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Press Release →

LBBW records second-best result in the Group's history

- **Third year in a row of billion-euro profit: Pre-tax profit increases to EUR 1.28 billion, exceeding expectations**
- **In record time: Berlin Hyp integration completed with the costs already fully recognized**
- **Growth initiatives pay off: Income at record high – all segments report year-on-year growth**

LBBW consistently pursued its steady growth trajectory in a difficult environment. Pre-tax profit grew by 4% to EUR 1.28 billion for the 2025 financial year. This is the second-best result in the Group's history and, at the same time, the third year in a row in which it has recorded a profit of more than EUR 1 billion.

Despite difficult macroeconomic conditions, LBBW succeeded in continuing its growth, making targeted investments in the future and enhancing its resilience. The bank achieved a record result in its Corporate Customer Business and sharpened its profile as the leading capital markets house of the Sparkassen-Finanzgruppe. A strategic milestone was additionally achieved with the integration of Berlin Hyp – completed in record time – which has streamlined the Group structure and further strengthened the Bank's leverage in commercial real estate financing.

"In the face of all the challenges, 2025 was a successful year for LBBW and exceeded our expectations," reports CEO Rainer Neske. "The result reflects our financial stability and resilience as well as the huge commitment of our employees. In times of change, LBBW remains a reliable companion for our customers, supporting them as a powerful partner with excellent solutions to offer."

Group-wide, income grew by 6% to a new record high of EUR 4.25 billion despite the weak economy. The increase in net fee and commission income by more than 8% is also especially pleasing. The drivers here included the transaction-related securities business, asset management and fee income from the lending business and guarantees. Return on equity remained stable at 7.8%. The common equity Tier 1 (CET 1) capital ratio increased significantly to 16.9%, partly as a result of the transition to the new CRR III supervisory regime, and thus offers space for further growth.

Strong performance in the customer business

2025 was a difficult year for the German economy, but one in which LBBW proved itself to be a reliable partner for companies. The strong net consolidated profit was driven by

a successful customer business: All four operating segments were able to improve their income, once again underlining the balanced approach of the universal bank model.

Expenses totaled EUR 2.63 billion, rising in line with expectations (previous year: EUR 2.43 billion). This increase reflects, in particular, costs of over EUR 100 million for the successful integration of Berlin Hyp – without the integration, the total increase in costs is only around 2.5%. Alongside salary adjustments, further investments in the future viability of the Bank, especially in the constant development and refinement of the IT had an impact here. Moreover, the increase in the contributions to the protection schemes of the Sparkassen-Finanzgruppe can be seen here. Despite the integration costs, the cost-income ratio remains at a comfortable level at around 62% (around 58% excluding the integration costs).

Resilient and with additional protection

The robust risk situation, despite the weak economy, reflects LBBW's high degree of resilience. At EUR 332 million, allowances for losses on loans and securities were slightly lower than the previous year's figure (EUR 360 million). Increased provisioning requirements in the Real Estate and Infrastructure Financing segment were offset by a decline in the Corporate Customers business. Moreover, LBBW continues to have very high additional provisions in the form of so-called model adjustments totaling EUR 837 million (previous year: EUR 880 million). The non-performing exposures (NPE) ratio is a moderate 1.0%.

Operating segments at a glance

All four operating segments reported a rise in income and made a contribution in the triple-digit millions to the net consolidated profit.

In the **Corporate Customers** segment, pre-tax profit grew by more than half to EUR 704 million from EUR 454 million in the previous year. Thanks to high customer demand and the strong performance, income rose across the whole breadth of the product range. This is particularly true of the growth field in corporate finance, in which we have constantly invested for years. For example, we once again defended our traditional market leadership in Schuldschein loans here. Cash management and the lease business also produced a very dynamic performance. Despite the difficult economic situation, allowances for losses on loans and securities were lower than in the previous year. Some of the provisions from previous years that were no longer needed were reversed. Overall, the portfolio quality remains at a good level.

