HALF-YEARLY FINANCIAL REPORT

2026

Neues Schaffen

LBBW

Content of Half-yearly financial report 2026

Key figures of the LBBW Group

Income statement (EUR million)	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Net interest income	1,547	1,281
Net fee and commission income	354	349
Net gains/losses on remeasurement and disposal	74	336
of which allowances for losses on loans and securities	– 121	– 107
Other operating income/expenses	– 4	50
Total operating income/expenses	*1,971*	*2,016*
Administrative expenses	– 1,197	– 1,220
Expenses for resolution funds and deposit protection systems	– 66	– 77
Net income/expenses from restructuring	0	– 14
Consolidated profit/loss before tax	*708*	*705*
Income taxes	– 229	– 228
Net consolidated profit/loss	479	477
Key figures in %	**01/01/2026 – 30/06/2026**	**01/01/2025 – 30/06/2025**
Return on equity (RoE)	8.3	8.6
Cost/income ratio (CIR)	60.4	61.8
Balance sheet figures (EUR billion)	**30/06/2026**	**31/12/2025**
Total assets	358.9	347.3
Equity	17.4	17.3
Ratios in accordance with CRR III	**30/06/2026**	**31/12/2025**
Risk-weighted assets (EUR billion)	91.7	86.7
Common equity Tier 1 (CET 1) capital ratio (in %)	16.1	16.9
Total capital ratio (in %)	19.9	21.2
Employees	**30/06/2026**	**31/12/2025**
Group	10,722	10,821

Rating	Moody's	Rating	Fitch	Rating	DBRS
Long-term Issuer Rating	Aa2, stable	Long-term Issuer Default Rating	AA-, stable	Long-term Issuer Rating	A (high), stable
Long-term Bank Deposits	Aa2, stable	Long-term Deposit Rating	AA-	Long-term Deposits	A (high), stable
Senior Unsecured Bank Debt	Aa2, stable	Long-term Senior Preferred Debt Rating	AA-	Long-term Senior Debt	A (high), stable
Junior Senior Unsecured Bank Debt	A2	Long-term Senior Non-Preferred Debt Rating	A+	Senior Non-Preferred Debt	A, stable
Short-term Ratings	P– 1	Short-term Issuer Default Rating	F1+	Short-term Ratings	R-1 (middle), stable
Baseline Credit Assessment (financial strength)	baa2	Viability Rating (financial strength)	bbb+	Intrinsic Assessment (financial strength)	A
Public-sector covered bonds	Aaa	Public-sector covered bonds	-	Public-sector covered bonds	-
Mortgage-backed covered bonds	Aaa	Mortgage-backed covered bonds	-	Mortgage-backed covered bonds	-

(As at 30 July 2026)

01

FOREWORD

Foreword by the Board of Managing Directors

Dear Readers,

The first half of 2026 was characterized by the further intensification of the geopolitical environment. In particular, the escalation in the Middle East, the blockade of the Strait of Hormuz and the resulting turbulence on the oil, commodity and financial markets led to a significant increase in uncertainty. At the same time, disrupted supply chains, price pressure and persistently weak economic momentum weighed on the economic outlook in Germany and Europe.

Against this backdrop, LBBW recorded extremely solid performance in the first half of the year. With income remaining stable, we repeated the previous year’s very strong result with a profit before tax of EUR 708 million. This result underlines the operational resilience of our business model, the consistent customer focus adopted by our Bank and the impressive performance of the LBBW team.

The sustainability of our broadly diversified universal bank model is also reflected in the development of our customer segments: All four segments achieved a profit in the hundreds of millions of euros. In our Corporate Customers business, income was largely stable despite a perceptible reluctance to invest. Our international activities are becoming increasingly important as many of our customers are making investments outside Germany to a greater extent. We again achieved a strong position in the TXF ranking for export finance, thereby confirming LBBW’s international competitiveness.

We also maintained or expanded our market position in other business segments. We believe infrastructure finance continues to offer substantial potential, particularly in connection with the sustainable and digital transformation of the economy. Berlin Hyp generated robust new business in a persistently difficult real estate market. In Capital Markets Business, we reinforced our position as the leading capital market house of Sparkassen-Finanzgruppe. Despite intensive competition, we achieved further growth in Private Customers business with a continued focus on business with high-end private individuals and wealth management.

Administrative expenses were down slightly on the previous year thanks to the integration of Berlin Hyp and consistent cost management. However, allowances for losses on loans and securities reflect the weak economic performance and the fact that the situation on the real estate markets remains strained, and we are observing this development extremely closely. After all, as encouraged as we are by our results for the first half of the year, we expect the environment to become perceptibly more challenging over the coming months. A slowdown in economic momentum, a reluctance on the part of companies to make investments and adverse developments in individual industries are likely to put additional pressure on earnings.

This is why it is all the more important that we operate from a position of strength. Our capital and risk position is solid: At 16.1 percent, our common equity Tier 1 capital ratio is still far above the regulatory requirements. Our portfolio is broadly balanced and our business model is resilient. These foundations give us the stability we need to support our customers reliably even in a difficult market environment while also leveraging opportunities in a targeted manner.

At the same time, we are systematically pressing ahead with our transformation. This includes continuing to improve our internal processes, upgrading our IT including with a view to cyber resilience, adhering to strict cost and capital discipline, and deploying artificial intelligence in a targeted manner. We already use AI in various areas, including our internal AI assistant Blue.gpt and in risk management. In this way, we are strengthening the efficiency, processing speed and scalability of our business model.

As such, we remain cautious but optimistic with regard to the rest of the year. The economic conditions will remain challenging, and Germany is under substantial pressure to adapt to changes in the geopolitical and geoeconomic environment. The efforts of the German federal government to make reforms are a first step in the right direction. These will now need to be systematically implemented and accompanied by additional growth impetus as well as structural reforms.

Our aspiration remains unchanged: We want to be a reliable partner to our customers, especially in difficult times – with expertise, commitment and quality. We would like to express our particular gratitude to the entire LBBW team for their hard work and to our owners for their trust and support.

Sincerely,

The Board of Managing Directors

Rainer Neske
Chair

Anastasios Agathagelidis

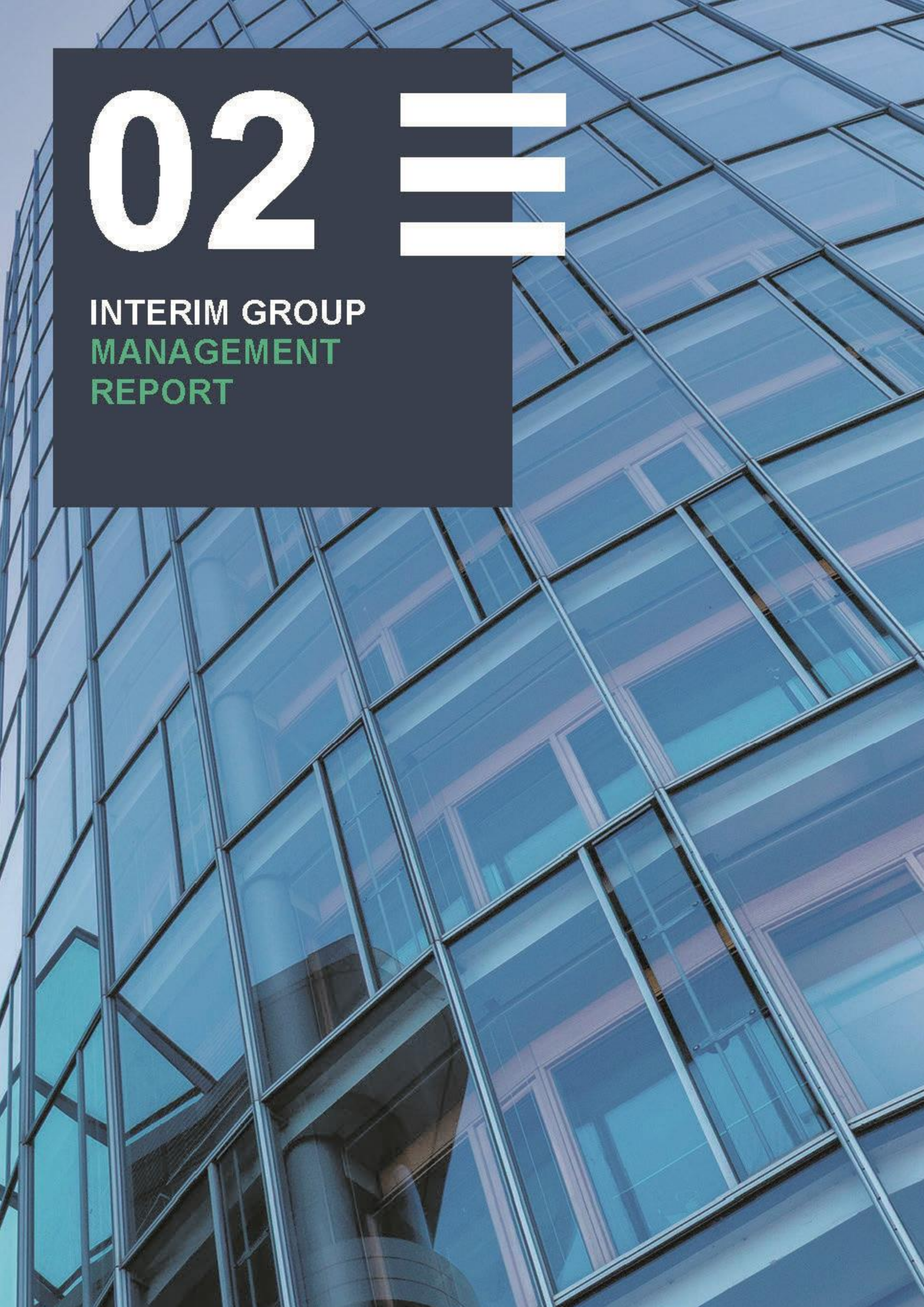
Joachim Erdle

Andreas Götz

Dirk Kipp

Sascha Klaus

Stefanie Münz



02

INTERIM GROUP MANAGEMENT REPORT

Business report for the Group

Economic development in the first half of 2026

The economic situation in the first half of the year was dominated by the war between Israel and the US on one side and Iran on the other. The military exchange began on 28 February with joint attacks by the Israeli Air Force and the US Air Force on targets in Iran. Air traffic in the Gulf region, which is extremely important for both passenger and air freight traffic between Europe and East Asia, was substantially impaired as a result. Shipping through the Strait of Hormuz was also massively disrupted. Exports of crude oil and petroleum products via the Strait of Hormuz came to a standstill for a while, with crude oil prices rising as a consequence. The evening before the war, a barrel of Brent crude oil on a one-month contract cost around USD 70. In the early stages of the war, the price peaked at almost USD 120. At the time this half-yearly financial report was prepared, the situation was still unresolved. Negotiations between the US and Iran only calmed the situation on a temporary basis, with both sides subsequently resuming military action.

Irrespective of the military escalation in the Gulf region, the German economy enjoyed a better start to the year than anticipated, with economic performance improving by 0.4% compared with the previous quarter. The German economy benefited from export growth, as many overseas customers are likely to have brought forward their orders in anticipation of potential supply bottlenecks. By contrast, economic performance in the Eurozone stagnated in the first quarter of the year. This was due to a 7% contraction in Irish GDP compared with the previous quarter. Ireland is an EU member state that is home to numerous major international corporations, and transactions by these corporations in the reporting period appear to have been the reason for the record downturn. Based on initial estimates for the second quarter, German GDP increased by 0.2% compared with the previous quarter. The initial estimate for the Eurozone involves GDP growth of 0.4%. Economic performance in the US increased by 2.1% in the first quarter of the year (change compared with the previous quarter on an annualized basis). According to initial estimates, GDP in the US is set to have risen by 1.5% in the second quarter.

Inflation on both sides of the Atlantic has increased on the back of rising energy prices. Inflation in Germany was 1.9% in February 2026, i.e. immediately prior to the outbreak of the Iran war. The figure was 1.9% for the Eurozone and 2.4% for the US. In June, inflation came in at 2.3% in Germany, 2.8% in the Eurozone and 3.5% in the US. Inflation in Germany was curbed by a temporary fuel tax cut, which also had a corresponding positive impact on Eurozone inflation in line with Germany’s size.

According to official statistics, GDP in the People’s Republic of China increased by 4.7% year-on-year in the first half of 2026. Growth momentum slowed slightly over the course of the first six months, with year-on-year growth coming in at 5.0% in the first quarter and 4.3% in the second quarter.

Eurozone monetary policy reflected rising inflation. In June, the ECB decided to raise its key interest rate – the deposit facility rate – by 25 basis points to 2.25%. In the US, the Fed funds target rate remained unchanged at 3.75% (upper end of target corridor). At his hearing with the US House Committee on Financial Services, however, the new Chair of the Federal Open Market Committee (FOMC), Kevin Warsh – who has been in office since May – expressed his intention to prevent a repeat of the inflation seen in the recent past.

Yields on German bonds saw little in the way of upward movement in the first half of the year. Yields on 10-year Bunds were 2.82% at the end of 2025 and 2.87% at the end of June 2026. However, US treasury yields increased from 4.14% at the end of 2025 to 4.43% at the end of June 2026.

On the German stock market, the leading DAX index saw sideways movement on the whole. Having closed 2025 at 24,490 points, the index ended June 2026 at 24,995 points. The high for the first half of the year was 25,420 points in mid-January, with a low of 22,300 points being recorded in late March. The US saw share price growth in the first half of the year. Having ended 2025 at 6,845 points, the S&P 500 closed the first half of the year at 7,499 points. As previously, this growth was driven by equities in the field of artificial intelligence in particular.

On the currency market, the US dollar strengthened against the euro. Having started the year at just over USD 1.17/EUR, the exchange rate declined to below USD 1.14/EUR at the end of the first half of the year.

Development on the German real estate market remains divided. The shortage on the residential real estate market is becoming even more pronounced, with the nationwide vacancy rate now approaching the 2% mark. By contrast, vacancy rates on the commercial real estate market are continuing to rise. In Germany's seven biggest cities, the vacancy rate for office properties is 9.3%, which is close to the peak recorded in the early 2010s. House prices increased by 1.4% year-on-year in the first quarter of 2026. Commercial real estate also saw price rises. Taken together, offices and retail properties in Germany were 2.9% more expensive in the first quarter of 2026 than one year previously. Transaction activity on the commercial real estate market was still considerably depressed compared with the cyclical highs recorded up until 2022.

Building costs rose by 5.0% year-on-year as at May 2026. Construction materials saw price rises of as much as 31.5% in some cases. At the same time, bond market yields saw further upward movement. As a result, the propensity to purchase real estate or invest in this area in Germany declined further. According to corresponding surveys in the commercial banking sector, this downward trend has been in place since mid-2024. Other than an outlier at the start of the Iran war, demand for residential construction loans has been declining since 2025.

The nationwide vacancy rate for office properties in the US is close to a 30-year high at 20.1%, although there is a slight downward trend. In the first half of the year, prices for office properties rose by around 1% on a nationwide basis, while commercial real estate saw price rises of 3.5% in the same period. House prices in the US were 1.4% higher at the end of the first half of 2026 than one year previously. The second quarter saw the start of construction work on a total of 4.069 million new homes. Although this was 3.3% more than in the same quarter of the previous year, it was 21.8% less than the cyclical peak in early 2022.

According to estate agent estimates, the vacancy rate for office properties in London's central business district is falling. The figure of 6.7% for the second quarter is close to the long-term historical average. In the first half of the year, house prices in the United Kingdom rose by 2.2% year-on-year.

Business performance of the LBBW Group in the first half of 2026 – Results of operations, net assets and financial position

LBBW performs well in a volatile market environment, building on its broad-based business model to generate robust results at the previous year's level

Business performance

Despite the difficult geopolitical and trade policy environment, LBBW recorded solid income and a robust profit before tax of EUR 708 million in the first half of the 2026 financial year (previous year: EUR 705 million). Lower costs compensated for the increase in allowances for losses on loans and securities due to the economic environment.

In the **Corporate Customers** segment, financing business enjoyed especially positive momentum driven by corporate finance and factoring in spite of the challenging and volatile environment. In issuance in particular, LBBW supported numerous corporate customers with the placement of corporate bonds in the first half of the year as the bookrunner and entered the top 10 of the German league table for corporate bonds. In addition, the financing of a wind farm for the automotive industry in Papenburg with a target output of 140 megawatts was realized in cooperation with the infrastructure financing segment, thereby contributing to Germany's development into a climate-neutral industrial location. With the digital trade finance platform RIVO, LBBW is also positioning itself as a trade finance bank with digital expertise. In addition, LBBW's leading market position for trade finance was confirmed when it again took second place in the export finance category at the TXF Awards. LBBW was also awarded Silver status in FINANCE magazine's 2026 bank survey in the "Best customer service", "Leaders in the SME sector", "Best lending/traditional financing" and "Best ESG advisory" categories. In its international business, LBBW's activities continued to focus on targeted growth with a particular focus on the Asia-Pacific, Europe and US/Mexico economic regions.

The **Real Estate and Infrastructure Financing** segment again made a positive earnings contribution against the backdrop of a challenging real estate market. In real estate financing, Berlin Hyp contributed to the creation of affordable housing in the current financial year by providing large-scale financing for residential real estate projects. For example, it was the sole provider of the financing volume for the Palatina complex in Rhineland-Palatinate, which comprises residential and commercial units. The development of the mixed-use Hellerhöfe neighborhood in Frankfurt was also financed entirely by Berlin Hyp. The infrastructure financing business segment is continuously evolving. In addition to complex club deals and arranger mandates in the core sectors of renewable energies and digital infrastructure, LBBW demonstrated its expertise in the cloud/DC segment by financing three hyperscale data centers for CloudHQ in Virginia. LBBW also received several international awards for its infrastructure finance, including PFI Awards for "NextWind" and "Baltyk 2 & 3" and an IJGlobal Award for "Baltyk 2 & 3". These projects provide around 1.4 GW in renewable generation capacity and electricity for around two million households, thereby underlining the central role played by LBBW when it comes to financing the energy transition.

In the **Capital Markets Business** segment, income increased thanks to positive development in the areas of equity and credit markets. LBBW also strategically developed its capital markets business with a focus on scaling. The cooperation with the securities platform BIS.on WMS made it easier and more attractive for savings banks to access sales of LBBW capital market products. This year, LBBW's high level of expertise in the area of certificates in particular was again confirmed by Scope with an AAA certificate management rating and an award in the category "Best ESG certificate issuer". Additionally, LBBW's structured products were again recognized at the SRP Europe Awards in the categories "Best House, Germany & Austria" and "Best Distributor, Germany". The successful placement of two significantly oversubscribed covered bond benchmark issues with a volume in the billions of euros also served to underline LBBW's healthy market position and the confidence it enjoys among investors.

The **Private Customers/Savings Banks** segment saw perceptible income and earnings growth. Deposit business performed particularly well on the back of positive development in the interest margin and the investment volume. The range of securities trading services for customers was expanded further with the redesigned brokerage app BW AssetGo.

Key performance indicators

The key financial performance indicators also confirm LBBW's successful business performance in the first half of 2026.

At EUR 708 million, **profit before tax** as at 30 June 2026 was in line with the previous year's level of EUR 705 million. Profit before tax exceeded expectations overall, mainly thanks to a lower than forecast cost trend.

The **cost/income ratio (CIR)** amounted to 60.4% and was down on the previous year's figure of 61.8%. This was due in particular to lower administrative expenses, lower costs for the DSGV institutional protection fund and lower expenses for restructuring provisions. The main reason why the ratio was lower than forecast was the fact that administrative expenses were again below expectations.

LBBW calculates its cost/income ratio (CIR) as the ratio of total administrative expenses, expenses for resolution funds and deposit protection systems and net income/expenses from restructuring to total net interest income, net fee and commission income, net gains/losses on remeasurement and disposal before allowances for losses on loans and securities and other operating income/expenses.

At 8.3%, the **return on equity (RoE)** was down only marginally on the previous year's figure of 8.6%. Like the CIR, however, RoE was better than forecast.

RoE is calculated on the basis of (annualized) consolidated profit/loss before tax and average equity on the balance sheet. This figure is adjusted for the unappropriated profit for the current period.

In accordance with the new regulations to be applied since 2025 arising from the transition from CRR II to CRR III, the LBBW Group's **common equity Tier 1 capital ratio**, based on the currently applicable supervisory law as at the end of the reporting period, was well in excess of the regulatory capital requirements. At 16.1%, the ratio was down on the end of the previous year (16.9%) due to continued business growth in particular and developed better than expected.

Pillar 2 **capital requirements** are unchanged from the previous year at 1.87%, of which 1.10% must be backed by common equity Tier 1 capital. The German Federal Financial Supervisory Authority (BaFin) left the capital buffer for other systemically important institutions in accordance with section 10g of the German Banking Act (Kreditwesengesetz – KWG) unchanged at 0.75%. The capital conservation buffer under section 10c KWG was unchanged at 2.50%. LBBW is therefore required to maintain a common equity Tier 1 capital ratio of 8.85% of its total risk-weighted assets. It also is required to maintain common equity Tier 1 capital for two components of risk-weighted assets specified by the supervisory authority. These are firstly the countercyclical capital buffer in accordance with section 10d KWG, which was extended to domestic receivables in the amount of 0.75% by way of a BaFin general ruling effective 1 February 2023, and also a share of international receivables. Secondly, another BaFin general ruling relates to a systematic buffer that has been set at 1.0% since at 1 May 2025 for receivables secured by German residential property. The ECB's capital recommendation that goes beyond the mandatory requirement, which must also comprise common equity Tier 1 capital, still applies. In addition, a partial amount of common equity Tier 1 capital is held to meet the Tier 1 capital requirements that go beyond this.

Other LBBW Group financial indicators developed as follows:

Risk-weighted assets (RWA) were up on the previous year at EUR 91.7 billion in the reporting period (31 December 2025: EUR 86.7 billion). This increase was primarily due to the operational business performance in the Corporate Customers and Capital Markets Business segments. Re-rating effects largely driven by the economic situation and market risk effects in the Financial Markets business area also contributed to the higher level of RWA.

LBBW's **leverage ratio** was 4.5% as at the end of the reporting period (based on current supervisory law in accordance with CRR III), and thus down slightly on the level at the end of the previous financial year (4.7%). This means it remains significantly above the current regulatory minimum of 3.0%.

Results of operations

At EUR 708 million, LBBW generated a **consolidated profit before tax** at the previous year's level (EUR 705 million). This result underlines the robustness of the Group's operations in a volatile market environment.

It was driven by stable earnings performance in the Private Customers and Capital Markets Business segments in particular, as well as lower costs. Despite write-downs on individual items of real estate and equity investments, income (which corresponds to total operating income before allowances for losses on loans and securities) was at the previous year's level at around EUR 2,092 million (– 1% year-on-year).

Administrative expenses were down slightly on the previous year at around EUR – 1,200 million (– 2% year-on-year). One particularly positive factor was the non-recurrence of the expenses reported in the previous year in connection with the integration of Berlin Hyp.

