

Deutsche Pfandbriefbank AG

January 29, 2026

This report does not constitute a rating action.

Ratings Score Snapshot

SACP: bb+

Anchor	bbb+	
Business position	Constrained	-2
Capital and earnings	Strong	1
Risk position	Constrained	-2
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

Support: +1

ALAC support	1
GRE support	0
Group support	0
Sovereign support	0

Additional factors: 0

Issuer credit rating
BBB-/Negative/A-3
Resolution counterparty rating
BBB/--/A-2

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ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths

Strong risk-adjusted capital (RAC) buffers.

Key risks

Commercial real estate (CRE) financing business relies heavily on interest income, and strategic challenge to generate increasing fee income.

Access to covered bond funding, and reduced unsecured funding needs due to access to retail deposits.

Weak asset quality of the wind-down U.S. office portfolio, and sensitivity to valuations in the German CRE market.

Large additional loss-absorbing capacity (ALAC) buffers protect senior creditors in the event of a resolution.

Weak profitability and dependence on recovery in CRE transaction volumes.

The progressing exit from the U.S. could trigger additional value adjustments in coming quarters.

We expect Deutsche Pfandbriefbank AG (PBB) to record a net loss towards the middle of the €210 million to €265 million guidance for 2025, including the impact of the recently signed synthetic risk transfer (SRT) covering most its U.S. performing book. We are mindful of the

remaining unhedged U.S. book, now largely consisting of nonperforming loans (NPLs), and we think uncertainty remains on the final markdowns of exits amid ongoing valuation pressure on the least attractive properties. In addition, recent loan loss provisions booked on the NPLs in the German development portfolio underline residual risks in the current part of the CRE cycle, while the European investment portfolio appears to be stabilizing.

PBB is exposed to a still soft transaction market in Germany and the rest of Europe. This has resulted in a downward revision of its business target and expected portfolio size as of Dec. 31, 2025. While the underwriting quality and profitability of new business appears good, the expected volume of new business remains weak, below €6 billion for 2025. Combined with prevailing relatively short average maturities of new business, this also depresses future earnings, as the cost base is largely fixed. While structurally positive, the derisking activities, particularly in the U.S. book, will reduce the addressable market and tie the business outlook more toward the European CRE market, which can remain difficult for longer term amid elevated refinancing rates and structural trends.

PBB faces a long transition toward a more sustainable business model, and this is prone to execution risks. We remain cautious on the outlook for new lending volumes and margins in 2026 and 2027, amid the mixed economic outlook. The recent acquisition of Deutsche Investment Group (DIG) lays the groundwork for greater revenue diversification, but PBB will need to create a track record to underline the tangible benefits to its business model. For now, this acquisition cannot offset the negative operating leverage from its real estate finance business amid weak loan demand.

Furthermore, we note that the bank needs to frequently refinance maturing debt, which it has been able to do successfully in 2025, in a favorable funding environment. As PBB proceeds with its business model transition, it will need to maintain investor appetite for its debt. A deterioration of funding conditions is an additional source of downside risks for the bank.

PBB's strong capitalization enables it to absorb additional unexpected losses. PBB's regulatory total capital ratio of 19.7% as of third-quarter 2025 provides a good buffer to its high total supervisory review and evaluation process requirement of 14.75% (unchanged for 2026). We forecast S&P Global Ratings' RAC ratio to reach 13.0%-14.0% for 2026 and 2027, compared with 12.9% as of 2024. We expect the U.S. business wind-down will free up capital that can be either deployed toward new lending if demand picks up materially or distributed to shareholders. Nevertheless, the strong capitalization cannot fully shield the bank's stability from earnings pressure and weak investor perception.

We expect that, in a stress scenario, PBB would likely be subject to a resolution action that prioritizes full and timely payment to senior preferred creditors. We think this scenario is more likely than liquidation. Therefore, we continue to apply one notch of uplift for ALAC to our 'bb+' stand-alone credit profile (SACP) assessment for the bank. We expect PBB can maintain a sizable ALAC buffer, above 8% of S&P Global Ratings' risk-weighted assets (RWAs) by year-end 2027, compared with an estimated 9.5% as of Dec. 31, 2025. We include one notch of ALAC uplift into our long-term issuer credit rating (ICR) on PBB, rather than the two notches that are common for banks with ALAC ratios comfortably above 6%. This considers that PBB is a more nuanced case in terms of expected resolution measures relative to other systemically important banks.

Outlook

The negative outlook reflects the risks that PBB faces as it seeks to transition toward a more sustainable business model.

