

Financial Report 2025

of the Savings Banks Finance Group



Finanzgruppe
Deutscher Sparkassen-
und Giroverband



Selected key figures of the Savings Banks Finance Group*

Selected balance sheet items

	Portfolio at the end of 2025 in EUR billions	Portfolio at the end of 2024 in EUR billions	Change in %
Loans and advances to banks (MFIs ¹)	399.1	430.2	–7.2
Loans and advances to non-banks (non-MFIs)	1,562.2	1,496.0	+4.4
Liabilities to banks (MFIs)	344.6	342.1	+0.7
Liabilities to non-banks (non-MFIs)	1,592.6	1,562.9	+1.9
Equity capital	210.4	198.0	+6.2
Total assets	2,601.1	2,536.9	+2.5
Core capital ratio in accordance with CRR ² (in %; change in % points)	17.3	16.8	+0.5

Selected income statement items³

	2025 ⁴ in EUR billions	2024 in EUR billions	Change in %
Net interest income	38.58	38.73	–0.4
Net commission income	13.02	12.35	+5.5
Net profit from financial transactions	1.49	1.01	+47.9
Administrative expenses	31.70	30.46	+4.1
Operating result before valuation	22.80	23.34	–2.3
Operating result after valuation	17.78	18.99	–6.4
Net income before taxes	9.59	9.85	–2.7
Income taxes	5.14	5.20	–1.3
Net income after taxes	4.45	4.65	–4.2
of which net income of Savings Banks after taxes	2.55	2.43	+5.1
of which net income of Landesbanken after taxes	1.85	2.13	–13.5
of which net income of Landesbausparkassen after taxes	0.05	0.08	–38.6

*Savings Banks Finance Group 1. Savings Banks, 2. Landesbanken excluding foreign branches, excluding domestic and foreign Group subsidiaries, excluding LBS, 3. Landesbausparkassen (legally independent LBS and legally dependent divisions of the Landesbanken).

¹ Monetary Financial Institutions.

² Capital Requirements Regulation (Capital Adequacy Directive).

³ Allocations to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB) are treated here – as in the 'original' profit and loss account in accordance with the HGB – as expenses that reduce the net profit for the year; in the DSGV financial reports up to 2010, these 'Section 340g allocations' were treated as an appropriation of profits increasing the annual result in line with the Deutsche Bundesbank's profit and loss account statistics.

⁴ Preliminary figures from partly unaudited annual financial statements in accordance with the German Commercial Code (HGB); rounding differences may occur.

The Savings Banks Finance Group

The Savings Banks Finance Group is Germany’s largest group of credit institutions. Its great strength lies in the Savings Banks’ locally anchored business model and in the close cooperation between its 480 member institutions.

Together with its institutions and partner companies, the Savings Banks Finance Group comprehensively meets the financial needs of private customers and businesses in Germany.

Proximity and responsibility

Savings Banks are generally institutions under public law with municipalities as their responsible public bodies. In accordance with the regional principle, they concentrate their presence and business activities in the area of their responsible public bodies. They are independent, managed locally and committed to growth from their own resources. In order to maintain this, Savings Banks must operate sustainably and ensure long-term economic balance. For this reason, the profits generated by the Savings Banks are used exclusively to strengthen their equity capital and develop their home region.

Branches

14,390⁵

14,350⁷



Employees

291,900^{5,6}

286,000^{6,7}



Trainees

18,400



Strong within the Group

The local anchoring of the Savings Banks within the financial group is complemented by cooperation throughout the association. This enables the institutions to specialise in a division of labour, thereby strengthening the performance of them all. The association thus makes a significant contribution to the Group’s responsible and risk-conscious business policy. The Savings Banks’ business model reflects their founding mission: to act locally and responsibly in close proximity to their customers.

Market presence

Savings Banks Finance Group Companies ¹		Branches ² 14,390⁵ 14,350 ⁷	Employees ³ 291,900^{5,6} 286,000 ^{6,7}	Business volume ⁴ EUR 3,500 billion⁵ EUR 3,400 billion ⁷
Savings Banks* 342⁵ Total assets EUR 1,620 billion Branches 10,573 Employees 199,824		5 Landesbank groups (LBBW, BayernLB, Helaba, NORD/LB, SaarLB) Total assets EUR 937 billion Employees 27,693		DekaBank German clearing house Assets under management EUR 452 billion Employees 5,953
Landesbausparkassen (LBS) 5 Total assets.....EUR 75.5 billion Employees 6,094	Deutsche Leasing group ⁸ Total assets EUR 24.5 billion New business volume EUR 11.4 billion Assets under management EUR 43.0 billion Employees 3,162		Public direct insurer groups 8 Gross premium income EUR 24.9 billion Employees 31,930	
Capital investment companies ⁹ 47 Total volumeEUR 1,570.2 million Employees..... 209	S-Kreditpartner Customer loan portfolio EUR 11.9 billion Employees 806	S-Internationals 10 Participating institutions 152 Total assets participating institutions EUR 797.7 billion Turnover..... EUR 105.5 million Employees 513	Factoring companies 3 Annual turnover.... EUR 46.0 billion Employees 525	
LBS real estate companies 6 Volume of properties brokered EUR 9.5 billion Employees 604	Other leasing companies New business volume EUR 2.4 billion Employees 752		DSV group Deutscher Sparkassenverlag Turnover EUR 0.9 billion Employees 2,896	
Finanz Informatik Employees 6,066	SIZ Employees 468	Sparkassen Rating und Risikosysteme Employees 506	¹ Including associations and other institutions; figures rounded. ² Branches / advisory centres. ³ Internal / external employees, excluding part-time employees; figures rounded. ⁴ Business volume here = balance sheet total / portfolio volume / total assets / Investment volume; figures rounded. ⁵ Including foreign branches and domestic and foreign subsidiaries of the Landesbanken. ⁶ Including 3,837 employees of the associations, their institutions and other organisations. ⁷ Excluding foreign branches and domestic and foreign subsidiaries of the Landesbanken. ⁸ As at 30 September 2025. ⁹ Savings Bank companies > 50% Savings Bank shareholding and Landesbanken companies. * As at 31 December 2025; as at 15 June 2026: 339 Savings Banks.	

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PROFESSOR ULRICH REUTER
President of the German Savings Banks Association



“In 2025, the institutions of the Savings Banks Finance Group proved that, even in times of great uncertainty, they are an anchor of stability for the economy and society. They also continue to be a driving force for investment and innovation.”

Berlin, July 2026

Ladin and Gunkeler,

2025 once again presented Germany and Europe with major challenges. Economic uncertainty, geopolitical tensions and the pressure to become more competitive continue to shape our environment today. At the same time, the need for transformation in our country is growing: this ranges from digital and critical infrastructure, to road and rail transport, housing construction and the energy transition.

Reliable and stable financial partners play a crucial role in this transformation. In 2025, the institutions of the Savings Banks Finance Group proved that, even in times of great uncertainty, they are an anchor of stability for the economy and society. They also continue to be a driving force for investment and innovation. Savings Banks thereby provide crucial impetus for the future.

A look at our financial results for 2025 shows that significantly more loans were granted to businesses and the self-employed last year. At just under 95 billion euros, this represents an increase of more than 13 percent. Whilst our business customers increased their investments, our retail customers channelled their capital more than ever before into productive investments via securities savings schemes.

The founding principle of the Savings Banks is to support as many people as possible in building their wealth over the long term. We continued to fulfill this commitment in 2025, with our customers accumulating an additional 47.8 billion euros in assets – just under 16 percent more than in the previous year. The lion's share of this came from retail customers.

Firmly rooted in the regions, the Savings Banks' economic success directly benefits their communities. In 2025, the Savings Banks Finance Group supported regional projects with more than 500 million euros. This means the Savings Banks Finance Group remains the largest non-governmental sponsor of sport and culture in Germany.

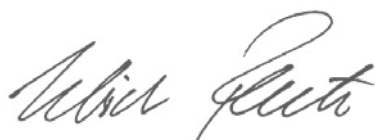
Through our social commitment, we support education, culture, sport, social projects and numerous initiatives that strengthen social cohesion in our society. This commitment is an expression of our public mandate and our self-image as partners to local communities.

Furthermore, through the taxes we pay, we make an important contribution to financing public services and ensuring the long-term viability of the regions. This amounted to around 4.5 billion euros in 2025.

However, demographic change remains one of the greatest challenges. Supporting young people is therefore a particular priority for us and is a key focus in this year's financial report.

Young people today are growing up in a world full of dynamism and opportunities. When it comes to financial decisions in particular, they need guidance, trust and secure prospects. The Savings Banks are reliable partners for young customers: offering personalised advice, digital services and guidance during key stages of life.

At the same time, we are an attractive employer for young talent: more than 15,000 apprentices and trainees are currently working within the Savings Banks Finance Group. That is almost ten per cent more than in the previous year. It clearly shows that the Savings Banks are making targeted investments in young talent and career development, thereby strengthening our country's future prospects.



PROFESSOR ULRICH REUTER
President of the German Savings Banks Association



504
million euros

in social
commitments



54.4 million
customer cards

53.2 million*
current accounts

19,600
cash machines



over **200** years
close to our customers



23.9
million
savings accounts



5.1
billion euros

paid in income and corporation tax by
Savings Banks, Landesbanken and
Landesbausparkassen



480
member
institutions

* Total current accounts, including other demand deposits.

2. OVERVIEW OF THE SAVINGS BANKS FINANCE GROUP

The Savings Banks Finance Group is Germany's leading banking group. Its particular strength lies in the locally anchored business model of the Savings Banks and in the cooperation of its 480 member institutions in a strong group of companies.

The institutions of the Savings Banks Finance Group operate independently and decentrally in the market. They offer modern financial services in all municipalities and districts with a nationwide network of branches and a wide range of digital services.

With this strategy of local and digital proximity, the institutions of the Savings Banks Finance Group fulfil their public mandate in a competitive environment: they ensure the provision of financial services to the population in their business areas and promote general wealth creation.

Through their social commitment, the institutions of the Savings Banks Finance Group assume responsibility for the communities throughout Germany.

Division of labour and specialisation among the institutions make the Group flexible, efficient and effective.

The Savings Banks Finance Group comprises:

- Savings Banks,
- Landesbanken and DekaBank,
- Landesbausparkassen,
- public sector insurance companies,
- leasing, factoring, capital investment and consultancy companies, as well as
- service providers, for example in the areas of IT, securities settlement, payment transactions and publishing.

The 342¹ independent Savings Banks form the core of the Group.

As universal credit institutions, the Savings Banks carry out all standard banking business and provide financial services and personalised advice to around 50 million customers nationwide.

¹ As at 31 December 2025; 339 Savings Banks as at 15 June 2026.

Since their foundation over 200 years ago, the Savings Banks have been linked with a specific, geographically defined business area (regional principle). As banks under public law with the local authorities as their responsible public bodies, the Savings Banks are represented throughout Germany.

This decentralised structure characterises not only the Savings Banks' core business, focused on deposits and loans, but also their willingness and ability to play a continuous role in shaping the economic and social development of their business areas. The two are often linked and have demonstrated the value of the Savings Banks' proximity to their customers, especially in times of crisis.

The Savings Banks' total customer lending business grew by EUR 20.1 billion to EUR 1,080.7 billion in 2025. In new customer lending, the Savings Banks once again approved more loans than in the previous year; at EUR 172.4 billion, the figure for 2024 was exceeded by +16.9%.

In new corporate lending, the Savings Banks committed EUR 94.5 billion to businesses and the self-employed despite difficult macroeconomic conditions; this is EUR 11.1 billion more than in the previous year (+13.4%).

The Savings Banks once again recorded strong growth in new lending to private individuals, primarily attributable to residential property financing. The Savings Banks committed a total of EUR 63.4 billion in new loans, an increase of EUR 10.7 billion or 20.3% compared with 2024. The loan portfolio also developed positively (EUR + 7.8 billion or + 1.8 % to EUR 438.4 billion).

Customer deposit business recorded a healthy increase of EUR 29.3 billion last year, bringing the total to EUR 1,247.1 billion (+2.4%), and continues to reflect the high level of trust our customers place in the Savings Banks.

Together, the institutions of the Savings Banks Finance Group are one of the largest private-sector employers and one of the biggest taxpayers, the leading provider of apprenticeships in the financial sector, and the largest non-governmental sponsor of sport and culture in Germany. All of these services directly benefit local communities. This is our contribution to the balanced and sustainable development of the regional economy and society as a whole.

Savings Banks Finance Group

Division of labour and
co-operation within the Group

Decentralised
management responsibility

Commercial
efficiency

Public legal status

Municipal trusteeship

Focus on public welfare

Regional principle

The mission

What sets us apart



FOR OVER 200 YEARS, THE SAVINGS BANKS AND THE INSTITUTIONS OF THE SAVINGS BANKS FINANCE GROUP HAVE ACCOMPANIED ECONOMIC AND SOCIAL CHANGE IN GERMANY, PROVIDING MODERN FINANCIAL PRODUCTS AND ADVISORY SERVICES FOR ALL CUSTOMER GROUPS.

For over 200 years, the Savings Banks have accompanied economic and social change in Germany, providing modern financial products and advisory services for all customer groups. The business model has survived major upheavals: the period of industrialisation in cities and rural areas, the new beginnings after 1918 and 1945, and Germany's reunification after the fall of the Berlin Wall.

The Savings Banks, together with the Landesbanken, Landesbausparkassen and the other affiliated companies of the Savings Banks Finance Group, are currently addressing the necessary changes and their accompanying economic and social transformation. As institutions under public law, the institutions of the Savings Banks Finance Group have a special role to play here – for example, ensuring basic financial services and strengthening regional development. This means helping to shape and support the ecological restructuring of the economy and society, technological innovations and the digital infrastructure through targeted lending and investment, and ensuring social cohesion through social and cultural projects and financial education.

In times of change, the institutions of the Savings Banks Finance Group are therefore not only providers of finance, but also active contributors to society. They help to ensure that transformations are socially just, ecologically responsible and economically stable. This makes them more important than ever in today's world.

The essence of the Savings Bank philosophy remains unchanged. For decades, it has also been legally enshrined in German Savings Bank legislation as a “public mandate”. This includes:

- a commitment to savings and retirement planning and access to financial services for all customer groups. Financial inclusion is the foundation of our business model.
- a second core element is the special focus on local and regional development and on its key players – primarily private households, skilled tradespeople, small and medium-sized enterprises and local authorities.
- Savings Banks stimulate competition in the German banking market. They do this by means of their broad positioning as retail institutions and their nationwide presence in both economically strong and weaker regions of Germany.

The “public mandate” assigns the Savings Banks essential credit-related and social responsibilities. It also stipulates that the success of a Savings Bank is measured by its local influence, which goes far beyond the basic requirement of sound business management.

The Savings Banks Finance Group invests in the community, actively addresses social developments and helps to shape them. Its many years of strong charitable commitment benefit both customers and non-customers alike. It promotes art and culture, supports sports clubs and provides assistance in the areas of the environment and education. For decades, for example, it has developed teaching materials and provided information to improve the financial literacy of children, young people and private households. It also maintains a comprehensive internal training and further education system and employs around 18,400 trainees. In addition, Savings Banks and Landesbanken have been the most reliable source of funding for German SMEs – even during the difficult global economic years and the current period of change.

Our “Report to Society” provides numerous examples of how Savings Banks promote sustainable prosperity and quality of life at a local level:

➤ [s.de/gesellschaft](https://www.s.de/gesellschaft)

The business model

Strengthening regions

The Savings Banks' business model has been an integral part of Germany's economic structure and culture for over 200 years. It has proven to be stable because it responds sensitively to changes. As a result, the Savings Banks provide security for the people and businesses in their respective business regions and throughout Germany.

As a rule, Savings Banks are institutions under public law with a mandate to ensure an adequate supply of financial and credit services to all sections of the population, businesses and public authorities within the region of their responsible public bodies. This public mandate is the foundation and guiding principle for their business activities and reflects what makes Savings Banks special: Savings Banks are there for everyone. They serve the common good.

Savings Banks are legally and economically independent; they are managed locally as decentralised institutions and focus on growth from their own resources. In order to maintain this and fulfil their public mandate in the long term, Savings Banks must operate sustainably and ensure long-term economic equilibrium. The focus of their banking business on the local population and the local real economy ensures the promotion of local economic activity and thus regional growth.

Due to their public mandate and the associated focus on the common good, the Savings Banks' business model is not geared towards profit maximisation, but rather towards fulfilling their public mandate in the long-term. Furthermore, the profits generated by Savings Banks under public law – insofar as they are not required to strengthen their equity capital – benefit the general public: through donations to charitable organisations and/or through distributions to the respective responsible public body to use for charitable purposes.

In addition to the 339² municipally owned Savings Banks, there are five independent Savings Banks that are organised under private law. As an integral part of the Group, they remain committed to the Savings Banks' public welfare mission to this day.

Cooperation within the Savings Banks Finance Group is an essential complement to the Savings Banks' local roots. This cooperation enables the institutions to specialise through a division of labour, thereby strengthening the performance of them all. The association thus makes a significant contribution to the responsible and risk-aware business policy of the Savings Banks Finance Group.

Acting sustainably

The Savings Banks' business model reflects their founding mission: to assume social responsibility and act sustainably. This applies all the more in times of crisis and in the increasingly digital age.

To this end, both the Savings Banks and the institutions of the Savings Banks Finance Group have expanded their business models: in addition to social and economic responsibility, they are also constantly expanding their ecological activities and the range of sustainable products. An increasing number of institutions in the Savings Banks Finance Group are signing up to the "voluntary commitment to climate-friendly and sustainable business practices". To date, 281 Savings Banks and 12 member institutions (including four Landesbanken and DekaBank) have signed the voluntary commitment.³

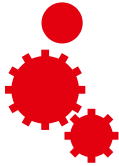


THE SAVINGS BANKS' BUSINESS
MODEL IS AN INTEGRAL PART
OF THE GERMAN ECONOMIC
STRUCTURE AND CULTURE.

² As at 15 June 2026.

³ As at 2 February 2026.

Identifying market requirements with our partners in the Savings Banks Finance Group



THE COMPANIES WITHIN THE SAVINGS BANKS FINANCE GROUP WORK TOGETHER IN A STRONG ALLIANCE.

The institutions of the Savings Banks Finance Group work together in a strong alliance. While they operate as independent institutions, they also coordinate their range of services. The resulting synergy effects make the Group efficient and effective – and at the same time help to identify future trends and find suitable solutions.

Landesbausparkassen – the number one in home savings and loans

The five Landesbausparkassen (LBS) are the market leaders in Germany, with a market share of 35% in terms of the number of new building society savings contracts taken out and 35.5% in terms of the total number of contracts. They have 476 advisory centres and employ just under 6,100 office and field staff. The cumulative balance sheet total of the LBS Group amounted to EUR 75.5 billion at the end of 2025.

Landesbanken

As leading regional institutions, the Landesbanken form a central pillar of the Savings Banks Finance Group. They act as the principal bank for their respective federal states and combine traditional banking services with responsibility for economic and structural policy. Together with the Savings Banks, they are committed to regional development – for example, in attracting industry, infrastructure projects or housing development.

