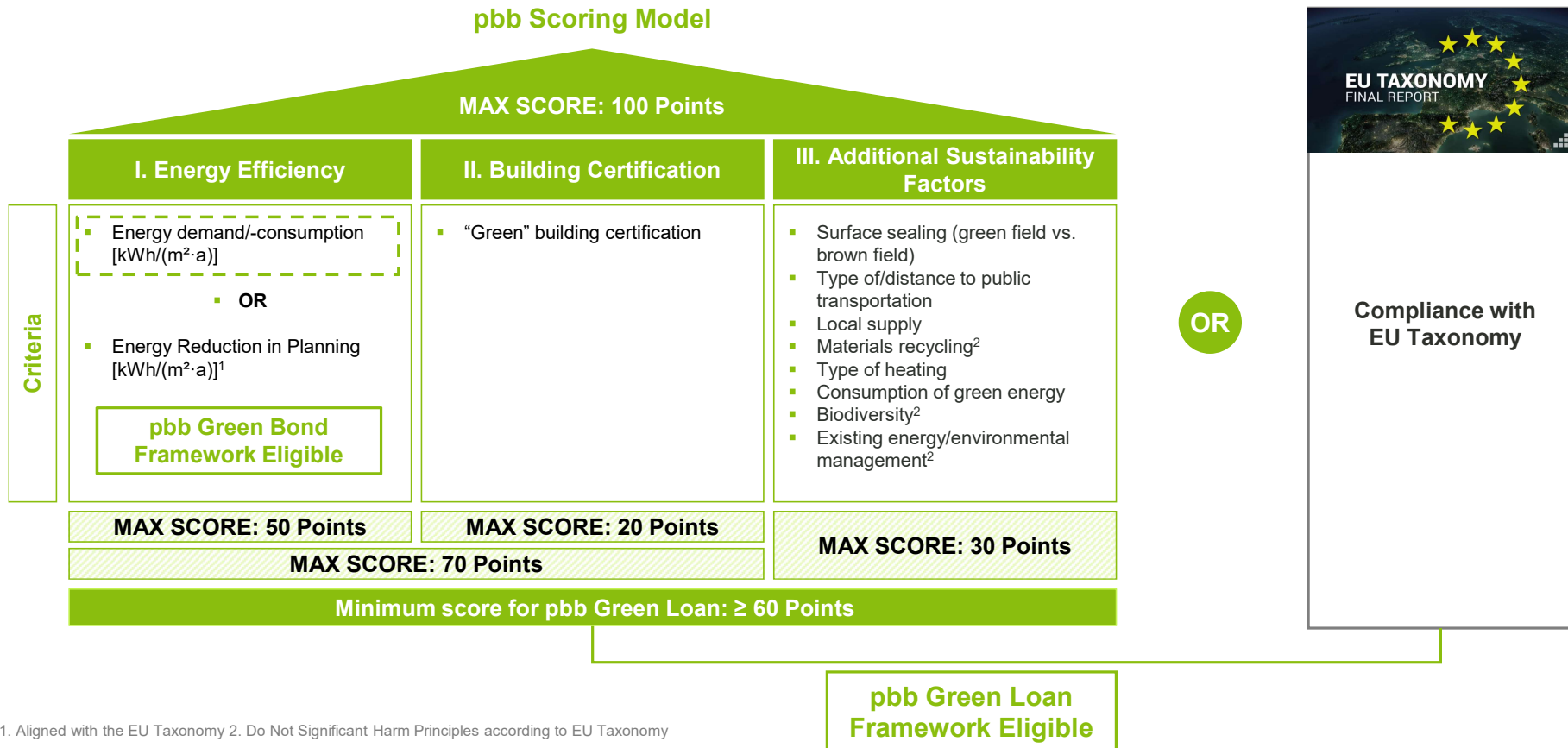
Insgesamt vergibt das Scoring-Modell maximal 100 Punkte, davon maximal 50 Punkte für die Energieeffizienz und weitere bis zu 20 Punkte für Zertifizierungen. Für die weiteren Nachhaltigkeitsfaktoren kann ein Gebäude in Summe bis zu weitere 30 Punkte erhalten. Erreicht ein Gebäude insgesamt **mindestens 60 Punkte**, können Investoren für die Finanzierung einen Grünen Kredit von der pbb erhalten.