As expected, allowances for losses on loans and securities increased in light of the challenging economic environment. However, they remained at a moderate level of EUR – 121 million. The quality of the credit portfolio is still high.

The condensed income statement for the LBBW Group is presented below:

	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025	Change	
	EUR million	EUR million	in EUR million	in %
Net interest income	1,547	1,281	267	20.8
Net fee and commission income	354	349	5	1.3
Net gains/losses on remeasurement and disposal	74	336	– 262	– 78.0
of which allowances for losses on loans and securities	– 121	– 107	– 15	13.9
Other operating income/expenses	– 4	50	– 55	-
Total operating income/expenses	*1,971*	*2,016*	*– 45*	*– 2.2*
Administrative expenses	– 1,197	– 1,220	22	– 1.8
Expenses for resolution funds and deposit protection systems	– 66	– 77	11	– 14.5
Net income/expenses from restructuring	0	– 14	14	– 100.0
Consolidated profit/loss before tax	*708*	*705*	*3*	*0.4*
Income taxes	– 229	– 228	– 1	0.5
Net consolidated profit/loss	*479*	*477*	*2*	*0.4*

Figures may be subject to rounding differences. Percentages are based on the exact figures.

Net interest income increased perceptibly by EUR 267 million to EUR 1,547 million in the first half of 2026 after EUR 1,281 million in the same period of the previous year. This development was mainly driven by the Capital Markets Business and Private Customers segments. In Capital Markets Business, shifts between net interest income and net gains/losses from financial instruments measured at fair value through profit or loss had a particularly positive effect. These effects related to the recognition of derivatives and structured financial products and form part of net gains/losses on remeasurement and disposal. Money market business and liquidity maturity transformation also made positive earnings contributions. Development in Private Customers business was primarily supported by the significant expansion of the deposit volume, which contributed to the earnings growth. Due to the general investment restraint, net interest income from financing business with corporate customers remained at the previous year’s level, while real estate financing saw similar development due to the sluggish recovery of the real estate market. In light of the aforementioned shifts, the development of net interest income should be viewed in conjunction with the development of net gains/losses from financial instruments measured at fair value through profit or loss. These items totaled EUR 1,742 million, up EUR 20 million or 1% on the previous year.

Net fee and commission income increased slightly by 1% or EUR 5 million to EUR 354 million in the first half of 2026 after EUR 349 million in the same period of the previous year. Following the steady growth in previous years, this meant that income stabilized at a high level. There was slight growth in the area of asset management in particular, where further mandates agreed and the higher volume base in the reporting period had a positive impact and led to a rise in earnings of around EUR 4 million. Securities and custody business, which is a key earnings driver, also saw stable development with a slight improvement of EUR 1 million to EUR 142 million.

Net gains/losses on remeasurement and disposal declined by a substantial EUR – 262 million to EUR 74 million (previous year: EUR 336 million) and were characterized by the effects described below:

Allowances for losses on loans and securities amounted to EUR – 121 million in the first half of 2026, down EUR – 15 million on the figure of EUR – 107 million in the same period of the previous year. The main reasons for the increase were the persistent uncertainty regarding future economic development and the adverse factors that continue to affect the commercial real estate market. The additional allowances primarily related to individual real estate exposures. There were also isolated defaults in Corporate Customers business. The existing model adjustments were reduced slightly following the half-yearly review, declining by EUR 43 million from around EUR 837 million to EUR 794 million. Among other things, this is because the impact of US tariff and trade policy on company creditworthiness is now reflected in the ratings to a certain extent, and hence in one of the central base models. Portfolio development also contributed to the reduction in the model adjustments.

Despite the difficult market environment, LBBW sees itself in a solid position thanks to these precautionary measures. Portfolio quality remains good overall. In particular, this is reflected in the very high proportion of investment grade exposures and the fact that the default rate remains low at 0.9% as at 30 June 2026 after 0.6% in the previous year. Further information on portfolio quality can be found under "Portfolio quality" in the "Risk situation of the LBBW Group" section of the risk report.

Net gains/losses from financial instruments measured at fair value through profit or loss (FVPL) declined significantly to EUR 195 million in the first half of 2026 after EUR 442 million in the same period of the previous year. This represents a reduction of EUR 247 million.

Net trading gains/losses fell by EUR – 148 million to EUR 187 million after EUR 335 million in the previous year. This was mainly due to shifts between net gains/losses from FVPL financial instruments and net interest income in the hundreds of millions of euros. These effects related to the recognition of derivatives and structured financial products. Individual business segments continued to see positive operational performance. In particular, the product areas of certificate trading in equity markets and repo business in credit markets enjoyed extremely encouraging development. By contrast, the FICC (fixed income, currencies and commodities) product area performed slightly less well than expected and was down on the previous year.

Net gains from the banking book also declined by around EUR – 99 million, largely due to the recognition of hedges. Write-downs on investments in companies measured at fair value also impacted this item in the low tens of millions of euros.

Other operating income/expenses declined significantly by – 55 million to – 4 million in the first half of 2026 after EUR 50 million in the same period of the previous year. This downturn was due in particular to lower revenues and impairment losses from development projects in the LBBW Immobilien subgroup, whose earnings contribution decreased to EUR – 24 million after EUR 4 million in the previous year. This represents a reduction of EUR – 28 million. The real estate market environment remained challenging. High interest rates, inflation-driven price increases and high construction costs meant that the transaction volume was still extremely low. Other operating income/expenses were also impacted by higher write-downs on properties held in inventories, which amounted to EUR – 23 million after EUR – 1 million in the previous year.

Administrative expenses fell by EUR 22 million year-on-year to EUR – 1,197 million (previous year: EUR – 1,220 million). **Staff costs** increased by EUR – 11 million to EUR – 664 million (previous year: EUR – 652 million). In addition to salary adjustments for both pay-scale and non-pay-scale employees, this was due in particular to higher social security contributions. By contrast, **other administrative expenses** declined by EUR 14 million to EUR – 479 million (previous year: EUR – 493 million). Although the necessary expenses for the expansion and conversion of the IT application landscape, digitalization and process optimization in line with the business strategy remained high, there was a slight reduction compared with the previous year. This was due in particular to the non-recurrence of expenses in connection with the IT integration of Berlin Hyp into LBW. There was a perceptible reduction in **depreciation, amortization and write-downs** of EUR – 54 million year-on-year (previous year: EUR – 74 million). This was also primarily due to the non-recurrence of write-downs on intangible assets as a result of shorter useful lives in connection with the integration of Berlin Hyp.

Expenses for resolution funds and deposit guarantee systems decreased by EUR 11 million to EUR – 66 million compared with the previous year (EUR – 77 million).

No mandatory contribution to the **bank levy** was required as the Single Resolution Fund (SRF) reached its target volume at the end of 2023. This meant that, as in 2024 and 2025, no regular annual contributions were collected from the institutions. Similarly, no contributions to the **statutory deposit protection fund** were required after the fund reached the target volume in 2024. In 2024, Sparkassen-Finanzgruppe reorganized its institutional protection scheme and agreed the establishment of an **additional fund**. In addition to fulfilling banking supervisory requirements, this is intended to enable an even faster response in crisis situations and the provision of flexible support for affected institutions. The additional fund is available in addition to the existing protection funds. It has an eight-year accumulation phase. In the first half of the year, an amount of EUR – 66 million (previous year: EUR – 77 million) was set aside for the 2026 contribution year.

In the previous year, additions to restructuring provisions were necessary in connection with the integration of Berlin Hyp in view of the implementation of human resources measures to increase efficiency. This resulted in **net income/expenses from restructuring** of EUR – 14 million at the end of the first half of 2025. No new restructuring provisions have been recognized in the 2026 financial year to date.

At EUR 708 million, **consolidated profit before tax** was EUR 3 million higher than the previous year’s figure of EUR 705 million.

Income tax expense was essentially unchanged year-on-year at EUR – 229 million (previous year: EUR – 228 million).

At EUR 479 million, **net consolidated profit after tax** was largely stable and up only slightly on the previous year’s figure of EUR 477 million.

Results of operations in the segments

The following description of changes in earnings in the segments is based on the segment structure described in the Group overview in the 2025 Annual Report. Further information can be found in the notes to the consolidated interim financial statements in the segment report in section C.

The LBBW Group segments' contributions to consolidated profit before tax of EUR 708 million in the first half of 2026 (previous year: EUR 705 million) were as follows:

	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025[1]	Change	
	EUR million	EUR million	EUR million	in %
Corporate Customers	312	360	– 48	– 13.3
Real Estate and Infrastructure Financing	171	190	– 19	– 10.2
Capital Markets Business	186	187	– 1	– 0.4
Private Customers/Savings Banks	135	105	29	27.8
Corporate Items/Reconciliation/Consolidation	– 96	– 138	42	– 30.1
Consolidated profit/loss before tax	*708*	*705*	*3*	*0.4*

Figures may be subject to rounding differences. Percentages are based on the exact figures.
1 Restatement of prior-year amounts due to restructuring and methodology changes that resulted in more detailed segment allocation.

In a market environment that remained extremely challenging, the **Corporate Customers segment** recorded a profit of EUR 312 million, down on the previous year's level (EUR 360 million). This was due in particular to allowances for losses on loans and securities, which remained moderate but increased as expected compared with the previous year. Although the economic conditions put pressure on demand for credit and the associated hedging products, this was accompanied by growth in deposit and payment products, meaning that total income was almost unchanged at the previous year's level. Administrative expenses were moderately higher than in the previous year due to investments in particular. In line with these developments, the return on equity of 12.2% was lower than the previous year's level (14.4%). The cost/income ratio increased slightly from 49.9% in the previous year to 52.8%.

In a market environment that remained extremely difficult, the **Real Estate and Infrastructure Financing segment** generated a lower profit than in the previous year at EUR 171 million (previous year: EUR 190 million). This was due in particular to moderately lower income, with the growth in infrastructure financing failing to offset the adverse effects of the stagnating portfolio volume in real estate financing and LBBW Immobilien in project development business. Allowances for losses on loans and securities were far below the previous year, while expenses declined slightly following the completion of the integration of Berlin Hyp AG. In line with earnings development, the return on equity declined from 13.7% in the previous year to 11.1%. The cost/income ratio increased marginally from 43.1% in the previous year to 45.0%.

At EUR 186 million, profit in the **Capital Markets Business segment** was in line with the previous year's figure (EUR 187 million). While income in the area of financial markets increased slightly, thanks in particular to very good development in certificate business and credit markets, treasury income was moderately lower than in the previous year due to the ongoing market uncertainty in connection with the Middle East conflict. Expenses were marginally higher than in the previous year due to investments in particular. As a result, the return on equity declined slightly to 14.3% (previous year: 15.3%), while the cost/income ratio was essentially unchanged at 63.7% (previous year: 63.6%).

At EUR 135 million, the **Private Customers/Savings Banks segment** recorded strong profit far above the previous year's level in the first half of 2026 (previous year: EUR 105 million). This was mainly due to income growth in deposit business. Business with securities and asset management solutions also saw encouraging development. This more than offset the higher level of administrative expenses due to collective bargaining agreements, among other things. Reflecting these developments, the return on equity was far above the previous year at 22.1% (previous year: 18.4%), whereas the cost/income ratio declined perceptibly to 67.8% (previous year: 71.5%).

At EUR – 96 million, profit before tax in **Corporate Items/Reconciliation/Consolidation** was far above the previous year's level (EUR – 138 million). This was mainly due to the non-recurrence of expenses incurred in connection with the integration of Berlin Hyp AG in the previous year.

Net assets and financial position

Assets	30/06/2026 EUR million	31/12/2025 EUR million	Change in EUR million	Change in %
Cash and cash equivalents	14,818	14,357	461	3.2
Financial assets measured at amortized cost	256,747	244,450	12,297	5.0
Loans and advances to banks	87,193	81,532	5,661	6.9
Loans and advances to customers	159,543	155,634	3,910	2.5
Debentures and other fixed-income securities	10,011	7,284	2,727	37.4
Financial assets measured at fair value through other comprehensive income	31,702	33,976	– 2,274	– 6.7
Financial assets designated at fair value	769	959	– 189	– 19.8
Financial assets mandatorily measured at fair value through profit or loss	48,142	47,071	1,070	2.3
Shares in investments accounted for using the equity method	166	182	– 15	– 8.5
Portfolio hedge adjustment attributable to assets	– 364	– 407	43	– 10.6
Non-current assets held for sale and disposal groups	0	0	– 0	100.0
Intangible assets	142	152	– 10	– 6.8
Investment property	938	944	– 6	– 0.7
Property and equipment	895	899	– 4	– 0.5
Income tax assets	935	970	– 35	– 3.6
Current income tax assets	166	180	– 14	– 7.8
Deferred income tax assets	769	790	– 21	– 2.7
Other assets	4,005	3,735	270	7.2
Total assets	*358,894*	*347,288*	*11,606*	*3.3*

Equity and liabilities	30/06/2026 EUR million	31/12/2025 EUR million	Change in EUR million	in %
Financial liabilities measured at amortized cost	312,015	300,331	11,684	3.9
Deposits from banks	85,428	72,344	13,084	18.1
Deposits from customers	134,636	136,563	– 1,926	– 1.4
Securitized liabilities	88,075	87,537	538	0.6
Subordinated capital	3,876	3,887	– 11	– 0.3
Financial liabilities designated at fair value	3,827	3,939	– 113	– 2.9
Financial liabilities mandatorily measured at fair value through profit or loss	22,295	22,492	– 198	– 0.9
Portfolio hedge adjustment attributable to liabilities	– 1,099	– 1,120	22	– 1.9
Provisions	1,786	1,798	– 12	– 0.7
Liabilities from disposal groups	0	0	0	
Income tax liabilities	272	216	56	26.0
Current income tax liabilities	240	187	53	28.1
Deferred income tax liabilities	32	29	4	12.6
Other liabilities	2,368	2,328	40	1.7
Equity	17,430	17,304	126	0.7
Share capital	3,484	3,484	0	0.0
Capital reserve	8,240	8,240	0	0.0
Retained earnings	4,483	3,918	565	14.4
Other comprehensive income	– 13	– 40	27	– 67.5
Unappropriated profit/loss	478	945	– 467	– 49.4
Additional equity components	745	745	0	0.0
Non-controlling interests	14	12	1	10.6
Total equity and liabilities	*358,894*	*347,288*	*11,606*	*3.3*
Guarantee and surety obligations	10,865	9,936	929	9.3
Irrevocable loan commitments	42,021	44,075	– 2,054	– 4.7
Business volume	*411,780*	*401,299*	*10,481*	*2.6*

Figures may be subject to rounding differences. Percentages are based on the exact figures.

Increase in total consolidated assets

In an environment that remained characterized by geopolitical tension and trade policy uncertainty, **total assets** increased by EUR 11.6 billion to EUR 358.9 billion as at 30 June 2026. All in all, the first half of 2026 underlined the sustainability of LBBW's business model, which is also distinguished by solid capital and risk positions and proximity to customers across a broad range of segments.

Although competitive intensity has increased perceptibly, the Bank continued to strengthen its deposit business and generated new short-term asset-side business. The Bank is making targeted investments in strategic levers and in internationalization.

At the same time, the **business volume** (consolidated total assets including off-balance-sheet surety and guarantee agreements and irrevocable loan commitments) increased by EUR 10.5 billion to EUR 411.8 billion.

Lending

Cash and cash equivalents amounted to EUR 14.8 billion as at 30 June 2026, an increase of just EUR 0.5 billion on the previous year's figure of EUR 14.4 billion. This change was attributable almost exclusively to the higher level of central bank balances.

Financial assets measured at amortized cost rose by EUR 12.3 billion to EUR 256.7 billion. Customers remained reticent to make investments in light of the persistently difficult economic environment. However, the volume of secured money market transactions increased in the first half of 2026.

Loans and advances to banks rose by EUR 5.7 billion to EUR 87.2 billion. This was largely due to a EUR 5.1 billion increase in deposits at central banks to EUR 13.6 billion.

Loans and advances to customers grew by EUR 3.9 billion to EUR 159.5 billion. This positive development was due in particular to substantial repo business, which was reflected in a EUR 4.0 billion increase in securities repurchase transactions to EUR 9.4 billion. Other loans rose by EUR 0.4 billion to EUR 35.0 billion. Conversely, overnight and term money fell by EUR – 0.6 billion to EUR 5.0 billion.

Debentures and other fixed-income securities increased by EUR 2.7 billion to EUR 10.0 billion. Other bonds and debentures rose by EUR 1.9 billion to EUR 7.8 billion and government bonds and government debentures by EUR 0.8 billion to EUR 2.1 billion due to the change in the macroeconomic conditions and the continued hold and manage intention resulting from this.

Financial assets measured at fair value through other comprehensive income fell by EUR – 2.3 billion to EUR 31.7 billion. Sales of securities from portfolios to manage liquidity led to a reduction in bonds and debentures of EUR – 2.1 billion to EUR 28.8 billion.

Financial assets mandatorily measured at fair value through profit or loss climbed by EUR 1.1 billion to EUR 48.1 billion. This was due almost entirely to the EUR 1.1 billion increase in debentures and other fixed-income securities to EUR 6.5 billion.

The **portfolio hedge adjustment attributable to assets** was at the previous year's level at EUR – 0.4 billion.

Income tax assets were also at the previous year's level with a change of EUR – 0.1 billion to EUR 0.9 billion.

Other assets increased marginally by EUR 0.3 billion to EUR 4.0 billion. Emission allowances traded by LBBW rose by EUR 0.2 billion to EUR 0.5 billion, largely as a result of volume growth.

Funding

LBBW counteracted the increasingly intense competitive environment in deposit business in the first half of 2026 by expanding its services, including for private customers and savings banks, and maintaining the level of capital market funding. The biggest change on the liabilities side related to financial liabilities measured at amortized cost, which increased by EUR 11.7 billion year-on-year to EUR 312.0 billion.

Deposits from banks rose by EUR 13.1 billion to EUR 85.4 billion. In line with the more pronounced focus on deposit business, overnight and term money and securities repurchase transactions each increased by EUR 4.0 billion to EUR 23.8 billion and EUR 5.3 billion respectively. Deposits from central banks rose by EUR 2.9 billion to EUR 10.0 billion, while other deposits from banks increased by EUR 1.1 billion to EUR 3.5 billion.

Deposits from customers declined by EUR – 1.9 billion to EUR 134.6 billion in the reporting period. Current account liabilities saw outflows of EUR – 3.6 billion to EUR 61.0 billion in the first half of 2026, whereas overnight and term money rose by EUR 1.1 billion to EUR 50.3 billion and securities repurchase transactions increased by EUR 0.9 billion to EUR 2.0 billion.

Securitized liabilities saw a marginal upturn of EUR 0.5 billion to EUR 88.1 billion. The New York branch further increased its short-term refinancing with commercial papers and certificates of deposit, resulting in a EUR 3.2 billion rise in securitized money market transactions to EUR 23.7 billion. Other debentures grew by EUR 1.5 billion to EUR 35.4 billion. Conversely, the volume of mortgage-backed covered bonds continued to decline by EUR – 4.4 billion to EUR 21.1 billion as a result of maturities.

LBBW successfully placed two covered bond benchmark issues on the market in the first half of the year, thereby demonstrating its competitiveness among its German covered bond peers. The clearly positive response on the part of institutional investors serves to underline the degree of trust in LBBW's creditworthiness and stability and the quality of its covered bonds.

Subordinated capital was unchanged year-on-year at EUR 3.9 billion.

Financial liabilities designated at fair value declined by EUR – 0.1 billion to EUR 3.8 billion. This change was largely due to the securitized liabilities sub-item.

Financial liabilities mandatorily measured at fair value through profit or loss declined by EUR – 0.2 billion to EUR 22.3 billion. A EUR 0.7 billion increase in delivery obligations from short sales of securities to EUR 1.3 billion was offset by a decrease in negative fair values from derivatives of EUR – 0.6 billion to EUR 11.3 billion.

In the same way as its asset-side equivalent, the **portfolio hedge adjustment attributable to liabilities** was at the previous year's level at EUR – 1.1 billion.

Provisions were also essentially unchanged in the first half of 2026, remaining at the previous year's level of EUR 1.8 billion.

Equity

LBBW's **equity** amounted to EUR 17.4 billion as at 30 June 2026, up EUR 0.1 billion on the previous year. The current net income of EUR 0.5 billion was offset by a dividend distribution to shareholders of EUR – 0.4 billion.

Financial position

The funding strategy at LBBW is proposed by the Asset Liability Committee (ALCo) and determined by management. The Group focuses on ensuring a balanced overall structure in terms of the groups of products and investors used. The first half of 2026 was again characterized by a reduction in the money supply due to central bank policy. Even in this phase, LBBW successfully presented itself to investors and was able to raise the cash funds required at all times. The LBBW Group's sources of funding are very stable in terms of volume and diversification. CRR banks have been required to maintain a liquidity coverage ratio (LCR) of 100% since 1 January 2018. The Group LCR ratio was satisfied at the times of calculation throughout the reporting period and was 139.1% as at 30 June 2026. The net stable funding ratio (NSFR) requirements applicable since June 2021 were also met at all times and were exceeded at 113.0% as at 30 June 2026.

Risk report

Risk management systems

The risk management methods and processes presented in the combined management report as at 31 December 2025 are still applied by the LBBW Group as at 30 June 2026. There were no material changes in the first half of 2026.

Risk types

Detailed explanatory notes on the definition of risks and on the risk management system as a whole can be found in the combined management report for 2025.

Regulatory conditions

LBBW is assigned to the Directorate General within the ECB, which supervises special banks and less significant banks.

The ECB has set medium-term priorities based on the key vulnerabilities it has identified and has assigned these strategic objectives and potential regulatory measures. The first regulatory priority is to encourage banks to improve their resilience to macrofinancial and geopolitical shocks, including by taking a responsible approach to credit risks, ensuring adequate capitalization and prudently assessing and controlling climate-related and nature-related risks. The second regulatory priority is to strengthen operational resilience and promote robust ICT capabilities, including by establishing a robust and durable framework for controlling operational risks and eliminating weaknesses in risk data aggregation and risk reporting. Additional medium- to long-term priorities include cyber risks, especially AI strategies, as well as credit risks and developments in connection with digitalization.

One key aspect of regulatory activities in 2026 to date was the EU-wide ECB stress test that takes place every two years, which was conducted as a reverse stress test focusing on the resilience of European institutions in the face of geopolitical risks. Supervisory activities also focused on the development of credit risks in light of economic performance and the geopolitical conditions.

Risk situation of the LBBW Group

LBBW manages its risks from two mutually complementary perspectives. To ensure adequate capitalization from an economic point of view, a Group-wide compilation of risks across all material risk types and subsidiaries, and the comparison of these with the capital calculated from an economic perspective (aggregate risk cover). In addition to the economic perspective, LBBW's risk appetite and management concept includes the regulatory steering group. This steering group is responsible for ensuring compliance with regulatory capital and risk parameters at all times. To this end, internal targets are set above the minimum regulatory requirements and compliance is ensured by way of an ongoing monitoring process. Details on the regulatory key figures can be found in the report on results of operations, net assets and financial position, the notes and the section on liquidity risks.