In addition, the Landesbanken offer a comprehensive range of services for businesses and institutional clients. In particular, they support small and medium-sized enterprises with investments, financing and expansion into international markets. They also draw on their expertise to assist companies with complex financing and transformation projects.

As central clearing houses, the Landesbank groups also act as central institutions for the Savings Banks. They perform key functions in cashless payment transactions and are important partners in group-wide business. This includes efficient payment solutions as well as specialist expertise in complex products, services and joint projects within the Savings Banks Finance Group.

Deutsche Leasing Group

The Deutsche Leasing Group is the solution-oriented asset finance partner for German SMEs. As a central, internationally oriented partner within the Savings Banks Finance Group, it supports German SMEs in financing transformation and innovation – from decarbonisation and digitalisation to sustainable infrastructure.

The Deutsche Leasing Group closed the 2024/25 financial year (ending 30 September 2025) with a strong result, despite a volatile economic environment. New business rose by around 11% to EUR 11.4 billion (previous year: EUR 10.3 billion). At EUR 207 million, the operating profit once again reached a high level (previous year: EUR 216 million). The Group's net asset value rose significantly to EUR 2.7 billion (previous year: EUR 2.5 billion). The dividend paid to the Savings Banks as shareholders was increased once again, this time to EUR 50 million (previous year: EUR 45 million).

The Savings Banks and Deutsche Leasing Group expanded their cooperation in joint network business (with business, commercial and corporate customers). Nevertheless, new business in joint leasing operations in 2025 (as at 31 December 2025) fell to around EUR 4 billion (previous year: EUR 4.2 billion).

Deutsche Factoring Bank (DFB), the centre of expertise for factoring within the Savings Banks Finance Group, was unable to escape the impact of the weak economic performance. In the calendar year 2025, it achieved factoring turnover of EUR 16.7 billion (previous year: EUR 18.4 billion). This represents a decline of 9%. The DFB addressed this trend with a comprehensive package of measures in the second half of 2025. The focus was on intensifying joint market development with the Savings Banks in new business, as well as on initiatives to win back and retain customers.

Deka Group

DekaBank is the Savings Banks' securities house and, together with its subsidiaries, it forms the Deka Group. With total assets under management of EUR 452 billion (as at 31 December 2025) and 6 million client accounts under management, it is one of the largest securities service providers and property asset managers in Germany. The Deka Group offers investment solutions and services for private and institutional investors. As a wholly-owned subsidiary of the German Savings Banks, DekaBank is firmly anchored in the Savings Banks Finance Group.

Public insurers – strong in their regions

The eight public primary insurance groups generated gross premium income of EUR 24.9 billion in 2025, thus confirming its position as the second-largest insurance group in Germany. The regional Savings Banks Associations are the main sponsors or owners of almost all public insurers.

Other financial service providers

The range of financial service providers within the Savings Banks Finance Group is complemented by numerous associated companies and institutions. These include: four investment companies owned by the Landesbanken, three factoring companies, six property companies of the Landesbausparkassen, 46 private equity firms and other financial services companies.

With all its institutions and affiliated partners, the Savings Banks Finance Group comprehensively meets the financial needs of private customers and businesses in Germany.



WITH ALL ITS INSTITUTIONS AND
AFFILIATED PARTNERS, THE
SAVINGS BANKS FINANCE GROUP
COMPREHENSIVELY MEETS THE
FINANCIAL NEEDS OF PRIVATE
CUSTOMERS AND BUSINESSES IN
GERMANY.



THE INSTITUTIONS OF THE SAVINGS BANKS FINANCE GROUP ARE SAFEGUARDED BY THEIR OWN PROTECTION SCHEME.

The Institution Protection Scheme of the Savings Banks Finance Group

The institutions of the Savings Banks Finance Group are safeguarded by their own protection scheme. Established over 50 years ago, it provides maximum reliability for customers of the Savings Banks Finance Group.

The institution protection scheme of the Savings Banks Finance Group protects deposits held with a Savings Bank, Landesbank or Landesbausparkasse. The purpose of the protection scheme is to prevent financial difficulties at affiliated institutions. The scheme achieves this by affording voluntary institutional protection within the framework of statutory requirements. In this way, business relationships with customers are continued as contractually agreed.

The institution protection scheme thus provides customers of the Savings Banks Finance Group with the highest level of security. Since its introduction in the 1970s, customers' deposits have been reliably protected; no compensation for depositors has been necessary and no member institution has ever become insolvent.

In addition, the institution protection scheme meets all the requirements of a statutory deposit guarantee scheme. Under the statutory deposit guarantee scheme, customers are entitled to reimbursement of up to EUR 100,000 of their deposits from the protection scheme. This is stipulated in Germany's Deposit Guarantee Act (EinSiG).

The institution protection scheme, operating under the umbrella of the German Savings Banks Association (DSGV), consists of 13 functionally linked sub-funds:

- the eleven sub-funds of the Regional Savings Banks Associations,
- the sub-fund of the Landesbanken and giro centres, and
- the sub-fund of the Landesbausparkassen.

The Savings Banks Finance Group's institution protection scheme is officially recognised as a deposit guarantee scheme under Section 43 of Germany's Deposit Guarantee Act (EinSiG). To increase efficiency and effectiveness, the institutions of the Savings Banks Finance Group have been building up a supplementary fund since 2025 with a target allocation of 0.5% of the total risk positions of the CRR member institutions. This is available in addition to the existing guarantee funds.

Further information on the institution protection scheme of the Savings Banks Finance Group can be found in the risk report on pages 85–87.

Capital market ratings

The Savings Banks Finance Group has external ratings from the agencies Moody's Investors Service, Fitch Ratings and DBRS Morningstar. The Savings Banks Finance Group's ratings from all three rating agencies remained unchanged in 2025.

The scope of the ratings varies: Moody's assigns a corporate family rating, which relates to the creditworthiness of the Savings Banks Finance Group as a whole. Fitch Ratings assesses the creditworthiness of the Savings Banks with a Group rating, while rating agency DBRS issues a Group-wide floor rating. This floor rating reflects the minimum creditworthiness of the members of the institution protection scheme (Savings Banks, Landesbanken and Landesbausparkassen).

All Savings Banks have been assigned ratings by Fitch and DBRS, which means that these ratings can be used by the institutions in the same way as individual ratings.

The positive rating assessments of all three agencies were particularly influenced by:

- the Savings Banks' solid business model and good credit standing,
- the cooperation and solidarity within the Savings Banks Finance Group,
- the profitability,
- the Savings Banks' risk management,
- the high quality of risk-weighted assets,
- the diversification of their risk positions,
- the sound capital and liquidity positions, as well as
- the Group's institution protection scheme.

The ratings confirm the strong performance of its members and the high credit standing of the Savings Banks Finance Group on an international level, while recognising its decentralised, locally anchored business model.

The assessments continue with a confirmation of the ratings.

Ratings of the Savings Banks Finance Group

	2026	2025	2024
Moody's Corporate Family Rating			
Long-term	Aa2	Aa2	Aa2
Outlook	stable	stable	stable
Fitch Group Rating			
Long-term	A+	A+	A+
Short-term	F1+	F1+	F1+
Outlook	stable	stable	stable
DBRS Floor Rating			
Long-term	A (high)	A (high)	A (high)
Short-term	R-1 (middle)	R-1 (middle)	R-1 (middle)
Outlook	stable	stable	stable

Highlights in 2025

German Savings Banks Day 2025: Shaping the future together

With its motto “Shaping the Future”, German Savings Banks Day 2025 brought together more than 2,500 guests from the worlds of politics, business, academia, the media and civil society in Nuremberg.



German Savings Banks Day 2025
in Nuremberg

As one of the Savings Banks Finance Group's largest events and one of Germany's most important platforms for economic and socio-political debate, the focus was on discussions about the future of the financial sector. Topics discussed included digitalisation, sustainable prosperity, social cohesion and the resilience of German small and medium-sized enterprises.

Savings Banks Day once again highlighted the special role of the Savings Banks as anchors of stability, facilitators of transformation and partners to the regions.

International development finance:

Savings Banks bring a regional perspective to Seville

Karolin Schriever, Executive Board Member of the DSGV, represented the Savings Banks Finance Group on the international stage at the 4th United Nations International Conference on Financing for Development (FfD4) in Seville.

The conference brought together more than 15,000 participants, including numerous heads of state and government, to discuss solutions for the global financing of sustainable development. The focus was on reforming the international financial architecture and closing the financing gap for the United Nations' Sustainable Development Goals.

Karolin Schriever emphasised the importance of decentralised banking structures and regionally based financial institutions. The Savings Banks Finance Group contributed its experience as a sustainable, regionally oriented financial group and highlighted the contribution of local financing, stability and social responsibility to economic development.



Karolin Schriever (2nd from left) highlighted the particular importance of regional financial institutions for global development finance during FfD4.

Outstanding financial education:

UNESCO recognises the Savings Banks' commitment

The financial education programme run by the German Savings Banks Association was honoured in 2025 with the “National Award – Education for Sustainable Development” by the Federal Ministry of Education, Family Affairs, Senior Citizens, Women and Youth and the German UNESCO Commission.

Through programmes such as “Financial Education for All”, the Savings Banks Finance Group has been committed for many years to supporting children, young people and adults in managing their money responsibly and making sound financial decisions.

The jury particularly commended the Savings Banks' contribution to implementing the United Nations' global sustainable development goals, as well as their practical approach to making financial education accessible to broad sections of the population.

Europe's digital future:

Savings Banks drive European sovereignty

At the “Sovereignty Summit” in Berlin in November 2025, the German Savings Banks Association demonstrated the innovative strength of the European financial sector with a payment solution based on Wero that is fully integrated into the European Digital Identity Wallet (EUDI-Wallet).

The Savings Banks Finance Group plays a pioneering role across Europe in this regard: through its digital lab in Berlin, it leads key work packages in several major European projects (large scale pilots) focused on the integration of payment functions and digital identity. The Group is also working in parallel on the direct integration of the EUDI-Wallet into the ‘Sparkasse’ app.

The aim is to create a secure, privacy-compliant and user-friendly European wallet solution 'made in Europe' that seamlessly combines digital identity and payments and can quickly gain widespread acceptance thanks to the Savings Banks' extensive reach.

Chemnitz 2025: Art, culture and identity for an entire region

As an official partner of Chemnitz, European Capital of Culture 2025, the Savings Banks Finance Group was committed to one of Europe's most significant cultural projects. Together with Sparkasse Chemnitz, the East German Savings Banks Association and all Saxon Savings Banks, it provided particular support for the PURPLE PATH art and sculpture trail.



PURPLE PATH: The sculpture echoes the landscape destroyed by uranium mining.

The PURPLE PATH connects Chemnitz with 38 local authorities in Central Saxony, the Ore Mountains and the Zwickau region. Along the route, international and regional artists created permanent works of art in public spaces that highlight industrial history, craftsmanship and cultural diversity. With its motto "Everything comes from the mountain", a cultural network was thus established with an influence that will extend far beyond the year 2025.



YOKO ONO: MUSIC OF THE MIND, Gropius Bau, Berlin

Through its commitment, the Savings Banks Finance Group has underlined its role as Germany's largest non-governmental sponsor of culture and as a reliable partner for regional development and social cohesion.

Art as a voice for peace and social dialogue

With the exhibition YOKO ONO: MUSIC OF THE MIND, the Savings Banks Finance Group sponsored one of the year's most significant international art events in 2025. The comprehensive retrospective at Berlin's Gropius Bau showcased more than 200 works spanning seven decades – including installations, films, music, photographs and participatory art formats.

The exhibition at the Gropius Bau in Berlin was organised in collaboration with the Tate Modern in London and the Kunstsammlung Nordrhein-Westfalen in Düsseldorf. The main sponsors were the DSGV's Sparkassen Cultural Fund, the Berliner Sparkasse and Feuersozietät Berlin Brandenburg Versicherung AG.

Yoko Ono's work stands, like almost no other, for peace, respectful coexistence and social participation. Particularly at a time of global crises, the exhibition sent a powerful message of dialogue, empathy and cultural openness.

The Federal President's Citizens' Festival: Focus on volunteering and support for musical excellence

At the Federal President's Citizens' Festival at Bellevue Palace, the Savings Banks Finance Group found a special way to combine its social commitment to culture and volunteering. Together with the Rhineland-Palatinate Savings Banks Association, the DSGV presented a highly acclaimed performance by the Rhineland-Palatinate State Youth Orchestra.

Many of the young musicians are former participants in the "Jugend musiziert" competition, which the Savings Banks Finance Group has supported as the main sponsor for more than 60 years. The 2025 public festival was held under the motto "A matter of honour – I'm taking part" and paid tribute to the voluntary commitment of thousands of people across Germany.

Through its contribution, the Savings Banks Finance Group underlined its long-standing commitment to promoting cultural education, musical excellence and social participation.



Up-and-coming musicians at the Federal President's 2025 Citizens' Festival at Bellevue Palace



Making the future possible: A focus on the next generation

The Savings Banks Finance Group is a trusted financial partner, employer and educational mentor.

Young people are growing up in a world characterised not only by rapid change and great uncertainty, but also by new opportunities: digital technology is taken for granted, yet there is a desire for personal guidance; global perspectives coexist with a sense of regional connection, and individual freedom is balanced against a strong need for security. Caught in this conflicting situation, young people today are faced with far-reaching financial and career decisions from an early stage in their lives. At the same time, economic uncertainties and technological developments such as AI are noticeably changing the conditions for entering the workforce. This makes reliable partners who provide guidance and open up new prospects all the more important.

The Savings Banks Finance Group fulfils precisely this role for young people: as their first point of contact for financial matters, their first employer and a long-term companion through key stages of life. The many points of contact range from current accounts and digital services to apprenticeships, university studies and international career opportunities. The younger generation has a clear picture of the Savings Banks as employers: above all, they associate them with security, solidarity and good career prospects.

Attracting young talent with a distinctive profile

These strengths form a solid foundation in the competition for young talent. Young people expect a broad range of entry-level and career development opportunities, combining traditional apprenticeship pathways – such as the bank clerk qualification – with academic and practice-integrated formats such as dual study programmes or trainee schemes. This is complemented by a comprehensive in-house training system, which lays the foundation for continuous professional development and long-term career prospects. At the same time, issues important to the younger

generation – such as personal growth, modern working conditions and flexibility – are being increasingly integrated.

This approach is proving effective: by 2024, the Savings Banks had already significantly increased the number of new hires, with a total of over 11,000 new staff – a rise of 12.1 percent on the previous year – a trend that was also reflected in the apprenticeship sector.

This trend continued in 2025. Despite a challenging labour market environment, the Savings Banks succeeded in recruiting around 10,800 new staff from the external labour market. In addition, some 3,500 young professionals were taken on from their in-house training programmes, thereby making a significant contribution to securing a skilled workforce from their own ranks.

In total, around 15,030 apprentices were employed by the Savings Banks at the end of 2025 – a further increase of 9.7 percent compared with the previous year.

The trend in applicant numbers sends a very clear signal: applications for apprenticeship places rose by 33.9 percent in 2025, following strong growth

recorded the previous year. As a result, the application rate has increased to 12.0 applications for every apprenticeship place and has already reached the target level set for the coming years.

Against this backdrop, the Savings Banks Finance Group continues to invest specifically in young people – both as future talent and as customers – thereby creating opportunities for development, learning and assuming responsibility in a changing world. The following articles show how the Savings Banks reach out to, support and guide the younger generation over the long term – and in doing so, work together with them to make the future possible.

**Please watch the video statement by Karolin Schriever,
Executive Member of the Board
of the DSGV:**





“Customer satisfaction today is about much more than just traditional banking”

**Young customers, in particular, have different expectations:
an interview with Dr Joachim Schmalzl**

Digitalisation, artificial intelligence and a generation that is rethinking financial services: the Savings Banks Finance Group faces enormous challenges. In this interview, Dr Joachim Schmalzl, Executive Board Member of the DSGV, explains how Germany's largest financial group is positioning itself between digital speed and personal proximity, how it is attracting young people as customers and employees, and why the multi-channel approach is becoming part of its long-term strategy.

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In order to remain successful, we are investing in digital infrastructure, platform solutions and integrated services.

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Dr Joachim Schmalzl,
Executive Member of the Board of the DSGV

Dr Schmalzl, what are the main challenges currently facing the Savings Banks Finance Group?

→ **Schmalzl:** The Savings Banks Finance Group is currently undergoing a profound transformation, characterised by digitalisation, artificial intelligence, changing customer expectations and intensified competition. Young customers in particular expect intuitive digital services, fast processes, a high degree of transparency and flexibility. We are also seeing that financial services are increasingly being used in parallel across different providers. This is raising expectations of our services. At the same time, customer access is undergoing fundamental changes due to digital platforms, AI-supported services and new competitors.

Is the Group in a good position to deal with this change?

→ **Schmalzl:** The Savings Banks have a strong market position with around 42 million customers; our reach is well over 50 percent. Security, reliability and regional responsibility remain our key strengths. Our experience and competitive terms are crucial for customer loyalty and form part of the foundation of our success. To ensure our continued success, we are investing in digital infrastructure, platform solutions and integrated services. This enables us to offer our customers security and autonomy, so that we can

support them as effectively as possible. However, it should also be clear that the future of our work will not only be digital and sustainable, but also personal and social.

What are the specific challenges when dealing with young people such as Generation Z?

→ **Schmalzl:** Young people expect digital services that are intuitive, fast and flexible to use. They want to decide for themselves how they manage their financial affairs – whether digitally, in person or by switching between the two. There is also a great need for clear guidance on financial matters. They expect transparency, simple processes and control over their own finances. Gen Z often use financial services on a case-by-case basis, combining different providers depending on which solution best suits their needs at any given moment. Financial education is becoming increasingly important because it contributes to financial self-determination and economic participation. This is where we step in with specific initiatives, such as the School Service, the Stock Market Simulation Game or the 'Money & Household' advisory service. It is crucial to reach young people where they spend their time in everyday life, including in digital environments and on social media platforms.

With this in mind, how is the strategic direction of the Savings Banks Finance Group evolving?

→ **Schmalzl:** We are consistently building on our multi-channel approach: people should be able to decide for themselves how they conduct their financial transactions with us – in person, digitally or flexibly, switching between the two. The aim is to provide an excellent and seamless customer experience across all channels of contact. The success of this approach can be seen, for example, in the user figures for our app: 20 million users are a strong indication of the trust people place in the Savings Banks. For many, our app has long been the main way they access their finances.

In the digital world, the Savings Banks are making targeted investments in several areas to ensure their services are fit for the future. A key focus is on the further development of the 'Sparkasse' app, as well as on digital and innovative products and services. One example is S-Neo within the Sparkasse app, which provides a wide range of securities for independent investors and makes it easy to start investing in shares, funds and ETFs. Another key component is Wero, part of the European Payment Initiative (EPI), an alliance of 16 banks and financial service providers, which includes the Savings Banks Finance Group.

The Wero payment system enables fast mobile-to-mobile payments and offers a standardised, digital omnichannel payment solution across Europe, which is already used by more than 42 million people. What remains unchanged, however, is that personal advice remains a key factor when it comes to complex financial decisions – even for younger target groups.