The **Real Estate and Infrastructure Financing** segment achieved a pre-tax profit of EUR 301 million (previous year: EUR 396 million). This includes a major part of the integration expenses for Berlin Hyp; excluding these costs, the profit is EUR 370 million. Income rose slightly primarily thanks to strong new business in the growth field of infrastructure financing, with a focus on renewable energy and the expansion of digital

infrastructure. Commercial real estate financing, which has reported an exposure of around EUR 61 billion since August under the unified Berlin Hyp brand, continues to face a challenging market landscape. Nevertheless, new business of around EUR 14 billion was slightly above the previous year's level and was even generated whilst the demanding integration work was still in progress. The increase in allowances for losses on loans and securities resulted from individual cases in Real Estate and Infrastructure Financing.

At EUR 292 million, the result in the **Capital Markets Business** was slightly down on the previous year's level (EUR 311 million). While Treasury was unable to repeat the very good prior-year result on account of the interest rate environment, the customer business enjoyed a high degree of momentum. In particular, drivers here were hedging transactions, credit markets and the, once again, strong certificate business. As the leading capital markets house of the Sparkassen-Finanzgruppe, LBBW supported the institutions here with tailored solutions in a challenging environment. We also recorded a rise in income from our business with institutional investors.

The **Private Customers / Savings Banks** segment increased its profit to EUR 198 million (previous year: EUR 193 million). In particular, the securities business and asset management gained momentum. Growth was also recorded in the brokerage and payments businesses. We were also able to expand the deposit volume.

Outlook

"With our strong balance sheet, outstanding products and excellent teams, we are in an optimal position to support our customers in achieving their ambitions and overcoming challenges. In view of the persistently high geopolitical uncertainties and the tense economic situation, we also expect to record a pre-tax result of more than EUR 1.1 billion in 2026, which will thus be slightly down on the previous year," concludes CEO Rainer Neske

About LBBW

LBBW is a mittelstand-minded universal bank and a central institution for the savings banks in Baden-Württemberg, Saxony and Rhineland-Palatinate. With total assets of EUR 347 billion and around 10,800 employees, LBBW is one of the largest banks in Germany. Its core activities include business with corporate customers, especially SMEs, and business with private customers and savings banks. It also focuses on real estate and project finance in selected markets and customer-oriented capital markets business with banks, savings banks and institutional investors. Small and medium-sized enterprises and private customers in Baden-Württemberg as well as wealth management customers are managed under the BW-Bank brand, while the Group's commercial real estate financing is bundled under the brand Berlin Hyp. Expertise in innovative and complex forms of investment and finance plays an important role, as does support for tapping international markets. To this end, LBBW is represented at 16 locations in 15 countries around the world. Specialized subsidiaries in areas such as leasing, factoring, real estate, commercial investment business, venture capital and asset management round off the LBBW Group's range of in-house services.

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Key figures of the LBBW Group as at 31 December 2025

Income statement

	01/01 – 31/12/2025	01/01 – 31/12/2024	Change	
	EUR million	EUR million	EUR million	%
Net interest income	2,730	2,631	99	4
Net fee and commission income	689	635	53	8
Net gains/losses on remeasurement and disposal	411	315	96	30
Other operating income/expenses	89	81	8	9
Total operating income/expenses	3,918	3,662	256	7
of which income	4,250	4,022	228	6
of which allowances for losses on loans and securities	-332	-360	28	-8
Expenses	-2,635	-2,430	-204	8
of which administrative expenses	-2,538	-2,388	-151	6
of which bank levy, deposit and institutional protection	-77	-52	-25	47
of which net income/expenses from restructuring	-19	10	-29	-
Consolidated profit/loss before tax	1,284	1,232	52	4
Income taxes	-341	-368	27	-7
Net consolidated profit/loss	942	864	78	9