Downside scenario

We could lower our rating over the next two years if:

- There are material strategic revisions to PBB's business model beyond the exit from the U.S.;
- PBB suffered from restricted funding access at reasonable spreads for a prolonged period;
- Transaction volumes in European CRE markets do not offer sufficient new business opportunities for real estate finance portfolio growth with appropriate risk-adjusted margins that would further pressure core profitability metrics; or
- CRE markets show renewed signs of stress due to increasing rates or weaker economic developments, which could increase risks to PBB's asset quality and capitalization.

Upside scenario

We could revise the outlook to stable if management executes on its announced derisking and new business plans without material setbacks from the external environment.

This would enable the bank to improve its risk-adjusted profitability, which should also benefit investor confidence and funding spreads.

Key Metrics

Deutsche Pfandbriefbank AG--Key Ratios And Forecasts

(%)	--Fiscal year ended Dec. 31 --				
	2023a	2024a	2025f	2026f	2027f
Growth in operating revenue	13.6	-9.8	(22.0)-(27.0)	0.0-5.0	1.0-6.0
Growth in customer loans	3.4	-9.5	(6.0)-(8.0)	(1.0)-(5.0)	0.0-4.0
Net interest income/average earning assets (NIM)	1.0	1.0	0.95-1.05	0.95-1.05	1.0-1.2
Cost-to-income ratio	49.9	49.6	62.0-65.0	64.0-67.0	61.0-65.0
Return on average common equity	2.9	2.9	(7.5)-(8.1)	1.5-3.0	2.0-3.5
New loan loss provisions/average customer loans	0.5	0.5	1.1-1.2	0.1-0.3	0.1-0.3
Gross nonperforming assets/customer loans	3.9	5.4	5.7-6.4	4.5-5.5	3.9-4.5
Risk-adjusted capital ratio	11.8	12.9	12.8-13.5	13.0-14.0	13.0-14.0

All figures include S&P Global Ratings' adjustments. a--Actual. f--Forecast.

Anchor: 'bbb+', Based On The Economic Risk In PBB's Main Markets And The Banking Industry Risk In Germany

PBB's weighted-average economic risk score of slightly below '3' is weaker than the economic risk score of '2' for banks that only operate in Germany, reflecting its 55% share of lending exposure outside of Germany. Nevertheless, this still indicates an anchor of 'bbb+' as a starting point to derive the ICR. The industry risk score of '4' is based solely on PBB's home market, Germany. We view the trends for economic risk and industry risk as stable (see "[Banking Industry Country Risk Assessment: Germany](#), Sept. 19, 2025).

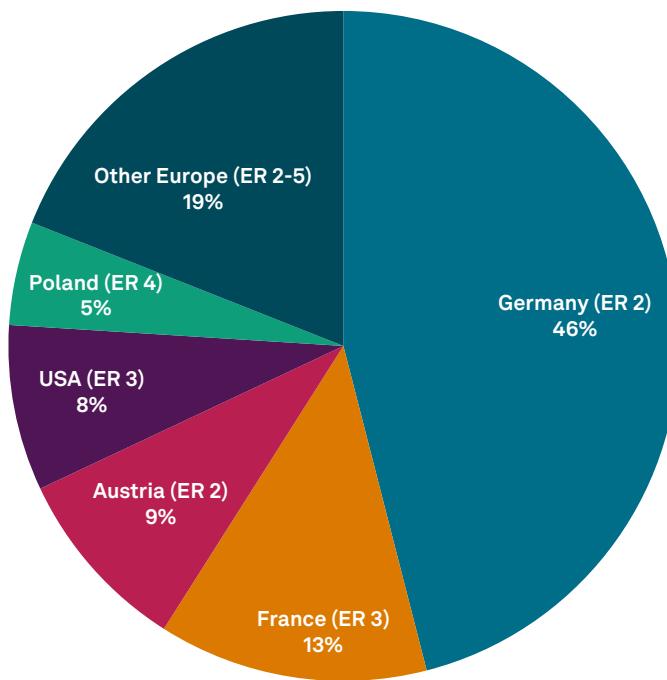
Our economic risk assessment for Germany reflects our positive view of its robust economic profile, supported by significant wealth, economic diversification, moderate debt, and the strongest external balance sheet among the major economies. Structural challenges to Germany's export-oriented economic model, amplified by trade and geopolitical sensitivities, contribute to a weak economic performance. However, we anticipate that large-scale fiscal spending will bolster economic activity and credit demand from 2026. We also expect a resilient labor market and an average number of corporate insolvencies. This leads us to project that domestic credit losses will peak at 30 basis points (bps) in 2025, due to prolonged economic stagnation, before decreasing to about 25 bps in 2026 and 2027 as the fiscal stimulus takes effect.