So it's primarily about customer satisfaction. Could you explain this approach in a bit more detail?

→ **Schmalzl:** Customer satisfaction today is about much more than just traditional banking. It also includes modern digital solutions such as secure identity and authentication procedures, as well as, looking ahead, the EUDI Wallet – the European Digital Identity Wallet. This combines proof of identity and payment in a secure European wallet. With Wero, we are introducing a European payment solution into the EUDI Wallet ecosystem. All our customers need for all of this is a smartphone. AI-powered services and digital assistants will also play a greater role in future, for example when searching for information, in service processes or with personalised offers. Customers expect digital solutions for their interconnected everyday lives – whether for banking, on social media, when travelling or when working in Europe. In the age of AI, the tension between personalised offers and data protection is growing. The combination of technological innovation, a personal approach and trust in the Savings Banks brand therefore remains crucial. In figures, this means: around 35.4 million online banking accounts and 196 million visits to our online branches demonstrate the high level of usage of our digital services. At the same time, around 129,000 advisers are on hand to provide personal, local service.

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Young people want to decide for themselves how they manage their financial affairs – whether digitally, in person or by switching between the two.

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Dr Joachim Schmalzl,
Executive Member of the Board of the DSGV

How does this approach affect young people in particular?

→ **Schmalzl:** Young people are digitally savvy, but still seek personal guidance when making important financial decisions. The Savings Banks are therefore positioning themselves as relevant partners in their everyday lives. This includes accessible financial education, transparent digital services, flexible communication channels and straightforward transaction processes, as well as personal advice where needed. Young target groups are increasingly being reached via digital platforms, social media, gaming formats such as 'Schwein gehabt' on the Fortnite platform, and modern content offerings. At the same time, new formats are emerging, such as Gen Z concept branches, which are designed by young people for young people. Examples include the trainee branch at Sparkasse Leipzig and 'barer41' in Munich. In addition, there are digital advisory services via messaging apps and video. S-Neo also specifically targets young audiences, new customers and minors with attractive savings plan solutions. Those who

win over young customers early on like this have the chance to build long-term relationships spanning all stages of their financial lives. Young people's need for guidance, stability and a reliable partner by their side becomes even greater in times of economic uncertainty. The Savings Banks fulfil this need: we are both digital and present on the ground.

In light of these considerations, what role will the local branch play in the future?

→ **Schmalzl:** Branches remain important places for guidance, advice and building trust. Many customers still want a personal point of contact, particularly when it comes to complex financial matters. The strength of the Savings Bank model lies in the interplay between personal and digital proximity. With around 10,500 branches, the Savings Banks continue to have the densest network in Germany. For 90 percent of the population, a Savings Bank is within eight minutes' reach. Adjustments to the branch network are made where advice and service can be usefully consolidated. At the same time, digital services, self-service locations and mobile solutions such as the Sparkassenbus ensure comprehensive coverage.

We've been talking a lot about what's on offer for young people as customers. How do you attract Gen Z as an employer?

→ **Schmalzl:** The Savings Banks combine security, social responsibility and a modern working culture. This generation has high expectations of employers: opportunities for development, modern digital working environments, flexible working models and remote working are taken for granted. The Savings Banks are making targeted investments in these areas. Artificial intelligence is increasingly becoming part of everyday working life and is intended to support staff. At the same time, the Savings Banks continue to invest heavily in training and the development of young talent. The

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Our aim is
to achieve excellence
and consistent
customer experience
across all channels
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Dr Joachim Schmalzl,
Executive Member of the Board of the DSGV



number of apprentices has recently risen significantly: by the end of 2025, around 15,030 apprentices were employed by the Savings Banks, representing an increase of 9.7 percent compared with the previous year. The trend in applicant numbers sends a particularly clear signal: applications for apprenticeship places rose by 33.9 percent, following strong growth recorded as early as 2024. The public mandate and regional commitment create social relevance and a sense of identification, particularly among young people. This is also demonstrated by the programmes offered by the German Sparkassenstiftung for International Cooperation (Savings Banks Foundation – DSIK) abroad,

such as the deployment of young employees from the Savings Banks Finance Group in sustainable projects worldwide. The combination of stability, long-term security and innovative capacity remains a key competitive advantage in the labour market.

What does the future hold for the multi-channel approach?

→ **Schmalzl:** The multi-channel approach is not a transitional model, but a long-term strategic decision. Banking will remain diverse because people have diverse needs. Personal advice and digital capabilities will converge even more closely in future. Our aim is an integrated customer experience across all contact channels.

People expect freedom of choice rather than fixed channel requirements. The combination of digital speed, personalised support, trust and security, as well as transparent self-determination, remains strategically crucial. AI-supported services and digital assistants will play a greater role in future, for example in searching for information, in service processes or in providing tailored offers. At the same time, personal advice remains a central component of the Savings Bank model. It is our aim that Savings Banks will remain robust, relevant and future-proof, particularly for younger generations.



A FINANCIAL PARTNER'S PERSPECTIVE

More hoodies, fewer suits

Concept branches such as the “barer41” run by Stadtparkasse München consistently focus on the needs of Gen Z and Gen Alpha.

Specialised branch concepts for young people are becoming increasingly important within the Savings Banks Finance Group. They represent new approaches to engaging with customers, which are consistently geared towards the lifestyles of younger generations – with a stronger focus on interaction, support and financial education. The example of ‘barer41’, run by Stadtparkasse München in the university quarter of Maxvorstadt, illustrates what such an approach might look like in practice and the added value it offers to young customers.

Jonas is surprised. He had actually just wanted to pop in; a friend had told him about a former branch in the university quarter. But what the 22-year-old student sees at Barer Straße 41 bears little resemblance to the image he had previously held of a Savings Bank. There are no counters and no typical branch atmosphere. Instead, there is an open-plan space, a café counter instead of a bank counter, comfortable armchairs, students with laptops and young staff in Savings Bank hoodies rather than suits. The walls and columns are tiled in dark green, with cables and pipes running openly beneath the ceiling. The only

familiar feature is the Savings Bank red: ceiling beams, sofas, napkins and even the tiles in the toilets are finished in this striking colour. “At first I thought I was in the wrong building,” admitted Jonas, who has become a Savings Bank customer following that initial visit. “It felt more like a café than a bank.”

What Jonas experienced was entirely intentional. With “barer41” – the name is simply the address – Stadtparkasse München is consciously breaking new ground to appeal to young people. The “branch”, which opened in February 2024, is aimed primarily at students, apprentices and those starting their careers. It sees itself less as a traditional bank branch and more as a place for socialising, support and financial education.

A space for exchange and guidance

Its location in Munich’s university district is no coincidence. Here, among lecture halls, libraries and cafés, is where the target group spends their daily lives. ‘barer41’ has been deliberately designed to blend into this environment. Covering around 240 square metres, a complete refurbishment of an old, traditional branch has created a new space that can be used flexibly: for discussions, for focused work or for events with up to 60 people. “We wanted to create a place where young people feel at home and enjoy spending time – completely free from the usual banking barriers,” says Sabine Derheld, Head of Student Advisory Services at Stadtparkasse München. “Financial matters often come to the fore when something changes in one’s life. It is precisely at these moments that we want to be a point of contact on an equal footing.”

‘barer41’ sees itself as a ‘space for fresh ideas’. This motto is no coincidence, as it is evident in everyday life: as a special feature, students make use of the two associated project rooms – which can be booked free of charge and are fully equipped – for group work; some drop in to study, whilst others come specifically



Young people taking mobile phone photos or selfies are a common sight at ‘barer41’

for advice. Coffee, Wi-Fi and an open atmosphere are, of course, all part of the experience. At the same time, ‘barer41’ remains open to everyone – including older customers, whose enquiries are referred to other departments where necessary.

Long-term support

However, the focus is on personalised support based on mutual respect. The topics covered go far beyond traditional banking matters. Filing tax returns whilst at university, taking the first steps on the stock market or questions about

setting up a business are just as much a part of this as basic guidance on financial matters. Jonas is a case in point. For a long time, he simply left his savings sitting in his current account. “I actually wanted to start investing at some point, but I never really got to grips with it,” he explains. During an advisory session at ‘barer41’, it was clearly explained to him how funds and ETFs work and how wealth can be accumulated even from small amounts. Today, he invests 40 euros a month in a fund and ETF savings plan. “I never thought it would be so straightforward.



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We wanted to create a place where young people feel at ease and enjoy spending time – completely free from traditional banking barriers.

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Sabine Derheld,
Head of Student Advisory Services at
Stadtparkasse München

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At first I thought I was
in the wrong building.

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Jonas,
student and today's 'barer41' customer



Brief profile Stadtsparkasse München

Stadtsparkasse München was founded in 1824 and is now one of the city's leading financial institutions serving private and corporate clients. In the 2025 financial year, it achieved a net profit of EUR 48 million. With total assets of EUR 24 billion, it is the fourth-largest Savings Bank in Germany. Stadtsparkasse München employs 2,376 staff, including 272 apprentices, and operates 41 branches across the city. In 2025, it supported 257 charitable projects with more than three million euros.

» www.sskm.de

I finally understand how long-term saving really works." For him, this isn't just a financial decision, but also a source of security for the future.

"Many young people come to us with similar questions," notes Sabine Derheld. "It's rarely just about a single product. It's about explaining the bigger picture and working together to develop solutions that suit their individual circumstances." These conversations often mark the beginning of a longer-term partnership.

A place for more than just advice

The fact that this approach resonates is also evident from how the space is used. In the years since it opened, 'barer41' has quickly established itself as a meeting place. Events, workshops and presentations are a central part of the concept. Topics such as investment

strategies, tax issues and personal development feature on the programme alongside more informal sessions.

The high demand confirms the effectiveness of the approach: the project and learning spaces are almost fully utilised, particularly during exam periods at the end of each semester. For many visitors, the branch is therefore more than just a place for financial matters – it becomes part of their everyday lives. Lena, a 20-year-old student with a part-time job, has also benefitted from this uncomplicated approach. "I just didn't know where to start," she says, looking back. Topics such as insurance and retirement planning initially seemed complex and confusing to her. At "barer41", she worked with an adviser to develop a solution tailored to her situation: a combination of personal liability insurance and an early start on a



Sabine Derheld (bottom centre) with her young, multilingual team in front of the counter at 'barer41'



The layout and design of 'barer41' are deliberately colourful and modern.

life savings account via ETFs. "It's great that everything was explained to me so simply," she says. "I now feel secure and know that I'm making early provisions for the future." For Lena, the advice was an important step towards confident financial management.

Digital solutions seamlessly integrated

Whilst the in-person advice is highly personalised, digital services are also an integral part of the overall experience. For many young customers, the 'Sparkasse' app serves as the central hub for managing their finances. Features such as Wero for fast mobile-to-mobile payments and the S-Neo securities account for investors who wish to manage their investments independently round off the range of services on offer. Digital wealth management solutions such as SmartVermögen can also be integrated seamlessly.

'barer41' demonstrates how these channels work together: as a combination of personal proximity and digital flexibility. Advisory meetings can take place in person, but can also be conducted via video, chat or telephone if required. 'barer41' is therefore not an alternative to the digital world, but a complement to it.

New approaches, a clear stance

With concepts such as 'barer41', the Savings Banks are responding to the changing expectations of young people. Generations such as Gen Z and Generation Alpha have grown up with digital services, but at the same time are seeking guidance and a personal approach, particularly when it comes to complex financial matters. "Our aim is to support young people from an early stage and give them a sense of security," explains Sabine Derheld. "To do this, we also need to break new ground – in the way we engage with them, in the formats we use and in the design of our branches."

Stadtsparkasse München is deliberately gathering experience with 'barer41'. And it has already become clear that the concept works: as a place where advice is not just provided, but becomes part of everyday life. For Jonas, this has long since become second nature. For him, "barer41" is now more than just a "bank branch": "I sometimes just pop in," he explains. "To study or to meet someone. And if I have a question, there's always someone there to answer it quickly."

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It's rarely just about a single product. It's about explaining the bigger picture and working together to develop solutions that suit each person's individual circumstances.

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Sabine Derheld,
Head of Student Advisory Services at
Stadtsparkasse München

Concept branches: 'barer41' and Co.

With the barer41 branch, which opened in 2024, Stadtsparkasse München has deliberately broken new ground. The premises of a converted traditional branch were designed as a meeting place for the younger generation, with the motto 'Space for fresh ideas'. As such the facility also includes events, workshops and project rooms available to hire free of charge. Other Savings Banks are also pursuing similar approaches with innovative branches of a different kind, for example under the names "maxxs." in Bad Hersfeld, "Smoney" in Düsseldorf or "Klub zur hohen Kante" in Berlin.

» <https://www.sskm.de/de/home/privatkunden/junge-kunden/barer41.html>



AN EMPLOYER'S PERSPECTIVE

Giving young people a chance

Successful trainee branches, such as those run by Sparkasse Leipzig, are a hit both inside and outside the organisation

Trainee branches are an integral part of modern training programmes at many Savings Banks in Germany. They offer the opportunity to learn in a real-world working environment, where trainees take on responsibility at an early stage and work independently in customer-facing roles. The example of Sparkasse Leipzig, which will celebrate its 200th anniversary in 2026, illustrates how this model can work and why it offers added value for both young talent and customers.



When customers enter Sparkasse Leipzig's Hainstraße Financial Centre, they are met at first glance by the familiar sight of a modern Savings Bank branch. On closer inspection, however, one thing stands out: it is mainly young people who are providing advice here. Welcome to the trainee branch!

Responsibility right from the start

Following a successful pilot phase in 2023, the trainee branch was established as a permanent training base at the start of 2024. The idea behind it is as simple as it is effective: trainees should not only acquire their knowledge in theory, but also apply it through direct contact with customers as early as possible. What makes this special is that the concept was co-developed by the trainees themselves during a workshop. Today, the branch is an integral part of the training programme. Around 30 trainees in their first or second year of training spend up to nine weeks there each year, taking on different roles depending on their stage of training: from organising consultation appointments and carrying out service tasks to providing independent customer advice and even acting as temporary branch managers.

This turns the branch into a genuine learning environment within day-to-day operations. The trainees work with a regular client base, plan workflows as a team and organise internal processes independently. At the same time, they are systematically prepared for their future roles, such as private client advisers. "Today's trainees are our specialists and managers of tomorrow."

MICK JUNGMANN, MEMBER OF THE TRAINEE BRANCH TEAM IN 2023

»We were able to help shape things right from the start and put our skills to the test in a real-world setting.«

The trainee branch was one of the most exciting stages of my training – particularly because I was involved right from the pilot phase. Back then, a lot of things were still new, and we had to work out together how processes worked and how to organise the branch. This set-up phase and the joint development of structures were what made it so appealing to me. What's more, you get to work independently from an early stage and conduct advisory meetings without a direct 'supervisor' looking over your shoulder. Being able to try things out

freely in real customer interactions really helped me to gain confidence quickly.

What I liked most was the independence. Together with the other trainees, we were able to contribute our own ideas and think about how to shape the branch. The feedback from young customers was also very positive. Talking on an equal footing and quickly finding common ground made a lot of things easier. I think it's great that the trainee branch is now an integral part of the training programme.



In March, 25 trainees at Sparkasse Leipzig celebrated the successful completion of their training. Also present were Dr Harald Langenfeld (right), Chairman of the Board of Management, and Board member Andreas Nüdling (left).

We invest specifically in their training, and the trainee branch serves as a kind of learning laboratory for us,” explains Sandra Glimm, Head of Training and Personnel Development at Sparkasse Leipzig. “Here, the trainees can take on responsibility, make decisions and experience first-hand what their actions mean for customers.”

Quality is ensured at all times. Behind the scenes, experienced customer advisers support the trainees’ work, provide feedback and step in to help when necessary. This creates a learning environment that encourages personal responsibility whilst offering a sense of security.

Learning through teamwork

Another key element of the concept is the structured transfer of knowledge between generations of trainees within the branch. Each new group is



MARIE ERMISCH, MEMBER OF THE TRAINEE BRANCH TEAM IN 2025

»At the trainee branch, you learn to find solutions independently and grow from the experience.«

For me, the trainee branch was an important experience because you really get a feel for what a day in the life of an adviser is like. What made a particular impression on me was having to resolve many situations on my own. This independent problem-solving and personal development are what helped me progress the most.

This was also evident in my day-to-day work. Greater courage, self-confidence and a confident manner

helped me to lead discussions proactively and develop my own advisory style. The role of project manager gave me the opportunity to acquire skills such as planning, structuring and organising projects. Working as part of a team was also important. Close cooperation and learning together strengthened our team spirit. Overall, my time at the trainee branch helped me develop both professionally and personally.

Brief profile of Sparkasse Leipzig

With total assets of around EUR 12.1 billion and over 570,000 private and business customers, Stadt- und Kreissparkasse Leipzig is the leading financial services provider in the city and the districts of Northern Saxony and Leipzig. Founded in 1826, it celebrates its 200th anniversary in 2026 with the motto ‘Strong together for tomorrow’ and is now one of the largest Savings Banks in Germany. The financial institution employs more than 1,400 staff and operates over 65 financial and advisory centres across its catchment area, including a trainee branch.

➤ sparkasse-leipzig.de

➤ 200 years of Sparkasse Leipzig:
Strong together for tomorrow.

introduced by the previous one during an opening workshop. Together with trainers and experienced advisers, processes, customer structures and best practices are passed on. Regular feedback sessions highlight successes. This creates a continuous learning process that preserves experience and further develops the quality of the training.

At the heart of the trainee branch is advice given by peers. The service is deliberately aimed at young customers,

who meet people of their own age here. Conversations are often more open and direct – a particular advantage when it comes to making their first financial decisions. The positive feedback confirms the success of the concept. Many customers find the advice particularly accessible and personal. As well as traditional financial topics, they also receive support with everyday issues: from moving into their first flat and transport to practical tips on living in Leipzig and the surrounding region.

“We’re finding that young customers are responding very positively to this initiative,” says Silvia Zetzsche, a trainer at Sparkasse Leipzig. “Receiving advice from peers builds trust and makes it easier to get to grips with financial matters.”

Practical training strengthens loyalty

For Sparkasse Leipzig, which will have almost 110 young people in training by 2025, this approach also pays off in the long term. Taking on responsibility at an early stage and gaining first-hand experience of advisory situations strengthen employees’ sense of identification with



Prime location: In the heart of the city, Sparkasse Leipzig’s young professionals advise their customers.

the company. This has a noticeable effect on staff retention: the retention rate currently stands at 88 percent. The trainee branch contributes to this by combining practical training with personal development and highlighting career prospects within Sparkasse Leipzig.

Its anniversary year of 2026 in particular highlights how Sparkasse Leipzig brings tradition and the future together: with a clear focus on supporting young people and with initiatives such as the trainee branch, which not only teaches responsibility but also brings it to life.



CHRISTOPH SCHULZ, MEMBER OF THE TRAINEE BRANCH TEAM IN 2023

»We didn’t just help out, we actively helped to develop the concept.«

I was part of the pilot phase of the trainee branch and am proud to have contributed to its successful implementation. A lot hadn’t been finalised, and we had to develop solutions together. This opportunity to help shape things and keep an eye on the bigger picture had a particularly big impact on me.