Correlated total economic capital has increased by around EUR 0.2 billion in total since the end of 2025. This is due in particular to portfolio developments in counterparty default and market price risks.

In the first half of 2026, aggregate risk cover increased by around EUR 0.3 billion compared to the end of 2025. This is mainly attributable to the development of net consolidated profit for the period.

In summary, the risk-bearing capacity of the LBBW Group was maintained at every reporting date in the first half of 2026. The permanent viability required in line with regulations was guaranteed. To test this, specific scenarios were simulated detailing the further development of various crises in light of the current geopolitical situation. The bank retained its risk-bearing capacity even in the severe scenario.

The economic capital limit was maintained at all reporting dates at Group level. The utilization of aggregate risk cover was 46% as at 30 June 2026.

LBBW Group – Risk-bearing capacity

	30/06/2026		31/12/2025	
EUR million	Absolute[1]	Utilization	Absolute[1]	Utilization
Aggregate risk cover	15,444	46%	15,145	45%
Economic capital limit[2]	12,000	59%	12,000	57%
Correlated total economic capital	7,034		6,793	
of which inter-risk correlations	– 970		– 943	
of which counterparty default risks	4,360		4,249	
of which market price risks	2,118		1,983	
of which investment risks	14		24	
of which operational risks	929		946	
of which development risks	214		167	
of which real estate risks	134		132	
of which business and reputation risks	235		235	

1 Confidence level 99.9%/1-year holding period.
2 The individual risk types are capped by economic capital limits.

The effects of continuing geopolitical conflicts and the resulting potential disruption of supply chains as well as of inflation and interest rate developments on LBBW’s economic and regulatory key performance indicators are regularly investigated and analyzed in stress scenarios.

Risk types

Counterparty risk

Risk situation of the LBBW Group

The information on the risk situation is based on the management approach. Differences compared to the accounting valuations are due to the reasons described in the 2025 Risk report.

The primary parameter in the following comments is gross/net exposure. In this context, gross exposure is defined as the fair value or utilization plus outstanding external loan commitments. Net exposure also takes risk mitigation effects into account. These include netting and collateral agreements, the hedging effect of credit derivatives or the inclusion of classic credit collateral such as real estate liens, financial collateral, guarantees or bonds.

In addition to the following tables, Note 19 ("Counterparty risk") contains additional detailed overviews broken down by rating classes, sectors and regions in accordance with IFRS 7.

Development of exposure

The following table shows the performance of the two exposure variables and the risk mitigation effects on the respective reporting date.

Default risk and effect of risk mitigation measures

EUR million	30/06/2026	31/12/2025
Gross exposure	*534,022*	*519,722*
Netting/collateral	161,121	157,342
Credit derivatives (protection buy)	5,432	5,776
Classic credit collateral	79,389	78,481
Net exposure	*288,080*	*278,124*

Figures may be subject to rounding differences.

Gross exposure amounted to EUR 534 billion as at 30 June 2026, up around EUR 14 billion compared to the end of 2025. Due to the simultaneous increase in risk-mitigating effects from netting and collateral agreements as well as classic credit collateral, this increase is not reflected in net exposure in full. Net exposure rose by around EUR 10 billion or 3.6% to EUR 288 billion, mainly driven by the financials main sector.

The following information on portfolio quality, sectors and regions provides an overview of the relevant aspects of LBBW's risk situation on the basis of its net exposure.

Portfolio quality

Rating cluster (internal rating class)

Net exposure	EUR million 30/06/2026	in % 30/06/2026	EUR million 31/12/2025	in % 31/12/2025
1 (AAAA)	50,632	17.6	42,115	15.1
1(AAA) – 1(A–)	140,269	48.7	139,437	50.1
2 – 5	65,814	22.8	66,705	24.0
6 – 8	18,274	6.3	17,111	6.2
9 – 10	4,472	1.6	4,522	1.6
11 – 15	3,603	1.3	3,262	1.2
16 – 18 (default)[1]	2,709	0.9	2,760	1.0
Other[2]	2,307	0.8	2,212	0.8
Total	288,080	100.0	278,124	100

Figures may be subject to rounding differences. Percentages are based on the exact figures.
1 "Default" refers to exposure for which a default event as defined in Article 178 CRR has occurred, for example improbability of repayment or 90-day default. The net exposure is presented before accounting for allowances for losses on loans and securities.
2 Non-rated transactions, in particular rating waivers.

The share of investment grade (ratings 1 (AAAA) to 5, 89.1%; year-end 2025: 89.3%) and non-investment grade (ratings 6 to 15, 9.1%; previous year: 9.0%) was largely stable. The top rating class 1 (AAAA) mainly includes the German public sector and central banks. The net exposure on default accounts for 0.9% of the entire portfolio.

The economic environment remains challenging. Geopolitical conflicts, protectionism and government intervention contributed to heightened uncertainty with regard to future economic development. Moreover, there remains perceptible inflationary pressure in parts of the economy. Together with the sustained uncertainty on the energy and commodity markets, this may affect monetary and interest rate policy.

Sectors

The presentation of the sectors by net exposure, credit value-at-risk (CVaR) and default portfolio also provides information on the scope of business activities and the risk situation in the respective sector. The sector classification is based on LBBW's internal risk-oriented industry code.

Sectors

EUR million	Net exposure 30/06/2026	CVaR 30/06/2026	Net exposure on default 30/06/2026	Net exposure 31/12/2025	CVaR 31/12/2025	Net exposure on default 31/12/2025
Financials	126,819	873	41	122,287	916	3
Corporates	111,687	2,160	1,721	108,716	2,124	1,749
Automotive	10,487	332	255	10,455	350	179
Construction	9,674	235	94	9,488	247	87
Chemicals and commodities	8,260	178	43	7,767	151	45
of which chemicals	3,726	72	23	3,649	68	25
of which commodities	4,534	106	20	4,119	83	20
Retail and consumer goods	15,456	220	638	16,310	247	675
of which consumer goods	11,045	128	433	11,790	154	509
of which durables	4,411	92	205	4,520	93	166
Industry	12,216	298	105	12,312	274	148
Pharmaceuticals and healthcare	5,830	86	10	5,749	76	11
TM and electronics/IT	12,603	341	466	11,950	331	486
Transport and logistics	8,664	154	12	8,394	158	22
Utilities and energy	17,872	181	14	16,133	164	14
of which utilities	11,164	88	9	9,843	74	9
of which renewable energies	6,708	93	5	6,291	90	5
Other	10,624	135	83	10,157	125	83
Real estate	19,041	843	915	19,219	827	976
Commercial real estate (CRE)	13,615	688	865	13,215	671	909
Housing	5,426	155	50	6,004	155	67
Public sector	25,559	254	0	22,688	164	0
Private individuals	4,974	55	32	5,214	41	32
Total	*288,080*	*4,185*	*2,709*	*278,124*	*4,071*	*2,760*

Figures may be subject to rounding differences.

Financials represent the largest of the five main sectors, with net exposure of EUR 127 billion as at 30 June 2026. The increase of around EUR 5 billion as against the end of 2025 is due in particular to the increased exposure to central banks.

In the corporates portfolio, it was primarily the utilities and energy sectors as well as TM and electronics/IT that contributed around EUR 3 billion to net exposure in the first half of 2026, bringing the total to EUR 112 billion.

Totaling around EUR 19 billion, the net exposure in real estate remained stable compared with the previous year.

Public-sector net exposure increased by around EUR 3 billion to EUR 26 billion compared with the end of 2025. This development was attributable in particular to the public sector in Europe and supranational institutions.

With a net exposure of around EUR 5 billion, the portfolio of private individuals is in line with the previous year and has a particularly high level of granularity.

Regions

Geographic breakdown

Net exposure in %	Share 30/06/2026	Share 31/12/2025
Germany	62.7	62.3
Western Europe (excluding Germany)	20.2	22.1
North America	9.4	9.0
Asia/Pacific	3.9	3.6
Other[1]	3.7	3.0
Total	*100.0*	*100.0*

Figures may be subject to rounding differences. Percentages are based on the exact figures.
1 Other regions and transactions not allocated to a particular country (e.g. transactions with supranational institutions).

The share of domestic business in the net exposure as at 30 June 2026 was 62.7%. The basic distribution by region was largely constant. The focus on the core markets in private, small and medium-sized enterprise and large customer business and the function as a central bank for the savings banks will continue to reflect a largely dominant German-based portfolio in the future as well. Foreign exposure is spread across Western Europe and North America in particular.

Market price risks

Risk situation of the LBBW Group

The LBBW Group’s market price risk increased in the first half of 2026. The following table shows the composition of the value-at-risk (99%/10 days) by risk type at LBBW Group level. Information on the development of market price risk in the risk-bearing capacity can be found in the "Risk situation of the LBBW Group" section in the first part of the risk report.

VaR 99%/10 days

EUR million	Average	Maximum	Minimum	30/06/2026	31/12/2025
LBBW Group	*171*	*206*	*139*	*192*	*150*
Interest rate risk[1]	173	206	137	185	158
Credit spread risk	84	94	77	86	83
Equity risks	11	22	9	10	12
Foreign exchange risks[2]	2	6	1	1	5

1 Interest risks in the narrower sense.
2 Including commodity risks.

The increase in risk at Group level is mainly attributable to the higher level of interest rate risk resulting from an increase in the volume allocated to the investment of own funds (equity).

The following table shows the composition of the value-at-risk (99%/10 days) by risk type at trading book level.

VaR 99%/10 days

EUR million	Average	Maximum	Minimum	30/06/2026	31/12/2025
Trading book	*9*	*13*	*7*	*11*	*8*
Interest rate risk[1]	5	10	3	6	7
Credit spread risk	6	9	5	6	7
Equity risks	5	7	3	5	4
Foreign exchange risks[2]	2	6	1	1	5

1 Interest risks in the narrower sense.
2 Including commodity risks.

The risk in the trading book increased due to changes in exposures that were largely driven by customer business.

Up to and including the last reporting date of 30 June 2026, the internal risk model shows four outliers for the Clean P/L for the preceding 250 trading days in the CRR portfolio, the portfolio relating to capital adequacy. These occurred in response to the increased volatility on the interest rate, credit and equity markets due to the conflict in the Middle East.

Additional backtesting on the basis of dirty P/L is performed on account of regulatory requirements. On this basis, there was one outlier in the CRR portfolio up to and including 30 June 2026. The outlier was caused by the political situation in France, which led to increased fluctuations in credit spreads and on the equity markets.

Liquidity risks

Risk situation of the LBBW Group

LBBW maintained consistently good liquidity in the first half of 2026. Capital market placements by the LBBW Group attracted lively interest among national and international investors, and the Group's funding sources are aligned with the targeted stability profile in terms of both volume and diversification.

As at the reporting date of 30 June 2026, the funding requirements and counterbalancing capacity were as follows:

Overview of funding requirements and counterbalancing capacity

	3 months		12 months	
EUR billion	**30/06/2026**	**31/12/2025**	**30/06/2026**	**31/12/2025**
Funding requirement from the business portfolio (deterministic cash flow)[1]	– 5.9	3.7	– 2.5	– 8.6
Funding requirement from material call risks (stochastic cash flow)	32.4	22.5	57.5	44.6
Funding potential from free liquidity reserves	47.5	32.8	47.1	36.0
Funding potential on the market	85.3	89.1	108.9	115.7
Surplus	*106.2*	*95.8*	*101.1*	*115.7*

1 Figures can be negative if liquidity inflows exceed the funding requirement from the business portfolio over a period of three or twelve months.

The surplus based on a three-month horizon increased compared with the end of 2025. This was due in particular to the inflow of deposits and higher collateral positions in the first half of the year, which was reflected in particular in an increase in the funding potential from free liquidity reserves. In the shorter term in particular, the funding requirement from the business portfolio (deterministic cash flow) continues to be characterized by net inflows in EUR (excess liquidity) that are offset by net outflows in USD and GBP (funding requirements). Taken together with the funding potential from free liquidity reserves and the assumed options for unsecured borrowing on the market (funding potential on the market), LBBW is in a position to offset significant liquidity outflows even at short notice. All in all, the surplus as at 30 June 2026 was EUR 106.2 billion based on a three-month horizon and EUR 101.1 billion based on a twelve-month horizon.

The results of the economic liquidity risk stress scenarios of a rating downgrade, a financial market crisis and a combination of the two, which are conducted regularly, show that the funding potential is far above the potential funding requirements under stress conditions. These scenarios are conducted in accordance with the applicable requirements of the internal liquidity adequacy assessment process (ILAAP) and are taken into account in current liquidity management. During the first half of the year, sufficient surpluses were also available at all times in all of the foreign currency stress tests conducted and in the EUR stress test for intraday liquidity.

Results of the economic stress scenarios

	Funding requirement (3 months)		Funding potential (3 months)	
EUR billion	**30/06/2026**	**31/12/2025**	**30/06/2026**	**31/12/2025**
Rating downgrade scenario	40.2	42.4	63.6	54.1
Financial market crisis scenario	40.2	38.6	72.7	62.1
Combined scenario of market crisis with downgrade	40.7	38.9	71.4	60.7

The required minimum of 100% for the European liquidity coverage ratio (LCR) was complied with. At 139.1%, the LCR as at 30 June 2026 was above the internal management targets. The decline compared with the figure of 180% at the end of 2025 was primarily due to effects resulting from liquidity management using short-term money market instruments. The net stable funding ratio (NSFR) guidelines were also complied with. At 113.0%, the requirement was also exceeded as at 30 June (31 December 2025: 115.0%).

Non-financial risks

Risk situation of the LBBW Group

The comments on the risk situation as at the end of 2025 continue to apply. The banking landscape continues to face legal risks from the further development of consumer protection and legal risks related to tax law. LBBW takes this into account by monitoring the legal situation on an ongoing basis. On the basis of current knowledge, adequate provision has been made to cover legal risks.

ICT (information and communication technology) risks arising from cyberspace threats in particular remain a key focal point. These risks are counteracted as part of ICT risk management using risk mitigation measures in line with the "Govern, Identify, Protect, Detect, Respond, Recover" cybersecurity framework.

In turn, as a result of the Ukraine conflict, there has been an increase in the number of entries on sanctions lists and the sanctions have become more complex. LBBW is continuing to focus on the issue of sanctions evasion via third countries. It is assumed that risk-based audit procedures to ensure compliance with sanctions will remain elevated in the long term. LBBW's compliance risk management also continues to focus on the other compliance sub-risk types that are deemed material.

Regarding the other material non-financial risks, namely

- (ICT) third-party risks
- Data protection risks
- Other operational risks
- Reputation risks
- Business risks
- Model risks

the statements made in the risk report in the LBBW Group's combined management report for 2025 still apply.

New, risk-oriented reporting based on key risk indicators in line with management needs was integrated into regular risk reporting with effect from the reporting date 31 March 2026.

Other material risks

Regarding the other material risk types, namely

Financial risks
- Real estate risks
- Development risks
- Investment risks

Interdisciplinary risks
- ESG risks (environmental, social, governance)
- Concentration risks

the statements made in the risk report in the LBBW Group's combined management report for 2025 still apply.

Forecast and opportunity report

Anticipated economic performance

Developments in the second half of the year are subject to considerable uncertainty. The biggest risk factor is most likely to be the continuation of the war in the Persian Gulf. In particular, there remains a latent susceptibility regarding the passage of international freight shipping through the Strait of Hormuz. The resumption of fighting has led to a renewed upturn in the price of crude oil, which needs to pass through the eye of the needle between Iran and Oman. Setbacks for the economy are already expected as a result, such as a reversal of the anticipatory effects that boosted results in the first quarter. The tightening of the ECB’s monetary policy is likely to also have an adverse effect. Although the key interest rate has only risen by a moderate 25 basis points to date and monetary policy is assumed to be subject to time lags, overall demand is likely to be curbed by this development over the coming quarters.

Across 2026 as a whole, LBBW is forecasting adjusted year-on-year GDP growth of 0.5% for Germany. A calendar effect will generate additional growth: The way the public holidays fall is likely to boost de facto GDP growth by around a quarter of a percentage point compared with the adjusted forecast. Adjusted GDP growth in the Eurozone is likely to be slightly higher than in Germany in numerical terms at +0.8%. However, the first quarter showed that Ireland, despite being a small economy, can introduce additional volatility to the figures on account of being home to major international corporations.

Inflation in Germany is likely to remain further above the 2% mark. High energy prices in the first half of year led to higher inflation, and this situation is unlikely to reverse in the remainder of the year. We expect inflation to come in at 2.7% in Germany (national CPI) and 2.9% in the Eurozone.

In the US, the economy is expected to see a slight slowdown in momentum in the second half of the year. To date, GDP growth has been driven to a large extent by investments in connection with artificial intelligence. However, the pace of growth in this segment is unlikely to be maintained in the long term, while the rest of the US economy is seeing only muted growth. We are forecasting full-year GDP growth of 2.2% for 2026. GDP growth in China is likely to slow further. Our forecast for the full year is +3.5%.

Against this backdrop, monetary policy will probably be more on the restrictive and cautious side. The ECB is likely to raise its key interest rate by a further 25 basis points this year. We expect the deposit facility rate to be 2.50% at the end of the year. In the US, key interest rates are likely to remain at their current level. The Fed funds target rate (upper end of target corridor) is currently 3.75%. Against this backdrop, yields will probably rise slightly compared with the end of the first half of the year. We expect yields on 10-year Bunds to be 3.10% at the end of 2026, while yields on 10-year US treasuries are forecast at 4.50%.

In this environment, the stock markets are likely to see only limited price gains. The DAX is expected to close the year at 25,500 points, while the forecast for the S&P 500 is 7,500 points. The US dollar is likely to fall back slightly against the euro. Our forecast for the end of the year is an exchange rate of USD 1.18/EUR.

LBBW Research expects average house prices in Germany to increase by between three and four percent in the current year. We are still maintaining this forecast. Based on the information currently available, the figure is likely to come in at the lower end of the forecast range. Vacancies on the office property market are generally set to continue rising for the time being. In the meantime, the divide between modern, well-located properties and unattractive properties at risk of vacancy is becoming ever more established. The Iran war has had a perceptible impact on the German economy. This is also negatively affecting the commercial property market in particular, and reports of real estate funds being wound up are becoming more commonplace.

Industry and competitive situation

Although the European banking sector continues to operate in a challenging environment, the ECB’s most recent Financial Stability Review paints a robust picture. Persistent geopolitical risks, most notably the ongoing conflict between the US and Iran, are likely to weigh on economic performance. Although the banking sector has only limited direct exposures in the Middle East region, uncertainties exist in the form of indirect effects on inflation and interest rate development. At the same time, the sector is underpinned by strong fundamentals despite everything.

Asset quality remains robust overall. According to data from the banking regulator EBA, the proportion of non-performing loans remains at a low level and the leading indicators currently point to stability. However, there are weaknesses in individual portfolios, such as the private credit and commercial real estate sectors and loans to SMEs in certain countries. The ECB believes that weaker economic performance could intensify these risks.

The profitability of Eurozone banks remains high, including thanks to higher commission-based revenue and improved cost development. Furthermore, LBBW Research anticipates a key interest rate hike by the ECB that should positively impact the profit situation on the whole. Although yields for bank bonds also rose in the first half of 2026, tighter risk premiums indicate that the perceived credit risk in the European banking sector is comparatively limited.

In this environment, capital adequacy remains a key factor for stability. According to ECB data, the capital ratios of Eurozone banks have reached a new high driven by retained profits in particular. At the same time, synthetic risk transfers are becoming increasingly important, as they enable banks to partially transfer credit risks to non-banks and relieve the burden on their own equity.

The liquidity situation of Eurozone banks remains comfortable. Although excess central bank liquidity is continuing to decline, the banks continue to enjoy solid regulatory liquidity buffers. At the same time, the ECB Financial Stability Review reports that sovereign debt is taking the place of central bank reserves to a greater extent. As government debt is growing, this means increased sensitivity to interest rate changes. All in all, however, liquidity remains robust.

Company forecast

General conditions

The year to date has been characterized by persistent geopolitical and economic uncertainties, which have been further exacerbated by the renewed and still unresolved Middle East conflict. Against this backdrop, the propensity on the part of companies to invest, and hence demand for credit, remained muted. This development may be further intensified by the ECB's first interest rate hike in three years in response to the sharp upturn in energy prices and the resulting rise in inflation. Furthermore, the efforts of the German federal government to make reforms in order to improve competitiveness and the country's attractiveness as a location have yet to meet the expectations of market participants, and have therefore only boosted the economy to a limited extent. On the real estate market, the phase of stabilized but generally restrained market activity is continuing, with the commercial sector in particular remaining challenging as anticipated. In addition, pressure on margins and conditions remains generally high, exacerbated by the intense competition for deposits and the growing importance of digital services and platforms, as well as new foreign players with aggressive strategies.

Outlook for LBBW

The statements made in the 2025 Annual Report regarding the company forecast were based on the planning prepared at the end of 2025. The following section presents the current assessment of the development of the most important financial performance indicators from LBBW's perspective.

In spite of persistent geopolitical tension and trade policy restrictions, LBBW achieved good operational business performance on the whole in the first half of 2026. At EUR 708 million, consolidated profit before tax was at the previous year's level despite higher allowances for losses on loans and securities and was notably in excess of expectations. All of the operating customer segments again made a clearly positive contribution to this development.

LBBW expects the conditions in the second half of 2026 to be consistently challenging. Despite this, profit is likely to reach the target for 2026 that was issued at the end of 2025 and is expected to be perceptibly in excess of EUR 1 billion again, albeit down slightly on the previous year. With earnings performance remaining stable, this will largely be driven by lower than forecast administrative expenses. Reflecting this development, the return on equity is likely to be marginally higher than forecast, however down slightly on the previous year, while the cost/income ratio is set to be marginally lower than forecast and remain at the previous year's level due to the expected development of expenses.

The common equity Tier 1 capital ratio ("phase-in") should be moderately higher than expected in the 2026 forecast period but down slightly on the previous year, thereby still notably exceeding the regulatory requirements.

In the operating segments, LBBW is anticipating the following developments in the 2026 financial year assuming there are no unexpected developments compared to its original planning:

In the Corporate Customers segment, LBBW expects profit before tax at the end of the year to be notably lower than in the previous year due to allowances for losses on loans and securities and expenses. At the same time, profit before tax is likely to be down slightly on the forecast level as demand for loans remains lower than expected. This development would be reflected in a return on equity that is moderately lower than forecast and far below the previous year, whereas the cost/income ratio at the end of the year would be marginally higher than forecast and hence up slightly on the previous year.

