

pbb increases new business by almost a fifth

- New business in commercial real estate financing rises to €1.3 billion in the first quarter (Q1/2025: €1.1 billion)
- First-time consolidation of Deutsche Investment broadens earnings' base
- Risk charges have fallen significantly following the initiated US exit
- Pre-tax profit of €6 million in the first quarter in line with expectations
- Annual targets confirmed in a more challenging market environment

Garching, 12 May 2026 – Deutsche Pfandbriefbank AG (pbb), one of Europe's leading specialist banks for commercial real estate financing, increased its new business volume¹ in its Real Estate Finance Solutions (REFS) segment by almost a fifth to €1.3 billion in the first three months of the current financial year (Q1/2025: €1.1 billion). The share of new commitments rose significantly to 64% (Q1/2025: 14% 2025: 42%). The gross interest margin on new business remained stable, at around 220 basis points, compared with the fourth quarter of 2025. The Return on Tangible Equity (RoTE) on new business stood at around 7%.

“We increased our new business in commercial real estate financing significantly and have a well-equipped transaction pipeline,” says Kay Wolf, CEO at pbb. “With the first-time consolidation of Deutsche Investment, we are generating significant fee income for the first time and are thus making good progress with the bank's transformation. Although economic uncertainty in Europe has increased further recently, we have made a good start to the second quarter and remain confident of achieving our targets for the full year.”

All in all, pbb generated a pre-tax profit of €6 million in the first quarter (IFRS, pbb Group; Q1/2025: €28 million), which is in line with the bank's full year expectations. This also takes into consideration the costs of the SRT transaction for the US exit, the shrinking non-core portfolio and a slightly reduced portfolio in Commercial Real Estate Finance (REFS). In addition, there were significant charges in the Fair Value result. By contrast, fee income (shown in net fee and commission income and other operating income) increased significantly due to the first-time consolidation of Deutsche Investment. Overall, operating income fell to €77 million (Q1/2025: €118 million).

The net income from risk provisioning was moderate at €-2 million (Q1/2025: €-26 million). LLP for the US portfolio amounting to €11 million was released in Stage 3. However, this was compensated by charges from non-performing US loans amounting to €10 million, which were recognised in Fair Value results and thus in operating income. Overall, risk charges are in line with expectations.

General administrative expenses remained stable, at €63 million, compared with the previous quarter. The rise in costs in the Real Estate Investment Solutions (REIS) segment resulting from integration costs for Deutsche Investment were fully compensated by cost savings, particularly in the REFS segment. The cost-income ratio (CIR)² stands at 88% (Q1/2025: 54%; Q4/2025: 64%).

¹) including extensions of more than one year

²) CIR = (General and administrative expenses + net income from write-downs and write-ups on non-financial assets)/operating income

The bank's liquidity position remains robust. With liquidity of €4.8 billion at the end of the first quarter, the bank remains well-equipped. The CET1 ratio stood at 13.4% as of 31 March 2026, in line with the bank's guidance. The decline compared with 31 December 2025 (14.7%) is primarily attributable to regulatory adjustments for the US portfolio under the F-IRBA standard.

As part of the execution of its transformation, pbb introduced a new segment structure with effect from 1 January 2026. Real Estate Finance business is managed within the REFS segment. The business activities of pbb invest and Originate & Cooperate are bundled within the new Real Estate Investment Solutions (REIS) segment. The Corporate Center segment encompasses the Treasury function, including the investment portfolio (which includes the former non-core portfolio).

Deutsche Pfandbriefbank AG (www.pfandbriefbank.com) is a leading European specialist lender for commercial real estate finance. pbb is a major issuer of Pfandbriefe, which makes it also an important player in the European covered bond markets overall. pbb's shares are listed on the Frankfurt Stock Exchange.

pbb Group at a glance

Profit and loss account (IFRS, in € million)	Q1/25	Q2/25	Q3/25	Q4/25	2025	Q1/26
Net interest income	107	104	99	99	409	84
Net fee and commission income	2	2	0	0	4	5
Net income from fair value measurement	3	-19	-11	-6	-33	-22
Net income from realisations	2	6	4	10	22	5
Net income from hedge accounting	2	0	2	-1	3	2
Impairments on equity method entities	0	-11	0	3	-8	-
Net other operating income	2	6	16	1	25	3
Operating income	118	88	110	106	422	77
Net income from risk provisioning	-26	-297	-33	-54	-410	-2
General and administrative expenses	-59	-56	-58	-63	-236	-63
Expenses from bank levies and similar dues	0	-3	0	0	-3	-1
Net income from write-downs and write-ups on non-financial assets	-5	-6	-5	-5	-21	-5
Net income from restructuring	0	-3	0	1	-2	-
Pre-tax profit	28	-277	14	-15	-250	6
Income taxes	-4	11	1	-42	-34	-1
Net income	24	-266	15	-57	-284	5

Key figures (%)	Q1/25	Q2/25	Q3/25	Q4/25	2025	Q1/26
Cost Income Ratio (CIR)	54.2	70.5	57.3	64.2	60.9	88.3
RoTE before tax	2.9	-40.1	1.2	-3.2	-9.9	0.0
RoTE after tax	2.3	-37.0	1.2	-9.1	-10.6	-0.2

Balance sheet figures (IFRS, in € billion)	Mar 25	Jun 25	Sep 25	Dec 25	Mar 26
Total assets	42.3	42.4	42.6	39.9	39.7
Equity	3.4	3.1	3.2	3.1	3.1
Financing volume	28.9	28.2	27.6	27.3	26.8

Note: The following applies to the entire press release: quarterly figures are unaudited, half-year figures are unaudited, but reviewed, full-year figures are audited.

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