It was also exciting for me to champion the concept within the company. I gave presentations to branch

managers and introduced the idea of the trainee branch – a wonderful experience. The concept was also well received by customers. Some came specifically because of the trainee branch, and I’m still in touch with a few of them today. I now work as a training officer and get to see the next generations going through this programme. This really brings home to me the lasting impact of this concept.

Brief profile of Sparkasse Leipzig Trainee Branch

Following a successful pilot phase, Sparkasse Leipzig’s trainee branch has been a permanent training base for the company’s trainee bankers since 2024. Designed to operate all year round, the branch team typically comprises three trainees each from the first and second years of their training. This makes Sparkasse Leipzig the first and, to date, only institution in Saxony to run such a branch on a permanent basis. The on-site trainee team, supported behind the scenes by an experienced customer adviser, places particular emphasis on advising their peers. However, older customers can also expect the usual range of services.

➤ www.sparkasse-leipzig.de/de/home/privatkunden/junge-kunden/azubi-filiale.html



AN EMPLOYER'S PERSPECTIVE

Development opportunities – also internationally

Broaden your horizons by getting involved in the global projects run by the German Sparkassenstiftung

Whether in Africa, Asia or Latin America: for more than 30 years, the German Sparkassenstiftung for International Cooperation (Savings Banks Foundation – DSIK) has been dedicated to transferring Savings Banks expertise to developing and emerging economies. There, it strengthens financial systems, facilitates financial inclusion and thus contributes to economic development. At the same time, it opens up new prospects through its projects, particularly for younger staff members of the Savings Banks Finance Group, by offering targeted assignments abroad.

The German Sparkassenstiftung is currently running around 50 projects in 51 countries. This offers many opportunities for committed junior managers to gain international experience at the DSIK teams' global locations as part of assignments abroad lasting several weeks, and to develop their professional and personal skills in a targeted manner. To this end, the DSIK has launched two initiatives.

Staff Development Programme since 2013

The focus is on the staff development programme launched in 2013, which is supported by the Foundation's 'Förderkolleg' (fellowship programme) for academic research. It is aimed at particularly high-performing young managers and specialist staff within the Savings Banks Finance Group who are either currently working at DSIK

member institutions or are completing a university degree as participants in the 'Förderkolleg'.

Applications are made on an individual basis: interested candidates submit their applications directly to the DSIK and undergo a multi-stage selection process. In addition to training in banking, the requirements include a very good command of English, an open-minded attitude towards international engagement and the support of the institution sending the candidate. The selected participants work for four to eight weeks on specific DSIK projects where they can best contribute their expertise. The DSIK covers the organisation and costs. Since the programme began, a total of 164 overseas assignments have been carried out – with growing demand and rising numbers of applicants.

Since 2025, this programme has been complemented by the Personnel Development Programme Plus. It is specifically aimed at the HR departments of DSIK's member institutions and expands the scope for strategic personnel development. Unlike the traditional programme, applications are not submitted by individuals but by the institutions

For more than 30 years, the German Sparkassenstiftung has successfully delivered training courses worldwide on financial and business education, drawing on the expertise of the Savings Banks Finance Group. These courses are aimed not only at staff from financial institutions but also at the local population.

themselves. These institutions often select suitable staff members through an internal recruitment process and submit the applications to the DSIK. Assignments last between four and six weeks, with costs borne by the respective institution via a transparent flat-rate model. The DSIK is responsible for organisation, professional support and global integration into suitable projects.

Both programmes share a common goal: to open up new perspectives for participants and to contribute the Savings Bank philosophy to global



development. Whilst the staff development programme promotes individual talent through a scholarship model, the Programme Plus specifically strengthens staff development within the institutions and, at the same time, enhances their appeal as employers.

Everyone involved benefits

The high demand confirms the effectiveness of this approach: around 70 applications were received for both programmes for the year 2026. In total, around 25 participants can undertake an assignment abroad each year, around a third of whom do so through the Plus programme. They are deployed in selected DSIK projects wherever their expertise is most needed. This creates dual added value for the Savings Banks Finance Group. The international projects benefit from the practical experience of the seconded specialists. At the same time, these specialists return with new perspectives, intercultural skills and a keener understanding of the role of Savings Banks in a globally interconnected world. International development opportunities have thus become an integral part of modern human resources development.



The German Sparkassenstiftung supports financial associations and microfinance institutions with professional advice. Together, they develop, for example, new digital and sustainable financial products that benefit the local population.

Testimonials from graduates of the staff development programme

Whether at a Savings Bank, a leasing company or a service provider within the Savings Banks Finance Group; whether on a dual study programme or already in a permanent professional role; whether in Laos, Malawi, Mexico or Rwanda: Lena Abb, Yasmin Bade, Janine Max, Denise Meyer and Maiko Stelter talk about their assignments abroad – their motivations, impressions and insights ...

Four questions for Yasmin Bade and Maiko Stelter

Yasmin Bade spent time in **Mexico** through the DSIK. She completed her apprenticeship at Kreissparkasse Köln and subsequently studied business administration as part of a dual-study programme at Bonn-Rhein-Sieg University of Applied Sciences. She now works as an internal auditor. Maiko Stelter, on the other hand, went to **Rwanda**. He trained at Sparkasse Lüneburg and subsequently completed a dual degree in Banking & Sales at the University of Finance and Management in Bonn. Stelter is now head of the corporate finance department at the Savings Bank.

Why did you apply to the DSIK's staff development programme?

→ **Yasmin Bade:** I applied in 2023 because I wanted to contribute my

personal and professional experience and knowledge to a DSIK project. I also wanted to step out of my comfort zone by taking on new responsibilities in a place that was likely to be unfamiliar to me, whilst not communicating in my native language.

Brief profile

German Sparkassenstiftung

The German Sparkassenstiftung for International Cooperation (Savings Banks Foundation – DSIK) is the development policy-focused, non-profit organisation of the Savings Banks Finance Group. It promotes the German Savings Bank philosophy worldwide, drawing on 200 years of experience. Its aim is to strengthen regional economic development and financial infrastructure in developing and emerging economies, as well as to provide people with access to financial services. To this end, the DSIK has implemented around 250 projects in over 100 countries since its foundation in 1992.

» www.sparkassenstiftung.de



Maiko Stelter

What was the highlight of your time there?

→ **Bade:** The local people and culture were the highlight for me. I met so many friendly and helpful people and was made to feel very welcome by the DSIK team in Mexico.

»

*My time in **Mexico** was a formative experience for me. I was able to contribute my expertise in an international context whilst gaining new professional and cultural perspectives. In particular, the open dialogue and trust within the team showed me that sustainable transformation is possible through cross-border collaboration. I came away from the programme with valuable insights and a great deal of motivation, and I can recommend it to anyone who wants to play an active role in shaping sustainability and think beyond their own horizons.*

«

Denise Meyer
Sustainability Manager,
Deutscher Sparkassenverlag,
six-week assignment in Mexico



Yasmin Bade

Another highlight was my presentation to the staff of a 'Caja' – a local savings bank – on the dual vocational training system. It really highlighted just how important the DSIK's work is and how much I've been able to improve my Spanish in such a short space of time.

→ **Stelter:** I find it difficult to single out just one highlight. Rather, it was the combination of professional and

»

*My placement in **Malawi** was incredibly enriching, both professionally and personally. It showed me just how much change is possible through collaboration and what a positive impact the work of the DSIK and its local partners has on the lives of the local people. The approach of 'rolling up our sleeves and making a positive difference together' has had a lasting impact on my day-to-day work. It's precisely for this reason that I can highly recommend the programme.*

«

Lena Abb
Senior Corporate Strategy Officer,
Deutsche Leasing, six-week assignment
in Malawi in 2025

personal experiences that made my stay in Rwanda so special. In the day-to-day running of the project, I was particularly impressed by the exceptionally high level of interest in the subject matter. The project participants' thirst for knowledge and high level of self-motivation were remarkable. It was simply a pleasure to drive things forward together. On a personal level, I was profoundly moved by the country's history, its nature and culture, and the openness of the people living there.

Did the overseas assignment meet your expectations?

→ **Bade:** Yes, definitely. I had the opportunity to work in an international team for six weeks and take on new tasks, which I carried out independently. I also got to know a lot of new people and places – experiences I would have missed out on without my time abroad.

→ **Stelter:** The assignment abroad not only met my expectations but significantly exceeded them. Both professionally and personally, I was able to gain far more experience and insights during those seven weeks than I had anticipated. I am all the more grateful to Sparkasse Lüneburg for giving me this opportunity.

What have you taken away from your assignment abroad for your future career in Germany?

→ **Bade:** I've learnt that you can still achieve your goals with a little more flexibility and composure.

→ **Stelter:** Above all, the assignment abroad has shown me how valuable it is to consciously shift perspectives and question familiar ways of thinking. I'm taking this openness with me, quite specifically, for my future career path. At the same time, my ability to develop pragmatic and flexible solutions has improved, as has my capacity to act and remain resilient even under unfamiliar

»

*My assignment in **Laos** was a profoundly enriching experience, both professionally and personally. I was able to put my knowledge to good use whilst gaining new perspectives on international cooperation and sustainable development. I was particularly impressed by the collaboration with local people: the open interaction, the mutual trust and the shared determination to bring about lasting change. The in-depth exchange and shared learning provided me with new perspectives and showed how much can be achieved when different experiences and skills come together. The staff development programme not only opened up new professional horizons for me, but also enriched me personally and has permanently sharpened my awareness of global interconnections and the importance of acting responsibly.*

«

Janine Max
Incoming/Outgoing Payments
Coordinator, SV SparkassenVersicherung,
six-week assignment in Laos

circumstances. I have also gained an even greater awareness of the social mission of the Savings Banks. Seeing the contribution that functioning financial structures can make to economic development has permanently sharpened my perspective in regard to my own role.



AN EDUCATIONAL PARTNER'S PERSPECTIVE

Teaching financial literacy in a practical, real-life context

Learning, investing, starting a business: the Savings Banks Finance Group's range of educational programmes is extremely diverse.

Supporting young people on their journey to adulthood: this includes imparting basic economic knowledge to help them manage their money responsibly. A digital world full of temptations and new payment options can quickly lead to ill-considered spending or even debt. As part of their public mandate, the Savings Banks therefore promote financial education amongst broad sections of the population – particularly young people – through high-quality, long-term educational programmes.

Savings Banks School Service: Learning for life

"We learn not for school, but for life." There is hardly a phrase that better describes the mission of the Savings Banks School Service. Founded in 1975 and celebrating its 50th anniversary in 2025, the organisation embodies the

Savings Banks Finance Group's long-term commitment to financial education in schools and builds on the historic founding principles of the Savings Banks: to strengthen the culture of saving and economic literacy – particularly among young people.

80,000
annual views of digital
educational resources

200
teaching resources
covering 26 topics

400
free school talks
per year

> 50
years of financial education in
schools

The aim is to equip pupils at an early stage with the skills to manage money responsibly. The focus is on practical, everyday skills: making financial decisions, keeping track of income and expenditure, and avoiding excessive debt.

“Financial literacy is a key skill for social participation and personal independence,” emphasises Karolin Schriever, Executive Member of the Board of the DSGV. “Through our educational programmes, we help young people to acquire practical knowledge on how to manage their money safely.”

The Savings Banks School Service is continuously developing its free and ad-free programme. In addition to teaching materials, the focus today is on digital and interactive formats as well as school talks. In 2025, the talks alone reached around 10,000 pupils directly. This practical and real-life-oriented knowledge transfer is delivered by a skilled team of educators, debt counsellors, lawyers and Savings Bank staff.

Stock Market Simulation Game: Learning by doing

Analysing companies and market trends and then making sustainable financial decisions: the real stock market is no game. But fortunately, the Stock Market Simulation has been available to young people since 1983. Europe's largest online educational game on stock market activity provides a risk-free and practical introduction to economic relationships within the economy and capital markets, thereby offering valuable insights into personal financial literacy.

The organisers are the Savings Banks in Germany and Europe. The educational project is supported by the DSGV, the regional associations of DekaBank and the European Savings and Retail Banking Group (ESBG).

The online educational game launches every autumn in the categories of school pupils, university students and Savings Bank trainees. During the approximately four-month game period, the teams of young people trade securities in real time using fictitious start-up capital. In this way, they can test their financial knowledge in a safe environment and not only understand economic relationships in theory, but also experience them first-hand through their own actions. The Stock Market Simulation also promotes cooperative learning through teamwork. As a result, participants learn to develop strategies together and share responsibility, and also acquire basic knowledge of the stock market according to the principle of ‘learning by doing’.

At the end of the game period, two winning teams are awarded prizes in each category: based on total portfolio value and sustainability returns. In 2025, the Stock Market Simulation concluded with a record number of around 130,000 participants. The next round of the game starts on 1 October 2026.



The Stock Market Simulation is a fun way to help young people learn about the world of business and the stock market.

“German Start-up Award for School Pupils”: Do your own thing

Turning a vision into your own venture: with the “German Start-up Award for School Pupils” (DGPS), this is possible even at a young age – virtually and practically. The competition – one of the largest online business simulation games – has been teaching pupils how entrepreneurial thinking works for more than 20 years.

Pupils from year 9 onwards work in teams to set up a virtual company and learn to make decisions and develop solutions together. They are supported by digital and analogue tools, as well as through dialogue with experts from the business world and the Savings Banks.

The DGPS is sponsored by the Savings Banks, ZDF, Porsche and, since 2026, the Frankfurter Allgemeine Zeitung. The aim is to inspire young people to take an interest in economic issues at an early age. The 2025 winning team, ‘Intima’ from Eschwege, developed an app that provides young people with anonymous information on sexuality and contraception.

4. MANAGEMENT REPORT

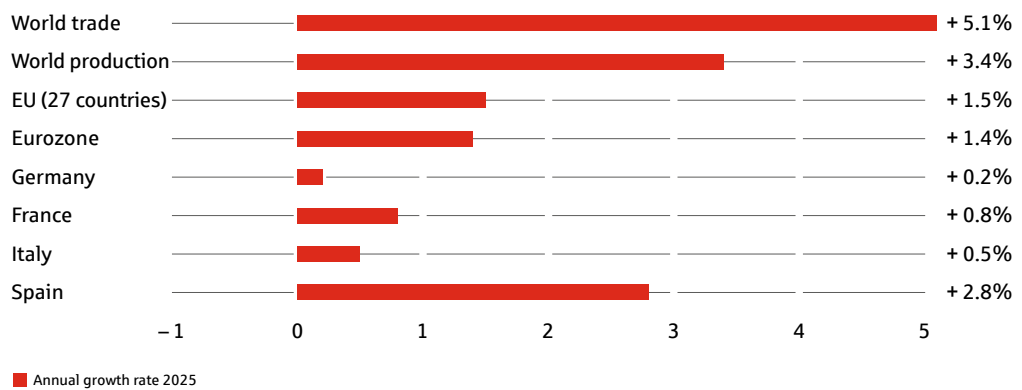
Economic report

Macroeconomic Situation

The global economy remained robust once again in 2025. Although the trade disputes originating in the US did have regional and sectoral repercussions, global trade as a whole expanded at an above-average rate, with real growth of 5.1% according to figures from the International Monetary Fund¹. Global production remained on an expansionary course, growing by 3.4%.

Once again, emerging economies showed particularly strong growth. But even the US itself – despite being responsible for the tariff dispute – recorded steady output growth of 2.1%. China, at 5.0%, was slightly below its official target, and structural problems are increasingly becoming apparent in the country. Nevertheless, from a European perspective, the pace of growth in the People's Republic remains enviably high.

GDP growth in selected countries¹



¹ Actual data for European countries from official statistics, source: Eurostat, data as at 29 April 2026; world trade and world output according to the International Monetary Fund: World Economic Outlook of 14 April 2026.

The European Union recorded overall growth of 1.5% in 2025, whilst the euro area achieved a similar level at 1.4%. However, growth was once again unevenly distributed amongst the individual member states. Among the major EU countries, Spain once again led the way in terms of growth at 2.8%, followed by Ireland, whose growth figures were, however, inflated by accounting anomalies. Germany, by contrast, was once again among the lowest performers: in 2025, with real GDP growth of 0.2% (alongside Finland), it was only just above the zero mark.

Germany and its industrial export sectors, such as the automotive and mechanical engineering industries, were particularly hard hit by US tariffs. Beyond this, however, the country's price competitiveness has continued to deteriorate, with rising unit labour costs and high energy costs.

In the input-output breakdown of German GDP, it was therefore no surprise that industrial production continued to contract and now lies increasingly far below the pre-pandemic level of 2019. Only the services sector – including public administration and, in particular, the healthcare sector – was able to counter this trend with growth in 2025, thereby ensuring that overall GDP just managed to break even.

¹ Aggregation of individual economies using purchasing power-weighted exchange rates in accordance with the IMF's World Economic Outlook of 14 April 2026. The figures in the following paragraph are also taken from this source.

At the same time, employment patterns also shifted. Employment moved away from the manufacturing sector towards those sectors that were still showing growth. The total number of people in employment in Germany remained almost unchanged from the previous year at just under 46 million. It is highly likely that this level marked the peak of a historic high and that, given the demographic outlook, the country is now facing a downward trend in the number of people in employment. The number of unemployed rose slightly in 2025 due to the stagnating economy and rising costs. The rate of unemployed people registered with the Federal Employment Agency as a percentage of the total civilian labour force rose from 6.0% in 2024 to an annual average of 6.3% in 2025.

In the expenditure-side breakdown of GDP, there was a marked divergence between the domestic economy and foreign trade in 2025. Germany's current account balance amounted to only around EUR 203 billion in nominal terms, or 4.5% of GDP, which corresponds to a decline in the surplus of around one-fifth compared with the previous year's figure. In real terms, German exports fell by 0.4%, whilst imports rose sharply by 3.6%. On balance, foreign trade thus weighed on growth by 0.8 percentage points.

By contrast, the main driver of growth in 2025 was private household consumption. Supported by rising wages and a stable number of people in employment, it increased by 1.6%. Consumption was also bolstered by a further decline in the savings rate. The share of savings in private households' disposable income fell from 11.2% in 2024 to 10.3% in 2025.

Investment activity in Germany remained very weak in 2025. This applied to both construction and capital goods investment. Whilst construction investment fell by a further 0.6% in real terms, it did at least appear to be stabilising at a low level. Furthermore, the civil engineering sub-component was already performing better in 2025 than building construction, which is largely dominated by residential construction.

The trend in investment in equipment was very disappointing, having contracted for the third year running and falling by a further 1.9% (price-adjusted) in 2025. 'Other fixed capital formation', which has been performing structurally better for years, once again recorded stronger growth in 2025, rising by around 3.8% in real terms. Added to this in 2025 was an unusually high positive contribution to growth from increases in inventories. Given the data available to date, it remains unclear how this inventory balance should be interpreted. A significant proportion of the stagnating exports – key issue: the trade dispute – is likely to consist of unsaleable finished goods held in stock, which dampens future growth prospects. However, part of it could also consist of stocks set aside in anticipation of the forthcoming government spending programmes. The latter would be consistent with the interpretation of the high import figures. Furthermore, such stockpiling could have had the positive effect of creating a buffer against the supply bottlenecks arising in 2026 in the wake of the unforeseen war with Iran.