In the Real Estate and Infrastructure Financing segment, profit before tax is likely to be slightly higher than in the previous year due to allowances for losses on loans and securities and expenses, but notably lower than the target level for the 2026 financial year. Slightly lower than forecast earnings performance due to the continued absence of a recovery on the real estate market, together with perceptibly higher than expected allowances for losses on loans and securities, will not be entirely offset by expenses being lower than forecast. Accordingly, the return on equity and the cost/income ratio are set to be noticeably and moderately lower than expected respectively, although they will still be slightly higher and slightly lower than in the previous year respectively.

LBBW expects profit before tax in the Capital Markets Business segment in the 2026 financial year to be at the previous year's level, which would be slightly lower than forecast. Extremely good earnings performance in certificate business is unlikely to entirely offset the impact of the persistent market uncertainty in connection with the Middle East conflict, especially in interest-oriented business. Accordingly, the segment return on equity is likely to be slightly lower than the forecast level and the previous year, while the cost/income ratio is expected to be marginally higher than originally forecast and than in the previous year.

Profit before tax in the Private Customers/Savings Banks segment at the end of 2026 is expected to be far above the previous year and at the forecast level. Higher income from deposits in particular should offset the lower than expected financing revenue. The return on equity is likely to be slightly higher than expected and hence notably higher than in the previous year. The cost/income ratio for the full year is set to be at the forecast level and therefore moderately lower than in the previous year.

Opportunities and risks

The opportunities and risks for business development in 2026 described in the company forecast in the 2025 Annual Report generally still apply and could have a positive or negative impact on the statements made. The risks described therein in connection with the Middle East conflict continue to apply, and established market opinion suggests that they could lead to further interest rate hikes by the ECB this year and hence a further reduction in demand for credit even if the conflict is resolved in the near future. Furthermore, renewed escalation cannot be ruled out, which would further exacerbate the economic situation and thus the propensity of companies to invest, the risk of additional insolvencies and the situation on the real estate markets. The direct consequence of this would be a deterioration in LBBW’s earnings situation due to higher allowances for losses on loans and securities accompanied by lower income. Heightened operational risks could result in particular from the growing complexity of digital infrastructures and the increase in the possibilities for using artificial intelligence to identify and exploit security loopholes in the IT infrastructure of banks and companies. Conversely, additional opportunities could result in particular from potential further interest rate hikes on the part of the ECB and a resulting improvement in the income situation in deposit business.

03

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Content

Income statement

for the period 1 January to 30 June 2026

EUR million	Notes	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Net interest income	7	1,547	1,281
Interest income and current income from equity instruments		14,054	15,765
of which interest income from financial assets measured at amortized cost		4,434	4,937
of which interest income from financial assets measured at fair value through other comprehensive income		391	408
Interest expenses and current expenses from equity instruments		– 12,507	– 14,485
of which interest expenses from financial liabilities measured at amortized cost		– 3,596	– 4,332
Net fee and commission income	8	354	349
Fee and commission income		472	459
Fee and commission expenses		– 119	– 110
Net gains/losses on remeasurement and disposal	9	74	336
of which allowances for losses on loans and securities		– 121	– 107
Other operating income/expenses	10	– 4	50
Administrative expenses	11	– 1,197	– 1,220
Expenses for resolution funds and deposit protection systems	12	– 66	– 77
Net income/expenses from restructuring	13	0	– 14
Consolidated profit/loss before tax		*708*	*705*
Income taxes	14	– 229	– 228
Net consolidated profit/loss		*479*	*477*
of which attributable to non-controlling interests after tax		1	1
of which attributable to shareholders after tax		478	476

Statement of comprehensive income

for the period 1 January to 30 June 2026

EUR million	Notes	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Net consolidated profit/loss		*479*	*477*
Items that will not be transferred subsequently to the income statement			
Retained earnings	36	22	0
Actuarial gains/losses before tax		34	0
Income taxes	14, 33	– 13	– 0
Measurement gains/losses from own credit rating	36	– 6	– 15
Measurement gains/losses from own credit rating before tax		– 8	– 21
Income taxes	14, 33	2	6
Measurement gains/losses from equity instruments (financial assets measured at fair value through other comprehensive income)	36	0	8
Measurement gains/losses before tax		0	8
Measurement gains/losses from investments accounted for using the equity method (financial assets measured at fair value through other comprehensive income)	36	– 1	1
Measurement gains/losses before tax		– 1	1
Items that will be transferred subsequently to the income statement when specific conditions are met			
Measurement gains/losses from debt instruments (financial assets measured at fair value through other comprehensive income)	36	31	119
Measurement gains/losses before tax		49	153
Change in allowances for losses on loans and securities		1	– 1
Transferred to income statement		– 8	3
Income taxes	14, 33	– 12	– 35
Currency translation differences	36	3	– 13
Changes before tax		3	– 13
Net consolidated profit/loss in equity		*49*	*99*
Net consolidated total comprehensive income		*528*	*577*
of which attributable to non-controlling interests after tax		1	1
of which attributable to shareholders after tax		527	576

Statement of financial position

as at 30 June 2026

Assets

EUR million	Notes	30/06/2026	31/12/2025
Cash and cash equivalents	16	14,818	14,357
Financial assets measured at amortized cost	17	256,747	244,450
Loans and advances to banks		87,193	81,532
Loans and advances to customers		159,543	155,634
Debentures and other fixed-income securities		10,011	7,284
Financial assets measured at fair value through other comprehensive income	18	31,702	33,976
Financial assets designated at fair value	21	769	959
Financial assets mandatorily measured at fair value through profit or loss	22	48,142	47,071
Shares in investments accounted for using the equity method	6	166	182
Portfolio hedge adjustment attributable to assets		– 364	– 407
Intangible assets	30	142	152
Investment property	31	938	944
Property and equipment	32	895	899
Current income tax assets	33	166	180
Deferred income tax assets	33	769	790
Other assets	34	4,005	3,735
Total assets		*358,894*	*347,288*

Equity and liabilities

EUR million	Notes	30/06/2026	31/12/2025
Financial liabilities measured at amortized cost	23	312,015	300,331
Deposits from banks		85,428	72,344
Deposits from customers		134,636	136,563
Securitized liabilities		88,075	87,537
Subordinated capital		3,876	3,887
Financial liabilities designated at fair value	24	3,827	3,939
Financial liabilities mandatorily measured at fair value through profit or loss	25	22,295	22,492
Portfolio hedge adjustment attributable to liabilities		– 1,099	– 1,120
Provisions	35	1,786	1,798
Current income tax liabilities	33	240	187
Deferred income tax liabilities	33	32	29
Other liabilities	34	2,368	2,328
Equity	*36*	*17,430*	*17,304*
Share capital		3,484	3,484
Capital reserve		8,240	8,240
Retained earnings		4,483	3,918
Other comprehensive income		– 13	– 40
Net consolidated profit/loss		478	945
Shareholders' equity		*16,672*	*16,547*
Additional equity components		745	745
Equity attributable to non-controlling interests		14	12
Total equity and liabilities		*358,894*	*347,288*

Statement of changes in equity

for the period 1 January to 30 June 2026

EUR million	Share capital	Capital reserve	Retained earnings[1]	Valuation reserve for equity instruments	Valuation reserve for debt instruments	Measurement gains/losses from investments accounted for using the equity method	Measurement gains/losses from own credit rating	Currency translation reserve	Net consolidated profit/loss	Share-holders' equity	Additional equity components	Equity attributable to non-controlling interests	Total
Equity as at 01/01/2025	*3,484*	*8,240*	*3,462*	*– 49*	*– 344*	*1*	*54*	*25*	*872*	*15,746*	*970*	*14*	*16,730*
Allocation to retained earnings	0	0	872	0	0	0	0	0	– 872	0	0	0	0
Distribution to shareholders	0	0	– 330	0	0	0	0	0	0	– 330	0	– 0	– 330
Net consolidated profit/loss in equity	0	0	0	8	119	1	– 15	– 13	0	100	0	0	100
Net consolidated profit/loss	0	0	0	0	0	0	0	0	476	476	0	1	477
Net consolidated total comprehensive income	0	0	0	8	119	1	– 15	– 13	476	576	0	1	577
Servicing of additional equity components	0	0	– 31	0	0	0	0	0	0	– 31	0	0	– 31
Other changes in equity	0	0	– 3	0	0	0	0	0	0	– 3	– 225	1	– 226
Equity as at 30/06/2025	*3,484*	*8,240*	*3,970*	*– 41*	*– 225*	*2*	*39*	*12*	*476*	*15,958*	*745*	*16*	*16,719*
Net consolidated profit/loss in equity	0	0	– 48	44	151	– 0	– 22	– 0	0	125	0	0	125
Net consolidated profit/loss	0	0	0	0	0	0	0	0	469	469	0	– 3	465
Net consolidated total comprehensive income	0	0	– 48	44	151	– 0	– 22	– 0	469	593	0	– 3	590
Other changes in equity	0	0	– 5	0	0	0	0	0	0	– 5	0	0	– 5
Equity as at 31/12/2025	*3,484*	*8,240*	*3,918*	*3*	*– 74*	*2*	*17*	*12*	*945*	*16,547*	*745*	*12*	*17,304*
Equity as at 01/01/2026	*3,484*	*8,240*	*3,918*	*3*	*– 74*	*2*	*17*	*12*	*945*	*16,547*	*745*	*12*	*17,304*
Allocation to retained earnings	0	0	945	0	0	0	0	0	– 945	0	0	0	0
Distribution to shareholders	0	0	– 350	0	0	0	0	0	0	– 350	0	– 1	– 351
Net consolidated profit/loss in equity	0	0	22	0	31	– 1	– 6	3	0	49	0	0	49
Net consolidated profit/loss	0	0	0	0	0	0	0	0	478	478	0	1	479
Net consolidated total comprehensive income	0	0	22	0	31	– 1	– 6	3	478	527	0	1	528
Servicing of additional equity components	0	0	– 51	0	0	0	0	0	0	– 51	0	0	– 51
Other changes in equity	0	0	– 1	0	0	0	0	0	0	– 1	0	1	0
Equity as at 30/06/2026	*3,484*	*8,240*	*4,483*	*3*	*– 43*	*1*	*12*	*15*	*478*	*16,672*	*745*	*14*	*17,430*

1 Profit and loss carryforwards from prior periods are also recognized under "Retained earnings

Condensed cash flow statement

for the period 1 January to 30 June 2026

EUR million	Notes	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Cash and cash equivalents at the beginning of the period	*16*	*14,357*	*10,336*
Cash flow from operating activities		1,201	6,506
Cash flow from investing activities		– 32	– 26
Cash flow from financing activities		– 392	– 1,123
Changes to cash and cash equivalents owing to exchange rates, basis of consolidation and measurement		– 317	772
Cash and cash equivalents at the end of the period	*16*	*14,818*	*16,464*

In addition to the cash change in equity (dividends paid, issuing and servicing additional equity components), cash flow from financing activities includes the cash flows from the silent partners’ contributions and additional subordinated capital.

In the reporting period, the volume of subordinated capital held decreased by EUR – 11 million compared to the previous year. In addition to the cash reduction of EUR – 10 million, the change results from remeasurement effects of EUR – 8 million and changes in deferred interest of EUR – 17 million. Furthermore, changes in exchange rates of EUR 23 million and other effects of EUR 1 million affected the amount of subordinated capital.

Selected notes to the consolidated interim financial statements

for the first half of the 2026 financial year

A. Principles and material changes

1. Basis of accounting

Landesbank Baden-Württemberg (LBBW (Bank)), as the parent company of the Group (LBBW), is a public law institution (rechtsfähige Anstalt des öffentlichen Rechts) with four registered offices in Germany: in Stuttgart (Am Hauptbahnhof 2, 70173 Stuttgart), Karlsruhe (Ludwig-Erhard-Allee 4, 76131 Karlsruhe), Mannheim (Am Victoria-Turm 2, 68163 Mannheim) and Mainz (Rheinallee 86, 55120 Mainz). The commercial register numbers at the responsible district court in Germany are as follows: district court of Stuttgart HRA 12704, district court of Mannheim HRA 104440 (for Karlsruhe) and HRA 4356 (for Mannheim) and district court of Mainz HRA 40687.

The LBBW Group is present in its regional core markets of Baden-Württemberg, Rhineland-Palatinate and Saxony and in attractive metropolitan areas such as Berlin, Hamburg, Munich and Frankfurt, while also leveraging national and international growth opportunities in selected economic regions. It is supported in this by a network of foreign branches and German centers that provide customers with financial solutions and comprehensive advisory services related to their international activities.

LBBW offers the full range of products and services throughout Germany that a mittelstand-minded universal bank provides. In the state capital Stuttgart, BW-Bank fulfills the role of a savings bank as LBBW's customer bank. LBBW also assists its corporate customers and those of the savings banks in their international operations. Subsidiaries specializing in specific areas of business, such as leasing, factoring, asset management, real estate development/financing and equity finance, diversify and supplement LBBW's portfolio of services within the Group.

The condensed consolidated interim financial statements of LBBW as at 30 June 2026 were prepared in accordance with section 115 of the Wertpapierhandelsgesetz (WpHG – German Securities Trading Act) in conjunction with section 117 no. 2 WpHG pursuant to the International Financial Reporting Standards (IFRS accounting standards) as adopted in the European Union. The standards and interpretations published at the time the financial statements were prepared, adopted by the European Union and relevant and binding for the Group, apply. In particular, the requirements set out in IAS 34 Interim Financial Reporting were taken into account.

2. Principles

The reporting period for the consolidated interim financial statements is the period from 1 January to 30 June 2026. The consolidated interim financial statements as at 30 June 2026 do not contain all the information and disclosures required of the consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as at 31 December 2025. Unless explicitly stated, the interim financial statements use the same accounting policies as the 2025 consolidated financial statements. For information on major changes, please also refer to the commentary in the report on the results of operations, net assets and financial position in the interim Group management report.

The consolidated interim financial statements are based on the going concern principle.

In accordance with IFRS 10.19 and IAS 28.35, financial statements at LBBW are prepared using uniform accounting policies across the Group. These were applied consistently to the reporting periods shown, unless stated otherwise. The financial statements of the fully consolidated companies or investments accounted for using the equity method are prepared as at the date of the consolidated interim financial statements of LBBW.

The functional currency and reporting currency of LBBW is the euro (EUR). The amounts in these consolidated interim financial statements are generally rounded to EUR millions in accordance with commercial principles. This may result in marginal aggregation differences, though these do not have any adverse effect on the quality of reporting.

The reporting year is the calendar year.

3. Changes and estimates

The section below provides an explanation of the IFRS accounting standards relevant to LBBW that are to be applied for the first time in the financial year or that are to be applied in the future.

IFRS accounting standards applied for the first time

The following IFRS accounting standards were applied for the first time in the 2026 financial year:

- Annual Improvements Volume 11
  The amendment has no material effect on LBBW's consolidated interim financial statements.
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
  The amendment has no material effect on LBBW's consolidated interim financial statements.

Explanatory notes on material IFRS accounting standards applied for the first time

The amendments listed above did not have a material impact on LBBW's income statement, statement of comprehensive income, statement of financial position or disclosure requirements in the 2026 financial year.

In addition, the following amended standards were applied for the first time and had an effect on at least one of the topics listed that was more than just immaterial:

- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
  The amendments relate to the settlement of financial liabilities via (electronic) payment systems and the assessment of the SPPI criterion for financial assets, including those linked to ESG factors.
  The impact at LBBW was largely restricted to new disclosures in the notes (expanded disclosures on financial instruments with contingent cash flows and expanded disclosures on equity instruments measured at fair value through other comprehensive income).
  The amendments do not have a material effect on LBBW's income statement, statement of comprehensive income or statement of financial position.

IFRS accounting standards to be applied in the future

The following IFRS accounting standards are not yet effective, no effects or only immaterial effects are expected and LBBW does not intend to apply them early on a voluntary basis:

Title of IFRS accounting standard	First-time adoption expected in	Endorsement (yes/no)	IFRS accounting standards subject matter
Amendments to IAS 21: Translation to a Hyperinflationary Presentation Currency	2027 financial year	No	The narrowly worded amendments address how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary currency.
Amendments to IAS 28: Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	2027 financial year	No	These amendments clarify the exercise of the fair value option provided by IAS 28.18.
IFRS 18 Presentation and Disclosure in Financial Statements	2027 financial year	Yes	This standard replaces the previous IAS 1 and sets out requirements for the presentation and disclosure of information in the statement of financial position and the income statement.
Amendments to IFRS 19: Subsidiaries without Public Accountability: Disclosures	2027 financial year	No	IFRS 19 set out (reduced) disclosure requirements for standards and amendments issued up to February 2021. These amendments relate to standards and amendments issued between February 2021 and May 2024.
IFRS 19 Subsidiaries without Public Accountability: Disclosures	2027 financial year	No	This standard enables subsidiaries without public accountability that are included in the IFRS consolidated financial statements of the parent to apply IFRS accounting standards in their own financial statements with reduced disclosure requirements in the notes.
IFRS 20 Regulatory Assets and Regulatory Liabilities	2029 financial year	No	IFRS 20 addresses the accounting treatment of timing differences affecting rate-regulated goods or services through the recognition of regulatory assets and regulatory liabilities.

4. Events after the reporting period

There were no events after the end of the reporting period.

B. Group of companies

5. Basis of consolidation

In addition to LBBW (Bank) as the parent company, 84 subsidiaries (31 December 2025: 85 subsidiaries), including five structured entities (unchanged from the previous year), were included in the consolidated interim financial statements.

The fully consolidated subsidiary SG Management GmbH was merged into the fully consolidated subsidiary Schlossgartenbau Objekt-GmbH with effect from 14 April 2026.

As in the previous year, three joint ventures and four associates were included in the consolidated financial statements using the equity method.

A total of 52 subsidiaries (31 December 2025: 47 subsidiaries) were not included in the consolidated financial statements because their individual and aggregate influence on the net assets, financial position and results of operations of LBBW Group is not significant. These are predominantly property and shelf companies.

6. Shares in investments accounted for using the equity method

Investments in associates, joint ventures and subsidiaries that are not incorporated in the consolidated financial statements on account of their immaterial importance are recognized under financial assets mandatorily measured at fair value through profit or loss.

EUR million	30/06/2026	31/12/2025
Associates	166	182
Total	*166*	*182*

C. Segment reporting

LBBW's segment reporting for the first half of 2026 has been prepared in accordance with the provisions of IFRS 8. Following the management approach, segment reporting is therefore based on internal management reporting to the Group's Board of Managing Directors, which, in its function as the chief operating decision-maker, regularly makes decisions on the allocation of resources and the assessment of the performance of the segments on this basis.

Segment definition and measurement methods

The segments presented below are based on the organizational structures, taking into account customer and product responsibilities. Subsidiaries and equity investments are assigned to the individual segments according to their business orientation. There have been no changes to LBBW's segment structure since 2025. The description of the individual segments can be found in the 2025 Annual Report. The same applies to the description of the measurement methods.

Segment results

01/01/2026 – 30/06/2026 EUR million	Corporate Customers	Real Estate and Infrastructure Financing	Capital Markets Business	Private Customers/ Savings Banks	Corporate Items/ Reconciliation/ Consolidation	LBBW Group
Net interest income	640	467	221	265	– 46	1,547
Net fee and commission income	116	5	70	168	– 5	354
Net gains/losses on remeasurement and disposal	– 65	– 80	225	– 4	– 2	74
of which allowances for losses on loans and securities	– 39	– 74	– 4	– 4	0	– 121
Other operating income/expenses	14	– 21	4	– 1	– 0	– 4
Total operating income/expenses	*705*	*371*	*520*	*427*	*– 53*	*1,971*
Administrative expenses	– 383	– 194	– 318	– 290	– 12	– 1,197
Expenses for resolution funds and deposit protection systems	– 10	– 6	– 16	– 2	– 32	– 66
Consolidated profit/loss before tax	*312*	*171*	*186*	*135*	*– 96*	*708*
Income taxes						– 229
Net consolidated profit/loss						*479*
Assets (EUR billion)	71.2	62.1	188.0	43.1	– 5.5	358.9
Risk-weighted assets (EUR billion)	37.2	22.1	19.7	8.6	4.0	91.7
Tied-up equity (EUR billion)	5.1	3.1	2.6	1.2	4.9	17.0
Return on equity (RoE) (in %)	12.2	11.1	14.3	22.1		8.3
Cost/income ratio (CIR) (in %)	52.8	45.0	63.7	67.8		60.4

01/01/2025 – 30/06/2025 EUR million	Corporate Customers[1]	Real Estate and Infrastructure Financing[1]	Capital Markets Business[1]	Private Customers/ Savings Banks[1]	Corporate Items/ Reconciliation/ Consolidation[1]	LBBW Group
Net interest income	639	465	19	234	– 77	1,281
Net fee and commission income	114	7	68	162	– 2	349
Net gains/losses on remeasurement and disposal	– 27	– 97	418	– 6	48	336
of which allowances for losses on loans and securities	– 23	– 96	2	– 7	18	– 107
Other operating income/expenses	15	32	7	– 3	– 1	50
Total operating income/expenses	*742*	*407*	*511*	*388*	*– 31*	*2,016*
Administrative expenses	– 373	– 208	– 306	– 280	– 53	– 1,220
Expenses for resolution funds and deposit protection systems	– 9	– 11	– 18	– 2	– 38	– 77
Net income/expenses from restructuring	0	2	– 0	0	– 16	– 14
Consolidated profit/loss before tax	*360*	*190*	*187*	*105*	*– 138*	*705*
Income taxes						– 228
Net consolidated profit/loss						*477*
Assets (EUR billion)	69.0	64.6	198.6	43.2	– 6.3	369.0
Risk-weighted assets (EUR billion)	36.0	20.0	17.3	8.4	4.0	85.7
Tied-up equity (EUR billion)	5.0	2.8	2.4	1.1	4.9	16.3
Return on equity (RoE) (in %)	14.4	13.7	15.3	18.4		8.6
Cost/income ratio (CIR) (in %)	49.9	43.1	63.6	71.5		61.8

1 Restatement of prior-year amounts due to restructuring and methodology changes that resulted in more detailed segment allocation.

D. Income statement

7. Net interest income

Net interest income includes net interest expense/income from pension obligations and interest expenses from unwinding the discount on non-current provisions and other liabilities recognized at present value.

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Interest income and current income from equity instruments	*14,054*	*15,765*
Interest income	14,020	15,754
Trading derivatives	5,802	6,444
Lending and money market transactions	4,551	5,227
Hedging derivatives	2,185	2,534
Fixed-income securities and debentures	633	558
Early termination fees[1]	6	13
Leasing business	238	214
Other	602	762
Positive interest expenses from financial liabilities	3	3
Current income from equity instruments	35	11
Equities and other non-fixed-income securities	33	10
Equity investments and affiliates	2	1
Interest expenses and current expenses from equity instruments	*– 12,507*	*– 14,485*
Interest expenses	– 12,507	– 14,485
Trading derivatives	– 5,737	– 6,554
Hedging derivatives	– 2,183	– 2,517
Deposits	– 2,266	– 2,706
Securitized liabilities	– 1,348	– 1,582
Leasing business	– 35	– 21
Lease liabilities	– 1	– 2
Subordinated capital	– 75	– 82
Other	– 860	– 1,020
Negative interest income from financial assets	– 1	– 2
Total	*1,547*	*1,281*

1 The offsetting effect from refinancing costs is included in interest expenses.

Other interest income/expenses include amortization on purchase price allocations of EUR – 233 million (previous year: EUR – 240 million) / EUR 240 million (previous year: EUR 251 million).

