Floor Research

Deutsche Pfandbriefbank

Issuer View // 01 June 2026

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Ratings

Deutsche Pfandbriefbank AG	Rating	Outlook
Fitch	-	-
Moody's	-	-
S&P	BBB-	Negative

Homepage

www.pfandbriefbank.com

Deutsche Pfandbriefbank (pbb) is a leading European specialist bank for commercial real estate finance, with a focus on Pfandbrief-eligible business. pbb's core business comprises the origination of real estate loans, including bespoke financing solutions, as well as the use of derivatives for risk hedging. As at 01 January, pbb adjusted its segment reporting and now reports in the segments "Real Estate Finance Solutions" (REFS; Q1/2026: 71.4% of pre-tax profit), "Corporate Center" (CC; 42.9%) and "Real Estate Investment Solutions" (REIS; -14.3%). This adjustment was driven by the acquisition of several subsidiaries of Deutsche Investment Group, aimed at strengthening the balance sheet and expanding fee-generating business, and which have now been integrated into the new REIS segment. Geographically, the majority of the European REFS loan portfolio is allocated to Germany (51% of performing assets) and France (14%). The share of green loans in the REFS portfolio stood at 30.2% at the end of Q1/2026. In June 2025, pbb announced its withdrawal from the USA and the wind-down of its business activities there. In this context, it reduced its US loan portfolio from EUR 3.3bn (FY/2024) to EUR 1.7bn (Q1/2026). The bank's funding is primarily sourced via capital market issuances, in particular in the form of Pfandbriefe (Q1/2026: 51.9% of total assets). To diversify its funding base, customer deposits in EUR and USD are increasingly raised via the *pbb direkt* platform, the volume of which amounted to EUR 7.1bn at the end of Q1/2026 (17.9% of total assets).

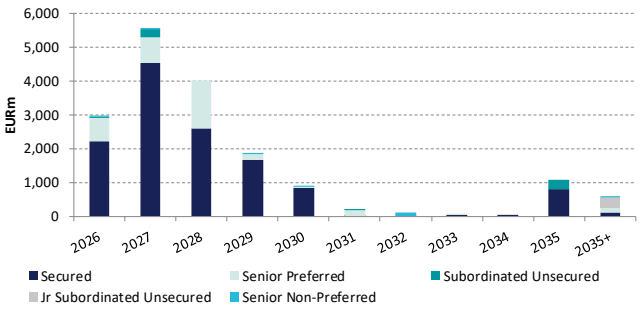
Balance Sheet

(EURm)	2024Y	2025Y	2026Q1
Net Loans to Customers	35,651	30,268	29,640
Total Securities	4,432	6,528	6,487
Total Deposits	18,091	16,847	16,605
Tier 1 Common Capital	2,974	2,565	2,412
Total Assets	44,169	39,881	39,661
Total Risk-weighted Assets	20,630	17,495	18,000

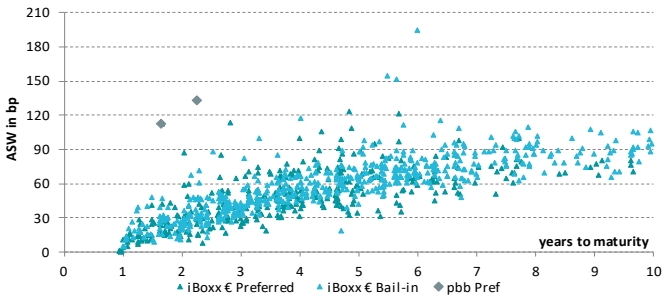
Income Statement

(EURm)	2024Y	2025Y	2026Q1
Net Interest Income	465	409	84
Net Fee & Commission Inc.	5	4	5
Net Trading Income	72	1	-15
Operating Expense	270	260	69
Credit Commit. Impairment	170	410	2
Pre-tax Profit	104	-250	6

Redemption Profile



Senior Unsecured Bonds (EUR BMK)



Company Ratios

	2024Y	2025Y	2026Q1
Net Interest Margin	1.00	0.97	0.85
ROAE	2.65	-8.73	0.64
Cost-to-Income	49.63	60.47	89.61
Core Tier 1 Ratio	14.42	14.66	13.40

	2024Y	2025Y	2026Q1
Liquidity Coverage Ratio	200.00	379.00	185.00
IFRS Tier 1 Leverage Ratio	6.93	6.57	-
NPL/Loans at Amortised Cost	5.43	7.86	7.73
Reserves/Loans at Amort. Cost	1.52	2.74	2.53