Mit ihrem Rahmenwerk für Grüne Kredite geht die pbb bewusst über die Energieeffizienz eines Gebäudes als Voraussetzung für einen Grünen Kredit hinaus. Ein niedriger Energieverbrauch wird damit zu einem notwendigen Kriterium für einen Grünen Kredit, es müssen aber weitere Faktoren hinzukommen.

Eine ausführliche Information zum Green Loan Framework finden Sie unter:
<https://www.pfandbriefbank.com/kunden/green-loan.html>

GREEN LOAN

pbb Green Loan Framework aligned with current regulatory and market developments – specific metrics defined for each criterion

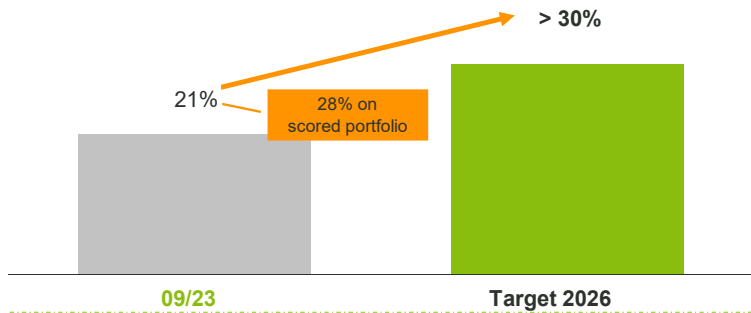


1. Aligned with the EU Taxonomy 2. Do Not Significant Harm Principles according to EU Taxonomy

ESG

Strong progress in sustainable finance activities

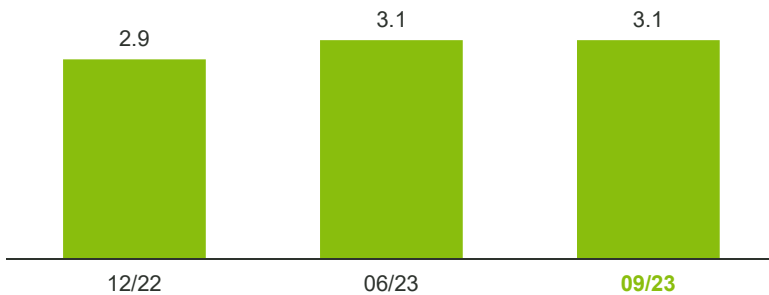
Green share of REF portfolio¹ (green loan eligible assets, %)



- 74% of REF portfolio scored – scoring of remaining portfolio ongoing
- Green share of total REF portfolio currently at 21% resp. € 6.3 bn (28% based on scored portfolio of 74%) vs. 2026 target of >30%

Green Bonds

€ bn



- pbb is a leading issuer of senior preferred green bonds in the European market
- Reduction of outstanding green bonds due to bond buy-back in Q2/23

1. Based on total REF portfolio; 28% based on scored REF portfolio of 74% as of 30 September 2023 / Green assets according to pbb's green loan framework (Green loan eligible)

GREEN FINANCE

Become the leading green CRE transformation financing partner in Europe

Strategic Rationale

We set pbb up as sustainable finance bank and real estate transformation partner through a comprehensive ESG programme

ESG being a responsibility and opportunity at the same time

We establish pbb with sustainability expertise and profile beyond lending

Measures

Green Lending

- We increase **share of financed green properties** in our REF-portfolio with clear business target
- We emphasize **green (development) loans** and green capex facilities
- We build up a comprehensive ESG data gathering and **holistic ESG database**