8. Net fee and commission income

Income from payment transactions, securities and custody business are recognized on a pro rata basis over the performance period. The transaction price is determined on the basis of the agreed payment and is recognized in the amount at which no reimbursement is anticipated. These services include providing credit and debit cards and services as part of portfolio management and custodian business. Fees within the context of credit transactions and the guarantee business are recognized on a pro rata basis over the performance period. Services are billed either during the year or at the end of the year depending on the type of service provided.

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Net fee and commission income from		
Securities and custody business	141	141
Payments business	59	60
Brokerage business	25	24
Loans and guarantees	69	69
Leasing business	– 1	– 1
Factoring business	7	6
Asset management	54	51
Total	*354*	*349*

The following table shows the itemization of the service types from a gross perspective broken down by income and expenses:

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Fee and commission income	*472*	*459*
Securities and custody business	209	203
Payments business	74	73
Brokerage business	27	27
Loans and guarantees	90	90
Fee and commission income from lending business	45	48
Fee and commission income from financial guarantees	11	8
Fee and commission income from guarantee business	34	33
Fee and commission income from factoring business	10	9
Fee and commission income from asset management	54	51
Other	8	7
Fee and commission expenses	*– 119*	*– 110*
Securities and custody business	– 67	– 63
Payments business	– 15	– 12
Loans and guarantees	– 21	– 21
Fee and commission expenses from lending business	– 7	– 5
Fee and commission expenses from guarantee business	– 14	– 15
Brokerage business	– 3	– 3
Leasing business	– 1	– 1
Fee and commission expenses from factoring business	– 3	– 3
Other	– 8	– 7
Total	*354*	*349*

Net fee and commission income resulted mainly from financial assets and financial assets not measured at fair value through profit or loss.

9. Net gains/losses on remeasurement and disposal

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Net income/expenses from investments accounted for using the equity method	– 6	2
Net gains/losses from financial assets measured at amortized cost	– 122	– 107
Net gains/losses from financial instruments measured at fair value through other comprehensive income	7	– 2
Net gains/losses from financial instruments measured at fair value through profit or loss	195	442
Total	*74*	*336*

Net income/expenses from investments accounted for using the equity method

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Valuation result	*– 6*	*2*
Net gains/losses from investments in associates	– 6	2
Current expenses	– 9	0
Current income	1	8
Impairment	0	– 5
Reversals of impairment losses	2	0
Total	*– 6*	*2*

Net gains/losses from financial assets measured at amortized cost

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Net gains/losses on remeasurement (allowances for losses on loans and securities)	*– 121*	*– 108*
Reversal of/disposals from allowances for losses on loans and securities	340	433
Net gains/losses from provisions for lending business	– 5	– 63
Recoveries on loans and securities previously written off	6	6
Direct loan write-offs	– 21	– 2
Gains/losses from financial assets that were already impaired when purchased or originated	0	27
Additions to allowances for losses on loans and securities	– 440	– 508
Realized gains/losses	*– 1*	*1*
Net gains/losses on disposal from lending business	0	1
Net gains/losses on disposal of securities	– 1	– 0
Total	*– 122*	*– 107*

For more details on changes in allowances for losses on loans and securities see Notes 17 and 19.

Net gains/losses from financial instruments measured at fair value through other comprehensive income

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Net gains/losses on remeasurement (allowances for losses on loans and securities)	*– 1*	*1*
Reversal/disposals (allowances for losses on loans and securities)	0	1
Additions (allowances for losses on loans and securities)	– 1	– 0
Realized gains/losses	*8*	*– 3*
Net gains/losses on disposal	8	– 3
Total	*7*	*– 2*

Net gains/losses from financial instruments measured at fair value through profit or loss

In net gains/losses from hedging transactions, micro and portfolio fair value hedges are used only to avoid income statement volatility from interest rate risks. Group fair value hedges are intended to avoid income statement volatility from basis risks for foreign currency transactions.

Interest income and interest expenses in connection with trading transactions are reported in net interest income. Within net trading gains/losses, the main shifts between trading transactions in the context of economic hedges are between issues and (interest rate) derivatives. Economic hedges also result in shifts between net gains/losses from financial instruments measured at fair value through profit or loss and net interest income.

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Net gains/losses from hedging transactions	*– 7*	*– 5*
Portfolio fair value hedge	– 2	– 3
of which hedged items	147	– 248
of which hedging instruments	– 149	245
Micro fair value hedge	– 5	– 2
of which hedged items	3	– 7
of which hedging instruments	– 8	5
Group fair value hedge	0	– 0
of which hedged items	– 1	– 1
of which hedging instruments	1	1
Net trading gains/losses	*230*	*410*
Lending business	1	11
Equity transactions	292	197
Foreign exchange transactions	18	– 25
Economic hedging derivatives	7	49
Interest rate transactions	– 92	130
Gains/losses from foreign exchange/commodity products	6	48
Net gains/losses from financial instruments designated at fair value	*15*	*17*
Unrealized gains/losses	15	18
Net gains/losses from financial instruments measured at fair value through profit or loss not classified as held for trading and financial investments in equity instruments	*– 43*	*20*
Net gains/losses from bills	– 5	– 2
Net gains/losses from credits and loans	– 5	3
Net gains/losses from equity investments	– 14	– 3
Net gains/losses from investments in affiliates	– 1	0
Net gains/losses from shares and other equity instruments	– 17	21
Total	*195*	*442*

10. Other operating income/expenses

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Other operating income	*110*	*165*
Disposal of inventories	13	63
Reversal of other provisions	5	10
Revenue from property services	9	9
Income from cost refunds by third parties	19	17
Operating leases	12	11
Property and equipment and intangible assets	2	2
Lease income from investment property	26	27
Miscellaneous operating income	23	25
Other operating expenses	*– 114*	*– 114*
Disposal of inventories	– 14	– 55
Addition to other provisions	– 1	– 2
Impairment of inventories	– 24	– 5
Operating leases	– 5	– 5
Operating expenses for leased properties	– 6	– 6
Net losses from the fair value measurement of investment property	– 23	– 1
Foreign currency translation on investment property	– 1	– 3
Miscellaneous operating expenses	– 40	– 38
Total	*– 4*	*50*

The downturn was due in particular to impairment and measurement losses in the portfolio of the LBBW Immobilien subgroup.

The sub-item "Disposal of inventories" includes expenses/income from girder fabrication, real estate business, the sale of new properties, construction services, development measures and the sale of undeveloped land in accordance with IFRS 15.

Miscellaneous operating income and miscellaneous operating expenses primarily consist of income and expenses not relating to banking operations.

11. Administrative expenses

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Staff costs	*– 664*	*– 652*
Wages and salaries	– 480	– 468
Expenses for pensions and benefits	– 43	– 44
Social security contributions	– 87	– 82
Other staff costs	– 53	– 58
Other administrative expenses	*– 479*	*– 493*
IT costs	– 277	– 273
Legal and consulting expenses	– 42	– 65
Expenses from leases	– 3	– 2
Cost of premises	– 45	– 42
Association and other contributions	– 30	– 32
Advertising, public relations and representation costs	– 21	– 19
Audit costs	– 5	– 7
Miscellaneous administrative expenses	– 56	– 54
Depreciation, amortization and write-downs[1]	*– 54*	*– 74*
Amortization and write-downs of intangible assets	– 24	– 37
Depreciation and write-downs of property and equipment	– 13	– 19
Depreciation and write-downs on right-of-use assets	– 17	– 18
Total	*– 1,197*	*– 1,220*

1 This includes scheduled and unscheduled write-downs.

The slight year-on-year decline in miscellaneous administrative expenses and depreciation, amortization and write-downs was due to the non-recurring expenses in connection with the integration of Berlin Hyp in the previous year.

12. Expenses for resolution funds and deposit protection systems

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Expenses for the DSGV supplementary fund (institutional protection fund)	– 66	– 77
Total	*– 66*	*– 77*

The decline in expenses for the DSGV supplementary fund was due to changes in the basis of measurement (regulatory cover requirements for exposures) in connection with CRR III coming into force.

13. Net income/expenses from restructuring

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Reversal of restructuring provisions	0	17
Addition to restructuring provisions	0	– 31
Total	*0*	*– 14*

In the previous year, additions to restructuring provisions were necessary in connection with the integration of Berlin Hyp in view of the implementation of human resources measures to increase efficiency. No new restructuring provisions have been recognized in the 2026 financial year to date.

14. Income taxes

EUR million	01/01/2026 – 30/06/2026	01/01/2025 – 30/06/2025
Income taxes from previous years	– 8	– 6
Income taxes from the reporting period	– 218	– 105
Deferred income taxes	– 2	– 116
Total	*– 229*	*– 228*

The notional effective tax rate for the Group was 32% in the reporting period (previous year: 32%).

The "Gesetz für ein steuerliches Investitionssofortprogramm zur Stärkung des Wirtschaftsstandorts Deutschland" (Act for an immediate tax investment program to strengthen Germany as an economic location), which was adopted in July 2025, provides for a reduction in corporate income tax starting from the 2028 assessment period. As at 30 June 2026, the expected impact on deferred taxes is recognized pro rata on the basis of the expected charge for the full year.

E. Financial instruments

Accounting policies

15. Determining fair value

General information

Fair value is the price at which an asset could be bought and sold at the measurement date in an orderly transaction between market participants.

When determining the fair value, a company specifies the preferred (i.e. the principal) market for the asset or liability or, in the absence thereof, the most advantageous market. LBBW defines the principal market as the market with the highest trading volume and highest level of market activity for the cash-generating unit. This is not necessarily the market on which LBBW's trading activity is the highest. LBBW sees the most advantageous market as that market on which – taking transaction and transport costs into account – the maximum proceeds can be achieved or the lowest amount must be paid when transferring a liability.

When calculating fair values, LBBW uses prices (if available) from the principal market, provided these represent prices used within the scope of regular and current transactions. These are reviewed on the basis of the following criteria: timely availability, amount, executability and bid-offer spreads.

If prices quoted in active markets are not available, measurement methods, prices for similar assets or liabilities on active markets, prices for identical or similar assets or liabilities on non-active markets are used. Input parameters used for measurement methods are based on inputs observable on the markets if available. The application of these models and the use of these parameters requires assumptions and assessments on the part of the management, the extent of which depends on price transparency with regard to the financial instrument and its market and the complexity of the instrument. A significant amount of subjective assessment is necessary, particularly if there are no inputs observable on the markets.

The aim of the applying measurement methods is to determine the price at which a transaction for a financial asset or liability could take place between knowledgeable third parties at the end of the reporting period. Measurement methods therefore have to include all factors which market participants would take into account when determining prices.

The measurements of holdings measured at fair value are subject to the LBBW Group's internal controls and processes that set out the standards for the independent review or validation of fair values. These controls and procedures are monitored by the "Independent Valuation" organizational unit within the "Risk Control" division. The models, the data used in them and the resulting fair values are regularly reviewed by the "Traded Risk Methods" organizational unit.

The following table contains an overview of the measurement models used for financial instruments:

Financial instruments	Measurement models	Material parameters
Interest rate swaps and options	Net present value method, Black-Scholes, replication and Copula-based models, Markov functional model and Libor market models	Yield curves, swaption volatility, cap volatility, correlations, mean reversion
Forward rate agreements	Net present value method	Yield curves
Forward commodity agreements, currency forwards	Net present value method	Commodity rates/exchange rates, yield curves
Stock/index/dividend options, equity/index/dividend futures	Black-Scholes, local volatility model, present value method	Equity prices, share volatility, dividends, interest rates (swap, repo)
Currency options	Garman-Kohlhagen (modified Black-Scholes)	FX rates, yield curves, FX volatility
Commodity options	Garman-Kohlhagen (modified Black-Scholes)	Commodity rates, yield curves, commodity volatility
Credit derivatives	Intensity model	Credit spreads, yield curves
Money market transactions	Net present value method	Credit spreads, yield curves
Securities repurchase transactions	Net present value method	Yield curves
Schuldschein loans, loans	Net present value method	Credit spreads, yield curves
Securities, forward security transactions	Net present value method	Securities prices, credit spreads, yield curves
Own bearer notes and Schuldschein loans issued	Net present value method	Yield curves, own credit spread
Equity investments and shares in affiliates	Net asset value method, discounted cash flow method, income value method	Capitalization rate, projected figures
Securitized transactions	Net present value method	Liquidity spreads, yield curves, prepayments, arrears and default rates, loss severity

The valuation and the use of material parameters for non-current assets held for sale and disposal groups and liabilities from disposal groups is performed in line with the original statement of financial position items.

The following table shows how financial instruments are assigned to product classes:

Product class	Financial instruments
Financial assets measured at fair value	
Derivatives	Currency options, currency forwards, interest rate swaps and interest rate options, interest forwards, credit derivatives, equity/index options, equity index/dividend futures, commodity options, forward commodity agreements, cross currency interest rate swaps
Equity instruments	Investment units, equities, equity investments, shares in affiliates
Debentures and other fixed-income securities	Securities, money market transactions, bonds and debentures
Receivables	Schuldschein loans, money market transactions, loans, forwards, securities repurchase transactions
Financial assets measured at amortized cost	
Cash and cash equivalents	Cash, balances with central banks
Debentures and other fixed-income securities	Securities, money market transactions, bonds and debentures
Receivables	Schuldschein loans, money market transactions, loans, forwards, securities repurchase transactions
Financial liabilities measured at fair value	
Derivatives	Currency options, currency forwards, interest rate swaps and interest rate options, interest forwards, credit derivatives, equity/index options, equity index/dividend futures, commodity options, forward commodity agreements, cross currency interest rate swaps
Delivery obligations from short sales of securities	Delivery obligations from short sales of securities
Securitized liabilities	Issued debentures, subordinated bonds
Deposits	Subordinated deposits, Schuldschein loans, money market transactions
Financial liabilities measured at amortized cost	
Securitized liabilities	Issued debentures, subordinated bonds
Deposits	Subordinated deposits, Schuldschein loans, money market transactions

Securities

To the extent possible, the securities in the trading portfolio are measured using market prices or liquid prices of the relevant OTC market. If no active market price is available, fixed-income securities are measured using the discounted cash flow method based on yield curves dependent on the rating or sector and credit spreads derived from market data.

Derivatives

Exchange-traded derivatives are measured using market prices. The fair values of equity-based and raw materials-based derivatives are calculated uniformly using models on the basis of the portfolio approach.

The fair value of OTC derivatives is calculated using measurement models. A distinction is made between simple derivatives traded on liquid markets (such as interest rate swaps, cross-currency interest rate swaps and currency options) and complex derivatives that are traded on illiquid markets.

Simple derivatives traded on active markets are valued using recognized valuation measures that resort at most to unobservable parameters on a minor scale.

Derivatives whose fair value is calculated on the basis of complex methods using unobservable parameters with a material influence on the valuation are classified in Level III of the measurement hierarchy. In order to reduce price uncertainty from the unobservable parameters as far as possible, these are calibrated so that measurements from observed transactions or offers for comparable instruments, consensus prices of price service agencies or valuations of other market participants from matching processes match LBBW's own measurements to the extent possible.

LBBW uses the portfolio exception in accordance with IFRS 13.48 to measure derivatives in the following cases:

- For some fair value adjustments (e.g. closeout costs), the adjustment amount is calculated on the basis of the net risk positions.
- When measuring counterparty risks in relation to OTC derivatives, for which netting agreements were entered into with the counterparty, the credit value adjustments (hereinafter referred to as CVA) were calculated on net positions.

The fair value of securitizations for which the market prices of market services providers are available is measured on the basis of these prices and classified as Level II (see fair value hierarchy). The fair values of securitization transactions for which current market prices are not sufficiently available (Level III) are calculated using measurement models. These are standard market models based on the discounted cash flow method.

If the fair value of a financial instrument calculated using measurement methods does not sufficiently take into account factors such as bid-offer spreads or close-out costs, liquidity, model, credit or counterparty risk, the Bank calculates valuation adjustments. In some cases, the methods used take into account parameters that are not observable on the market. Valuation adjustments are currently made within LBBW for the following issues in particular:

- Recognition of counterparty default risks from OTC derivatives (CVA/DVA)
- Adjustment to mid-price based valuations on the use of bid/ask prices, for example, as closeout valuation adjustments for OTC interest rate and credit derivatives
- Weaknesses in the models or inputs used, e.g. model valuation adjustments for specific equities, interest rate and credit derivatives
- Day one profit or loss on specific complex derivatives and loans measured at fair value.

Refinancing effects represent a price component for unsecured derivatives and are included in the fair value measurement as a funding valuation adjustment (FVA). At LBBW, refinancing effects are taken into account in the measurement when calculating the present value by way of premiums on the discount rates.

The DVA is adjusted accordingly to avoid overlaps regarding the Bank's own default risk between the FVA and DVA calculation (valuation adjustment for FVA-DVA overlap).

Equity instruments

If available, quoted prices on active markets are used to calculate the fair value of listed equity investments assigned to the category "Financial assets mandatorily measured at fair value through profit or loss" or "Financial assets measured at fair value through other comprehensive income". For non-listed equity investments or if prices traded on an active market are not available, the fair value is measured using a measurement method. In these cases, LBBW essentially measures fair value using the net income value, the discounted cash flow or the net asset value method. The valuation method is selected on the basis of a fixed decision tree. The fair value of real estate leasing special purpose vehicles is measured on the basis of the DCF method. The net income value approach is used to measure all other major equity investments. If the application of the net income value approach entails considerable uncertainty or is not reliable due to a lack of data, the net asset value method is used, provided that the equity investment's business activities are stable.

Receivables

The fair value of assets and liabilities measured at amortized cost is calculated by discounting the future cash flows, taking into account rating-dependent spreads (exception: repurchase transactions). If rating-dependent spreads are derived from rating information obtained from external sources, this constitutes Level II classification. Rating information obtained from internal sources constitutes Level III classification. The fair values of receivables with a default rating are determined on the basis of expected future cash flows. The carrying amount is stated as the fair value of current assets and liabilities (e.g. current account assets and liabilities).

Determining rating-induced changes in fair value

At LBBW, a rating-induced change in fair value is calculated as the difference between the following two amounts:

- Fair value based on the current credit spread at the reporting date
- Fair value based on the current credit spread at the time of comparison

To be able to take into account the instrument-specific credit risk that is decisive for the rating-induced changes in fair value, a spread curve appropriate to the risk profile is used. Primary market prices are used to construct the spread curves. In the absence of primary market activity, secondary market prices and approximation methods based on liquid market prices of comparable bonds may be employed.

Financial assets

16. Cash and cash equivalents

EUR million	30/06/2026	31/12/2025
Balances with central banks	14,679	14,197
Cash	139	161
Total, gross	*14,818*	*14,357*
Allowances for losses on loans and securities	– 0	– 0
Total, net	*14,818*	*14,357*

Balances with central banks included balances with Deutsche Bundesbank of EUR 1,925 million (previous year: EUR 1,958 million).

17. Financial assets measured at amortized cost

Loans and advances to banks

EUR million	30/06/2026	31/12/2025
Public-sector loans	38,349	39,348
Deposits at central banks	13,601	8,500
Securities repurchase transactions	28,594	28,763
Current account claims	525	380
Other loans	2,427	1,897
Overnight and term money	1,749	1,320
Schuldschein loans	311	310
Mortgage loans	16	0
Other receivables	1,631	1,023
Total, gross	*87,203*	*81,540*
Allowances for losses on loans and securities	– 10	– 9
Total, net	*87,193*	*81,532*

Public-sector loans include gross transmitted loans of EUR 27,319 million (previous year: EUR 27,707 million).

Loans and advances to customers

EUR million	30/06/2026	31/12/2025
Mortgage loans	65,789	66,231
Other loans	35,709	35,290
Public-sector loans	15,510	15,234
Receivables from finance leases	6,995	7,207
Transmitted loans	4,257	4,134
Securities repurchase transactions	9,388	5,351
Current account claims	3,809	3,451
Overnight and term money	5,038	5,659
Schuldschein loans	6,708	6,966
Other receivables	8,285	8,114
Total, gross	*161,488*	*157,638*
Allowances for losses on loans and securities	– 1,944	– 2,004
Total, net	*159,543*	*155,634*

In addition to the transmitted loans shown in the table, the sub-item of mortgage loans includes gross transmitted loans of EUR 2,808 million (previous year: EUR 2,940 million). Public-sector loans also include gross transmitted loans of EUR 480 million (previous year: EUR 417 million).

Debentures and other fixed-income securities

EUR million	30/06/2026	31/12/2025
Money market instruments	98	54
Government bonds and government debentures	2,097	1,304
Other bonds and debentures	7,824	5,934
Total, gross	*10,019*	*7,292*
Allowances for losses on loans and securities	– 8	– 7
Total, net	*10,011*	*7,284*

Development of allowances for losses on loans and securities and gross carrying amounts

The following table shows the allowances for losses on loans and securities deducted from assets:

EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
As at 01/01/2026	*107*	*854*	*1,058*	*1*	*2,020*
Changes in inventories	– 0	– 40	10	0	– 31
Transfer to Stage 1	83	– 82	– 0	0	– 0
Transfer to Stage 2	– 8	9	– 1	0	– 0
Transfer to Stage 3	– 2	– 9	11	0	0
Addition	13	75	244	0	332
Reversal	– 86	– 33	– 70	0	– 190
Utilization	0	0	– 174	0	– 174
Additions	18	9	80	0	108
Disposals	– 4	– 11	– 134	– 1	– 151
Other changes	0	0	15	0	16
As at 30/06/2026	*121*	*813*	*1,028*	*– 0*	*1,962*

EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
As at 01/01/2025	*393*	*621*	*964*	*1*	*1,979*
Changes in inventories	– 328	255	102	– 0	29
Transfer to Stage 1	48	– 48	– 1	0	– 0
Transfer to Stage 2	– 136	137	– 1	0	– 0
Transfer to Stage 3	– 22	– 26	48	0	– 0
Addition	15	280	487	0	782
Reversal	– 234	– 88	– 112	– 0	– 434
Utilization	– 0	0	– 319	0	– 319
Additions	55	10	69	0	134
Disposals	– 11	– 29	– 82	– 0	– 122
Other changes	– 1	– 4	5	0	– 0
As at 31/12/2025	*107*	*854*	*1,058*	*1*	*2,020*

As at previous reporting dates, LBBW determined the allowances for losses on loans and securities at the end of the first half of 2026 using a multi-scenario approach. One-year and multi-year PDs were determined on the basis of quantitative macro models in which consistent scenario forecasts of segment-specific risk drivers are integrated in addition to macro-factor projections for these. In the PD macro model for corporates, the segment-specific factor is represented by a sector-specific projected profitability indicator, while the PD macro models for commercial real estate finance are linked to region and use type-specific scenario forecasts of the rate of change in real estate prices. The quantitative PD forecasts are increased by a parameter overlay for one sub-segment. The LGDs were also differentiated on a scenario-specific basis using macro models and qualitative adjustments. The quantitative stage transfer tests were carried out using macro-adjusted lifetime PDs in which funding risks are also included. In addition, certain portfolios that are exposed to increased, but not fully quantifiable default risks are transferred collectively to Stage 2.