As of: 01 June 2026; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Capitalisation
- Stable funding base (retail deposits and Pfandbriefe)

Risks / Weaknesses

- CRE-Exposure
- Asset quality (US office buildings)

Covered Bonds

Outstanding Pfandbrief volume of around EUR 20.6bn

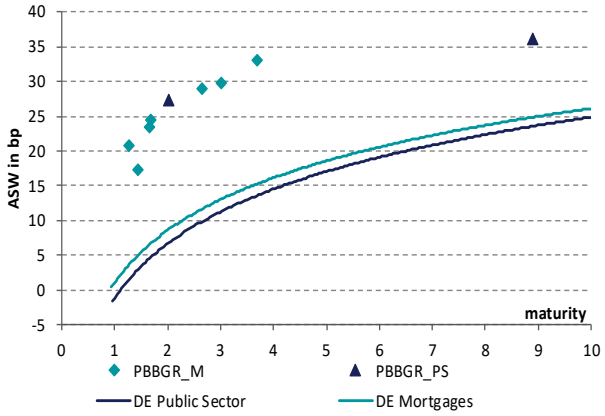
The Deutsche Pfandbriefbank (pbb) operates programmes for the issuance of both mortgage Pfandbriefe and Public Sector Pfandbriefe. With an outstanding volume of mortgage-backed Pfandbriefe of around EUR 15.3bn and Public Sector Pfandbriefe of EUR 5.3bn, pbb is among the largest German Pfandbrief issuers in both sub-segments as well as on an aggregated basis. In the May composition of the iBoxx EUR Covered, the institution is represented with nine EUR benchmarks. Of the outstanding volume of EUR 6.6bn, EUR 5.2bn relates to mortgage Pfandbriefe. In addition, the bank has five benchmark issues which, due to their remaining maturities (<1y), are no longer included in the iBoxx EUR Covered.

Programme data

31 March 2026	Mortgage	Public Sector
Covered bonds outstanding	EUR 15,268m	EUR 5,337m
Cover pool volume	EUR 17,735m	EUR 6,196m
Current OC (nominal / legal)	16.2% / 2.0%	16.1% / 2.0%
Type primary cover	81.3% Commercial	36.2% Regional auth.
Main country	43.3% Germany	32.9% Germany
Main region	38.9% Berlin	27.2% Hesse
Number of loans	1,112	344
Share top 10 exposures	9.5%	49.3%
NPL	0.0%	0.0%
Fixed interest (Cover Pool / CBs)	64.0% / 85.7%	68.8% / 86.3%
WAL (Cover Pool / CBs)	2.9y / 4.6y	5.9y / 6.1y
CB Rating (Fitch / Moody's / S&P)	- / Aa1 / -	- / Aa1 / -

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

Spread overview (BMK) – Germany



Mortgage cover pool with a high share of commercial assets

The mortgage cover pool (EUR 17.7bn; overcollateralisation 16.2%) consists of 92.6% primary cover assets. With a share of 81.3% of primary cover, the cover pool has a predominantly commercial character. A further 18.7% relates to residential assets. Geographically, the cover pool is broadly diversified, with Germany accounting for the largest share at 43.3%. The second-largest share is attributable to France at 11.5%, followed by the USA at 9.6%. Within the residential cover assets, multi-family residential buildings dominate with a share of 91.7%. Within the commercial assets, office buildings represent the largest portion of the cover assets at 57.9%. pbb reports an average weighted loan-to-value (LTV) ratio of 47.1%. Based on market values, the average weighted LTV decreases to 37.0%. The Public Sector cover pool (EUR 6.2bn; overcollateralisation 16.1%) consists entirely of primary cover assets. Geographically, Germany dominates with a share of 32.9%, ahead of France at 30.3%. Non-perfoming Loans (NPLs) are not included in either the mortgage Pfandbrief cover pool or the Public Sector Pfandbrief cover pool.

Rating and regulatory treatment

Moody's rates both of pbb's Pfandbrief programmes at Aa1. In our opinion, EUR benchmark issues by pbb meet the necessary requirements to be used as Level 1 assets within the framework of LCR management. In addition, Pfandbriefe issued by the issuer from 08 July 2022 onwards may carry the label "European Covered Bond (Premium)". Moreover, all of the issuer's Pfandbriefe benefit from a risk weight of 10% in accordance with the CRR due to their rating and are also eligible for ECB repo.

Appendix
Contacts at NORD/LB

Floor Research



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