News

Due to expected sound performance over the first six months of this year, pbb raises 2018 full-year guidance for pre-tax profit to €175-195 million

- Half-year profit before taxes of approximately €120 million expected
- Good operating result with stable net interest income and low risk costs
- Non-recurring effect from a conditional additional purchase price claim from former Heta exposure

Munich, 4 July 2018 – As the first half of the year is expected to show sound performance, the Management Board of Deutsche Pfandbriefbank AG (pbb) has today raised its original expectations for 2018 consolidated full-year pre-tax profit (IFRS) of between €150 million and €170 million to between €175 million and €195 million. The new guidance includes, as planned, increased pressure on net interest income as well as an increase in general and administrative expenses; furthermore, it continues to factor in estimated risk costs for the full year.

pbb expects profit before taxes in the region of €120 million for the first half of 2018. For the second quarter of 2018, pbb sees stable net interest income, continued low risk costs and general and administrative expenses on the good previous quarter's level. In addition, a non-recurring effect was recognised from a conditional additional purchase price claim in connection with accepting a buy-back offer for Heta Asset Resolution AG debt securities in 2016.

Compared to the first quarter, new business volume (including extensions by more than one year) rose slightly in the second quarter of 2018. However, due to strong competitive pressure and pbb's selective approach, new business during the first half of the year remained significantly below the previous year's level.

pbb will publish its interim financial statements for the second quarter of 2018 and for the first half of the current financial year on 13 August 2018.

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