There was almost no change in the allowances for losses on loans and securities in Stages 1 and 2 between the end of 2025 and the end of the first half of 2026. This was due to numerous opposing effects ultimately offsetting each other. For example, the deterioration in macroeconomic conditions due to the Iran war led to a perceptible rise in allowances for losses on loans and securities. The impact of the erratic US tariff and trade policy on company creditworthiness has become more transparent since the end of 2025, when it was significantly overestimated. The resulting adjustment to a satellite model that provides an input for the PD macro model for companies led to a reduction in allowances for losses on loans and securities. Moreover, the PD parameter overlay for one sub-segment was reduced because the quality of the underlying model can now be estimated more accurately thanks to a longer data history. Finally, allowances for losses on loans and securities in Stages 1 and 2 also declined slightly due to actual defaults, i.e. migrations to Stage 3. The "model adjustment", which is used to quantify economic, geopolitical and structural effects that are not fully captured by the base models for allowances for losses on loans and securities, declined by a net amount of EUR 43 million compared to the end of 2025. Among other things, this is because the impact of US tariff and trade policy on company creditworthiness is now reflected in the ratings to a certain extent, and hence in one of the central base models.

In the same way as for Stages 1 and 2, allowances for losses on loans and securities in Stage 3 were at the previous year’s level. High additions were largely offset by high reversals and utilization, especially in Real Estate and Infrastructure Financing and Corporate Customers business.

The gross carrying amount of financial assets measured at amortized cost was EUR 258,709 million as at 30 June 2026 (previous year: EUR 246,470 million) and broke down as follows: EUR 198,373 million Stage 1 (previous year: EUR 184,559 million), EUR 56,937 million Stage 2 (previous year: EUR 58,289 million), EUR 3,399 million Stage 3 (previous year: EUR 3,619 million) and EUR 0 million credit-impaired on recognition (previous year: EUR 2 million).

To offset the allowances for losses on loans and securities, expected reimbursements from guarantees related to synthetic securitizations amounted to EUR 1 million (previous year: EUR 2 million). These transactions are recognized under other assets in the balance sheet.

For more details on changes in allowances for losses on loans and securities see Note 19.

Sensitivity analysis

The cyclically adjusted allowances for losses on loans and securities are determined using a multi-scenario model based on macro factor projections by LBBW Research. At the end of the first half of 2026, four scenarios were considered that appropriately represent the possible economic, structural and geopolitical developments:

- Baseline scenario: The continued Iran war adversely affects the energy supply and supply chains. This results in higher inflation, with interest rates being raised in response. GDP growth in Germany remains only slightly positive despite high infrastructure and defense spending.
- "Energy price shock" negative scenario: The prolonged closure of the Strait of Hormuz requires the recalibration of the energy supply and supply chains. The significant rise in energy prices, second-round effects, high government spending and growing protectionism lead to increased inflationary pressure. The central banks respond with significant interest rate hikes, resulting in economic stagnation.
- "AI bubble/China-Taiwan" negative scenario: A moderate recession is triggered by the AI bubble bursting and growing tension between China and Taiwan, accompanied by significantly lower interest rates.
- Positive scenario: The situation in the Gulf region stabilizes and the US adopts a more moderate approach to trade policy. Inflation remains at a moderate level, geopolitical crises ease and economic momentum picks up again.

Based on the macro factor projections in the respective scenarios, the scenario-specific probability of default (PD) and loss given default (LGD) parameters are forecast using macro models, supplemented by qualitative overlays where applicable, and aggregated to form the expected credit loss in the respective scenario. The expected credit loss of a financial instrument is then calculated as the probability-weighted average of the expected credit losses in the four scenarios.

German GDP growth is the significant macro factor in the quantitative macro models for calculating allowances for losses on loans and securities in corporate business. The macroeconomic models for commercial real estate financing also take into account fluctuations in real estate price indices, which themselves are influenced by GDP growth and interest rate trends in particular. At the end of the first half of 2026, average GDP growth across the four macro scenarios considered was assumed to be 0.2% for 2026, 0.6% for 2027 and 0.8% for 2028. A reduction in GDP growth of 1.5 percentage points p.a. in each of the first three forecast years would increase allowances for losses on loans and securities by around EUR 420 million. This is almost EUR 60 million higher than the additional allowances for losses on loans and securities that would arise in the "AI bubble/China-Taiwan" negative scenario. An increase in GDP growth of 0.5 percentage points p.a. compared to the figures expected at the end of the year would reduce allowances for losses on loans and securities by around EUR 90 million assuming the level of the collective stage transfers otherwise remained unchanged.

Modifications

Stage 2 and Stage 3 financial assets for which adjustments were made to the contract during the reporting period and that were not derecognized were as follows:

30/06/2026 EUR million	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
Amortized cost before contract amendment in the current financial year	2,602	614	0	3,216
Net gain/loss from contract adjustment	1	0	0	1

31/12/2025 EUR million	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
Amortized cost before contract amendment in the current financial year	2,538	495	1	3,034

In the reporting period, Stage 2 or 3 financial assets of EUR 35 million were allocated to Stage 1 after adjustments were made (previous year: EUR 13 million).

18. Financial assets measured at fair value through other comprehensive income

EUR million	30/06/2026	31/12/2025
Equity instruments	*4*	*3*
Shares in affiliates	4	3
Debentures and other fixed-income securities	*29,684*	*31,926*
Money market instruments	838	933
Bonds and debentures	28,846	30,993
Receivables	*2,014*	*2,047*
Total	*31,702*	*33,976*

Development of allowances for losses on loans and securities and gross carrying amounts

Allowances for losses on loans and securities for financial assets mandatorily measured at fair value through other comprehensive income developed as follows:

EUR million	Stage 1	Total
As at 01/01/2026	*2*	*2*
Changes in inventories	1	1
Addition	1	1
As at 30/06/2026	*3*	*3*

EUR million	Stage 1	Total
As at 01/01/2025	*3*	*3*
Changes in inventories	– 2	– 2
Reversal	– 2	– 2
As at 31/12/2025	*2*	*2*

The gross carrying amount of financial assets mandatorily measured at fair value through other comprehensive income amounted to EUR 31,698 million as at 30 June 2026 (previous year: EUR 33,973 million) and broke down as follows: EUR 31,688 million Stage 1 (previous year: EUR 33,973 million) and EUR 10 million Stage 2 (previous year: EUR 0 million).

For more details on changes in allowances for losses on loans and securities see Note 19. Further information on equity instruments voluntarily measured at fair value through other comprehensive income can be found in Note 20.

19. Counterparty risk

The quantitative information on credit risk is based on the management approach. Unlike the scope of consolidation under IFRS accounting standards, the management approach includes only the SüdLeasing Group and LBBW México Sofom in its consolidation. In line with internal risk management, the primary parameter in the information below is gross/net exposure.

Collateral

LBBW has high standards for collateral. Guidelines and collateral strategy requirements ensure that collateral is of a high quality. In addition to the individual measurement of collateral, its carrying amount is also subject to LGD modeling haircuts (recovery rates).

The following table shows the maximum counterparty risk (equal to gross exposure) and the effect of risk-mitigating measures:

30/06/2026 EUR million	Gross exposure	Netting/ collateral	Credit derivatives (protection buy)	Credit collateral	Net exposure
Financial assets measured at fair value					
Financial assets measured at fair value through other comprehensive income	33,194	41	0	767	32,387
Equity instruments	1,009	0	0	0	1,009
Debentures and other fixed-income securities	30,245	41	0	767	29,437
Receivables	1,940	0	0	0	1,940
Financial assets designated at fair value	749	0	0	0	749
Debentures and other fixed-income securities	87	0	0	0	87
Receivables	662	0	0	0	662
Financial assets mandatorily measured at fair value through profit or loss	117,499	96,516	5,432	839	14,712
Trading assets	103,254	83,003	5,432	821	13,998
Derivatives	61,710	54,384	4,699	170	2,457
Equity instruments	5,285	5,252	0	0	33
Debentures and other fixed-income securities	8,969	2,646	733	168	5,423
Receivables	27,290	20,721	0	483	6,086
Financial instruments measured at fair value through profit or loss, not classified as held for trading, and equity instruments	1,049	337	0	18	694
Equity instruments	209	0	0	0	209
Debentures and other fixed-income securities	650	337	0	0	313
Receivables	190	0	0	18	172
Positive fair values from derivative hedging instruments	13,196	13,176	0	0	20
Financial assets measured at amortized cost					
Cash and cash equivalents	12,754	0	0	0	12,754
Financial assets measured at amortized cost	279,907	64,565	0	70,977	144,365
Loans and advances to banks	110,743	50,717	0	927	59,100
Loans and advances to customers	159,681	13,848	0	69,554	76,279
Debentures and other fixed-income securities	9,483	0	0	496	8,986
Total	*444,102*	*161,121*	*5,432*	*72,583*	*204,966*
Loan commitments and other agreements	89,920	0	0	6,805	83,114
Total exposure	*534,022*	*161,121*	*5,432*	*79,389*	*288,080*

31/12/2025 EUR million	**Gross exposure**	**Netting/ collateral**	**Credit derivatives (protection buy)**	**Credit collateral**	**Net exposure**
Financial assets measured at fair value					
Financial assets measured at fair value through other comprehensive income	35,649	0	0	832	34,818
Equity instruments	1,154	0	0	0	1,154
Debentures and other fixed-income securities	32,539	0	0	832	31,707
Receivables	1,957	0	0	0	1,957
Financial assets designated at fair value	935	0	0	0	935
Debentures and other fixed-income securities	22	0	0	0	22
Receivables	912	0	0	0	912
Financial assets mandatorily measured at fair value through profit or loss	116,410	96,292	5,776	631	13,712
Trading assets	101,194	81,954	5,776	619	12,845
Derivatives	60,742	53,058	4,922	186	2,575
Equity instruments	4,926	4,895	0	0	32
Debentures and other fixed-income securities	6,270	756	853	168	4,492
Receivables	29,257	23,246	0	265	5,746
Financial instruments measured at fair value through profit or loss, not classified as held for trading, and equity instruments	1,128	357	0	12	760
Equity instruments	285	0	0	0	285
Debentures and other fixed-income securities	642	357	0	0	284
Receivables	202	0	0	12	190
Positive fair values from derivative hedging instruments	14,088	13,981	0	0	107
Financial assets measured at amortized cost					
Cash and cash equivalents	12,239	0	0	0	12,239
Financial assets measured at amortized cost	268,234	61,050	0	70,608	136,576
Loans and advances to banks	94,584	39,044	0	900	54,639
Loans and advances to customers	166,857	22,006	0	69,698	75,152
Debentures and other fixed-income securities	6,794	0	0	9	6,785
Total	*433,468*	*157,342*	*5,776*	*72,071*	*198,280*
Loan commitments and other agreements	86,254	0	0	6,411	79,843
Total exposure	*519,722*	*157,342*	*5,776*	*78,481*	*278,124*

The combined effect of netting and collateral agreements, credit derivatives (protection buy) and credit collateral (risk mitigation) in relation to the maximum counterparty risk of EUR 534 billion as at 30 June 2026 is EUR 246 billion or 46.1% in total (previous year: 46.5%). Nonetheless, there are differences between segments – for example, credit collateral is higher for real estate financing than for corporate customers.

In exceptional cases (< 1% of the portfolio), the securities cover the gross exposure in full, meaning that no impairment losses are recognized.

Of the total portfolio with a gross exposure of EUR 534 billion as at 30 June 2026, transactions with a gross exposure of EUR 400 billion fall within the scope of the provisions of IFRS 9 on allowances for losses on loans and securities.

Credit-impaired assets

Credit-impaired assets in accordance with IFRS 9 are financial instruments in default (rating classes 16 to 18). As at 30 June 2026, these rating classes accounted for a gross exposure of EUR 3.6 billion and a net exposure of EUR 2.6 billion.

The table below shows the maximum counterparty risk and the effect of risk-mitigating measures on credit-impaired assets:

30/06/2026 EUR million	Gross exposure	Credit collateral	Net exposure
Financial assets measured at amortized cost			
Financial assets measured at amortized cost	3,284	965	2,319
Loans and advances to customers	3,284	965	2,318
Total	*3,284*	*965*	*2,319*
Loan commitments and other agreements	342	35	307
Total exposure	*3,626*	*1,000*	*2,626*

31/12/2025 EUR million	Gross exposure	Credit collateral	Net exposure
Financial assets measured at amortized cost			
Financial assets measured at amortized cost	3,509	1,146	2,364
Loans and advances to customers	3,509	1,146	2,363
Total	*3,509*	*1,146*	*2,364*
Loan commitments and other agreements	331	22	309
Total exposure	*3,840*	*1,167*	*2,673*

Default risk and concentrations

The following information is based on the tables in the risk report for counterparty risk. However, unlike those tables, only financial instruments subject to the scope of the impairment provisions of IFRS 9 are presented here.

Gross exposure by rating cluster (internal rating class)

30/06/2026 EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
1 (AAAA)	47,530	69	0	0	47,600
1(AAA) – 1(A-)	194,970	12,619	0	0	207,589
2 – 5	53,782	37,176	0	0	90,958
6 – 8	12,075	18,586	0	0	30,660
9 – 10	1,487	5,800	0	0	7,286
11 – 15	2,576	5,818	0	0	8,394
16 – 18 (default)[1]	0	0	3,626	0	3,626
Other[2]	3,860	153	0	0	4,013
Gross exposure	*316,279*	*80,221*	*3,626*	*0*	*400,126*

1 "Default" refers to exposure for which a default event as defined in Article 178 CRR has occurred, for example improbability of repayment or 90-day default. The gross exposure is presented before accounting for allowances for losses on loans and securities.
2 Non-rated transactions, in particular rating waivers.

31/12/2025 EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
1 (AAAA)	39,982	228	0	0	40,210
1(AAA) – 1(A-)	187,924	14,375	0	0	202,299
2 – 5	51,392	39,797	0	0	91,189
6 – 8	9,176	19,492	0	0	28,668
9 – 10	1,465	6,511	0	0	7,977
11 – 15	2,380	5,829	0	0	8,210
16 – 18 (default)[1]	0	0	3,838	2	3,840
Other[2]	3,688	313	0	0	4,001
Gross exposure	*296,009*	*86,546*	*3,838*	*2*	*386,394*

1 "Default" refers to exposure for which a default event as defined in Article 178 CRR has occurred, for example improbability of repayment or 90-day default. The gross exposure is presented before accounting for allowances for losses on loans and securities.
2 Non-rated transactions, in particular rating waivers.

Gross exposure by sector

30/06/2026 EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
Financials	*170,164*	*713*	*44*	*0*	*170,920*
Corporates	*83,479*	*42,016*	*2,028*	*0*	*127,523*
Automotive	7,384	3,447	275	0	11,106
Construction	7,956	3,660	101	0	11,716
Chemicals and commodities	3,076	5,402	95	0	8,573
of which chemicals	325	3,510	68	0	3,902
of which commodities	2,752	1,892	27	0	4,671
Retail and consumer goods	14,529	4,836	735	0	20,100
of which consumer goods	10,871	2,574	494	0	13,939
of which durables	3,658	2,262	240	0	6,161
Industry	4,922	8,823	155	0	13,900
Pharmaceuticals and healthcare	4,965	1,762	13	0	6,740
TM and electronics/IT	7,513	5,631	518	0	13,662
Transport and logistics	6,895	4,140	27	0	11,062
Utilities and energy	14,736	3,120	17	0	17,874
of which utilities	9,231	1,624	11	0	10,865
of which renewable energies	5,505	1,497	6	0	7,009
Other	11,504	1,195	92	0	12,791
Real estate	*28,366*	*35,827*	*1,512*	*0*	*65,706*
Commercial real estate (CRE)	11,442	32,169	1,438	0	45,049
Housing	16,924	3,659	74	0	20,657
Public sector	*25,876*	*146*	*0*	*0*	*26,021*
Private individuals	*8,394*	*1,519*	*42*	*0*	*9,955*
Gross exposure	*316,279*	*80,221*	*3,626*	*0*	*400,126*

31/12/2025 EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
Financials	*161,186*	*788*	*3*	*0*	*161,977*
Corporates	*75,972*	*46,300*	*2,174*	*2*	*124,448*
Automotive	6,408	4,421	195	0	11,024
Construction	7,614	3,854	93	0	11,561
Chemicals and commodities	1,150	6,750	130	0	8,030
of which chemicals	106	3,648	87	0	3,842
of which commodities	1,044	3,102	43	0	4,188
Retail and consumer goods	14,559	5,366	803	0	20,727
of which consumer goods	11,263	2,546	577	0	14,387
of which durables	3,295	2,820	225	0	6,340
Industry	4,384	9,321	209	0	13,913
Pharmaceuticals and healthcare	4,857	1,797	9	2	6,665
TM and electronics/IT	3,820	8,659	558	0	13,037
Transport and logistics	9,132	1,678	67	0	10,876
Utilities and energy	13,694	2,562	18	0	16,274
of which utilities	8,369	1,315	11	0	9,695
of which renewable energies	5,326	1,247	7	0	6,579
Other	10,354	1,893	93	0	12,341
Real estate	*26,992*	*37,686*	*1,618*	*0*	*66,296*
Commercial real estate (CRE)	11,054	32,957	1,537	0	45,548
Housing	15,937	4,729	81	0	20,748
Public sector	*23,410*	*148*	*0*	*0*	*23,558*
Private individuals	*8,449*	*1,624*	*43*	*0*	*10,116*
Gross exposure	*296,009*	*86,546*	*3,838*	*2*	*386,394*

The exposures in financials and the public sector (and the German public sector in particular) generally have very good, stable credit quality with a low exposure share in Stage 2. The exposure share in Stage 2 in these portfolios is correspondingly low.

By contrast, the exposure shares in Stage 2 in the corporates and real estate portfolio are relatively higher. This can be attributed in particular to the fact that credit ratings in these customer groups are fundamentally more volatile and react more strongly to negative economic stimuli and adverse structural factors.

Depending on the sector in which they operate, customers are currently being impacted by the consequences of the Iran war in particular. This includes shortages and price rises affecting crude oil and refined products, higher inflation, rising interest rates, continued muted economic activity and persistently elevated uncertainty. Higher US tariffs and other trade barriers are also having an adverse effect. The international competitiveness of export-oriented companies is also being increasingly undermined by cost disadvantages, such as persistently higher energy prices and high bureaucratic and labor costs, as well as new technologically advanced competitors abroad. In the commercial real estate portfolio, the prospects of a market recovery in the near future have been curbed by the renewed interest rate rise. All in all, these adverse factors are having a negative impact on credit ratings in the corporate and real estate portfolio and contributing to the consistently high proportion of Stage 2 exposures. This is also attributable to collective stage transfer overlays, which are used to account for future, as yet unspecified default risks.

Gross exposure by region

30/06/2026 EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
Germany	174,627	49,649	2,506	0	226,781
Western Europe (excluding Germany)	82,038	19,034	562	0	101,635
North America	36,721	5,907	413	0	43,041
Asia/Pacific	12,528	2,603	29	0	15,160
Other[1]	10,365	3,028	115	0	13,509
Gross exposure	*316,279*	*80,221*	*3,626*	*0*	*400,126*

1 Other regions and transactions not allocated to a particular country (e.g. transactions with supranational institutions).

31/12/2025 EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Credit-impaired on recognition	Total
Germany	175,209	53,108	2,406	2	230,725
Western Europe (excluding Germany)	73,627	21,324	689	0	95,640
North America	29,461	6,291	555	0	36,307
Asia/Pacific	8,968	2,565	46	0	11,580
Other[1]	8,743	3,256	142	0	12,141
Gross exposure	*296,009*	*86,546*	*3,838*	*2*	*386,394*

1 Other regions and transactions not allocated to a particular country (e.g. transactions with supranational institutions).

Forbearance

As at 30 June 2026, LBBW held assets with a net carrying amount of EUR 6,213 million (31 December 2025: EUR 6,587 million) for which forbearance measures were adopted. The concessions granted mainly related to terms and conditions. A EUR 1,399 million (31 December 2025: EUR 1,335 million) sub-portfolio of the assets for which forbearance measures had been adopted comprised credit-impaired assets.

LBBW has received guarantees of EUR 320 million (31 December 2025: EUR 349 million) for assets with forbearance measures.

The risk report contains further information on impairment in the portfolio and qualitative disclosures.

20. Equity instruments voluntarily measured at fair value through other comprehensive income

For some financial investments in equity instruments, LBBW exercises the fair value through other comprehensive income option in accordance with IFRS 9.5.7.5. These essentially comprise equity investments in a real estate company held with no intention to sell.

Equity instruments voluntarily measured at fair value through other comprehensive income amounted to EUR 4 million as at 30 June 2026 (previous year: EUR 3 million; see Note 18).

As in the previous year, no dividends were recognized for equity instruments voluntarily measured at fair value through other comprehensive income in the reporting period.

21. Financial assets designated at fair value

EUR million	30/06/2026	31/12/2025
Debentures and other fixed-income securities	*89*	*23*
Bonds and debentures	89	23
Receivables	*680*	*936*
Total	*769*	*959*

22. Financial assets mandatorily measured at fair value through profit or loss

EUR million	30/06/2026	31/12/2025
Trading assets	45,856	44,875
Financial instruments measured at fair value through profit or loss, not classified as held for trading, and financial investments in equity instruments	1,276	1,329
Positive fair values from derivative hedging instruments	1,009	867
Total	*48,142*	*47,071*

Trading assets

EUR million	30/06/2026	31/12/2025
Positive fair values from derivative financial instruments	*13,725*	*13,902*
Equity instruments	*5,264*	*4,966*
Shares	1,251	1,384
Investment fund units	4,012	3,581
Debentures and other fixed-income securities	*6,521*	*5,386*
Money market instruments	261	857
Bonds and debentures	6,260	4,529
Receivables	*20,347*	*20,621*
Schuldschein loans	1,262	1,413
Other money market transactions	3,685	3,295
Receivables from securities repurchase agreements	13,697	14,374
Other receivables	1,703	1,540
Total	*45,856*	*44,875*

Financial instruments measured at fair value through profit or loss, not classified as held for trading, and financial investments in equity instruments

EUR million	30/06/2026	31/12/2025
Equity instruments	*456*	*489*
Shares	4	4
Investment fund units	158	176
Equity investments	256	270
Shares in affiliates	38	39
Debentures and other fixed-income securities	*650*	*642*
Debt securities	650	642
Receivables	*170*	*199*
Loans and advances to customers	170	199
Total	*1,276*	*1,329*

Positive fair values from derivative hedging instruments

EUR million	30/06/2026	31/12/2025
Positive fair values from portfolio fair value hedges	828	670
Positive fair values from micro fair value hedges	176	194
Positive fair values from group fair value hedges	4	3
Total	*1,009*	*867*

Financial liabilities

23. Financial liabilities measured at amortized cost

Deposits from banks

EUR million	30/06/2026	31/12/2025
Transmitted loans	34,717	34,940
Overnight and term money	23,838	19,842
Securities repurchase transactions	5,286	1,248
Schuldschein loans	2,084	2,049
Current account liabilities	4,357	3,103
Deposits from central banks	9,974	7,077
Registered bonds	720	730
Public-sector registered covered bonds issued	266	276
Mortgage-backed registered covered bonds issued	322	301
Other liabilities	3,864	2,778
Total	*85,428*	*72,344*

Deposits from customers

EUR million	30/06/2026	31/12/2025
Current account liabilities	60,970	64,554
Overnight and term money	50,330	49,223
Schuldschein loans	3,867	4,036
Securities repurchase transactions	1,979	1,064
Public-sector registered covered bonds issued	1,784	1,712
Savings deposits	3,102	3,202
Deposits at notice	4,052	4,401
Savings certificates	2,583	2,439
Registered bonds	3,518	3,411
Mortgage-backed registered covered bonds issued	1,380	1,473
Other liabilities	1,070	1,046
Total	*134,636*	*136,563*

Other liabilities included transmitted loans of EUR 127 million (previous year: EUR 282 million).