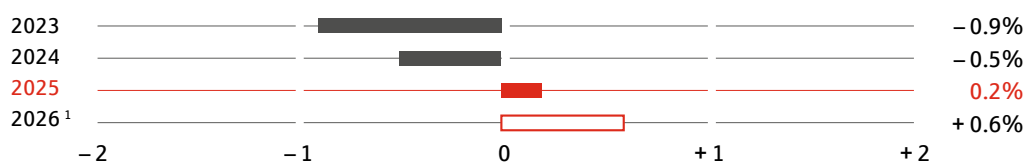
The National Accounts for 2025 did not yet reflect the announced government spending programmes in the areas of defence and infrastructure. As described, these investment categories remained weak. However, government consumption rose by 1.3% in real terms, once again significantly faster than GDP.

The public expenditure ratio – that is, total government expenditure (central government, federal states, local authorities, social security schemes) as a proportion of GDP – rose to 50.6% in 2025. The 50 percent mark had previously only been exceeded in 2020 and 2021. In 2025, the government had to spend 1.1% of GDP, or 4.8% of tax revenue, on interest payments. The government's net borrowing stood at minus 2.8% of GDP. The deficit thus just managed to comply with the requirements of the Stability and Growth Pact that year. Outstanding government debt reached 63.5% of GDP.

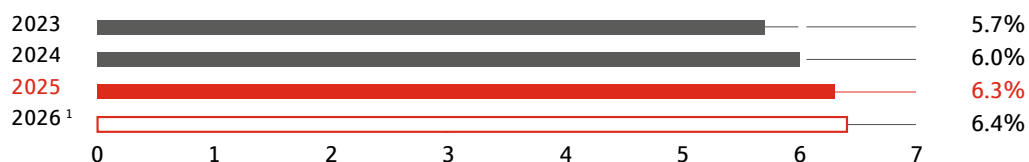
In 2025, there were encouraging developments in prices. The significant overshoots of inflation targets recorded in 2022 and 2023 had, for the time being, been successfully brought under control. As in the previous year, the rate of consumer price inflation in Germany, as measured by the national CPI, stood at 2.2%. According to the Harmonised Index of Consumer Prices (HICP), which is defined slightly differently, it stood at 2.3%. Core inflation, excluding energy prices, was slightly higher at 2.6%, suggesting that energy price trends exerted downward pressure on the overall basket of goods in 2025. In the euro area, the HICP rose by 2.1%, a rate comparable to that seen in Germany.

Economic Development – Review and Outlook 2023–2026

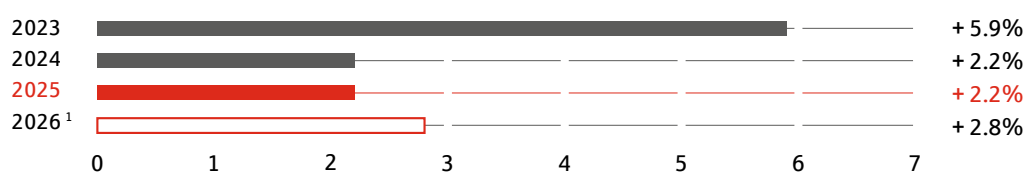
Growth in real gross domestic product (GDP) in % (Germany)



Unemployment rate as a percentage of the total civilian labour force (Germany)



Change in the Consumer Price Index in % (Germany)



Actual data for 2023 to 2025 from official statistics; Destatis and the Federal Employment Agency.

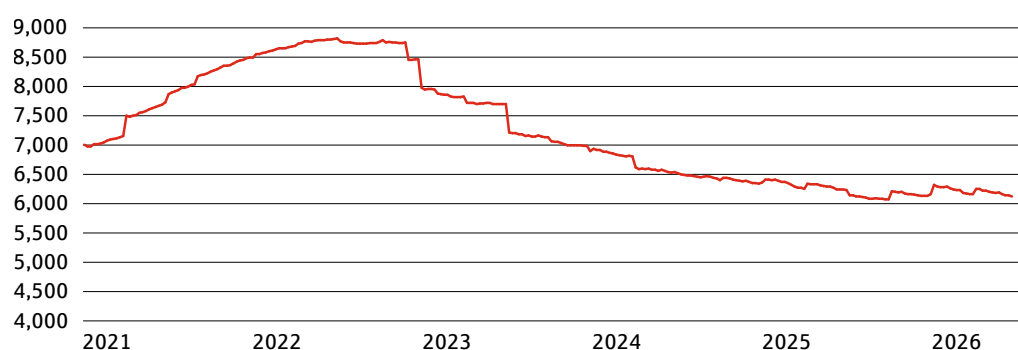
¹ Forecasts for 2026 from the 'Spring Report', the joint assessment by German economic research institutes dated 1 April 2026.

Developments in the money and capital markets

The continued achievement of inflation targets in 2025 enabled the European Central Bank to further lower its key interest rates during the course of 2025. Between February and June, there were four downward interest rate cuts, each of 25 basis points. The rate on the deposit facility, which remains the key interest rate for money market operations until further notice, was thus reduced to 2.0%. A situation of excess liquidity still prevails in the euro area, in which there is more central bank money in the market than is necessary to cover minimum reserve requirements. The main refinancing tenders, through which credit institutions could obtain additional central bank liquidity and whose interest rate in 2025 was consistently 15 basis points above that of the deposit facility, were therefore not utilised to any great extent by credit institutions in 2025.

Meanwhile, the reduction in bond holdings from the various purchase programmes continued as planned, as the relevant securities held by the ECB and the national central banks gradually matured. In the Eurosystem's consolidated balance sheet total, which stabilised at just over EUR 6 billion in 2025, the decline in bond portfolios is no longer as clearly visible as it was in previous years. This trend has recently been overshadowed by other balance sheet factors, such as revaluations of gold holdings. Although the ECB does not recognise increases in the market price of gold in its profit and loss account, it does record them in a revaluation item in the statement of financial position.

Consolidated balance sheet total of the Eurosystem, in EUR billion



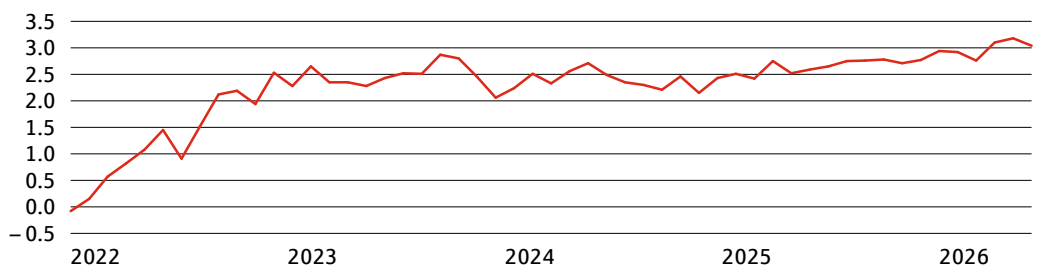
Source: European Central Bank

Developments in bond market yields ran counter to the trend in short-term interest rates. However, current yields on the bond market were also strongly influenced by expectations regarding key interest rates. At the start of 2025, most market participants still assumed that key interest rate cuts would be more substantial than they actually turned out to be and would lead to even lower rates. This expectation was particularly pronounced in the first few months of the year. When it became apparent that the moderate key interest rate cuts would be sufficient to restore a new equilibrium, the bond markets underwent a slight correction.

Furthermore, internationally, the government financing deficits – which are expected to remain very high – and the resulting real capital shortages are being priced in more strongly. This also applies to Germany in view of the fiscal policy decisions that have been taken. Nevertheless, German government bonds retained their benchmark status for the euro area's capital markets.

German government bonds with a remaining maturity of ten years entered the 2025 reporting year at the end of 2024 with a yield of 2.41%. Initially, this fell further to a low of 2.36% in February and remained at a low level during the first half of the year. In the second half of the year, yields then rose, at times approaching the three-percent-mark. By the end of 2025, the current yield on ten-year German government bonds stood at 2.89%.

Yield to maturity on German government bonds with a remaining maturity of ten years in %



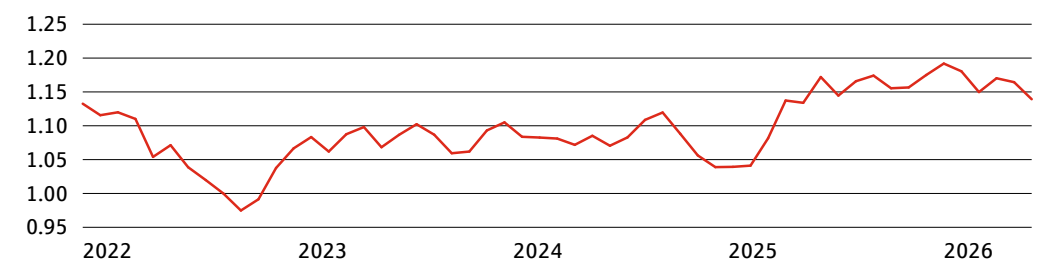
Source: Deutsche Bundesbank

Stock markets performed well in most countries in 2025. Significant price gains were also observed in Germany. Given the strained domestic economic situation, this may seem surprising at first glance. However, it can be explained by the strong international focus of many German companies, which conduct a significant proportion of their business outside Germany.

Furthermore, interest rate movements influenced the stock markets. Although, as already mentioned, the trend in interest rates was no longer clearly downward, the speculation about interest rate cuts that persisted for parts of the year and the stabilising of the key interest rate at a moderate level ultimately provided a tailwind for the stock markets. Judging by the performance of the German Stock Index (DAX), a rise from 19,892 points at the end of 2024 to 24,490 points at the turn of the year translates into an annual return of no less than 23.1% for 2025.

The foreign exchange markets were significantly more turbulent in 2025 than in previous years, which had been characterised by very calm conditions. The euro appreciated against most currencies. The trend against the US dollar was particularly striking. The US dollar suffered a loss of confidence due to the US's high financing deficits, erratic US policy, trade disputes and increasing influence on the Federal Reserve. The bilateral exchange rate rose from 1.0389 US dollars per euro at the end of 2024 to 1.1750 US dollars per euro at the turn of the year. However, the dollar's depreciation was concentrated primarily in the spring of 2025. Since then, the bilateral exchange rate has stabilised and been trading sideways.

USD / EUR exchange rate



Source: European Central Bank

Key markets and positioning

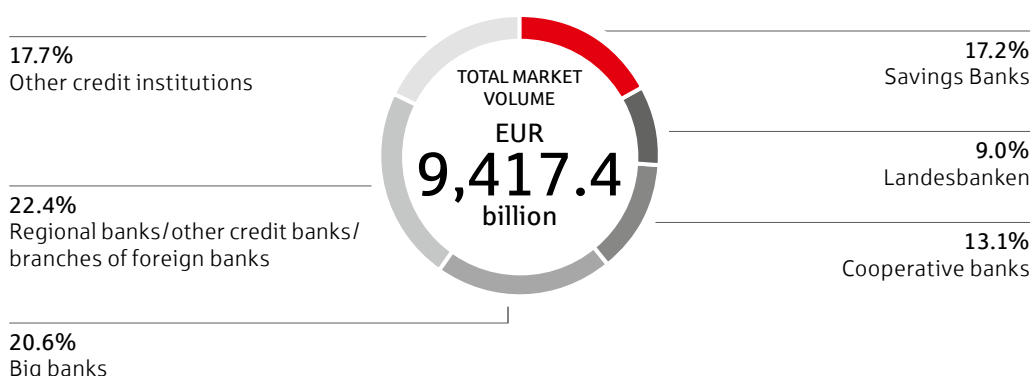
General overview

At the end of 2025, the institutions of the Savings Banks Finance Group¹ had a combined business volume² of EUR 2,470.0 billion. Given a total market volume of EUR 9,417.4 billion in Germany, this represents a share of 26.2%.

The Savings Banks Finance Group's share of the German banking sector's on-balance-sheet business has thus remained largely stable. The business volume of the Savings Banks increased by 2.3%, a stronger rise than in the previous year; the volume of the Landesbanken also recorded a slight increase of 0.5%. The Savings Banks account for around 66% and the Landesbanken for around 34% of the Savings Banks Finance Group's business volume.

In a long-term comparison, the Savings Banks have consistently expanded their business volume through growing retail banking activity. Since 2008, it has risen by over 51% for the Savings Banks. Between 2008 and 2016, the business volume of the Landesbanken had more than halved. This reflects the strategic restructuring process. Since 2017, the business volume of the Landesbanken has been growing again, demonstrating the successful further development of their business models.

Market shares by business volume* at the end of December 2025 in % As at 31 December 2025



* Excluding derivative financial instruments held for trading.

The development of the German banking sector's retail business in the 2025 financial year was characterised by a slight upturn in corporate lending, despite difficult economic conditions and a low propensity to invest on the part of businesses. Growth in private residential mortgages was also significantly stronger than in the previous year. The volume of consumer loans rose only slightly across the market as a whole.

¹ In this chapter, the term 'Savings Banks Finance Group' refers to the Savings Banks and Landesbanken (excluding foreign branches and domestic and foreign subsidiaries of the Landesbanken). The Landesbausparkassen are not included here.

² Excluding derivatives held for trading and repurchased own debt securities.

Inflows of deposits from private individuals were below the previous year's level in the reporting year due to the slow recovery in real incomes. Businesses were able to increase their liquidity by roughly the same amount.

In the customer lending business, the Savings Banks Finance Group recorded stable market shares for corporate loans and private housing loans in the 2025 financial year. In the consumer credit business, its market shares declined in a market characterised by weak growth. However, when Sparkassen Kreditpartner GmbH (SKP) is taken into account, this decline is significantly mitigated.

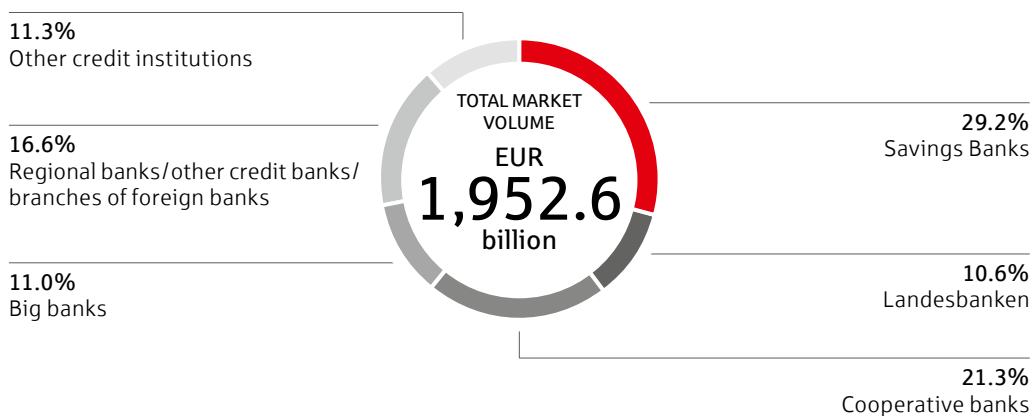
In the retail deposit business, the Savings Banks Finance Group was largely able to maintain its position in 2025, with only slight declines in market share. Measured by its share in this business segment, it remains well ahead of the other banking groups. The Savings Banks Finance Group's share of deposits from domestic companies decreased in the reporting year. Taken over the medium term, however, the Group has been able to significantly strengthen its market position.

Corporate lending

Following a slowdown in growth to 1.1% in the previous year, the total market volume for corporate loans performed somewhat better again in the 2025 financial year: It rose by EUR 35.8 billion, or 1.9%, to EUR 1,952.6 billion, thus standing out positively against the extremely weak growth seen in the two previous years.³ Whilst companies and the self-employed responded to supply chain problems and rising costs in 2022 by increasing their borrowing, the gloomy economic outlook and higher interest rates left clear signs of a slowdown in the customer lending business in the two previous years. Although the trend in 2025 is not quite as strong when viewed in a medium-term comparison, it nevertheless indicates a certain recovery in the lending business.

Due to the comparatively weaker growth in the loan portfolio of EUR 12.2 billion, or 1.6%, the Savings Banks Finance Group recorded growth slightly below the banking sector average. The volume of loans rose moderately at Savings Banks, whilst at Landesbanken the increase was much more dynamic: Savings Banks grew by 0.9% (or EUR 5.3 billion), whilst Landesbanken increased by 3.9% (or EUR + 6.9 billion).

Market shares of corporate loans* at the end of December 2025 in % As at 31 December 2025



* Loans to businesses and the self-employed (including commercial housing loans).

³ However, there is also a one-off effect in 2025: the overall market benefits to some extent from the Bundesbank's reclassification of a major player. From the end of October 2025, this player will no longer be classified in the 'Banks (MFIs)' sector, but in the 'Other financial institutions' sector. As a result, loans to financial institutions and insurers will grow at a faster rate.

The volume of corporate loans issued by the Savings Banks Finance Group totalled EUR 777.5 billion at the end of 2025. This corresponds to a market share of 39.8%, with 29.2 percentage points attributable to the Savings Banks and 10.6 percentage points to the Landesbanken.

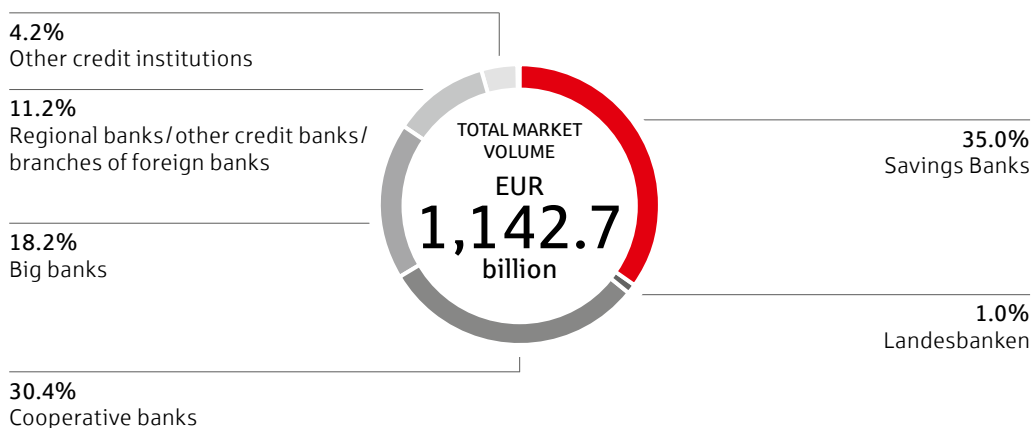
The Savings Banks Finance Group thus remains the most important financial partner within the German banking sector, particularly for small and medium-sized enterprises. It is followed, at a considerable distance, by the cooperative banks with 21.3%, regional and other credit banks⁴ with 16.6%, and the big banks with 11.0%.

Loans to private customers

Since 2017, demand for loans for private housing construction has grown at an ever-faster rate each year. The year 2022 marked a turning point against the backdrop of sharply rising property prices and construction costs, as well as rising interest rates. In the reporting year 2025, the total market volume of loans for private housing construction increased again slightly more strongly than in the previous year due to a recovery in new business, even though growth was slightly weaker when compared over the medium term. Loans for private residential construction rose by EUR 26.7 billion, or 2.4%, to EUR 1,142.7 billion. The increase in loan portfolios was therefore very pronounced, despite persistently high construction, property and land prices.

