

Press release

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vdp Issuance Climate survey: positive sentiment on the Pfandbrief market

Good investor demand expected to continue

The vdp member banks perceive a positive sentiment on the market for Pfandbriefe and unsecured bank bonds. This is the finding of the seventh vdp Issuance Climate survey. For the first time since the survey was launched in December 2022, clearly positive values have been calculated for all three scores.

Whereas the score for unsecured bank bonds has improved from +5 to +22 since the last survey, published in June 2025, the score for Pfandbriefe has advanced into positive territory for the first time (+14 compared with -1 in June 2025). These two developments have led to an overall score of +17, which is also the highest to date.

The vdp Issuance Climate survey is conducted and published twice a year. The sentiment indicator ranges from -100 to +100 points.

Score for	Dec. 2025	June 2025	Dec. 2024	June 2024	Dec. 2023
Pfandbriefe	+14	-1	-18	-11	-23
Unsecured bank bonds	+22	+5	-8	-14	-21
Overall	+17	+1	-14	-12	-22

Strong demand for Pfandbriefe in 2025

During the first 11 months of this year, the vdp member banks issued new Pfandbriefe worth a total of EUR 61,2 billion. That was 22% up on the corresponding period one year earlier. New public Pfandbriefe issued during the same period were reported at EUR 21.4 billion, representing an increase of 73%. New mortgage Pfandbriefe were placed with a total volume of EUR 39.8 billion between January and November 2025, meaning an increase of 7%. Benchmark-format Pfandbriefe (> EUR 500 million) accounted for a volume of EUR 31.4 billion compared with EUR 29.9 billion in the corresponding period one year earlier.

Given that residential property financing business is long-term oriented, it is of considerable importance that it was possible to successfully place Pfandbriefe across the full maturity spectrum during the course of 2025. Around one third of all benchmark issues have maturities of at least seven years.

“The good demand for longer-dated Pfandbriefe supports the maturity-matching refinancing of long-term residential property financing,” Sascha Kullig, Management Board member at vdp, commented.

Determinants of demand in 2026

Whereas current investor demand for Pfandbriefe scored 78 points in the latest survey, the experts at the vdp member banks were considerably more cautious in how they assessed the coming six months, awarding a value of 22 points. Among the determinants of the development of investor demand for Pfandbriefe in the next six months, the asset-swap spread level (-20 points) and the yield pick-up over Bunds (-19 points) were viewed as being rather negative for the reason that both factors detract from the relative attractiveness of Pfandbriefe. German Pfandbriefe have narrowed vis-à-vis asset swaps by around 20 basis points during the course of this year. By contrast, the maturities (+27 points), the asset business to be refinanced (+38 points) and the expected oversubscription level (+49 points) were named as positive factors.

Unsecured bank bonds in high demand

The segment comprising unsecured bank bonds likewise presented an upbeat picture. Current investor demand received a score of +72 points, compared with +43 points for the last six months. The surveyed experts took a noticeably more sceptical view of the coming six months, awarding a score of 0. “One reason for this assessment is likely to have been the narrowing of the spreads associated with the very strong demand, which could lessen the relative attractiveness for investors and so dampen demand. On the whole, however, the strong demand for the unsecured bank bonds issued by our member banks is a reflection of our investors’ confidence in the resilience of the banks given their good earnings situation and good to very good capital adequacy levels,” Kullig pointed out.

About vdp Issuance Climate Survey Methodology

Each survey comprises an assessment of the past six months, the current situation and the coming six months, with the latter being weighted most heavily in the evaluation. These assessments determine separate scores for Pfandbriefe and unsecured bank bonds, as well as an overall score. A score of 0 points corresponds to a stable capital market environment in which issuance plans can be carried out without any problems. Negative scores (maximum -100) indicate that the issuance environment is less favourable than average, and positive scores (maximum +100) that it is more favourable than average.

The vdp Issuance Climate survey provides information twice a year on the sentiment among the members of the Association of German Pfandbrief Banks (vdp) with regard to the placement of Pfandbriefe and unsecured bank bonds. To assess this sentiment, experts from the vdp member banks are asked about the factors influencing Pfandbrief and unsecured bank bond sales. Each survey covers the past six months, the current situation and the coming six months, with the latter being weighted most heavily in the evaluation.

The responses are grouped together by subject area, providing an overview of the supply and demand situation on the markets for Pfandbriefe and unsecured bank bonds. Three scores are then calculated based on certain assumptions about the relative importance of each subject area: one score each for Pfandbriefe and unsecured bonds, as well as an overall score. A score of 0 points corresponds to a stable capital market environment in which issuance plans can be carried out without any problems. Negative scores indicate that the issuance environment is less favourable than average, and positive scores that it is more favourable than average.

The Pfandbrief banks belonging to the vdp hold a market share of almost 96% of outstanding Pfandbriefe.

About the Association of German Pfandbrief Banks (vdp)

The Association of German Pfandbrief Banks is one of the five associations that make up the German Banking Industry Committee. It represents the sector's most important providers of finance for residential and commercial property, governments and public-sector institutions. The vdp advocates for the continued success of the Pfandbrief and represents the specific, Pfandbrief-related interests of its member institutions vis-à-vis lawmakers, regulators and markets at national and international level.

Association of German Pfandbriefbanks

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