Securitized liabilities

EUR million	30/06/2026	31/12/2025
Issued debentures	*64,422*	*67,131*
Mortgage-backed covered bonds	21,055	25,408
Public-sector covered bonds	8,017	7,832
Other debentures	35,350	33,891
Other securitized liabilities	*23,652*	*20,406*
Total	*88,075*	*87,537*

Further information on issuing activities can be found in Note 26.

Subordinated capital

EUR million	30/06/2026	31/12/2025
Typical silent partners’ contributions	835	854
Subordinated liabilities	3,041	3,034
Total	*3,876*	*3,887*

24. Financial liabilities designated at fair value

EUR million	30/06/2026	31/12/2025
Securitized liabilities	*1,681*	*1,818*
Other securitized liabilities	1,311	1,461
Junior bonds	371	357
Deposits	*2,146*	*2,121*
Schuldschein loans	656	672
Subordinated deposits	15	15
Money market transactions	628	593
Other	847	842
Total	*3,827*	*3,939*

25. Financial liabilities mandatorily measured at fair value through profit or loss

EUR million	30/06/2026	31/12/2025
Trading liabilities	21,584	21,635
Negative fair values from derivative hedging instruments	711	857
Total	*22,295*	*22,492*

Trading liabilities

EUR million	30/06/2026	31/12/2025
Negative fair values from derivatives	*11,988*	*12,540*
Other trading liabilities	*9,596*	*9,095*
Delivery obligations from short sales of securities	1,292	637
Securitized liabilities	7,654	7,830
Schuldschein loans	209	210
Liabilities from securities repurchase agreements	355	353
Money market transactions	84	64
Other	1	0
Total	*21,584*	*21,635*

Negative fair values from derivative hedging instruments

EUR million	30/06/2026	31/12/2025
Negative fair values from portfolio fair value hedges	554	675
Negative fair values from micro fair value hedges	157	182
Total	*711*	*857*

26. Issuing activities

EUR million	30/06/2026	31/12/2025
Securitized liabilities	88,075	87,537
Securitized liabilities designated at fair value	1,311	1,461
Securitized liabilities mandatorily measured at fair value through profit or loss	7,654	7,830
Total	*97,039*	*96,828*

New issuances, essentially short-dated and medium-dated money market and capital market paper, with a nominal volume of EUR 1,769,765 million (previous year: EUR 4,008,828 million) were issued in the reporting period. Initial sales may fall substantially short of the issued nominal volume if the entire issue volume is not acquired by a counterparty. Over the same period, the volume of buybacks was nominally EUR 818 million (previous year: EUR 742 million) and the volume of repayments was nominally EUR 1,193,152 million (previous year: EUR 2,933,608 million).

Additional disclosures on financial instruments

27. Fair value and carrying amounts of financial instruments

The following table compares the carrying amounts and fair values of financial instruments measured at amortized cost:

Assets

	30/06/2026		31/12/2025	
EUR million	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets measured at amortized cost				
Cash and cash equivalents	14,818	14,818	14,357	14,358
Financial assets measured at amortized cost	256,747	255,211	244,450	243,456
Loans and advances to banks	87,193	85,022	81,532	79,522
Loans and advances to customers	159,543	160,164	155,634	156,631
Debentures and other fixed-income securities	10,011	10,025	7,284	7,303

Equity and liabilities

	30/06/2026		31/12/2025	
EUR million	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities measured at amortized cost				
Financial liabilities measured at amortized cost	312,015	309,049	300,331	297,242
Deposits from banks	85,428	83,047	72,344	69,895
Deposits from customers	134,636	134,443	136,563	136,267
Securitized liabilities	88,075	87,703	87,537	87,308
Subordinated capital	3,876	3,856	3,887	3,773

28. Fair value hierarchy

The fair values applied in the valuation of financial instruments are classified within a three-level fair value hierarchy, taking into account the valuation methods and parameters used. If parameters from different levels are used to determine the fair value, the resulting fair value is assigned to the next level whose parameters have a material effect on fair value measurement.

The three-level fair value hierarchy with Level I, Level II, and Level III – the terminology provided for in IFRS 13 – is specified as follows at LBBW:

- All financial instruments with unadjusted prices quoted on active markets are assigned to the first group (Level I).
- Derivatives measured using models, tradable credits, structured Group debt instruments designated at fair value, units in investment funds and certain corporate/financial and government bonds with automatic provision from market information systems (observable parameters) and liquid asset-backed securities are assigned to the second group (Level II).
- Level III comprises financial instruments for which one or more parameters are not based on observable market data and this data has a more than immaterial effect on the fair value of an instrument. These include complex OTC derivatives, certain private equity investments, certain high-grade structured bonds including illiquid asset-backed securities and structured securitizations.

The following table shows the breakdown of the classifications by valuation method:

Assets

EUR million	Prices traded on active markets (Level I)		Valuation method – on the basis of externally observable parameters (Level II)		Valuation method – on the basis externally unobservable parameters (Level III)	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Financial assets measured at fair value						
Financial assets measured at fair value through other comprehensive income	26,378	28,498	5,320	5,475	4	3
Equity instruments	0	0	0	0	4	3
Debentures and other fixed-income securities	26,378	28,498	3,306	3,428	0	0
Receivables	0	0	2,014	2,047	0	0
Financial assets designated at fair value	0	0	769	959	0	0
Debentures and other fixed-income securities	0	0	89	23	0	0
Receivables	0	0	680	936	0	0
Financial assets mandatorily measured at fair value through profit or loss	5,085	3,057	40,534	41,799	2,522	2,216
Trading assets	5,084	3,055	38,616	40,015	2,157	1,805
Derivatives	0	0	13,710	13,894	15	8
Equity instruments	1,252	1,384	4,012	3,581	0	0
Debentures and other fixed-income securities	3,830	1,670	2,071	3,113	620	603
Receivables	1	0	18,823	19,426	1,522	1,194
Financial instruments measured at fair value through profit or loss, not classified as held for trading, and equity instruments	2	2	909	917	365	411
Equity instruments	2	2	158	176	296	311
Debentures and other fixed-income securities	0	0	650	642	0	0
Receivables	0	0	101	100	69	99
Positive fair values from derivative hedging instruments	0	0	1,009	867	0	0

Equity and liabilities

EUR million	Prices traded on active markets (Level I)		Valuation method – on the basis of externally observable parameters (Level II)		Valuation method – on the basis externally unobservable parameters (Level III)	
	30/06/2026	31/12/2025	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Financial liabilities measured at fair value						
Financial liabilities designated at fair value	0	0	3,803	3,915	24	24
Securitized liabilities	0	0	1,681	1,818	0	0
Deposits	0	0	2,122	2,098	24	24
Financial liabilities mandatorily measured at fair value through profit or loss	1,283	632	20,998	21,852	13	8
Trading liabilities	1,283	632	20,288	20,995	13	8
Derivatives	0	0	11,975	12,533	13	8
Delivery obligations from short sales of securities	1,282	630	10	7	0	0
Securitized liabilities	0	2	7,654	7,828	0	0
Deposits	1	0	649	627	0	0
Negative fair values from derivative hedging instruments	0	0	711	857	0	0

Reclassifications between levels

If the main parameters used in fair value measurement change, the classification in the fair value hierarchy is also adjusted. At the end of the reporting period, the necessary reclassifications between Levels I to III are carried out using quality criteria for the market data used in the valuation that are defined by risk controlling. The timely availability, number, executability and bid-ask spreads of the market data used play a key role in this assessment.

For financial instruments measured using models, Risk Controlling identifies the model parameters necessary for the fair value measurement. The models are subject to a regular validation process and the observability of the necessary model inputs is monitored in Risk Controlling's price review process. This ensures that financial instruments requiring reclassification between Levels II and III of the valuation hierarchy can be identified.

The following reclassifications between Levels I and II in the fair value hierarchy have been made since the last financial statement date:

Assets

	Reclassification from Level I to Level II		Reclassification from Level II to Level I	
EUR million	30/06/2026	31/12/2025	30/06/2026	31/12/2025
Financial assets measured at fair value				
Financial assets measured at fair value through other comprehensive income	27	0	109	87
Debentures and other fixed-income securities	27	0	109	87
Financial assets mandatorily measured at fair value through profit or loss	4	11	81	132
Trading assets	4	11	81	132
Debentures and other fixed-income securities	4	11	81	132

Equity and liabilities

	Reclassification from Level II to Level I	
EUR million	30/06/2026	31/12/2025
Financial liabilities measured at fair value		
Financial liabilities mandatorily measured at fair value through profit or loss	0	2
Trading liabilities	0	2
Delivery obligations from short sales of securities	0	2

In the first half of 2026, LBBW reclassified instruments from Level I to Level II of the fair value hierarchy as there were no longer quoted prices from active markets for the corresponding financial instruments. Instruments were also reclassified in the other direction as quoted prices from active markets became available again.

Development of Level III

The development of portfolios and results for financial instruments measured at fair value using valuation models that incorporate material unobservable parameters (Level III) is presented in the tables below. The unrealized gains/losses of Level III financial instruments are based on both observable and unobservable parameters. Many of these financial instruments are economically hedged by financial instruments assigned to other hierarchy levels. The compensating gains and losses from these hedges are not included in the above tables as IFRS 13 stipulates that only unrealized gains and losses on Level III financial instruments must be reported.

Assets

EUR million	Financial assets measured at fair value through other comprehensive income – Equity instruments	Financial assets mandatorily measured at fair value through profit or loss – Trading assets – Derivatives	Trading assets – Debentures and other fixed-income securities	Trading assets – Receivables	Financial instruments measured at fair value through profit or loss, not classified as held for trading, and financial investments in equity instruments – Equity instruments	Financial instruments measured at fair value through profit or loss, not classified as held for trading, and financial investments in equity instruments – Receivables	Total
Carrying amount as at 01/01/2026	*3*	*8*	*603*	*1,194*	*311*	*99*	*2,219*
Gains and losses recognized in net consolidated profit/loss	0	3	17	35	– 15	– 5	34
Net interest income and current net income from equity instruments	0	0	19	9	0	1	29
Net gains/losses from financial instruments measured at fair value through profit or loss	0	3	– 3	26	– 15	– 6	5
Additions through acquisitions	0	0	0	537	4	1	542
Disposals through sales	0	0	0	0	– 4	– 1	– 5
Repayments/offsetting	0	– 2	0	– 244	0	– 24	– 270
Reclassification to Level III	0	6	0	0	0	0	6
Carrying amount as at 30/06/2026	*4*	*15*	*620*	*1,522*	*296*	*69*	*2,526*
of which unrealized gains and losses recognized in net consolidated profit/loss for financial instruments held as at the reporting date	0	2	– 3	26	– 17	– 6	2
Net gains/losses from financial instruments measured at fair value through profit or loss	0	2	– 3	26	– 17	– 6	2

EUR million	Financial assets measured at fair value through other comprehensive income	Financial assets mandatorily measured at fair value through profit or loss					Total
	Equity instruments	Trading assets			Financial instruments measured at fair value through profit or loss, not classified as held for trading, and financial investments in equity instruments		
		Derivatives	Debentures and other fixed-income securities	Receivables	Equity instruments	Receivables	
Carrying amount as at 01/01/2025	*3*	*20*	*681*	*1,789*	*336*	*105*	*2,934*
Gains and losses recognized in net consolidated profit/loss	0	0	– 78	– 554	17	– 3	– 618
Net interest income and current net income from equity instruments	0	– 0	– 1	4	0	– 3	0
Net gains/losses from financial instruments measured at fair value through profit or loss	0	1	– 78	– 558	17	– 0	– 618
Additions through acquisitions	0	4	0	355	20	6	384
Disposals through sales	0	0	0	0	– 62	– 5	– 67
Repayments/offsetting	0	0	0	– 405	0	– 2	– 407
Reclassification to Level III	0	2	0	10	0	0	12
Reclassification from Level III	0	– 19	0	0	0	0	– 19
Carrying amount as at 31/12/2025	*3*	*8*	*603*	*1,194*	*311*	*99*	*2,219*
of which unrealized gains and losses recognized in net consolidated profit/loss for financial instruments held as at the reporting date	0	0	– 78	– 542	– 9	– 0	– 630
Net interest income and current net income from equity instruments	0	– 0	– 1	– 1	0	0	– 2
Net gains/losses from financial instruments measured at fair value through profit or loss	0	1	– 78	– 541	– 9	– 0	– 627

Equity and liabilities

EUR million	Financial liabilities designated at fair value		Financial liabilities mandatorily measured at fair value through profit or loss	Total
	Securitized liabilities	Deposits	Trading liabilities	
			Derivatives	
Carrying amount as at 01/01/2026	*0*	*24*	*8*	*31*
Gains and losses recognized in net consolidated profit/loss	0	0	2	2
Net interest income and current net income from equity instruments	0	– 1	1	0
Net gains/losses from financial instruments measured at fair value through profit or loss	0	1	2	2
Repayments/offsetting	0	0	– 2	– 2
Reclassification to Level III	0	0	5	5
Carrying amount as at 30/06/2026	*0*	*24*	*13*	*37*
of which unrealized gains and losses recognized in net consolidated profit/loss for financial instruments held as at the reporting date	0	0	1	1
Net interest income and current net income from equity instruments	0	– 1	1	0
Net gains/losses from financial instruments measured at fair value through profit or loss	0	1	1	1

EUR million	Financial liabilities designated at fair value		Financial liabilities mandatorily measured at fair value through profit or loss	Total
	Securitized liabilities	Deposits	Trading liabilities	
			Derivatives	
Carrying amount as at 01/01/2025	*66*	*26*	*22*	*114*
Gains and losses recognized in net consolidated profit/loss	0	– 2	2	– 0
Net interest income and current net income from equity instruments	0	1	– 1	0
Net gains/losses from financial instruments measured at fair value through profit or loss	0	– 3	3	– 0
Additions through acquisitions	0	0	4	4
Reclassification from Level III	– 66	0	– 21	– 87
Carrying amount as at 31/12/2025	*0*	*24*	*8*	*31*
of which unrealized gains and losses recognized in net consolidated profit/loss for financial instruments held as at the reporting date	0	– 2	3	1
Net interest income and current net income from equity instruments	0	1	– 1	0
Net gains/losses from financial instruments measured at fair value through profit or loss	0	– 3	4	1

As parameters observable on the market in the first half of the financial year were no longer available or these were now considered to have a material influence on fair value, LBBW made reclassifications from Level II to Level III. Conversely, parameters that were again observable were available on the market or the influence of unobservable parameters on fair value was considered immaterial in the previous year, prompting LBBW to make reclassifications from Level III to Level II.

Sensitivity analysis – Level III

If the model value of financial instruments is based on unobservable market parameters, alternative parameters are used to determine the potential estimation uncertainty. For most of the securities and derivatives classified as Level III only one unobservable parameter is included in the fair value calculation, preventing any interactions between Level III parameters. The overall sensitivity of the products whose fair value calculation includes more than one unobservable parameter is immaterial. Interactions between these parameters have therefore not been calculated.

For the investments classified as Level III, sensitivities are essentially calculated by shifting the individual beta factors up or down. If no beta factors are used in measurement, the sensitivities are calculated on the basis of the average percentage change in fair value. This is based on the upward/downward shift of the investments whose measurement is based on a beta factor.

The information is intended to show the potential effects of the relative uncertainty in the fair values of financial instruments, the valuation of which is based on unobservable parameters:

Assets

	Positive changes in fair value		Negative changes in fair value	
	Net gains/losses from financial instruments measured at fair value and valuation reserve		Net gains/losses from financial instruments measured at fair value and valuation reserve	
EUR million	**30/06/2026**	**31/12/2025**	**30/06/2026**	**31/12/2025**
Financial assets measured at fair value				
Financial assets mandatorily measured at fair value through profit or loss	26.7	17.9	– 26.5	– 17.7
Trading assets	12.7	9.6	– 13.3	– 9.9
Derivatives	1.2	1.1	– 1.9	– 1.3
Debentures and other fixed-income securities	0.1	0.1	– 0.1	– 0.1
Receivables	11.3	8.4	– 11.3	– 8.4
Financial instruments measured at fair value through profit or loss, not classified as held for trading, and equity instruments	14.0	8.3	– 13.2	– 7.8
Equity instruments	7.0	7.0	– 6.2	– 6.6
Receivables	7.0	1.3	– 7.0	– 1.3
Total	*26.7*	*17.9*	*– 26.5*	*– 17.7*

Equity and liabilities

	Positive changes in fair value		Negative changes in fair value	
	Net gains/losses from financial instruments measured at fair value and valuation reserve		Net gains/losses from financial instruments measured at fair value and valuation reserve	
EUR million	**30/06/2026**	**31/12/2025**	**30/06/2026**	**31/12/2025**
Financial liabilities measured at fair value				
Financial liabilities designated at fair value	0.3	0.2	– 0.1	– 0.1
Deposits	0.3	0.2	– 0.1	– 0.1
Financial liabilities mandatorily measured at fair value through profit or loss	2.1	1.2	– 1.4	– 1.0
Trading liabilities	2.1	1.2	– 1.4	– 1.0
Derivatives	2.1	1.2	– 1.4	– 1.0
Total	*2.4*	*1.4*	*– 1.4*	*– 1.1*

Significant unobservable Level III parameters

The significant unobservable parameters of the financial instruments measured at fair value and classified as Level III are shown in the following tables.

The range presented below reflects the highest and lowest values of the unobservable parameters underlying valuations in the Level III category. There are significant variations in the affected financial instruments, which can result in wide parameter ranges.

The parameter shifts in the table depict the changes in the unobservable parameters that are tested in the sensitivity analysis. They thus provide information on the range of alternative parameters selected by LBBW for its calculation of fair value.

The statements also apply correspondingly to financial instruments held for sale.

Assets

30/06/2026 EUR million	Measurement methods	Significant unobservable parameters	Range	Parameter shift
Financial assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Equity instruments	Net asset value method	n/a	n/a	n/a
	Discounted cash flow method	n/a	n/a	n/a
	Net income value method	n/a	n/a	n/a
Financial assets mandatorily measured at fair value through profit or loss				
Trading assets				
Derivatives	Option price models	Interest rate correlation	54% – 100%	Relative – 20% / + 10%
	Option price models	Volatility	7% – 11%	Relative – 25% / + 25%
Debentures and other fixed-income securities	Discounted cash flow method	Gap risk	9% – 17%	Relative – 30% / + 30%
Receivables	Net present value method	Credit spread (bps)	45 – 498	Relative – 10% to 30% / + 10% to 30%
	TRS model	Gap risk	10% – 19%	Relative – 30% / + 30%
Financial instruments measured at fair value through profit or loss, not classified as held for trading, and equity instruments				
Equity instruments	Net asset value method	n/a	n/a	n/a
	Discounted cash flow method	n/a	n/a	n/a
	Net income value method	Beta factor	1.00 – 1.45	Relative + 5% / – 5%
Receivables	Discounted cash flow method	Expected loss	n/a	Relative – 30% / + 30%

31/12/2025 EUR million	Measurement methods	Significant unobservable parameters	Range	Parameter shift
Financial assets measured at fair value				
Financial assets measured at fair value through other comprehensive income				
Equity instruments	Net asset value method	n/a	n/a	n/a
	Discounted cash flow method	n/a	n/a	n/a
	Net income value method	n/a	n/a	n/a
Financial assets mandatorily measured at fair value through profit or loss				
Trading assets				
Derivatives	Option price models	Interest rate correlation	54% – 100%	Relative – 20% / + 10%
	Option price models	Volatility	7% – 12%	Relative – 25% / + 25%
Debentures and other fixed-income securities	Discounted cash flow method	Gap risk	9% – 17%	Relative – 30% / + 30%
Receivables	Net present value method	Credit spread (bps)	56 – 756	Relative – 10% to 30% / + 10% to 30%
	TRS model	Gap risk	10% – 19%	Relative – 30% / + 30%
Financial instruments measured at fair value through profit or loss, not classified as held for trading, and equity instruments				
Equity instruments	Net asset value method	n/a	n/a	n/a
	Discounted cash flow method	n/a	n/a	n/a
	Net income value method	Beta factor	1.00 – 1.45	Relative + 5% / – 5%
Receivables	Net present value method	Credit spread (bps)	47 – 491	Relative – 30% / + 30%

Equity and liabilities

30/06/2026 EUR million	Measurement methods	Significant unobservable parameters	Range	Parameter shift
Financial liabilities measured at fair value				
Financial liabilities designated at fair value				
Deposits	Option price models	Interest rate correlation	54% – 100%	Relative – 20% / + 10%
Financial liabilities mandatorily measured at fair value through profit or loss				
Trading liabilities				
Derivatives	Option price models	Interest rate correlation	54% – 100%	Relative – 20% / + 10%
	Option price models	Volatility	7% – 11%	Relative – 25% / + 25%

31/12/2025 EUR million	Measurement methods	Significant unobservable parameters	Range	Parameter shift
Financial liabilities measured at fair value				
Financial liabilities designated at fair value				
Deposits	Option price models	Interest rate correlation	54% – 100%	Relative – 20% / + 10%
Financial liabilities mandatorily measured at fair value through profit or loss				
Trading liabilities				
Derivatives	Option price models	Interest rate correlation	54% – 100%	Relative – 20% / + 10%
	Option price models	Volatility	7% – 12%	Relative – 25% / + 25%

Day one profit or loss

The use of unobservable parameters for the measurement of financial instruments can lead to differences between the transaction price and the fair value. This deviation is referred to as day one profit or loss, which is recognized in profit or loss over the term of the financial instrument.