The Savings Banks Finance Group was able to expand its loan portfolio in 2025 at a rate in line with the market. The total volume of loans increased by EUR 8.4 billion to EUR 411.9 billion. The Savings Banks account for a 35.0% share of the total market. Together, the Savings Banks and Landesbanken account for a market share of 36.0%. The second-largest group of institutions is the cooperative banks, with a share of 30.4%, followed by the big banks with a share of 18.2% and the regional and other credit banks⁴ with a share of 11.2%.

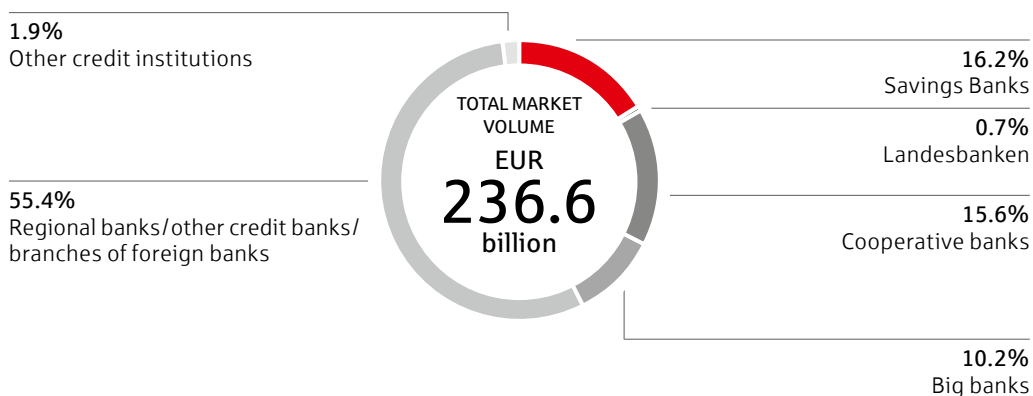
Market shares of private housing loans at the end of December 2025 in % As at 31 December 2025



⁴ Including branches of foreign banks.

Whilst consumer credit business had stagnated across all banking groups in the previous year, it showed a slight increase again in 2025. The market volume rose by EUR 2.2 billion, or 0.9%, to EUR 236.6 billion at the end of 2025. The institutions within the Savings Banks Finance Group recorded a decline in outstanding loans of EUR 0.7 billion, or 1.7% (previous year: –3.8%), and lost market share. With a portfolio volume of EUR 40.1 billion and a market share of 16.9%, the Savings Banks Finance Group lags significantly behind the banking group comprising regional and other credit banks⁵ (market share 55.4%), but remains in second place. The market is dominated primarily by regional and other credit banks, which include almost all specialist lenders (including, amongst others, instalment banks and car finance companies). These lenders were able to further expand their share of the consumer credit market in 2025. However, when interpreting these figures, which are based on Bundesbank statistics, it should be noted that, due to the reporting requirements of the Deutsche Bundesbank, Sparkassen Kreditpartner GmbH (SKP) is not included in these overall market figures. According to our internal calculations, the market share of the Savings Banks Finance Group, including SKP, stands at 20.9%. Compared with 2024, the market position of the Savings Banks Finance Group, including SKP, has declined to a lesser extent.

Market shares for consumer loans at the end of December 2025 in % As at 31 December 2025



Deposits from private customers

As regards deposits from private individuals⁶, the total market volume increased by 2.9% last year to EUR 2,750.1 billion. At EUR 78.6 billion, the absolute growth was admittedly lower than the previous year's figure (EUR 99.2 billion). However, the low point in deposit growth recorded in 2023 was once again significantly exceeded. Due to the slow recovery in real wages, the propensity to save has fallen slightly. At the same time, the propensity to consume among private individuals remained high despite considerable economic uncertainty.

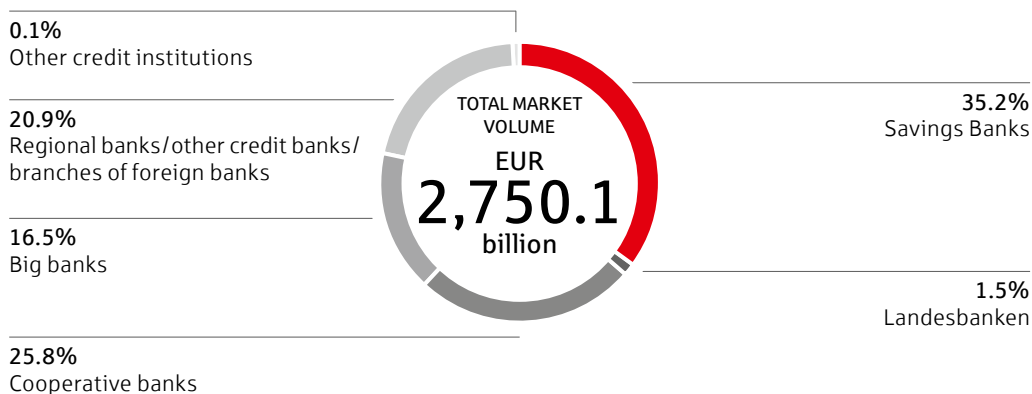
Developments varied across the individual investment categories during the reporting year. A shift towards demand deposits and a reduction in interest-bearing investment forms is unmistakable.

There was a very marked change in demand deposits: whilst demand deposits increased by just 1.2% in the previous year, the total volume rose by 7.3% in 2025. This reflects customers' increased preference for liquidity due to high economic uncertainty.

⁵ Including branches of foreign banks.

⁶ Excluding term deposits with a maturity of more than two years.

Market shares of deposits from private individuals* at the end of December 2025 in % As at 31 December 2025



*Excluding term deposits with a maturity of more than two years.

In contrast to previous years, the volumes of private-sector term deposits and savings certificates fell very sharply. This was due to lower interest rates. Between 2022 and 2024, the market segment for term deposits held by private customers in particular grew significantly as a result of interest rate trends. The market as a whole recorded ongoing outflows from savings deposits.

Developments in the Savings Banks Finance Group in the individual deposit categories followed general market trends. However, it was able to gain market share, particularly in the area of fixed-term deposits.

On the one hand, the trend in 2025 shows an outflow of interest-bearing deposits from retail customers, primarily due to the fall in interest rates. On the other hand, consumers' ability to save was reduced by a slower rise in real income growth coupled with a high propensity to consume. Furthermore, demand deposits rose sharply, reflecting the need for greater liquidity due to economic uncertainty.

During the reporting year, the Savings Banks Finance Group recorded an inflow of EUR 23.3 billion, or 2.4% (previous year: +3.4%), in deposits from private individuals, bringing the total to EUR 1,006.7 billion. Nevertheless, the inflow of deposits led to a slight decline in market share. The Savings Banks Finance Group achieved a market share of 36.7% at the end of the year.

The Savings Banks Finance Group remains the undisputed market leader in the retail deposit business, ahead of the regional and other credit banks⁷, which reported a total of EUR 576.7 billion and hold a market share of 20.9%. This includes regional and other credit banks, which account for 17.7% (including all direct and 'car banks'). The Savings Banks Finance Group also ranks ahead of the cooperative banks, which, with a market share of 25.8%, are likewise firmly established in the retail banking sector.

⁷ Including branches of foreign banks.

Deposits from domestic companies

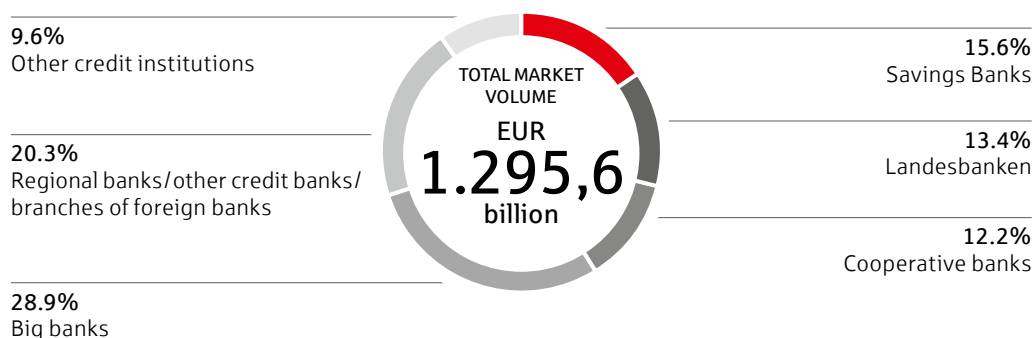
After retail deposits, deposits from domestic companies are the second-largest segment of the German banking sector's total customer deposit business. At the end of 2025, they amounted to EUR 1,295.6 billion.

Since 2020, deposits from domestic companies have recorded annual inflows. Following an increase of EUR 56.4 billion, or 4.8%, in 2024, the inflow in the 2025 financial year was much lower at EUR 34.4 billion, or 2.8%. In the year under review, however, companies still sought to secure higher levels of liquidity in order to be prepared for greater economic uncertainty and rising costs.

The trend varied considerably across most banking groups. The volume of corporate deposits held by the Savings Banks increased by EUR 6.0 billion, or 3.1%, in the reporting year, with their market share rising to 15.6%.

The Landesbanken reduced the volume of deposits held by domestic companies in 2025 by –3.7% to EUR 173.7 billion. The market position of the Landesbanken in terms of deposits from domestic companies weakened slightly; they held a market share of 13.4%. Together, the Savings Banks and the Landesbanken accounted for a market share of 29.0% in this deposit segment at the end of 2025.

Market shares of deposits from domestic companies at the end of December 2025 in % As at 31 December 2025



Foreign trade in 2025: between global opportunities and economic challenges

German foreign trade showed the first signs of stabilisation in 2025, but continued to be characterised by geopolitical uncertainties and a subdued global economy. In 2025, German exports rose by 1% year-on-year, on a calendar and seasonally-adjusted basis, to EUR 1,569.6 billion. Imports rose by 4.4% to EUR 1,366.9 billion. The calendar and seasonally-adjusted trade surplus fell to EUR 202.8 billion. The United States remained the most important export market for German companies in 2025, with imports of EUR 146.9 billion, followed by the People's Republic of China. China was once again Germany's most important trading partner in 2025. Total trade in goods (exports and imports) reached EUR 2,936.5 billion. Imports from China rose to EUR 171.2 billion.⁸

⁸ Source: Federal Statistical Office, press release of 6 February 2026.

Interest rate trends in 2025

The European Central Bank's monetary policy in 2025 was characterised by further interest rate cuts. Whilst the deposit rate stood at around 2.75% at the start of 2025, the ECB did not lower it until March, when it was reduced to 2.25%, and subsequently on 11 June 2025 to 2.00%, where it remained stable until the end of the year. This opened up more favourable financing opportunities for businesses. At the same time, the interest rate environment remained volatile due to geopolitical risks and international trade policy. According to the ECB's 2025 Annual Report, the active management of interest rate risks and the long-term securing of attractive financing terms are considered key elements of sustainable corporate financing.⁹

Currency Developments in 2025

International foreign exchange markets continued to be characterised by heightened volatility in 2025. In its 2025 euro foreign exchange reference rates, the European Central Bank notes that the daily volatility of the main euro currency pairs was significantly higher than in previous years. The 2025 Financial Stability Report identifies diverging monetary policy stances among the major central banks, geopolitical uncertainties and uneven economic development across the key economic regions as the main drivers of this volatility. The currencies relevant to German foreign trade reacted particularly sensitively to interest rate decisions, economic data and international trade developments.

For export and import-oriented companies, exchange rate movements had varying effects on turnover, margins and procurement costs, depending on the sales or procurement market. Exchange rate fluctuations affected both competitiveness in international markets and the costing of cross-border transactions. The developments of 2025 once again highlight the importance of professional currency and liquidity management. The targeted use of suitable hedging instruments and the ongoing monitoring of exchange rate risks remain essential components of a sustainable financial and risk strategy for internationally active companies.¹⁰

In this regard, Savings Banks support their customers with comprehensive solutions and advisory services.

With S-Treasury Mittelstand, for example, Savings Banks offer a smart, digital solution that makes it easy to keep an eye on foreign exchange markets at any time.

Furthermore, Savings Banks are on hand to offer their customers expert advice on all aspects of international business. This covers international payments, payment guarantees via documents, foreign trade financing and, of course, interest rate, currency and commodity management. Export financing and foreign investments also need to be secured. In the area of export financing in particular, ECA-backed financing represents a possible solution.

With the new Crossmo international money transfer service, the Savings Banks offer transparent prices and costs for currency conversion. The total costs are displayed before each transfer is authorised. With Crossmo, retail customers can send amounts of up to 3,000 euros or the equivalent in foreign currency easily and securely directly via the 'Sparkasse' app. The total cost of the transfer, including the real-time exchange rate, is clearly visible before it is sent. The funds are usually credited within one banking day. A transparent pricing structure ensures clarity and good value for money.

⁹ Source: ECB, Monetary Policy Decisions 2025; ECB Annual Report 2025.

¹⁰ Source: European Central Bank (ECB), Euro Foreign Exchange Reference Rates 2025.

For their corporate clients engaged in international business, the Savings Banks combine regional proximity and a deep understanding of local customers with an efficient network of specialised units within the Savings Banks Finance Group. The S-International companies¹¹ play a central role in this regard, bringing together expert knowledge, long-standing experience in international business, and tailored services and products for the international corporate client sector. As a result, international expertise remains regionally available to clients and is closely integrated with the personalised support provided by the Savings Banks.

This range of services is supported by an international network coordinated by the S-CountryDesk¹². It provides Savings Banks, S-International companies and their customers with access to information, contacts and support services in numerous overseas markets.

The Savings Banks Finance Group's EuropaService¹³ is directly available to all Savings Banks and their corporate clients, providing in-depth country and market information as well as support in finding business partners in over 60 countries. It is the only unit in the German banking sector associated with the Enterprise Europe Network, the largest network for small and medium-sized enterprises (SMEs) with international ambitions – a clear, unique selling point for the Savings Banks. Through this service, the Savings Banks' corporate clients are given the opportunity to tap into new sales and procurement markets and to expand their international business activities in a targeted manner. This helps to strengthen their competitiveness, particularly in an economically challenging and volatile environment.

In selected countries, the German Centres¹⁴ complement this offering. They provide local customers of the Savings Banks with a reliable point of contact and thus a 'safe haven' when entering or expanding their international activities. Furthermore, the free 'S-weltweit' app gives all customers mobile access to key information on all aspects of international business. The app brings together relevant content in a practical way and, as a digital companion in day-to-day business, makes it available at all times.

The European Savings and Retail Banking Group (ESBG) and the World Savings and Retail Banking Institute (WSBI) are further hubs for cross-border cooperation with and between Savings Banks and regional banks around the world.

WSBI ESBG – WSBI ESBG

¹¹ <https://www.dsgv.de/s-finanzgruppe/organisation-und-struktur/s-internationals.html>

¹² The S-CountryDesk is another international network within the Savings Banks Finance Group. Here, specialist knowledge from many partners is brought together and bundled into a comprehensive service package. Companies benefit from this in a number of ways. <https://www.sparkasse.de/fk/produkte/auslandsgeschaefit/internationales-netzwerk/s-country-desk.html>

¹³ Your partner for advice and information on all matters relating to Europe (dsgv.de). <https://europaservice.dsgv.de/>

¹⁴ www.germancentre.com

Business development and economic situation

Development of institutions affiliated with the Institution Protection Scheme¹ – aggregated view

In its operating business, the Savings Banks Finance Group recorded a slight decline in profit for the 2025 financial year compared with the strong figure of the previous year.

Net commission income again performed very well in the year under review. Net interest income remained largely stable. At the same time, the Savings Banks Finance Group's earnings position in the reporting year was weighed down by a slightly higher valuation result² as a result of economic stagnation. Overall, the net annual result (before and after tax) was only slightly lower than in 2024.

➤ Further information on the business performance of the Savings Banks, Landesbanken and Landesbausparkassen can be found on pages 51, 59 and 64.

In operational terms, the Savings Banks Finance Group once again achieved a strong result in 2025, with an operating profit before valuation of EUR 22.8 billion (previous year: EUR 23.3 billion). This slight decline is attributable to a moderate increase in administrative expenses. By contrast, net commission income and net trading income improved in the 2025 financial year. The Savings Banks Finance Group's net commission income rose by 5.5% to EUR 13.0 billion. At the same time, net trading income (net income from financial transactions) – which, within the Savings Banks Finance Group, is relevant only to the Landesbanken – rose to EUR 1.5 billion (2024: EUR 1.0 billion).

Net interest income remained at a stable high level of EUR 38.6 billion. Administrative expenses rose by 4.1% to EUR 31.7 billion in 2025, driven by higher operating and staff costs.

The cost-to-income ratio³ for the entire Savings Banks Finance Group rose slightly to 58.2% in the 2025 financial year (previous year: 56.6%).

In terms of valuation results, the Savings Banks Finance Group recorded a slightly higher charge in 2025 than in the previous year. Net valuation losses rose from EUR 4.4 billion in 2024 to EUR 5.0 billion in 2025. Due to existing uncertainties and difficult economic conditions – such as the geopolitical situation, which is difficult to assess, and the continuing gloomy economic outlook – additional provisions for credit risk were set aside specifically. This further strengthened the Group's resilience to potential future loan defaults.

At first glance, the extraordinary result⁴ had a significant negative impact on the Savings Banks Finance Group's earnings in 2025 compared with the previous financial year. At EUR 8.2 billion, the net loss was lower than the previous year's figure. However, the majority of this expense can be attributed to allocations to the fund for general banking risks and thus to the strengthening of equity capital. In 2025, these amounted to a very high EUR 8.1 billion.

¹ This chapter provides an aggregate overview of developments at Savings Banks, Landesbanken and Landesbausparkassen (with Landesbanken excluding foreign branches, domestic and foreign group subsidiaries, and their associated LBS).

² Write-downs and value adjustments on loans and securities in the liquidity reserve (offset against income from write-ups on loans and securities in the liquidity reserve) as well as changes in contingency reserves in accordance with Section 340f of the German Commercial Code (HGB).

³ Administrative expenses as a proportion of operating income (the sum of net interest and commission income, net income from financial transactions and other operating income).

⁴ Net other and extraordinary income/expenses. Unlike the Deutsche Bundesbank's profit and loss account statistics, additions to and withdrawals from the fund for general banking risks in accordance with section 340g of the German Commercial Code (HGB) are also included here under 'extraordinary profit or loss'.

