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Press Release →

Operating strength and resilience in the first half of 2026

LBBW firmly on track

- **Pre-tax profit up slightly on previous year**
- **Income at previous year's very good level – costs in decline**
- **Low level of allowances for losses on loans and securities**
- **Outlook confirmed: Pre-tax profit again of more than EUR 1.1 billion in 2026**

LBBW continued its positive performance in the first half of 2026, demonstrating its earnings power. Despite persistent economic weakness in Germany, geopolitical uncertainties and volatile markets, the bank again recorded strong earnings of EUR 708 million before tax, reaching again the high level of the previous year (EUR 705 million).

“Our half-year result shows that LBBW continues to be strong, close to our customers and resilient," reports CEO Rainer Neske. "We are building upon the strength of our business model and the capabilities of our entire team. Especially in times of economic uncertainty, we remain a reliable partner for our customers – supporting them with comprehensive expertise, financial strength and the broad range of solutions we offer as a universal bank."

LBBW's balanced business model with its four strong customer segments creates a diverse and stable earnings base: All four segments have already recorded three-digit million profits in the first half-year. LBBW is thus underlining its ability to achieve good earnings on a sustainable basis even in the face of challenging conditions.

This is also reflected in the bank's key performance indicators. The cost/income ratio improved to 60.4% (H1 2025: 61.8%) thanks to the bank's stable income and decline in costs. At 8.3%, return on equity (RoE) was marginally lower than in the previous year (8.6%). The bank's capital base also remains extremely solid: The common equity Tier 1 capital ratio (CRR III) of 16.1% is far above the regulatory requirements and thus offers scope for further growth. Net consolidated profit after tax rose to EUR 479 million compared with EUR 477 million in the previous year.

Robust income – costs in decline

Thanks to a robust customer business, income reached EUR 2.09 billion, just short of the previous year's level (EUR 2.12 billion). Infrastructure financing, the investment business and the deposit business all performed particularly well, for example. At the same time, reluctance to invest across broad sections of the German economy was reflected in the Corporate Customers business and the persistently weak real estate markets.

Despite a continued high level of investments in IT, for example in cyber security and AI capabilities, as well as in the expansion of the international business, expenses were reduced by 4% to EUR 1.26 billion. The key factors here included the winding up of the integration costs for Berlin Hyp and lower contributions to the protection schemes of the Sparkassen-Finanzgruppe.

Allowances for losses on loans and securities reflect economic performance

As expected, the weak economic performance is reflected in a moderate rise in allowances for losses on loans and securities to EUR 121 million (H1 2025: EUR 107 million) primarily related to individual exposures in the real estate business and at corporates. In the previous year, however, larger reversals of provisions that were no longer required for corporate customers had a positive impact on the allowances for losses on loans and securities. Overall, risk costs account for 15 basis points of the loan book and are thus still at a low level compared to the sector as a whole. The additional allowances in the form of model adjustments declined slightly, but, at just short of EUR 800 million, remained at a high level as before. The portfolio quality continues to be solid; this can also be seen in the low non performing exposures (NPE) ratio of 0.9%.

Solid performance across the four operating customer segments

The **Corporate Customers** segment recorded a pre-tax profit of EUR 312 million (previous year: EUR 360 million). One of the reasons for the slight decline can be found in the allowances for losses on loans and securities, which nevertheless remain unremarkable at EUR 39 million. Despite the restrained demand for credit, income remained on previous year's level. Alongside the deposit business, leasing and factoring as well as the payments business recorded a pleasing development, for example.

In the **Real Estate/Infrastructure Financing** segment, pre-tax profit stands at EUR 171 million (previous year: EUR 190 million). The slight decline in income reflects the difficult landscape in the real estate markets. At around EUR 7 billion, new business in commercial real estate financing, which is bundled under Berlin Hyp, continues to reach good levels. The growth area of infrastructure financing recorded a slight increase in income with new business worth EUR 2.8 billion. Key areas include renewable energies and the expansion of digital infrastructure.

Allowances for losses on loans and securities stand at EUR 74 million and are thus lower than in the previous year (EUR 96 million). Costs also fell, primarily because of the phasing out of integration costs for Berlin Hyp and the realization of initial efficiencies from the integration.

At EUR 186 million, pre-tax profit in the **Capital Markets Business** remained stable at the previous year's level (EUR 187 million). While income in Treasury fell slightly due to the persistent market uncertainty caused largely by the Iran war, income in financial markets increased primarily thanks to a very good performance in the certificate business and the credit markets. We continue to pursue the strategic expansion of the business with financial institutions through our role as the leading capital markets house of the Sparkassen-Finanzgruppe.

In the **Private Customers/Savings Banks** segment, pre-tax profit increased significantly to EUR 135 million (previous year: EUR 105 million). We successfully increased volume and income in the deposit business. The securities business and asset management also delivered good results. In addition, the continual expansion of our wealth management is increasingly paying off: here, too, we were able to record significant income growth due to our broad product range and our full presence across the German market.