Green Bonds

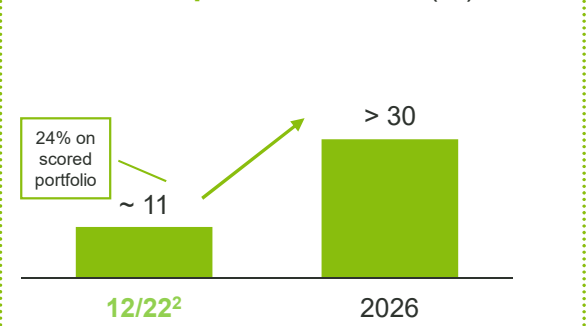
- We are a **leading issuer of green senior unsecured bonds**

Green Consulting

- We want to offer our clients independent and voluntary consulting services for holistic solutions in green CRE transformation
- We establish a partnership with ESG-minded RE developers for advisory services (Groß & Partner)
- We identify **green leads** through proprietary data tools and create transparency on ESG quality of the pbb loan book

KPIs

Green REF portfolio share¹ (%)



Achievement green bonds



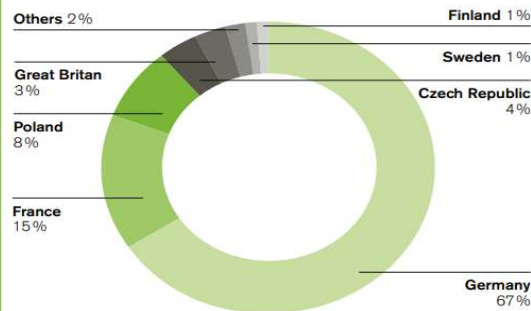
€ 3.3 bn
Green bonds issued (since 2021)

1. Green assets according to pbb's green loan framework (Green loan eligible) 2. Based on total REF portfolio; 24% based on scored REF portfolio of 45% as of 31 December 2022 / Green assets according to pbb's green loan framework (Green loan eligible)

Green Bond Referenzportfolio

Reference Portfolio: approx. € ~4.75 bn as of 11/2023

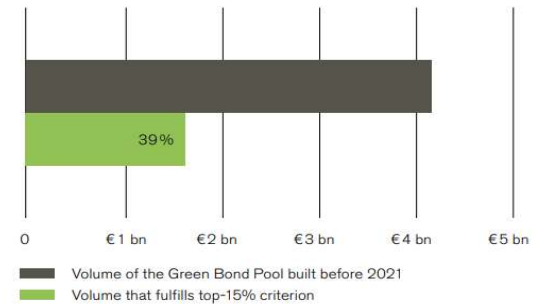
Breakdown by regions



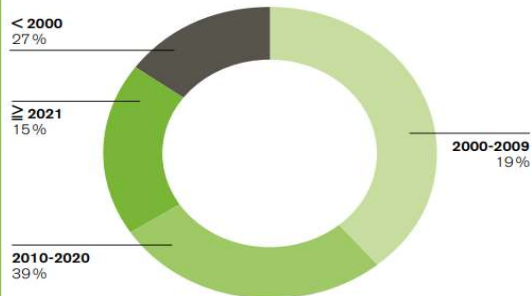
More than 80% of all properties are located in **Germany or France** with Germany accounting for the by far highest portion with 67%.

Referring to the officially published data from "deepki", a leading ESG data intelligence firm, we evaluate the Green Bond pool based on the **top 15% criterion** for final energy consumption. Almost 40% of the entire pool meets the top 15% criterion.