Selected key figures for the Savings Banks Finance Group*

Selected balance sheet items

	Balance at the end of 2025 in EUR billions	Balance at the end of 2024 in EUR billions	Change in %
Claims on banks (MFIs ¹)	399.1	430.2	-7.2
Claims on non-banks (non-MFIs)	1,562.2	1,496.0	+4.4
Liabilities to banks (MFIs)	344.6	342.1	+0.7
Liabilities to non-banks (non-MFIs)	1,592.6	1,562.9	+1.9
Equity	210.4	198.0	+6.2
Total assets	2,601.1	2,536.9	+2.5
Core capital ratio in accordance with CRR ² (in %; change in percentage points)	17.3	16.8	+0.5

Selected items from the profit and loss account³

	2025 ⁴ in EUR billions	2024 in EUR billions	Change in %
Net interest income	38.58	38.73	-0.4
Net commission income	13.02	12.35	+5.5
Net profit from financial transactions	1.49	1.01	+47.9
Administrative expenses	31.70	30.46	+4.1
Operating profit before valuation	22.80	23.34	-2.3
Operating profit after valuation	17.78	18.99	-6.4
Net profit before tax	9.59	9.85	-2.7
Income tax	5.14	5.20	-1.3
Net profit after tax	4.45	4.65	-4.2
of which net profit after tax attributable to the Savings Banks	2.55	2.43	+5.1
of which net profit after tax of the Landesbanken	1.85	2.13	-13.5
of which net profit after tax of the Landesbausparkassen	0.05	0.08	-38.6

* Savings Banks Finance Group: 1. Savings Banks, 2. Landesbanken excluding foreign branches, excluding domestic and foreign group subsidiaries, excluding their LBS, 3. Landesbausparkassen (legally independent LBS and legally dependent departments of the Landesbanken).

¹ Monetary Financial Institutions.

² Capital Requirements Regulation (Capital Adequacy Directive).

³ Allocations to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB) are treated here – as in the 'original' profit and loss account in accordance with the HGB – as expenses that reduce the net profit for the year; in the DSGV financial reports up to 2010, these 'Section 340g allocations' were treated, in line with the Deutsche Bundesbank's profit and loss account statistics, as an appropriation of profits increasing the net profit for the year.

⁴ Preliminary figures from annual accounts in accordance with the HGB, some of which have not yet been audited; rounding differences may occur.

Overall, the member institutions of the Savings Banks Finance Group achieved a pleasingly high pre-tax net profit for the year of around EUR 9.6 billion in 2025. This represents only a slight decline compared with the 2024 financial year, which the Group had closed with a very strong pre-tax profit of EUR 9.9 billion. After tax, the Savings Banks Finance Group recorded an annual profit of EUR 4.4 billion in 2025, slightly down on the previous year (2024: EUR 4.6 billion).

In the past financial year, the medium-term increase in the Savings Banks Finance Group's aggregate balance sheet total continued. This was driven by the expansion of the customer lending and deposit business. At the same time, the Group continued to see growth in its securitisation business.

The Savings Banks Finance Group's total assets rose by 2.5% to EUR 2,601.1 billion at the end of 2025 (previous year: +1.8%). Loans to banks fell by 7.2%, whilst liabilities to banks rose by 0.7%. At the same time, both the retail lending business and the retail deposit business were expanded. Loans to non-banks increased by 4.4% to EUR 1,562.2 billion. The Savings Banks Finance Group's liabilities to non-banks rose by 1.9% to EUR 1,592.6 billion.

The Savings Banks Finance Group's balance sheet equity increased again in 2025. It grew by 6.2% to EUR 210.4 billion (previous year: +5.6%). The Group has thus once again improved its capital adequacy in the past financial year.

The Savings Banks Finance Group's calculated core capital in accordance with CRR/CRD IV⁵ rose to EUR 217.0 billion at the end of 2025 (end of 2024: EUR 197.8 billion). Despite a slight increase in the total risk exposure amount⁶ to EUR 1,255.6 billion (end of 2024: EUR 1,179.4 billion), the Savings Banks Finance Group's core capital ratio rose to 17.3% by the end of 2025 (end of 2024: 16.8%).

On the basis of its solid capital base, the Savings Banks Finance Group will continue to make a sustainable contribution to the supply of credit to the German economy, in particular to the many small and medium-sized enterprises.

Business performance of the Savings Banks

The total assets of the 342 Savings Banks (as at 31 December 2025, as at 15 June 2026: 339) increased in 2025 by EUR +36.3 billion, or +2.3%, to a total of EUR 1,619.6 billion. The number of Savings Banks fell by six to 342 (previous year: 348).

In the retail lending business, demand improved significantly compared with the previous year. New business was 16.9% higher than in 2024. The Savings Banks also recorded higher growth in their outstanding balances compared with the previous year, with an increase of EUR 20.1 billion, or 1.9%, to EUR 1,080.7 billion.

Customer deposits at the Savings Banks rose moderately in 2025, by EUR 29.3 billion (+2.4%) to a total of EUR 1,247.1 billion. With short-term interest rates falling significantly over the course of the year, there was further growth in demand deposits. Time deposits, own-issue securities and savings deposits all declined.

210.4

EUR billion

BALANCE SHEET EQUITY OF
THE SAVINGS BANKS FINANCE
GROUP

1,619.6

EUR billion

TOTAL ASSETS OF THE
SAVINGS BANKS

⁵ CRR = Capital Requirements Regulation; CRD = Capital Requirements Directive.

⁶ Includes counterparty default risks, market risk positions and other risks.

In the retail securities business, the Savings Banks recorded a record turnover of EUR 239.3 billion, which was +17.8% higher than in the previous year. Net sales (purchases minus sales) amounted to EUR 18.4 billion.

Accordingly, Savings Bank customers invested EUR 47.8 billion in new deposits and securities with their Savings Bank, significantly more than in the previous year, though also significantly less than in the years 2018 to 2022.

Profitability

In the 2025 financial year, the Savings Banks' earnings from operating activities (operating profit before valuation) remained at a stable, high level. Both the slight increase in net interest income and the higher net commission income contributed to this positive development. The Savings Banks' profit and loss account for 2025 is also characterised by only a moderate increase in administrative expenses compared with the previous year.

The Savings Banks' operating business is determined, on the one hand, by the performance of net interest income from the highly competitive lending and deposit business with retail customers and small and medium-sized enterprises. With a further increase, this time of 0.7%, the Savings Banks once again achieved an outstanding net interest income of EUR 30.1 billion in the 2025 financial year (previous year: EUR 29.9 billion). The decline in interest expense in retail banking was the main driver of this positive development. A key factor here is the shift from higher-yielding investment forms to demand and term deposits.

Furthermore, the Savings Banks' net commission income rose significantly once again by 5.0% to EUR 11.3 billion (previous year: EUR 10.7 billion). This improvement in results is attributable to an increase in net commission income from both the retail securities business and current account/cash payment transactions and the card business.

Against the backdrop of a stabilised inflation rate, the Savings Banks recorded a slightly lower rise in costs compared with the previous year. Administrative expenses rose by 3.5% in the 2025 financial year compared with 2024, reaching EUR 24.3 billion (previous year: EUR 23.4 billion). During the reporting year, the banks recorded a rise in operating expenses to EUR 9.6 billion (+1.7%). IT costs played a significant role in this increase: once again, growing regulatory requirements, as well as the digitalisation and standardisation of processes, necessitated additional IT investments. At the same time, the institutions utilised the strong operating results to fund strategic IT developments. The item 'Contributions, fees, insurance and banking levy' saw a significant increase in 2025, primarily attributable to the commencement of the nationwide replenishment of the supplementary fund within the guarantee scheme.

By contrast, staff costs rose by 4.6% in 2025 to EUR 14.7 billion (previous year: EUR 14.0 billion). A significant temporary increase in staff numbers as part of efforts to secure young talent and skilled workers, coupled with substantial pay rises under collective agreements, once again placed additional pressure on staff costs.

Overall, the cost-to-income ratio⁷ rose slightly in the 2025 financial year, reaching 57.6% (previous year: 56.8%).

Operating profit before valuation remained virtually unchanged at EUR 17.8 billion.

With regard to the valuation result⁸, the Savings Banks recorded a net valuation charge of EUR 3.7 billion in 2025, which was significantly higher than the previous year's figure (EUR 2.4 billion). The current stable capital market interest rates, together with falling short-term interest rates resulting from the ECB's interest rate policy, led to a slightly positive valuation result in the securities business.

Against the backdrop of economic stagnation, valuation losses in the lending business reached a higher level again in 2025 at EUR 2.7 billion (previous year: EUR 2.5 billion). With loan loss provisions that remained noticeably above the levels seen in the years 2012–2022 in 2025 as well, the Savings Banks strengthened their resilience in times of economic uncertainty. Overall, however, small and medium-sized enterprises have so far proved to be particularly resilient. They were aided in this by their strong capital base and their ability to react with great flexibility to changing circumstances. In certain sectors, such as the construction industry and retail, insolvency figures have, however, risen significantly. Consequently, the Savings Banks once again increased their value adjustments as part of their prudent valuation practice in order to build up buffers against potential defaults.

The Savings Banks' "extraordinary result"⁹ for the 2025 financial year was once again heavily influenced by allocations to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB). The "Section 340g reserves", which once again saw a very strong increase, stood at EUR 7.8 billion, below the excellent figure for the previous year (EUR 8.5 billion). Consequently, the total "extraordinary result" for 2025 closed with a net loss of EUR 7.1 billion, which was slightly lower than the previous year's figure.

With a pre-tax net profit of EUR 7.0 billion, the Savings Banks' overall result for the 2025 financial year was slightly higher than the already high figure for the previous year.

Net profit for the year after deduction of income tax amounted to around EUR 2.6 billion in the 2025 financial year, thereby exceeding the strong result of the previous year (EUR 2.4 billion).

7.0
EUR billion

NET PROFIT BEFORE TAX OF
THE SAVINGS BANKS

⁷ Administrative expenses as a proportion of operating income.

⁸ The valuation result comprises loan loss provisions, additions to and releases from contingency reserves in accordance with Section 340f of the German Commercial Code (HGB), as well as write-downs and impairment losses on receivables and securities held in the liquidity reserve (offset against income from write-ups on receivables and securities held in the liquidity reserve).

⁹ Net other and extraordinary income/expenses. Unlike the Deutsche Bundesbank's profit and loss account statistics, additions to or withdrawals from the fund for general banking risks in accordance with section 340g of the German Commercial Code (HGB) are also included here under 'extraordinary profit or loss'.

Selected items from the balance sheet and profit and loss account of the Savings Banks

Selected items from the profit and loss account of Savings Banks¹

	2025 ² in EUR billion	2024 in EUR billion	Changes 2025 compared with 2024	
			In EUR billion	%
Net interest income	30.07	29.85	+0.2	+0.7
Net commission income	11.25	10.72	+0.5	+5.0
Net profit from financial transactions	0.02	0.01	+0.0	+57.9
Administrative expenses	24.25	23.43	+0.8	+3.5
Staff costs	14.67	14.02	+0.7	+4.6
Operating expenses (including depreciation on property, plant and equipment)	9.58	9.42	+0.2	+1.7
Operating profit before valuation	17.82	17.85	–0.0	–0.2
Valuation result (excluding investments)	–3.69	–2.44	–1.3	+51.3
Operating profit after valuation	14.13	15.41	–1.3	–8.3
Net other and extraordinary income/expenses ^{1,3}	–7.12	–8.46	–1.3	–15.8
including: Allocations to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB)	–7.78	–8.20	–0.4	–5.1
Net profit before tax	7.00	6.95	+0.1	+0.8
Income tax	4.45	4.52	–0.1	–1.5
Net profit after tax	2.55	2.43	+0.1	+5.1
Return on equity before tax (in %, changes in percentage points)	9.3	10.3	–	–1.0
Cost-to-income ratio (in %, change in percentage points) ⁴	57.6	56.8	–	+0.9

¹ Allocations to the fund for general banking risks in accordance with section 340g of the German Commercial Code (HGB) are recognised here – as in the 'original' profit and loss account in accordance with the HGB – as expenses reducing the net profit for the year.

² Preliminary figures from annual accounts in accordance with the HGB, some of which have not yet been audited; rounding differences may occur.

³ This includes the net amount of gains on the disposal of financial investments and securities held as fixed assets, write-downs on/write-ups of financial investments and securities held as fixed assets, and changes to the fund for general banking risks in accordance with section 340g of the German Commercial Code (HGB) (allocations to the fund for general banking risks with a negative sign).

⁴ Administrative expenses as a proportion of operating income.

1,080.7

EUR billion

CUSTOMER LOANS

Lending business

Total customer lending grew by EUR 20.1 billion in 2025. The Savings Banks thus expanded their portfolio slightly by +1.9% to EUR 1,080.7 billion (previous year: EUR +9.8 billion).

Overall, in 2025 the Savings Banks once again granted more new customer loans than in the previous year; at EUR 172.4 billion, the figure exceeded the previous year's total from 2024 by +16.9%.

A key pillar of the retail lending business is corporate lending. Over the course of 2025, the Savings Banks granted EUR 94.5 billion in new loans to businesses and the self-employed despite difficult macroeconomic conditions; this represents an increase of EUR 11.1 billion, or +13.4%, compared with the previous year.

The Savings Banks recorded an increase of EUR 5.5 billion (+1.0%), representing a slightly higher growth in the loan portfolio compared with the previous year (EUR +4.5 billion, +0.8%). The loan portfolio stood at EUR 570.5 billion at the end of December 2025. Repayments amounted to EUR 77.7 billion, which was +9.4% higher than the previous year (EUR 71.1 billion).

Within corporate lending, investment and working capital loans fell by EUR –1.1 billion, or –0.3%, to a total of EUR 363.0 billion in 2025 (previous year: EUR –0.9 billion). In commercial housing construction, the loan volume increased by EUR +6.6 billion, or +3.3%, to a total of EUR 207.5 billion.

In terms of new lending to private individuals, the Savings Banks recorded strong growth in 2025, as they had in 2024.

Savings Banks granted a total of EUR 63.4 billion in new loans, an increase of EUR 10.7 billion or 20.3% compared with 2024. The outstanding loan portfolio also showed a positive trend (EUR +7.8 billion or +1.8% to EUR 438.4 billion).

The marked improvement in new business in the personal loans sector is primarily attributable to residential property financing. Savings Banks committed to granting EUR 56.4 billion in new loans in this area, representing a significant increase of EUR +10.5 billion (+22.8%) compared with 2024. Although the volume of commitments is below that of the strong years from 2020 to 2022, new business volumes were capped given the still high – and in some cases rising – property prices, interest rates that are significantly higher than during the boom years, and resources in the construction sector that remain tight in some areas.

The loan portfolio for private residential property financing rose slightly by EUR +8.4 billion, or +2.2%, to EUR 400 billion, in line with the improvement in new business. In the previous year, the portfolio had grown by just EUR +2.3 billion. However, the high growth rates seen in the years 2020–2022 and in earlier years were not matched.

In the area of consumer and other loans, Savings Banks granted EUR 7.1 billion in new loans, an increase of EUR 0.2 billion (+3.4%) compared with 2024. Together with the new business brokered by the Savings Banks to S-Kreditpartner (SKP) amounting to EUR 5.4 billion (EUR +0.3 billion or +5.1% year-on-year), commitments totalled EUR 12.5 billion. This represents an increase of EUR 0.5 billion (+4.1%) compared with 2024.

Including SKP, the stock of consumer loans and other loans at the end of 2025 stands at EUR 50.3 billion, representing a minimal increase in stock (+0.1%) compared with 2024.

Loans to domestic public sector entities rose by EUR 7.6 billion (+19.5%) to EUR 46.4 billion in 2025. New business, at EUR 10.4 billion, was 32.3% higher than the previous year's figure.

Trends in retail lending business at the Savings Banks

	2025 EUR billions	2024 EUR billions	Changes in EUR billions	Changes in %
Customer loans	1,080.7	1,060.6	+20.1	+1.9
Corporate loans ¹	570.5	565.0	+5.5	+1.0
Loans to private individuals	438.4	430.6	+7.8	+1.8
Residential mortgages	400.0	391.6	+8.4	+2.2
Consumer loans/Other loans	38.4	39.0	–0.6	–1.6
Consumer loans/Other loans, including SKP loans	50.3	50.2	+0.1	+0.1
Loans to general government	46.4	38.9	+7.6	+19.5
Total loan commitments/loan disbursements to domestic customers	172.4/159.9	147.4/143.0	+25.0/+16.9	+16.9/+11.8
Loan commitments/loan disbursements to businesses and the self-employed ¹	94.5/87.1	83.3/80.5	+11.1/+6.6	+13.4/+8.2
Loan approvals/loan disbursements to private individuals	63.4/58.7	52.7/51.3	+10.7/+7.4	+20.3/+14.3

¹ Including loans for commercial housing construction.

Customer securities business

In the customer securities business, the total turnover (customer purchases plus sales) of the Savings Banks in 2025 amounted to EUR 239.3 billion, an increase of EUR 36.1 billion or 17.8% compared with 2024. This means that the Savings Banks have achieved record turnover for two consecutive years. All asset categories contributed to this: for bonds and certificates, turnover of EUR 91.7 billion fell just –0.4% short of the previous year's record; here, both purchases and sales/redemptions remained almost at the high level of the previous year. In the case of investment funds, a record turnover was achieved thanks to a sharp rise in purchases (EUR 92.5 billion, +27.6% on the previous year), and the turnover level for shares was also well above average at EUR 55.1 billion (+42.9%).

Net sales (customer purchases minus sales) were positive and, at EUR +18.4 billion, were well above the previous year's figure, as purchases of investment funds were significantly higher than sales by EUR +21.8 billion. In the case of bonds/certificates (EUR –2.6 billion) and shares (EUR –0.8 billion), however, customer sales (or redemptions in the case of maturing certificates) were higher than purchases. Among investment funds, equity funds (EUR +7.2 billion), other funds (EUR +4.6 billion) and bond funds (EUR +4.6 billion), as well as fund of funds (EUR +3.1 billion), recorded the highest positive balances.

Trends in customer securities business at the Savings Banks

	2025 in EUR billions	2024 in EUR billions	Changes in EUR billions	Changes in %
Securities turnover	239.3	203.1	+ 36.1	+ 17.8
Net sales of securities ¹	18.4	8.7	+ 9.7	+ 111.7

¹ Net turnover as the balance of customers' purchases and sales.

Refinancing

Savings Banks are primarily refinanced through deposits from private individuals and businesses. Customer deposits rose by a healthy EUR 29.3 billion, or +2.4%, to a total of EUR 1,247.1 billion in 2025, following the already substantial increase of EUR 32.6 billion in the previous year.

With deposit rates initially falling over the course of the year but rising slightly again in recent months, own-issue securities (EUR –1.1 billion or –0.9%, primarily Savings Bank bonds) and term deposits (EUR –5.9 billion or –5.5%) declined slightly, following growth in 2024 and 2023. Demand deposits (EUR +47.7 billion or +6.0%), by contrast, rose sharply once again. Further quite significant declines in volumes were, however, recorded for savings deposits (EUR –11.4 billion or –5.9%).

Looking at the largest customer segments, the deposit stock of retail customers grew by EUR 24.2 billion (+2.6%) to EUR 941.8 billion. In 2025, businesses increased their deposits by a further EUR 5.5 billion, or +2.6%, to EUR 215.6 billion.

The Savings Banks thus continued to be characterised by a comfortable refinancing situation. The entire customer lending business was refinanced through customer deposits.