Credit spreads, certain volatilities in option pricing models, and correlations between interest rates, exchange rates and default risks of different counterparties are not consistently observable on the market or cannot be derived from market-observed prices. Market participants may have different opinions on the values of these unobservable parameters used in models. As a result, the transaction price may deviate from what is considered by LBBW to be the fair value.

LBBW recognizes day one profits for trading portfolios of derivatives.

The table below shows the change in day one profit for the first half of the 2026 financial year as against the end of 2025, which was deferred as a result of applying significant unobservable parameters for financial instruments measured at fair value:

EUR million	2026	2025
As at 1 January	*3*	*6*
Income recognized in the income statement in the reporting period (reversals)	– 0	– 3
As at 30 June/31 December	*3*	*3*

F. Other

29. Non-current assets held for sale and disposal groups

In the course of its ongoing portfolio optimization, LBBW conducted or concluded negotiations for the sale of non-current assets and disposal groups classified as held for sale during the reporting period.

Compared with the previous year, the following changes arose in relation to non-current assets and disposal groups classified as held for sale:

- Two properties recognized in property and equipment were sold in the first half of 2026. This relates to the corporate items segment.
- Sales negotiations were conducted for additional properties but signing has not yet taken place.

30. Intangible assets

EUR million	30/06/2026	31/12/2025
Purchased software	75	84
Goodwill	10	10
Advance payments and cost for development and preparation	10	11
Internally generated intangible assets	24	22
Other purchased intangible assets	23	25
Total	*142*	*152*

31. Investment property

Property leased out to third parties or acquired for investment purposes is reported separately in the balance sheet under investment property in accordance with IAS 40 as long as it is held to earn rental income and/or for capital appreciation. For mixed-use properties, non-owner-occupied parts that can be sold or leased out separately must be accounted for separately. Mixed-use properties with a leased portion of over 80% of the total area are classified in their entirety as investment property.

Investment property is measured initially at cost, including directly attributable transaction costs. Subsequent measurement is at fair value on the reporting date. This is primarily determined from model-based valuations. Annual appraisals are obtained for all investment properties to validate the fair value from the model-based valuations.

In the measurement of investment property, the estimating uncertainties are based on the assumptions used to calculate future cash flows. Changes in parameters such as the inflation rate, interest rate, anticipated cost trends, leasing conditions, market conditions and vacancy rates affect future cash flows and, consequently, the fair value.

The valuation of investment property is based on cash flow projections per property on the basis of the discounted cash flow method. The contributions to earnings determined by this method are checked for plausibility and verified by means of reference figures from broker associations, past experience from LBBW’s own disposals and appraisals by external experts.

Fair value is calculated using the discounted cash flow method based on the following assumptions. As a valuation object, the respective building serves as an independent, strategic cash-generating unit. The expected cash flows generated per cash-generating unit are calculated based on the assumption of ongoing property management. Over a detailed planning period of ten years, cash flows are determined as the net balance of inflows and outflows related to property management. A residual value for the cash-generating unit is projected at the end of the planning period by capitalizing the cash flows from the tenth year as a perpetual annuity.

The following table illustrates the development of carrying amounts:

EUR million	Investment property	Rights of use from leases	Total
Carrying amount as at 01/01/2026	*924*	*20*	*944*
Additions	14	0	14
Currency translation differences	2	0	3
Changes in fair value from assets (through profit or loss)	– 22	– 1	– 23
Carrying amount as at 30/06/2026	*918*	*20*	*938*

EUR million	Investment property	Rights of use from leases	Total
Carrying amount as at 01/01/2025	*856*	*23*	*880*
Additions	17	0	18
Currency translation differences	– 9	– 1	– 10
Changes in fair value from assets (through profit or loss)	20	– 3	17
Reclassifications from/to inventories and property and equipment	40	0	40
Carrying amount as at 31/12/2025	*924*	*20*	*944*

Modernization costs for investment property were capitalized in the amount of EUR 14 million in the first half of the financial year (previous year: EUR 17 million).

Investment property and property held for sale measured at fair value are valued based on unobservable market parameters (Level III). The development of portfolios and results determined using valuation models that include material unobservable parameters is presented in the table below:

EUR million	Investment property
Carrying amount as at 01/01/2026	*944*
Gains and losses recognized in net consolidated profit/loss	– 24
Other earnings items	– 24
Additions through acquisitions	14
Other changes	4
Carrying amount as at 30/06/2026	*938*
of which unrealized gains and losses recognized in net consolidated profit/loss for financial instruments held as at the reporting date	– 24
Other earnings items	– 24

The tables below show the significant unobservable parameters of the investment property. The statements also apply to real estate portfolios held for sale.

30/06/2026 EUR million	Measurement methods	Significant unobservable parameters	Range	Parameter shift
Investment property	Discounted cash flow method	Rent dynamization/indexing	2.00%	n/a
		Discount rate	1.00% – 10.90%	
		Risk of loss of rent	0.75% – 5.00%	
		Basic maintenance costs	EUR 0.00–19.00/m^2	
		Administration costs (% of target rent)	1.00% – 6.80%	

31/12/2025 EUR million	Measurement methods	Significant unobservable parameters	Range	Parameter shift
Investment property	Discounted cash flow method	Rent dynamization/indexing	2.00%	n/a
		Discount rate	1.00% – 10.90%	
		Risk of loss of rent	0.75% – 5.00%	
		Basic maintenance costs	EUR 0.00–19.00/m^2	
		Administration costs (% of target rent)	1.00% – 6.80%	

Corresponding statements on financial instruments (see Note 28) also apply.

32. Property and equipment

Depreciation and write-downs, both scheduled and unscheduled, are recognized in administrative expenses under depreciation and write-downs of property and equipment. Reversals of impairment losses and gains or losses on the disposal of property and equipment are recognized under other operating income/expenses.

EUR million	30/06/2026	31/12/2025
Land and buildings	376	369
Leased assets under operating leases	236	239
Operating and office equipment	94	96
Technical equipment and machinery	8	9
Right-of-use assets from leases	116	124
Advance payments and assets under construction	65	62
Total	*895*	*899*

33. Income taxes

Income tax assets

EUR million	30/06/2026	31/12/2025
Current income tax assets	166	180
Domestic	24	40
Abroad	142	140
Deferred income tax assets	769	790
Total	*935*	*970*

Income tax liabilities

EUR million	30/06/2026	31/12/2025
Current income tax liabilities	240	187
Deferred income tax liabilities	32	29
Total	*272*	*216*

34. Other assets and other liabilities

Other assets

EUR million	30/06/2026	31/12/2025
Inventories	383	398
Receivables from tax authorities	14	6
Miscellaneous other assets	3,609	3,331
Total	*4,005*	*3,735*

Other assets include receivables from guarantees for synthetic securitizations in the amount of EUR 1 million (previous year: EUR 2 million). They also include CO2 emission allowances in the amount of EUR 462 million (previous year: EUR 293 million).

Other liabilities

EUR million	30/06/2026	31/12/2025
Liabilities from		
Other taxes	268	103
Employment	22	22
Trade payables	88	76
Non-controlling interests	1	1
Leasing	135	154
Advances received	41	33
Miscellaneous other liabilities	1,813	1,939
Total	*2,368*	*2,328*

35. Provisions

EUR million	30/06/2026	31/12/2025
Provisions for pension obligations	967	974
Provisions for litigation and recourse risk	127	128
Provisions for lending business	307	302
Other personnel-related provisions	178	232
Other provisions	207	162
Total	*1,786*	*1,798*

The following table shows the development of provisions in lending business:

EUR million	Stage 1	Stage 2	Stage 3 Credit-impaired after recognition	Total
As at 01/01/2026	*26*	*205*	*71*	*302*
Changes in inventories	0	28	– 16	12
Transfer to Stage 1	28	– 28	0	0
Transfer to Stage 2	– 2	2	0	0
Transfer to Stage 3	– 0	– 2	2	0
Addition	4	66	2	72
Reversal	– 29	– 11	– 20	– 60
Additions	3	0	1	5
Disposals	– 1	– 2	– 8	– 11
As at 30/06/2026	*28*	*232*	*47*	*307*

36. Equity

EUR million	30/06/2026	31/12/2025
Share capital	3,484	3,484
Capital reserve	8,240	8,240
Retained earnings	4,483	3,918
Other comprehensive income	– 13	– 40
Net consolidated profit/loss	478	945
Shareholders' equity	*16,672*	*16,547*
Additional equity components	745	745
Equity attributable to non-controlling interests	14	12
Total	*17,430*	*17,304*

Retained earnings included cumulative actuarial gains/losses after tax of EUR – 765 million (previous year: EUR – 786 million). Profit and loss carryforwards from prior periods are also recognized under retained earnings.

As at the end of the current reporting period, a measurement effect after deferred taxes of EUR 12 million (previous year: EUR 17 million) in connection with the measurement of LBBW's own credit rating was included in other comprehensive income.

Equity includes taxes recognized in other comprehensive income of EUR 284 million (previous year: EUR 306 million).

The detailed development of the individual components of the equity item is shown in the statement of changes in equity.

37. Own funds and total amount at risk

The following table shows the structure of the LBBW Group's own funds and the total amount at risk under current supervisory law as at the reporting date 30 June 2026:

EUR million	30/06/2026	31/12/2025
Own funds	*18,195*	*18,371*
Tier 1 capital	15,505	15,436
of which common equity Tier 1 capital (CET 1)	14,759	14,691
of which additional Tier 1 capital (AT 1)	745	745
Supplementary capital (Tier 2)	2,690	2,935
Total amount at risk	91,655	86,689
Total capital ratio (in %)	19.9	21.2
Tier 1 capital ratio (in %)	16.9	17.8
Common equity Tier 1 capital ratio (in %)	16.1	16.9

The common equity Tier 1 (CET 1) capital of LBBW Group increased compared to the previous year. This is primarily due to the full recognition of the 2025 annual profit and the positive development of the revaluation reserve. This was offset by higher requirements for the regulatory coverage of NPEs, which largely resulted from planned migrations to higher coverage levels.

The reduction in supplementary capital (Tier II) results in particular from the precise daily amortization of supplementary capital instruments in the final five-year periods of their term.

The increase in the total amount at risk is primarily due to growth in business with corporates and institutions. Rating changes affecting corporate customers also led to higher RWAs, while market price risks increased due to higher volatilities and normal market fluctuations.

LBBW publishes further information in accordance with Article 435 et seqq. CRR, including on own funds and own funds requirements under Article 437 and 438 CRR, in its disclosure report pursuant to section 26a of the German Banking Act (Kreditwesengesetz – KWG). The disclosure report is updated each quarter and can be found on LBBW's website under disclosure report. In contrast to the Annual Report, the disclosure report as at 31 December 2025 presented the figures after the annual financial statements were approved by the Supervisory Board. This resulted in a slight increase in regulatory capital due to full profit retention and in the total amount at risk due to adjustments for operational risks compared to the presentation in the Annual Report as at 31 December 2025.

38. Off-balance-sheet transactions

Contingent liabilities

EUR million	30/06/2026	31/12/2025
Sureties and guarantee agreements	10,865	9,936
Other contingent liabilities	365	358
Total	*11,230*	*10,294*

Contingent liabilities are dominated by sureties and guarantee agreements:

- In accordance with section 765(1) of the German Civil Code (BGB), a surety is a contractual obligation in which the guarantor assumes liability to a creditor for a third party's obligations. This does not include financial guarantees.
- Guarantee agreements are all contractual commitments that do not qualify as a surety and that concern the responsibility for a certain success or performance or for the non-occurrence of a certain disadvantage or damage.
- A documentary letter of credit is a promise given by a bank to make payment on presentation of specific documents.

In the event of objective indications of impairment, any loss is to be calculated using probability-weighted scenarios. The amount of the provision is determined by the present-value amount at which the Bank expects the beneficiary under a guarantee to make a claim against it minus expected inflows, e.g. from rights (rights of recourse, securities, etc.). It is recognized in provisions for lending business.

Other contingent liabilities include payment obligations towards the restructuring fund (bank levy) payable in part or in full on first demand in the event of resolution measures and for which cash collateral has been provided.

The LBBW Group did not assume any new irrevocable payment obligations in connection with the European bank levy in the first half of 2026 (cumulative since 2015: EUR 151 million), as no new additional contribution requirement was determined by the European Single Resolution Board (SRB). These are recognized as contingent liabilities. Receivables for cash collateral provided were capitalized in the same amount.

The German Deposit Guarantee Act (Einlagensicherungsgesetz – EinSiG), which became effective on 3 July 2015 governs the future financial resources of statutory and institutional protection schemes, including the institutional protection scheme of Sparkassen-Finanzgruppe. LBBW makes an irrevocable commitment to the owner of the institutional protection scheme, German Savings Bank Association (Deutscher Sparkassen- und Giroverband – DSGV), to make further payments on first demand, e.g. in the compensation case pursuant to section 10 EinSiG, in addition to the annual contribution. In this context, other contingent liabilities include payment obligations towards the deposit protection system to achieve the statutory target level.

The LBBW Group did not assume any new irrevocable payment obligations in connection with the statutory deposit protection system in the first half of 2026 (cumulative since 2015: EUR 153 million), as the build-up phase for the statutory deposit protection fund ended for the time being with the 2024 contribution year. Additional contributions could be required depending on the development of the covered and secured deposits.

Irrevocable payment obligations of EUR 61 million were required in the first half of 2026 for the additional fund in connection with the institutional protection scheme that was newly created in 2025. The fund supplements the existing security arrangement and not only fulfills supervisory requirements for banks, but also enables a faster response in crisis situations as well flexible support for institutions that are affected. Collateral for these payment obligations is also pledged in the form of low-risk securities at the Bundesbank after the final contribution assessment is issued.

Contingent claims

EUR million	30/06/2026	31/12/2025
Legal disputes	7	7
Total	*7*	*7*

39. Related party transactions

LBBW performs related party transactions in the ordinary course of business. The extent of these transactions is shown in the table below:

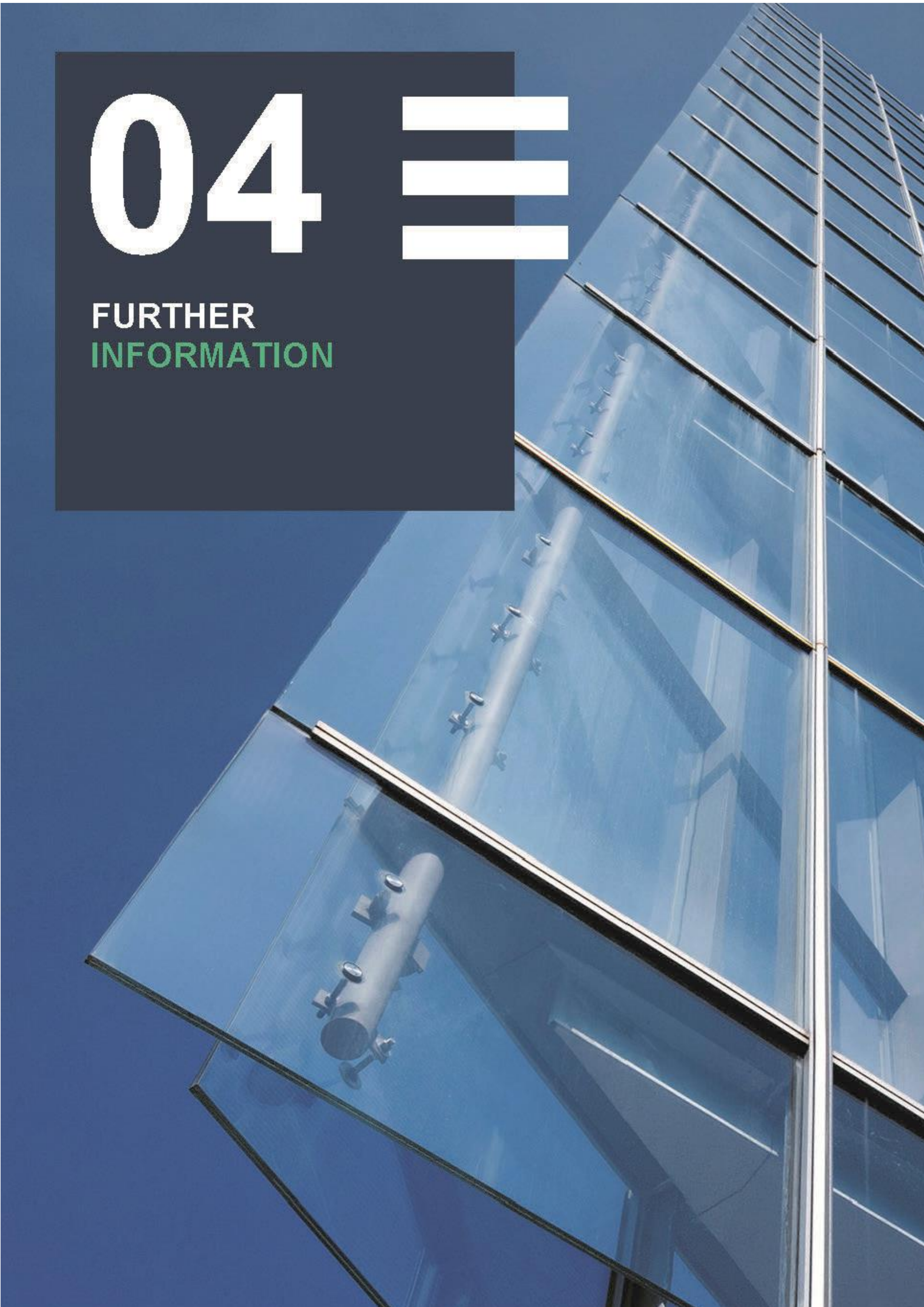
30/06/2026 EUR million	Shareholders	Members of the Board of Managing Directors and Supervisory Board	Non-consolidated subsidiaries	Associates	Joint ventures	Other related parties
Financial assets measured at amortized cost	445	1	559	36	5	1,797
Financial assets measured at fair value through other comprehensive income	519	0	20	85	0	0
Financial assets designated at fair value	17	0	0	0	0	0
Financial assets mandatorily measured at fair value through profit or loss	343	0	35	128	24	202
Other assets	0	0	1	0	0	0
Total assets	*1,324*	*1*	*615*	*249*	*29*	*1,999*
Financial liabilities measured at amortized cost	612	9	25	83	1	13,001
Financial liabilities mandatorily measured at fair value through profit or loss	445	0	0	22	0	82
Other liabilities	0	0	0	33	0	0
Total equity and liabilities	*1,057*	*9*	*25*	*138*	*1*	*13,083*
Off-balance-sheet transactions	341	1	3	57	0	1,334

31/12/2025 EUR million	Shareholders	Members of the Board of Managing Directors and Supervisory Board	Non-consolidated subsidiaries	Associates	Joint ventures	Other related parties
Financial assets measured at amortized cost	534	1	716	47	4	1,631
Financial assets measured at fair value through other comprehensive income	579	0	20	95	0	0
Financial assets designated at fair value	17	0	0	0	0	0
Financial assets mandatorily measured at fair value through profit or loss	315	0	34	125	23	218
Total assets	*1,445*	*1*	*769*	*267*	*27*	*1,849*
Financial liabilities measured at amortized cost	974	9	22	123	2	13,065
Financial liabilities mandatorily measured at fair value through profit or loss	479	0	0	22	0	95
Other liabilities	0	0	0	31	0	0
Total equity and liabilities	*1,453*	*9*	*22*	*177*	*2*	*13,160*
Off-balance-sheet transactions	339	0	3	60	0	1,295

Related party transactions resulted in material income and expenses in net interest income of EUR – 102 million (previous year: EUR – 174 million).

04

FURTHER INFORMATION



Responsibility statement

To the best of our knowledge, and in accordance with the applicable framework for half-yearly financial reporting, the consolidated interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the interim group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected future development of the Group in the remainder of the financial year.

Stuttgart, Karlsruhe, Mannheim and Mainz, 6 August 2026

The Board of Managing Directors

Rainer Neske
Chair

Anastasios Agathagelidis

Joachim Erdle

Andreas Götz

Dirk Kipp

Sascha Klaus

Stefanie Münz

Review report

To Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany

We have reviewed the condensed interim consolidated financial statements, which comprise the statement of financial position as at 30 June 2026, the income statement and the statement of comprehensive income, the condensed statement of cash flows, the statement of changes in equity as well as selected explanatory notes, and the interim group management report of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany, for the period from 1 January to 30 June 2026, that are part of the half-yearly financial report under Section 115 German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with the IFRS® Accounting Standards issued by the International Accounting Standards Board (hereafter referred to as: “IFRS Accounting Standards”) applicable to interim financial reporting, as adopted by the EU, and of the interim group management report in accordance with the requirements of the WpHG applicable to interim group management reports is the responsibility of the executive directors of the Company. Our responsibility is to issue a review report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and of the interim group management report in compliance with the German Generally Accepted Standards for Reviews of Financial Statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance to preclude through critical evaluation that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with the IFRS Accounting Standards applicable to interim financial reporting, as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Since, in accordance with our engagement, we have not performed an audit, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany, have not been prepared, in material respects, in accordance with the IFRS Accounting Standards applicable to interim financial reporting, as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports.

Stuttgart/Germany, 7 August 2026

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed:	Signed:
Stephan Erb	Stefan Trenzinger
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüfer (German Public Auditor)

TRANSLATION

– German version prevails –

Note regarding forward-looking statements

This half-yearly financial report contains forward-looking statements. Forward-looking statements are identified by the use of words such as "expect", "intend", "anticipate", "plan", "believe", "assume", "aim", "estimate", "will", "shall", "forecast" and similar expressions. These statements are based on the current estimates and forecasts by the Board of Managing Directors and on currently available information. Forward-looking statements are not deemed to be guarantees of the future developments and results set out therein and involve a number of risks and uncertainties. If any of these or other risks or uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, the actual results may differ materially from those expressed or implied by such statements.

LBBW assumes no obligation to continuously update any forward-looking statements, as these are based solely on the circumstances valid on the day of publication.

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Am Hauptbahnhof 2
70173 Stuttgart, Germany

www.LBBW.de
kontakt@LBBW.de

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The half-yearly financial report is also available in German. The German version is the authoritative version. Only the German version of the interim group management report and of the condensed interim consolidated financial statements has been reviewed by the auditors.

Breaking new ground

Landesbank Baden-Württemberg
www.LBBW.de
kontakt@LBBW.de

Headquarters

Stuttgart
Am Hauptbahnhof 2
70173 Stuttgart, Germany
Phone +49 (0) 711 127-0

Karlsruhe
Ludwig-Erhard-Allee 4
76131 Karlsruhe, Germany
Phone +49 (0) 721 142-0

Mannheim
Am Victoria-Turm 2
68163 Mannheim, Germany
Phone +49 (0) 621 428-0

Mainz
Rheinallee 86
55120 Mainz, Germany
Phone +49 (0) 6131 64-0