## Press Release

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**pbb sees growth in new business – more than two-thirds of all deals are new commitments**

- New business volume (incl. extensions > year) after nine months stands at €4.5 billion, 14% higher than in the same period last year (9M 2025: €4.0 billion)
- RoTE on new business at 8%, in line with the strategic target
- Pre-tax profit of €28 million after three quarters is in line with expectations
- Risk provisions, at -€32 million, are significantly lower than in the same period last year (9M 2025: -€356 million[1])
- Outlook for the future development of the real estate markets remains cautious

**Garching, 12 November 2026** – Deutsche Pfandbriefbank AG (pbb), one of Europe's leading specialist banks for commercial real estate financing, increased its REF new business[2] in the Real Estate Finance Solutions (REFS) segment by 14% to €4.5 billion in the first nine months of 2026 compared with the same period last year (9M 2025: €4.0 billion). The share of new commitments rose to around 69% (9M 2025: 44%). The Return on Tangible Equity (RoTE) for new business stood at around 8%, in line with the strategic target, and even reached 9% in the third quarter. The share of property types crucial for future growth – hotels, senior living, student housing and data centres – has more than doubled compared with the same period last year and now stands at around 15% (9M 2025: 7%). At around €10 billion, the transaction pipeline remained well-stocked at the end of the third quarter 2026 (all figures IFRS, Group, unaudited).

Pre-tax profit for the period from January to September amounted to around €28 million. The third quarter contributed €12 million to this figure. This means that pre-tax profit is in line with expectations for the full year. By way of comparison: in the first nine months of 2025, pre-tax profit stood at -€235 million; this was largely due to the one-off expense incurred in connection with the strategic withdrawal from the US market.

"Due to the ongoing turmoil on the markets and a noticeable rise in interest rates, particularly in the third quarter of this year, the real estate markets are recovering more slowly and cautiously than had been expected at the start of the year. Many market participants are postponing transaction decisions until a later date," said Kay Wolf, CEO at pbb. "In this challenging environment, our renewed growth in new business is a success for pbb. The quality and profitability of the new commitments are encouraging."

The group's operating income fell to €266 million in the first nine months (9M 2025: €316 million), which is primarily attributable to lower net interest income of €245 million (9M 2025: €310 million). The decline in net interest income primarily reflects the costs of the Significant Risk Transfer (SRT) to shield the performing portion of the US portfolio, as well as the reduced investment portfolio. By contrast, net interest income for the third quarter remained virtually stable compared with that of the second quarter.

[1] As a result of the impact of the US exit
[2] Incl. extensions > 1 year

The financing volume of the REF portfolio stood at €25.6 billion as of 30 September 2026 (30 September 2025: €27.6 billion). This reduction is the result of de-risking measures and the faster-than-expected run-down of the US book. pbb was able to reduce the US portfolio by 28% to €2.2 billion (EaD, end of 2025: €3.1 billion) within the first nine months of the year.

**Risk provisions significantly below the previous year's figure**

Risk provisions amounted to -€32 million in the nine-month period (9M 2025: -€356 million) and was therefore in line with expectations. A net position of €5 million was released in stages 1&2, whilst a net addition of €38 million was made in stage 3. As expected, the ongoing reduction in the US portfolio no longer had a material impact on the group's risk provisions. Despite the weaker market dynamics, the Bank continues to expect to reduce its US NPLs to around €400 million by the end of the year.

The Real Estate Investment Solutions (REIS) division contributed around €37 million (9M 2025: €6 million) to the bank's operating income. On balance, the segment generated a pre-tax profit of €2 million for the nine-month period (9M 2025: -€8 million). Assets under management (AuM) stood at around €3.1 billion at the end of the third quarter (end of 2025: €0.0 billion[3]).

Administrative expenses rose by €16 million to €189 million in the first nine months compared with the same period last year (9M 2025: €173 million). The rise in costs resulting from the integration of the Deutsche Investment Group could not be fully offset by cost savings. The lower operating income and higher expenses are reflected in a cost-income ratio (CIR)[4] of 77.4% (9M 2025: 59.8%).

In the first nine months, the Bank placed €1.8 billion in refinancing in the market, thereby meeting its expected requirements for the full year. In October 2026, it successfully issued a further Pfandbrief with a volume of €500 million, which already contributes to the refinancing plan for the coming year. The liquidity coverage ratio (LCR) stood at 183% as of 30 September 2026. The Common Equity Tier 1 ratio (CET1) stood at 14.1% at the end of the third quarter of 2026 (H1 2026: 14.6%).