Our industry risk assessment for Germany indicates that intense competition will continue to pressurize the banking sector's long-term profitability, and that the profitability gap compared to peer countries will persist. This assessment also reflects the German banking system structure, characterized by limited market consolidation and savings and cooperative institutions' significant market shares. These institutions generally prioritize stability over maximizing profits. We view the banking sector's access to a stable and broad domestic funding market as a positive factor. Supporting this funding profile is a substantial base of sticky retail deposits, bolstered by a comprehensive deposit-protection scheme, and access to covered bonds, a reliable and cost-efficient funding source.

Chart 1

PBB's share of German exposure to mildly increase amid the U.S. exit

Exposure by country (as of Sept. 30, 2025)



ER—Economic risk. Sources: PBB reports, S&P Global Ratings.

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Business Position: Significantly Concentrated On CRE Financing

We anticipate that PBB's concentrated, wholesale-oriented business profile will remain its main rating weakness. The current strategic cycle until 2027 leverages its existing business profile as a CRE finance solutions provider in Europe, as management aims to materially expand its real estate investment solutions segment. The recent acquisition of German asset manager DIG, with about €3 billion in real estate assets under management, will build the basis to achieve the target of generating capital-light fee income of up to 10% of operating revenue, a substantial increase from its current near-zero level.

The main risks to the business model will continue to come from its dependency on the CRE investment cycle and transaction volumes. The bank's current CRE portfolio is internationally diversified but largely opportunistic, and not clearly linked to a particularly strong client franchise or competitive advantage. The CRE finance business, as the core earnings and risks contributor, accounted for about 76% of financing volume as of Sept. 30, 2025. It mainly includes financing real estate transactions for offices, residential and logistics properties, retail (including shopping centers), and hotels. We do not expect new business volumes, including within PBB's growth asset classes like data centers and serviced living, to recover quickly. This will weigh on the interest-generating financing volumes and, consequently, profitability and buffer to absorb still elevated credit losses against a largely fixed cost base.

The remaining non-core portfolio in run-off mode accounts for 24% of financing volume and mainly covers low-yielding budget financing and the bank's public investment finance business (for example, infrastructure projects). We expect this portfolio with very low risk-weighted assets to only marginally contribute to profitability in the coming years.

We expect PBB's mix of business lines and revenues will remain more concentrated than that of many peers. Higher-rated peers often have broader business models with a better diversified and less cyclical business mix, which we generally consider positive for earnings stability. But also/even smaller and more concentrated rated peers--like NIBC Bank, Kommunalkredit Austria, and Grenke--usually show greater earnings stability and better profitability. PBB's acquisition of DIG may support revenue diversification over the medium term but it will take time, considering the high competition and margin pressures in the segment.

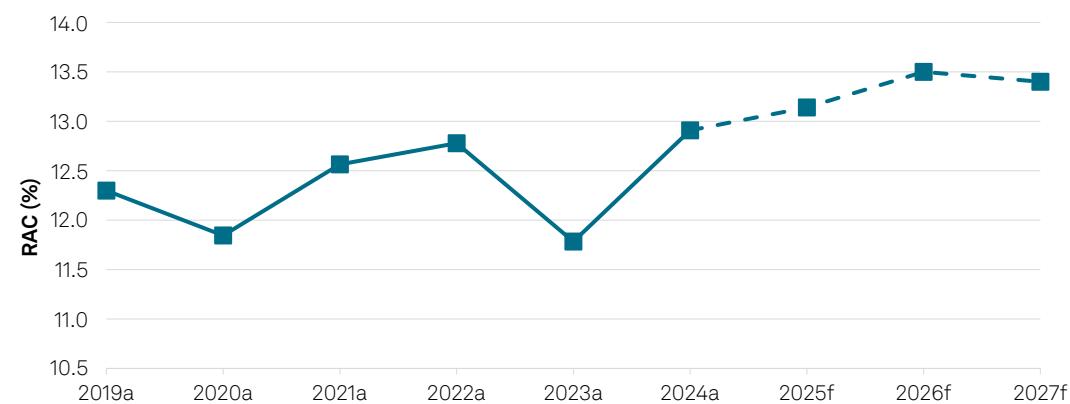
Capital And Earnings: Strong Capitalization Supports The Credit Profile

We expect PBB's capitalization will remain its key rating strength, reflecting our forecasted RAC ratio of about 13%-14% by year-end 2026, compared with 12.9% at year-end 2024. This forecast considers the expected RWA relief from the SRT on the performing U.S. book for 2025 and moderate new lending activity, which will more than offset the negative capital impact from the expected sizeable annual loss in 2025. For 2026, we forecast another drop in credit risk RWA from lower lending volumes, as well as lower operational risk RWA from reducing operating revenues over the past years. The 2026 forecast considers a resumption of dividend payments for the financial year 2026, but does not consider any additional capital distribution plans or aggressive capital redeployment that could accelerate the normalization of capital ratios toward its common equity tier 1 (CET1) ratio target of above 15.5% for 2027.