Top-15% Criterion



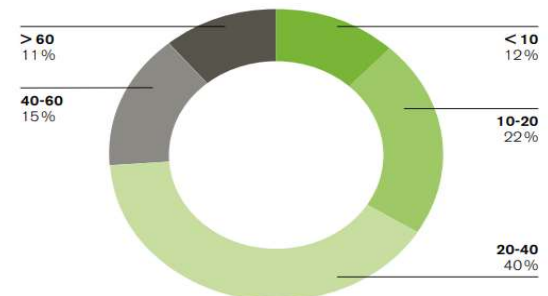
Breakdown by year of construction



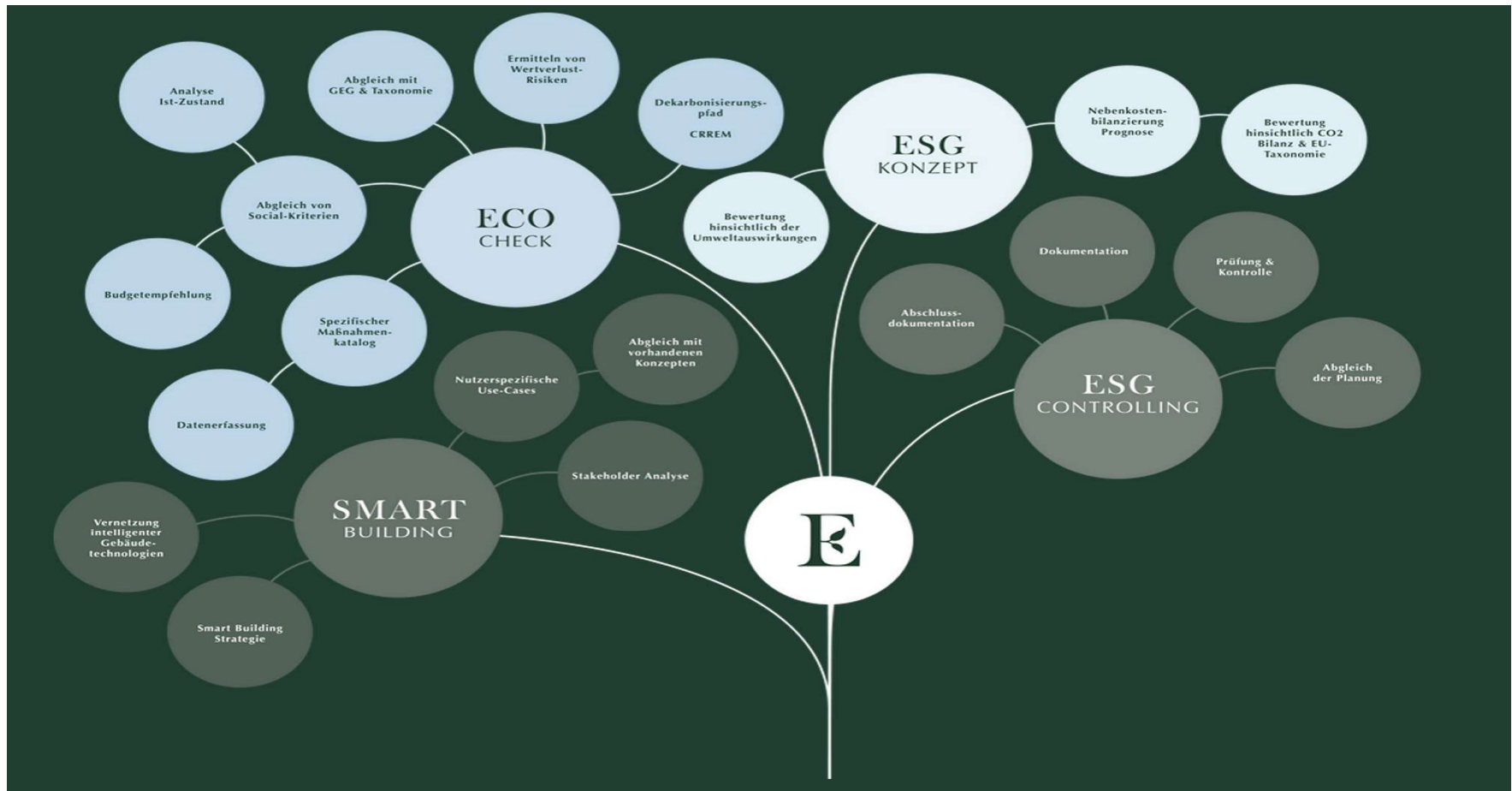
For more than half of the asset pool the construction process was completed in **2010 or later**. Only about one building out of four was built before year 2000.

The overwhelming majority (74%) of the green bond asset pool emits less than 40 kg CO₂/m² p.a. **Almost 35%** of the pool emits even no more than 20 kg CO₂/m² p.a.

Breakdown by total CO₂ emissions in kg/m² p.a.



Discrepancies from 100% may arise due to rounding.



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