**Outlook for market developments remains subdued**

Despite headwinds in the markets, pbb achieved solid results over the first three quarters of the current financial year, which were in line with expectations. The bank does not anticipate a short-term improvement in the market environment. In terms of new business volume and pre-tax profit, it expects results at the lower end of the forecast range.

[3] Acquisition of a majority stake in the Deutsche Investment Group (DI) effective from 1 January 2026. At the start of 2026, DI managed assets under management (AuM) of €3.0 billion.
[4] CIR = (Administrative expenses + net income from write-downs and write-ups of non-financial assets)/operating income

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**About pbb**

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.

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## pbb Group at a glance

| **Profit and loss account** (IFRS, in € million) | **Q1/25** | **Q2/25** | **Q3/25** | **Q4/25** | **2025** | **Q1/26** | **Q2/26** | **Q3/26** | **9M/26** |
|---|---|---|---|---|---|---|---|---|---|
| Net interest income | 107 | 104 | 99 | 99 | 409 | 84 | 81 | 80 | 245 |
| Net fee and commission income | 2 | 2 | 0 | 0 | 4 | 5 | 7 | 5 | 17 |
| Net income from fair value measurement | 3 | -19 | -11 | -6 | -33 | -22 | -4 | 4 | -22 |
| Net income from realisations | 2 | 6 | 4 | 10 | 22 | 5 | -1 | 3 | 7 |
| Net income from hedge accounting | 2 | 0 | 2 | -1 | 3 | 2 | -1 | 1 | 2 |
| Impairments on equity method entities | 0 | -11 | 0 | 3 | -8 | - | - | - | - |
| Net other operating income | 2 | 6 | 16 | 1 | 25 | 3 | 8 | 6 | 17 |
| **Operating Income** | **118** | **88** | **110** | **106** | **422** | **77** | **90** | **99** | **266** |
| Net income from risk provisioning | -26 | -297 | -33 | -54 | -410 | -2 | -11 | -19 | -32 |
| General and administrative expenses | -59 | -56 | -58 | -63 | -236 | -63 | -63 | -63 | -189 |
| Expenses from bank levies and similar dues | 0 | -3 | 0 | 0 | -3 | -1 | - | 1 | - |
| Net income from write-downs and write-ups on non-financial assets | -5 | -6 | -5 | -5 | -21 | -5 | -6 | -6 | -17 |
| Net income from restructuring | 0 | -3 | 0 | 1 | -2 | - | - | - | - |
| **Pre-tax profit** | **28** | **-277** | **14** | **-15** | **-250** | **6** | **10** | **12** | **28** |
| Income taxes | -4 | 11 | 1 | -42 | -34 | -1 | - | - | -1 |
| **Net income** | **24** | **-266** | **15** | **-57** | **-284** | **5** | **10** | **12** | **27** |

| **Key figures** (%) | **Q1/25** | **Q2/25** | **Q3/25** | **Q4/25** | **2025** | **Q1/26** | **Q2/26** | **Q3/26** | **9M/26** |
|---|---|---|---|---|---|---|---|---|---|
| Cost Income Ratio (CIR) | 54.2 | 70.5 | 57.3 | 64.2 | 60.9 | 88.3 | 76.7 | 69.7 | 77.4 |
| RoTE before tax | 2.9 | -40.1 | 1.2 | -3.2 | -9.9 | 0.0 | 0.6 | 0.9 | 0.5 |
| RoTE after tax | 2.3 | -37.0 | 1.2 | -9.1 | -10.6 | -0.2 | 0.6 | 0.8 | 0.4 |

| **Balance sheet figures** (IFRS, in € billion) | **Mar 25** | **Jun 25** | **Sep 25** | **Dec 25** | **Mar 26** | **Jun 26** | **Sep 26** |
|---|---|---|---|---|---|---|---|
| Total assets | 42.3 | 42.4 | 42.6 | 39.9 | 39.7 | 39.1 | 37.7 |
| Equity | 3.4 | 3.1 | 3.2 | 3.1 | 3.1 | 3.1 | 3.1 |
| Financing volume REFS | 28.9 | 28.2 | 27.6 | 27.3 | 26.8 | 26.8 | 25.6 |

**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. For information on the alternative performance measures used in this press release, see https://www.pfandbriefbank.com/en/investors/financial-reports/

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