PBB's capital position will also easily absorb the completion of the DIG acquisition which has taken place effective as of 1 January 2026.

Chart 2

PBB's RAC ratio to benefit from the U.S. exit



RAC--Risk-adjusted capital. a--actual. f--forecast. Source: S&P Global Ratings.

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PBB's regulatory CET1 capital ratio was 15.4% on Sept. 30, 2025, above the bank's target of above 14% through the cycle and the 8.83% supervisory review and evaluation process CET1 requirement. The latter includes a relatively high pillar 3 capital requirement of 3.25% for 2026.

The quality of PBB's earnings will remain a relative weakness, in our view. PBB has high operating leverage, and current earnings prospects continue to be muted by relatively weak new business and a shrinking lending portfolio. Combined with elevated funding costs, we observed further reducing net interest income over 2025 amid a lack of offsetting revenue streams. From 2026, revenue diversification will benefit from its DIG acquisition, which targets to generate more stable fee income based on its real estate assets under management. However, bottom line contribution will be initially very limited, and PBB will need to create a track record to underline the tangible benefits to its business model.

We anticipate a modest rise in operating revenues for 2026 compared with 2025, which was impacted by valuation losses related to U.S. exposure. This increase will be offset by protection costs associated with SRT but supported by the DIG-driven fee income.

PBB's weak earnings quality is underlined by its comparatively low earnings buffer (S&P Global Ratings' metric that quantifies the capacity of earnings to absorb normalized through-the-credit-cycle losses) of 0.1%-0.2% of S&P Global Ratings' RWA over 2025-2027.

Risk Position: High Concentration In Cyclical Sectors

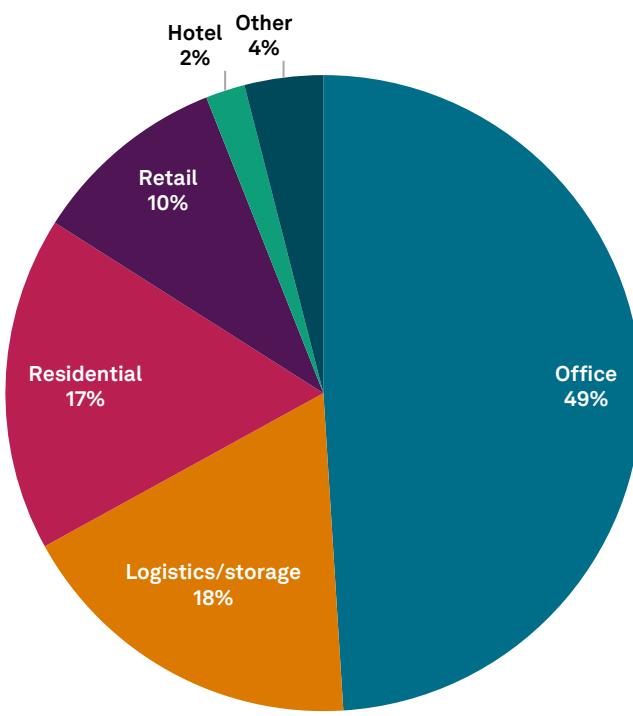
PBB's business model will remain structurally exposed to high sector and single-name

concentrations. We expect PBB's risk profile will continue to constrain the rating--driven by CRE market's high cyclicity and PBB's concentrations in its real estate lending portfolio, which continues to represent material risk to the bank's capital and earnings profile not reflected in our RAC ratio.

Chart 3

Office exposure dominates PBB's real estate finance book

PBB's real estate finance book as of Sept. 30, 2025



Sources: PBB reports, S&P Global Ratings.

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PBBs endeavor into the U.S. CRE market over the last decade is coming to an end, although the workout of the existing nonperforming exposure (NPE) in the U.S. (€1 billion as of third-quarter 2025) could still lead to additional losses. Positively, the recently signed SRT has removed most of the risk in the performing book, incurring material protection costs but marking a significant step in the U.S. exit strategy.

Furthermore, PBB's real estate development portfolio, largely in Germany, was severely hit by a sharp increase in interest rates and rising construction costs, with NPE amounting to €663 million, or about 39% of the development portfolio in third-quarter 2025.