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

Key figures

	31/12/2025	31/12/2024	Change	
	EUR billion	EUR billion	EUR billion	%
Total assets	347.3	356.4	-9.1	-2.5
Risk-weighted assets	86.7	97.1*	-10.4	-10.7

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

*Previous year's figure for risk-weighted assets according to CRR II ("fully loaded")

	31/12/2025	31/12/2024*
	%	%
Common equity Tier 1 ratio (CRR III/"phase-in")	16.9	14.4
Total capital ratio (CRR III/"phase-in")	21.2	19.2

*Previous year's figures based on CRR II ("fully loaded")

	01/01 – 31/12/2025	01/01 – 31/12/2024
	%	%
Return on equity (RoE)	7.8	7.8
Cost/income ratio (CIR)	62.0	60.4

	31/12/2025	31/12/2024	Change	
			in absolute terms	%
Employees	10,821	10,777	44	0
Full-time equivalents	9,890	9,829	61	1

Segments at a glance

Corporate Customers

	01/01 – 31/12/2025	01/01 – 31/12/2024
	EUR million	EUR million
Net interest income	1,269	1,145
Net fee and commission income	230	226
Net gains/losses on remeasurement and disposal	-36	-198
Other operating income/expenses	27	43
Total operating income/expenses	1,490	1,216
of which income	1,569	1,417
of which allowances for losses on loans and securities	-79	-201
Expenses	-786	-762
of which administrative expenses	-768	-749
of which bank levy, deposit and institutional protection	-19	-14
of which net income/expenses from restructuring	0	1
Pre-tax result	704	454

Real Estate and Infrastructure Financing

	01/01 – 31/12/2025	01/01/ – 31/12/2024
	EUR million	EUR million
Net interest income	955	916
Net fee and commission income	10	4
Net gains/losses on remeasurement and disposal	-254	-146
Other operating income/expenses	67	43
Total operating income/expenses	778	817
of which income	1,031	969
of which allowances for losses on loans and securities	-253	-152
Expenses	-477	-421
of which administrative expenses	-462	-419
of which bank levy, deposit and institutional protection	-12	-6
of which net income/expenses from restructuring	-3	4
Pre-tax result	301	396

Capital Markets Business

	01/01 – 31/12/2025	01/01 – 31/12/2024
	EUR million	EUR million
Net interest income	113	136
Net fee and commission income	139	126
Net gains/losses on remeasurement and disposal	699	653
Other operating income/expenses	8	13
Total operating income/expenses	958	929
of which income	958	925
of which allowances for losses on loans and securities	0	4
Expenses	-666	-618
of which administrative expenses	-626	-595
of which bank levy, deposit and institutional protection	-40	-22
of which net income/expenses from restructuring	0	-1
Pre-tax result	292	311

Private Customers/Savings Banks

	01/01 – 31/12/2025	01/01 – 31/12/2024
	EUR million	EUR million
Net interest income	480	476
Net fee and commission income	318	287
Net gains/losses on remeasurement and disposal	-14	-13
Other operating income/expenses	1	10
Total operating income/expenses	785	759
of which income	802	775
of which allowances for losses on loans and securities	-17	-16
Expenses	-587	-567
of which administrative expenses	-583	-557
of which bank levy, deposit and institutional protection	-5	-9
of which net income/expenses from restructuring	0	0
Pre-tax result	198	193

Corporate Items/Reconciliation/Consolidation

	01/01 – 31/12/2025	01/01 – 31/12/2024
	EUR million	EUR million
Net interest income	-88	-42
Net fee and commission income	-8	-8
Net gains/losses on remeasurement and disposal	17	19
Other operating income/expenses	-14	-27
Total operating income/expenses	-93	-59
of which income	-111	-64
of which allowances for losses on loans and securities	18	6
Expenses	-118	-63
of which administrative expenses	-99	-68
of which bank levy, deposit and institutional protection	-2	-1
of which net income/expenses from restructuring	-17	6
Pre-tax result	-211	-121