Outlook

Looking ahead to the coming months, CEO Rainer Neske said: “The current period of economic upheaval is bringing challenges, but also major opportunities for our customers and ourselves as LBBW. As a high-performing universal bank with a strong balance sheet, we are in an ideal position to serve our customers as a reliable partner in their investments, transformation and growth. We are boldly shaping the future together with them. We continue to expect, as before, to achieve pre-tax earnings of more than EUR 1.1 billion in the 2026 financial year."

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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 359 billion and around 10,700 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 infrastructure financing 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 19 locations in 18 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 30 June 2026

Income statement

	01/01/2026-30/06/2026 EUR million	01/01/2025-30/06/2025 EUR million	Change EUR million	Change %
Net interest income	1,547	1,281	267	21
Net fee and commission income	354	349	5	1
Net gains/losses on remeasurement and disposal	74	336	-262	-78
Other operating income/expenses	-4	50	-55	-
Total operating income/expenses	1,971	2,016	-45	-2
of which income	2,092	2,123	-30	-1
of which allowances for losses on loans and securities	-121	-107	-15	14
Expenses	-1,263	-1,311	48	-4
of which administrative expenses	-1,197	-1,220	22	-2
of which bank levy, deposit and institutional protection	-66	-77	11	-15
of which net income/expenses from restructuring	0	-14	14	-
Consolidated profit/loss before tax	708	705	3	0
Income taxes	-229	-228	-1	0
Net consolidated profit/loss	479	477	2	0

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

Key figures

	30/06/2026	30/06/2025	Change	
	EUR billion	EUR billion	EUR billion	%
Total assets	358.9	369.0	-10.1	-3
Risk-weighted assets	91.7	85.7	6.0	7

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

	30/06/2026	30/06/2025
	%	%
Common equity Tier 1 ratio (CRR III/"phase-in")	16.1	16.6
Total capital ratio (CRR III/"phase-in")	19.9	21.6

	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

	30/06/2026	31/12/2025	Change	
			in absolute terms	%
Employees	10,722	10,821	-99	-1
Full-time equivalents	9,789	9,890	-101	-1

Segments at a glance

Corporate Customers

	01/01/2026-30/06/2026 EUR million	01/01/2025-30/06/2025 EUR million
Net interest income	640	639
Net fee and commission income	116	114
Net gains/losses on remeasurement and disposal	-65	-27
Other operating income/expenses	14	15
Total operating income/expenses	705	742
of which income	745	764
of which allowances for losses on loans and securities	-39	-23
Expenses	-393	-382
of which administrative expenses	-383	-373
of which bank levy, deposit and institutional protection	-10	-9
of which net income/expenses from restructuring	0	0
Pre-tax result	*312*	*360*

Real Estate/Infrastructure Financing

	01/01/2026-30/06/2026 EUR million	01/01/2025-30/06/2025 EUR million
Net interest income	467	465
Net fee and commission income	5	7
Net gains/losses on remeasurement and disposal	-80	-97
Other operating income/expenses	-21	32
Total operating income/expenses	371	407
of which income	445	503
of which allowances for losses on loans and securities	-74	-96
Expenses	-200	-217
of which administrative expenses	-194	-208
of which bank levy, deposit and institutional protection	-6	-11
of which net income/expenses from restructuring	0	2
Pre-tax result	*171*	*190*

Capital Markets Business

	01/01/2026-30/06/2026 EUR million	01/01/2025-30/06/2025 EUR million
Net interest income	221	19
Net fee and commission income	70	68
Net gains/losses on remeasurement and disposal	225	418
Other operating income/expenses	4	7
Total operating income/expenses	520	511
of which income	524	509
of which allowances for losses on loans and securities	-4	2
Expenses	-334	-324
of which administrative expenses	-318	-306
of which bank levy, deposit and institutional protection	-16	-18
of which net income/expenses from restructuring	0	0
Pre-tax result	*186*	*187*

Private Customers/Savings Banks

	01/01/2026-30/06/2026 EUR million	01/01/2025-30/06/2025 EUR million
Net interest income	265	234
Net fee and commission income	168	162
Net gains/losses on remeasurement and disposal	-4	-6
Other operating income/expenses	-1	-3
Total operating income/expenses	427	388
of which income	432	395
of which allowances for losses on loans and securities	-4	-7
Expenses	-293	-282
of which administrative expenses	-290	-280
of which bank levy, deposit and institutional protection	-2	-2
of which net income/expenses from restructuring	0	0
Pre-tax result	*135*	*105*

Corporate Items/Reconciliation/Consolidation

	01/01/2026-30/06/2026 EUR million	01/01/2025-30/06/2025 EUR million
Net interest income	-46	-77
Net fee and commission income	-5	-2
Net gains/losses on remeasurement and disposal	-2	48
Other operating income/expenses	-0	-1
Total operating income/expenses	-53	-31
of which income	-53	-49
of which allowances for losses on loans and securities	0	18
Expenses	-43	-107
of which administrative expenses	-12	-53
of which bank levy, deposit and institutional protection	-32	-38
of which net income/expenses from restructuring	0	-16
Pre-tax result	*-96*	*-138*