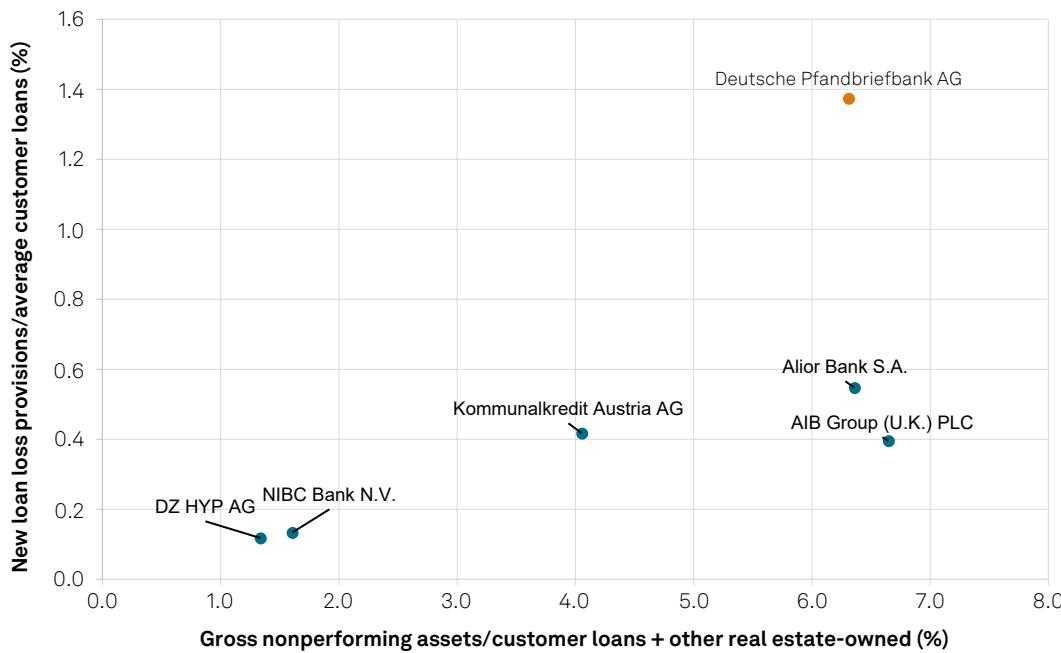
Asset quality is weaker than peers'. PBB's NPLs and credit losses remain elevated as compared to peers', with an NPL ratio of 6.3% (€2.1 billion) in third-quarter 2025 and annualized cost of risk at 137 bps in the first nine months of 2025 (including exit related cost in the U.S. portfolio).

Particularly, the very weak quality of the U.S. book, with an NPL ratio of 28% as of third-quarter 2025 weighs on credit metrics.

In our base case, we consider that PBB's credit losses could reduce to 20 bps-30 bps over 2026 and 2027, absent larger hits in the U.S. NPL valuations.

Chart 4

PBB's asset quality is weaker than peers, with elevated loan loss provisions and nonperforming loans



For PBB and Alior, YTD data is as of end September 2025; for Kommunalkredit, NIBC, and DZ HYP, YTD data is as of end June 2025; for AIB, YTD data is as of end December 2024. Source: S&P Global Ratings.

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Funding And Liquidity: Wholesale Reliance Mitigated By Stable Covered Bonds And Expanded Retail Deposits

PBB's funding and liquidity profile showed resilience in 2025. Compared to other German banks, PBB is more reliant on wholesale funding amid a less mature and more opportunistic retail deposit base. In early 2024, PBB faced high scrutiny over its CRE exposure, leading to peaked funding spreads and challenges in attracting wholesale funding. Nevertheless, PBB managed its liquidity proactively and benefited from the flexible nature of its retail (term) deposit access into the deep German deposit market and the availability of the German covered bond market, though at a cost. While funding spreads are gradually coming down, PBB still suffers from elevated funding costs compared to peers, indicating a negative investor sentiment regarding the monoline business model compared to more diversified peers.

Secured funding and retail deposit access provide stability in times of stress. PBB is a large, covered bond (Pfandbrief) issuer, with outstanding covered bonds of about €21 billion, forming about 51% of the funding base as of Sept. 30, 2025. PBB's (term) retail deposits declined slightly to €7.4 billion as of Sept. 30, 2025, versus €7.6 billion as of Dec. 31, 2024, in line with bank's refinancing requirements.

We consider covered bond and retail deposit funding to be also available in times of mild stress, as proven during 2024. This provides stability and reduces refinancing volumes for its unsecured wholesale funding instruments, which it mainly requires to fund overcollateralization requirements for its covered bond program.

Funding and liquidity ratios are on good levels. The 116% net stable funding ratio as of Sept. 30, 2025, was comfortably above the 100% regulatory requirement and in line with recent years, when it fluctuated between 110% and 120%.

The liquidity coverage ratio of 209% and a broad liquid asset to short-term wholesale funding of 0.9x as of Sept. 30, 2025, indicate no particular liquidity concern, though the latter ratio is weaker compared to most peers. We believe the bank could operate for more than six months without access to market funding in an adverse scenario. We see the bank's liquidity stress testing capabilities as adequate.

Support: Ratings Uplift Due To Strong Buffers Of Subordinated Capital For Bail-In Resolution

The one notch of ALAC uplift reflects our expectation that, if it failed, PBB would be subject to a resolution action that ensures full and timely payment to all senior preferred creditors. We continue to think this scenario is more likely than liquidation and assume that the authorities' first choice would be to try to sell the entire business. Recapitalizing the bank through a bail-in would be the second option. We expect that PBB will maintain a sizable ALAC buffer above 8% by year-end 2028, compared with estimated 9% for Dec. 31, 2025.

We see some potential to include a second notch of ALAC uplift in the ICR but not in the near term. We grant PBB only one notch of ALAC uplift, instead of the two notches typical for banks with ALAC ratios comfortably above 6%. We are confident that a share transfer could, in principle, lead to the continued full and timely payment of senior preferred liabilities. Yet, we consider PBB is a more nuanced case in terms of resolution measures to ensure the continuity of its operations and in light of its overall creditworthiness, relative to higher-rated banks. Notably, we take into account the Single Resolution Board's (SRB's) changing opinions about PBB's resolution plan in the past and that its ultimate decision at the point of nonviability may prove to be borderline about the orderly resolution or liquidation of the bank. PBB's business is concentrated in CRE financing and in the context of the German market has limited deposit funding. As such, SRB could assign it little relevance from a financial stability standpoint when considering public interest for a resolution action. We also note that, even without the use of resolution tools, the German Pfandbrief Act provides strong protection for covered bond investors. The highly cyclical nature of CRE assets and the associated high regulatory capital requirements may additionally hamper the SRB's ability to quickly sell PBB on acceptable terms.

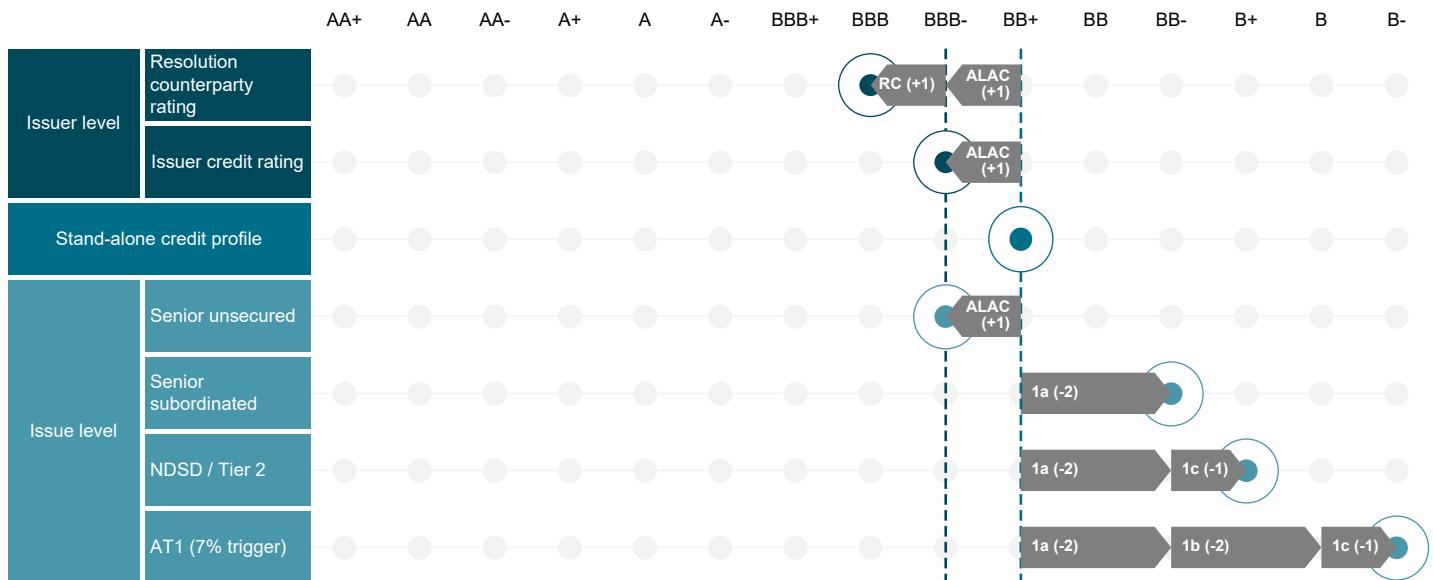
Environmental, Social, And Governance

The effect of environmental, social, and governance considerations on PBB is similar to that on its industry and domestic peers. We note that the bank has developed green concepts for its funding instruments and a green lending framework in relation to properties with high environmental standards. As of Sept. 30, 2025, PBB had €3.7 billion of green bonds outstanding. We believe the environmental specifications of buildings have become increasingly important to investors and tenants, particularly in Europe. The incorporation of energy-efficiency measures should help justify rent levels and protect properties' market value over the longer term.

Group Structure, Rated Subsidiaries, And Hybrids

We notch down our ratings on regulatory capital instruments and senior nonpreferred debt from our 'bb+' SACP.

Deutsche Pfandbriefbank AG: Notching



Key to notching

- Issuer credit rating
- Stand-alone credit profile

RC	Resolution counterparty liabilities (senior secured debt)
ALAC	Additional loss-absorbing capacity buffer
1a	Contractual subordination
1b	Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
1c	Mandatory contingent capital clause or equivalent

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on Oct. 13, 2025.

The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched from the group stand-alone credit profile (SACP) under our criteria. Since ALAC notching does not benefit NOHCs, for simplicity the diagram above is stylized to show the positioning of these ratings with reference to the group SACP.

AT1--Additional Tier 1. NDSD--Non-deferrable subordinated debt.

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Resolution Counterparty Ratings (RCRs)

The 'BBB/A-2' long- and short-term RCRs on PBB consider our forward-looking opinion that certain senior liabilities are explicitly protected from default through an effective bail-in resolution process for the issuing financial institution.

Key Statistics

Deutsche Pfandbriefbank AG Key Figures

Mil. EUR	2025*	2024	2023	2022	2021
Adjusted assets	42,527	44,118	50,830	52,958	58,360
Customer loans (gross)	33,533	35,556	39,290	37,981	38,890

Deutsche Pfandbriefbank AG

Deutsche Pfandbriefbank AG Key Figures

Adjusted common equity	2,866	3,085	3,038	3,007	2,910
Operating revenues	316	544	603	531	591
Noninterest expenses	192	270	301	274	268
Core earnings	(224)	90	91	187	228

*2025 data is for the nine months to end-September. EUR--euro.

Deutsche Pfandbriefbank AG Business Position

(%)	2025*	2024	2023	2022	2021
Total revenues from business line (currency in millions)	316	544	603	531	591
Other revenues/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	(10.1)	2.9	2.9	6.0	7.5

*2025 data is for the nine months to end-September.

Deutsche Pfandbriefbank AG Capital And Earnings

(%)	2025*	2024	2023	2022	2021
Tier 1 capital ratio	--	15.9	17.3	18.4	18.9
S&P Global Ratings' RAC ratio before diversification	N/A	12.9	11.8	12.8	12.6
S&P Global Ratings' RAC ratio after diversification	N/A	11.5	10.5	11.3	11.2
Adjusted common equity/total adjusted capital	90.6	91.2	91.1	91.0	90.7
Net interest income/operating revenues	98.1	85.5	79.9	92.1	83.6
Fee income/operating revenues	1.3	0.9	0.5	1.5	1.4
Market-sensitive income/operating revenues	(3.5)	14.5	14.3	6.6	15.4
Cost to income ratio	60.8	49.6	49.9	51.6	45.4
Preprovision operating income/average assets	0.4	0.6	0.6	0.5	0.6
Core earnings/average managed assets	(0.7)	0.2	0.2	0.3	0.4

*2025 data is for the nine months to end-September. N/A--Not applicable.

Deutsche Pfandbriefbank AG Risk-Adjusted Capital Framework (RACF) Data

	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government & central banks	13,348,367,910	126,868,067	1	637,114,666	5
Of which regional governments and local authorities	3,773,162,448	66,685,109	2	224,712,217	6
Institutions and CCPs	788,860,090	159,783,884	20	185,207,361	23
Corporate	27,829,744,727	16,803,809,260	60	21,328,905,881	77
Retail	2,288	0	0	531	23
Of which mortgage	2,288	0	0	531	23
Securitization§	0	0	0	0	0
Other assets†	2,092,848,887	2,084,083,644	100	2,583,233,587	123
Total credit risk	44,059,823,902	19,174,544,855	44	24,734,462,025	56

Deutsche Pfandbriefbank AG Risk-Adjusted Capital Framework (RACF) Data

	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit valuation adjustment					
Total credit valuation adjustment	--	130,864,013	--	0	--
Market risk					
Equity in the banking book	16,635,079	41,301,681	248	105,517,632	634
Trading book market risk	--	42,524,276	--	63,786,414	--
Total market risk	--	83,825,957	--	169,304,046	--
Operational risk					
Total operational risk	--	980,397,889	--	1,303,753,855	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	20,627,460,853	--	26,207,519,926	100
Total diversification/ concentration adjustments	--	--	--	3,144,854,079	12
RWA after diversification	--	20,627,460,853	--	29,352,374,005	112
	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)	
Capital ratio					
Capital ratio before adjustments	3,271,000,000	15.9	3,383,000,000	12.9	
Capital ratio after adjustments‡	3,271,000,000	15.9	3,383,000,000	11.5	

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA—Risk-weighted assets. RW—Risk weight. RAC—Risk-adjusted capital. Sources: Company data as of Dec. 31, 2024, S&P Global Ratings.

Deutsche Pfandbriefbank AG Risk Position

(%)	2025*	2024	2023	2022	2021
Growth in customer loans	(7.6)	(9.5)	3.5	(2.3)	(1.7)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	12.0	12.4	12.7	12.0
Total managed assets/adjusted common equity (x)	14.9	14.3	16.8	17.6	20.1
New loan loss provisions/average customer loans	1.4	0.5	0.6	0.1	0.2
Gross nonperforming assets/customer loans + other real estate owned	6.3	5.4	3.9	2.2	1.5
Loan loss reserves/gross nonperforming assets	38.7	28.3	37.9	46.2	58.6

*2025 data is for the nine months to end-September. N/A--Not applicable.

Deutsche Pfandbriefbank AG Funding And Liquidity

(%)	2025*	2024	2023	2022	2021
Core deposits/funding base	21.7	21.6	18.92	15.0	11.9
Customer loans (net)/customer deposits	392.5	411.2	445.5	525.4	616.0
Long-term funding ratio	82.9	84.3	79.2	80.0	88.9

Deutsche Pfandbriefbank AG Funding And Liquidity

Stable funding ratio	96.0	96.2	95.2	102.0	119.8
Short-term wholesale funding/funding base	18.5	17.1	22.3	21.4	11.8
Regulatory net stable funding ratio	116.0	116.0	111.0	110.0	118.0
Broad liquid assets/short-term wholesale funding (x)	0.9	0.9	0.9	1.2	2.5
Broad liquid assets/total assets	15.2	13.9	18.3	23.2	26.3
Broad liquid assets/customer deposits	77.5	72.3	107.1	171.7	245.6
Net broad liquid assets/short-term customer deposits	(15.8)	(13.8)	(21.0)	45.2	232.1
Regulatory liquidity coverage ratio (LCR) (x)	209.0	200.0	212.0	171.0	227.0
Short-term wholesale funding/total wholesale funding	23.4	21.6	27.3	25.0	13.3
Narrow liquid assets/3-month wholesale funding (x)	1.9	1.7	2.5	1.4	4.6

*2025 data is for the nine months to end-September.

Rating Component Scores

Issuer Credit Rating	BBB-/Negative/A-3
SACP	bb+
Anchor	bbb+
Business position	Constrained (-2)
Capital and earnings	Strong (1)
Risk position	Constrained (-2)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	1
ALAC support	1
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021

- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Deutsche Pfandbriefbank Outlook Revised To Negative On Weaker Profit Outlook, Transition Risk; Affirmed At 'BBB-/A-3'](#), Nov. 21, 2025
- [Banking Industry Country Risk Assessment: Germany](#), Sept. 19, 2025
- [Deutsche Pfandbriefbank's Second-Quarter Results Show Strategic Progress Is Coming At A Cost](#), Aug. 13, 2025
- [Deutsche Pfandbriefbank AG 'BBB-/A-3' Ratings Affirmed On U.S. Exit; Outlook Stable](#), June 24, 2025
- [Research Update: Deutsche Pfandbriefbank Outlook Revised To Stable On Stabilizing Asset Quality: 'BBB-/A-3' Ratings Affirmed](#), March 11, 2025
- [German Banking Outlook 2025: Resilient In The Face Of Adversity](#), Jan. 23, 2025
- [Deutsche Pfandbriefbank AG](#), Jan. 17, 2025
- [Deutsche Pfandbriefbank Continues To Navigate Difficult Commercial Real Estate Markets](#), Aug. 14, 2024

Ratings Detail (as of January 29, 2026)*

Deutsche Pfandbriefbank AG

Issuer Credit Rating	BBB-/Negative/A-3
Resolution Counterparty Rating	BBB/~/A-2
Commercial Paper	
Local Currency	A-3
Junior Subordinated	B-
Senior Subordinated	BB-
Senior Unsecured	BBB-
Short-Term Debt	A-3
Subordinated	B+

Issuer Credit Ratings History

21-Nov-2025	BBB-/Negative/A-3
11-Mar-2025	BBB-/Stable/A-3
14-Feb-2024	BBB-/Negative/A-3
17-Nov-2023	BBB/Negative/A-2
18-Mar-2022	BBB+/Stable/A-2
24-Jun-2021	BBB+/Negative/A-2

Sovereign Rating

Germany	AAA/Stable/A-1+
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*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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