1,247.1

EUR billion

CUSTOMER DEPOSITS AT
SAVINGS BANKS

Trend in customer deposit business at the Savings Banks

	2025 in EUR billions	2024 in EUR billions	Changes in EUR billions	Changes in %
Customer deposits	1,247.1	1,217.7	+ 29.3	+ 2.4
of which savings deposits	181.5	192.9	– 11.4	– 5.9
of which own issues	118.9	120.0	– 1.1	– 0.9
of which term deposits	101.6	107.5	– 5.9	– 5.5
of which demand deposits	845.1	797.4	+ 47.7	+ 6.0

47.8

EUR billion

ACCUMULATION OF
FINANCIAL ASSETS BY
CUSTOMERS

Accumulation of financial assets

Thanks to growth in deposits and positive net sales in the securities business, customers at the Savings Banks accumulated additional assets amounting to EUR 47.8 billion in 2025, a significant increase compared with the same period in 2024 (EUR 41.3 billion). Compared with the previous year, this represents an increase of EUR 6.5 billion (+ 15.8%). Private individuals saved an additional EUR 41.4 billion with the Savings Banks. Growth compared with the previous year amounted to EUR 3.6 billion.

Customers' financial asset accumulation at Savings Banks

	2025 in EUR billions	2024 in EUR billions	Changes in EUR billions	Changes in %
Customers' financial asset accumulation ¹	47.8	41.3	+ 6.5	+ 15.8
Private financial asset accumulation ¹	41.4	37.7	+ 3.6	+ 9.6

¹ From deposit business and customer securities business.

16.75%

CORE CAPITAL RATIO OF
THE SAVINGS BANKS

Equity

At the end of the 2025 financial year, the Savings Banks reported regulatory equity of EUR 158.9 billion. This represented a further increase of EUR 9.8 billion over the course of the year, exclusively in the form of (hard) core capital. At the end of 2025, the total capital ratio stood at 17.74%. The core capital ratio amounted to 16.75% and, excluding hybrid core capital components, the common equity tier 1 (CET1) ratio was calculated at 16.74%. All ratios are only slightly below the previous year's figures, even though the requirements of the banking supervisory authority became significantly higher with the introduction of CRR III at the start of 2025.

The regulatory requirements for these key figures were thus once again significantly exceeded.

The Savings Banks' comfortable capital base underlines their financial independence and their ability to adapt to stricter regulatory requirements.

The Savings Banks also far exceed the requirements for other key regulatory ratios.

For the short-term Liquidity Coverage Ratio (LCR) and the medium-term Net Stable Funding Ratio (NSFR), the banking regulator stipulates a minimum ratio of 100% for each. The Savings Banks' LCR stood at 195.11% at the end of 2025, whilst the NSFR was 130.21%.

With regard to the leverage ratio (LR), the banking regulator expects a minimum value of 3.0%; here, the Savings Banks achieved a figure of 10.23% as at the end of 2025.

Regulatory ratios for the Savings Banks in accordance with CRR¹

	2025 in %	2024 in %	Changes in % points
Core capital ratio	16.75	16.94	–0.19
Common Equity Tier 1 ratio	16.74	16.93	–0.19
Total capital ratio	17.74	17.99	–0.25
Liquidity Coverage Ratio (LCR) ²	195.11	194.49	+0.62
Net Stable Funding Ratio (NSFR) ³	130.21	131.28	–1.07
Debt ratio (LR) ⁴	10.23	9.75	+0.48

¹ CRR = Capital Requirements Regulation.

² LCR = Liquidity Coverage Ratio.

³ NSFR = Net Stable Funding Ratio.

⁴ LR = Leverage Ratio.

Business performance of the Landesbanken

In the 2025 financial year, the business performance of the Landesbank Group was characterised by an expansion in customer lending and deposit business, a growth in securitisation business and a predominantly declining interbank business. Overall, total assets increased compared with the previous year. In recent years, the majority of the Landesbanken have recorded growth in total assets following significant reductions up to 2017: between the end of 2008 and the end of 2017, total assets were reduced by over EUR 702 billion, or around 45%, as part of strategic measures to downsize and realign the Landesbanken. The withdrawal of HSH Nordbank in 2018 and the portfolio restructuring at NORD/LB contributed to the further consolidation of the group.

In 2025, the institutions¹⁰ reported total assets of EUR 906.1 billion, an increase of EUR 27.4 billion, or 3.1%, compared with the previous year. In 2024, total assets increased by +2.4%. The Landesbanken thus continued the medium-term trend of expanding on-balance-sheet business in 2025. This development was driven in particular by the increase in customer loans and fixed-income securities on the assets side. The Landesbanken also recorded high inflows on the liabilities side in the form of securitised liabilities. Conversely, in 2025 the Landesbanken significantly reduced their other assets and liabilities, as well as their claims on banks.

Lending

On the assets side of interbank business, the Landesbanken recorded a significant decrease in loans to banks in 2025 of EUR –19.8 billion, or –7.8%, to EUR 233.5 billion (previous year: +0.7%). This was due to a reduction in claims on domestic banks (excluding Savings Banks), which fell by EUR –32.5 billion to EUR 86.4 billion. By contrast, the Landesbanken recorded an increase of EUR 15.1 billion in their claims on foreign banks. The claims of the Landesbanken on Savings Banks fell by EUR 2.6 billion to EUR 70.3 billion.

¹⁰ This chapter examines the five Landesbank groups as well as DekaBank.

436.0

EUR billion

CUSTOMER LOANS OF
THE LANDESBANKEN

In the retail lending business, the Landesbanken performed extremely well in the past financial year. Receivables from non-banks increased by EUR +43.8 billion, or +11.2%, to EUR 436.0 billion (previous year: +1.4%).

The rise in loans to domestic and foreign companies provided a very strong boost. These increased by EUR +39.8 billion, or +13.5%, to EUR 336.0 billion (previous year: EUR +3.1 billion, or +1.1%). The focus was on domestic corporate banking: loans to domestic companies rose by EUR 29.1 billion, or 17.0%, to EUR 200.1 billion.¹¹ Loans to foreign companies, by contrast, rose by EUR 10.8 billion or +8.6% to EUR 135.8 billion.

Business with the public sector also developed dynamically in 2025. Receivables from domestic and foreign public sector entities increased in the reporting year by EUR 3.8 billion, or 5.0%, to EUR 78.9 billion (previous year: EUR 2.9 billion, or 4.0%). Receivables from domestic private individuals (including non-profit organisations) rose by EUR +0.2 billion, or +1.1%, to EUR 21.1 billion (previous year: EUR –0.5 billion, or –2.2%).

Securities business

The Landesbanken significantly increased their own securities holdings in 2025. As in the previous year, the total portfolio rose, by +14.9% to EUR 119.2 billion in the reporting year (previous year: +14.6%). The largest increase in volume was seen in investments in the 'government bonds' category. Holdings in this category rose by EUR +6.5 billion, or +25.4%, to EUR 32.1 billion. The volume invested in bank bonds rose to EUR 58.9 billion (+2.6%). Holdings of corporate bonds also increased to EUR 16.8 billion (+24.4%).

As in the previous year, holdings of non-fixed-income securities (shares, investment certificates) rose sharply during the reporting year to EUR 6.4 billion (+52.2%). In contrast to the previous year, money market instruments rose very sharply by +66.1%. However, with a total value of EUR 4.9 billion at the end of 2025, they play a minor role.

As at the end of 2025, the focus of the Landesbanken's Portfolio A, with a structural share of 49.5%, was on bank bonds, followed by government bonds and debentures at 26.9% and corporate bonds at 14.1%. Holdings of non-fixed-income securities, accounting for 5.4% of the portfolio, and money market instruments, at 4.1%, are of minor significance.

Refinancing

In terms of customer deposits, the Landesbanken recorded a comparatively modest increase of +0.3% to EUR 294.6 billion in 2025. In 2024, customer deposits had still risen by +6.0%. In the year under review, the trend in liabilities to domestic and foreign companies was extremely positive. These increased by EUR +3.2 billion, or +1.6%, to EUR 196.8 billion.

294.6

EUR billion

CUSTOMER DEPOSITS AT
THE LANDESBANKEN

¹¹ However, there is also a one-off effect in 2025: the Landesbanken will also benefit to some extent from the Bundesbank's reclassification of a major player. From the end of October 2025, this entity will no longer be classified in the 'Banks (MFIs)' sector, but in the 'Other financial institutions' sector. As a result, loans to financial institutions and insurers will grow more strongly.

Inflows were recorded exclusively in liabilities to domestic companies, which rose by +2.7% to EUR 171.7 billion. Liabilities to foreign companies fell by –4.9% to EUR 25.1 billion. A more detailed analysis of the domestic corporate sector shows that the inflow in the reporting year was attributable to the trend in deposits from financial institutions (+7.2% to EUR 43.1 billion) and to liabilities to insurance companies (+3.8% to EUR 55.3 billion). Deposits from the real economy corporate sector (–0.6% to EUR 73.3 billion) fell slightly.

Deposits from domestic private individuals (including non-profit organisations) remained virtually stable at EUR 41.5 billion. In contrast, liabilities to domestic public sector entities fell by –2.9% to EUR 55.1 billion.

Furthermore, the Landesbanken continued to increase their interbank liabilities in 2025. These rose by +3.4% to EUR 203.7 billion (previous year: –4.4%). In the past year, liabilities to Savings Banks increased by +6.3% to EUR 29.3 billion; liabilities to domestic credit institutions (excluding Savings Banks) fell by –0.3% to EUR 135.1 billion. Liabilities to foreign banks reached EUR 39.1 billion, an increase of +15.8% (previous year: +22.0%).

As in the previous year, the Landesbanken recorded an increase in securitised liabilities in 2025. The total volume rose by +9.7% to EUR 239.7 billion.

Equity

The balance-sheet equity of the Landesbanken increased by +4.6% in 2025, from EUR 43.1 billion to EUR 45.1 billion. All institutions were able to strengthen this balance-sheet item.

The regulatory core capital of the Landesbanken, calculated in accordance with CRR/CRD IV, rose by +20.4% to EUR 53.9 billion at the end of 2025 (end of 2024: EUR 44.7 billion). The total risk exposure (counterparty default risks, market risk positions and other risks) rose by +1.6% to EUR 281.4 billion (end of 2024: EUR 276.9 billion). As a result of these two developments, the Landesbanken Group's core capital ratio in accordance with CRR/CRD IV increased by 2.9 percentage points and stood at 19.1% at the end of 2025.

The Landesbanken have succeeded in restructuring and realigning themselves following various crises. Risk-weighted assets were systematically reduced and capital ratios further strengthened. As a result, the Landesbanken Group has a solid core capital base.

19.1%

CORE CAPITAL RATIO OF
THE LANDESBANKEN

Banking regulatory ratios of the Landesbanken in accordance with CRR

	2025 in %	2024 in %	Change in % points
Core capital ratio	19.1	16.2	2.9
Common Equity Tier 1 ratio	18.4	15.4	3.0
Total capital ratio	22.6	20.1	2.5

Operating results¹²

As in 2023 and 2024, the Landesbanken once again achieved a very good operating result in the 2025 reporting year. Following a sharp rise of 21.9% in 2024, it stabilised at a high level in 2025 (–11.1%). This can be attributed to the following developments: The Landesbanken recorded growth in both net commission income (EUR +0.2 billion to EUR 1.8 billion) and net income from financial transactions (EUR +0.5 billion to EUR 1.5 billion). However, these increases were not sufficient to fully offset the declines in net interest income (EUR –0.5 billion to EUR 7.6 billion) and in other operating income (EUR –0.3 billion to EUR 0.7 billion).

Furthermore, the trend in administrative expenses had a slight negative impact on earnings. These rose by EUR 0.5 billion, reaching a level of EUR 6.8 billion in 2025. Non-staff expenses increased slightly more sharply than staff costs.

Overall, the Landesbanken achieved an operating profit before valuation of EUR 4.7 billion in 2025 (previous year: EUR 5.3 billion). The Landesbanken's cost-to-income ratio¹³ rose slightly to 58.7% (previous year: 54.1%) due to the earnings trend outlined above.

In the year under review, the Landesbanken incurred valuation losses of EUR 1.3 billion, which had a noticeably smaller impact on the Landesbanken Group's net profit compared with 2024. In the previous year, valuation losses totalled EUR 1.9 billion on balance. During the reporting year, the Landesbanken set aside additional loan loss provisions for their lending business due to existing uncertainties, such as the geopolitical situation or the continuing signs of economic stagnation. This further strengthened their resilience against potential future loan defaults.

Selected balance sheet items of the Landesbanken (including DekaBank)

	Balance at end of 2025 in EUR billions	Balance at end of 2024 in EUR billions	Change in %
Claims on banks (MFIs ¹)	233.5	253.4	–7.8
Claims on non-banks (non-MFIs)	436.0	392.2	+11.2
Liabilities to banks (MFIs)	203.7	197.0	+3.4
Liabilities to non-banks (non-MFIs)	294.6	293.7	+0.3
Total assets	906.1	878.6	+3.1

¹ Monetary Financial Institutions

¹² Source: HGB individual financial statements of the Landesbanken (including DekaBank).

¹³ Administrative expenses as a proportion of operating income (the sum of net interest and commission income, net income from financial transactions and other operating income).

Selected items from the profit and loss account¹ of the Landesbanken (including DekaBank)

	2025 ² in EUR billions	2024 in EUR billions	Change in %
Net interest income	7.59	8.05	-5.7
Net commission income	1.78	1.63	+9.7
Net profit from financial transactions	1.47	1.00	+47.8
Administrative expenses	6.75	6.29	+7.3
Operating profit before valuation	4.75	5.34	-11.1
Valuation result (excluding investments)	-1.29	-1.87	-30.6
Operating profit after valuation	3.45	3.48	-0.6
Net other and extraordinary income/expenses ^{1,3}	-1.05	-0.68	+53.1
of which: withdrawals from (+)/allocations to (-) the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB)	-0.27	-1.02	-73.1
Net profit for the year before tax	2.41	2.79	-13.7
Income tax	0.56	0.66	-14.5
Net profit after tax	1.85	2.13	-13.5

¹ Allocations to the fund for general banking risks in accordance with section 340g of the German Commercial Code (HGB) are recognised here – as in the 'original' profit and loss account in accordance with the HGB – as expenses that reduce the net profit for the year; correspondingly, withdrawals from this fund are treated as income that increases the net profit for the year.

² Preliminary figures from annual accounts prepared in accordance with the German Commercial Code (HGB), some of which have not yet been audited; rounding differences may occur.

³ This includes the net amount of gains on the disposal of financial investments and securities held as fixed assets, write-downs on/write-ups of financial investments and securities held as fixed assets, as well as changes to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB) (allocations to the fund for general banking risks are shown with a negative sign, withdrawals from this fund with a positive sign).

The result of the 'extraordinary account'¹⁴ was negative in 2025, as in the previous year, and had a slightly greater dampening effect on the result at EUR 1.1 billion. The result from the valuation and financial investment business was significantly negative in the reporting year, with a net valuation charge of EUR 0.5 billion. The extraordinary result had a similarly negative impact. Allocations to the fund for general banking risks amounting to EUR 0.3 billion were also recognised in the result from the valuation and financial investment business.

Overall, the Landesbanken once again achieved a strong pre-tax profit of EUR 2.4 billion in the 2025 financial year (previous year: EUR 2.8 billion). After deduction of profit-related taxes, the Landesbanken closed the 2025 financial year with a very good net profit after tax of EUR 1.8 billion. In 2024, the Landesbanken had achieved a net profit after tax of just under EUR 2.1 billion.

¹⁴ Net of other and extraordinary income/expenses. Unlike the Deutsche Bundesbank's profit and loss account statistics, allocations to and withdrawals from the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB) are also included here under 'extraordinary profit or loss'.

Business performance of the Landesbausparkassen

For the third year running, the business of the Landesbausparkassen has been characterised by rising sales of low-interest loans. Those planning to build or buy a home no longer use the building society savings contract solely as equity for their project, but also take advantage of the low-interest building society loan. At EUR 12.6 billion, capital disbursements in 2025 remained at the high level of the previous year. The Landesbausparkassen are thus making an important contribution to housing finance in Germany.

In new building society business, a degree of normalisation returned in the 2025 financial year following several strong years characterised by the interest rate turnaround at the start of 2022. A total of 393,000 new building society contracts (–13.5%) were concluded, with a total savings amount of EUR 21.9 billion (–20.7%). The average building society savings amount for new business once again reached a very high level of 55,700 euros (–8.3%).

The “Bausparkassen of the Savings Banks” are the undisputed market leaders in the building society sector in Germany. Their market share stands at 35.0% in terms of the number of new contracts concluded in 2025 and 35.5% in terms of the total building society savings amount. In terms of the contract portfolio, the LBS’s market share stands at 35.5% (number of contracts) and 33.8% (total building savings amount). In the Wohn-Riester business, the LBS’s market share stands at 44.6%, corresponding to around 639,000 contracts with a total building society savings sum of EUR 29.9 billion (–4.8%).

At the end of 2025, the five Landesbausparkassen held a total of 7.18 million building society contracts (–4.1%) with a volume of EUR 330 billion (+0.1%). The portfolio of building loans rose to EUR 43.5 billion (+6.0%); the portfolio of building society deposits remained stable at EUR 64.7 billion (–1.0%). The LBS Group’s cumulative total assets stood at EUR 75.5 billion (+0.6%) at the end of 2025.

The Landesbausparkassen operate 476 advisory centres; the number of employees in head office and field roles stands at just under 6,100.

Business performance of the Landesbausparkassen

	2025	2024	Change in %
New contracts concluded			
Number (in millions)	0.4	0.5	-13.5
Total building society savings (in EUR billion)	21.9	27.6	-20.7
Number of contracts			
Number (million)	7.18	7.48	-4.1
Total building society savings (in EUR billion)	330	329	0.1
Funds received (billion euros)			
Total	10.7	10.6	0.8
of which savings contributions	7.9	8.2	-3.9
New capital commitments (in EUR billion)	13.5	14.7	-8.1
Capital disbursements (in EUR billion)	12.6	12.6	0.0
Total assets (in EUR billion)	75.5	75.0	0.6
Net profit after tax (in EUR million)	51.0	83.0	-38.6
Employees (including field staff)			
Total	6,094	6,177	-1.3
including apprentices	206	157	31.2
			Change in % points
Market shares (number of contracts)			
New contracts	35.0	34.5	+0.5
Existing contracts	35.5	35.5	0

Human resources: Developments and key figures

As at 31 December 2025, the Savings Banks Finance Group employed a total of 286,000 staff (previous year: 280,500) and the Savings Banks employed 199,824 staff (previous year: 193,584). In an environment characterised by staff reductions across large parts of the financial sector, the Savings Banks Finance Group thus sent a clear signal: growth and future viability are shaped deliberately through investment in people.

As one of Germany's leading employers, the Savings Banks aim to offer their staff attractive development opportunities, guidance and stability. The conviction behind this remains unchanged: sustainable business success is only possible with qualified, committed staff who are open to change. The strategic focus of human resources policy continues to rest on four key areas – recruiting and retaining talent, managing human resources, skills development and transformation – and it is consistently aligned with the Group's business strategy.

Recruiting and retaining talent

The Savings Banks's employer branding, which was realigned in 2024 through a nationwide campaign, has an increasing impact on the day-to-day operations of the institutions. Whilst brand development was the main focus in 2024, the emphasis in 2025 was on embedding the brand and ensuring its operational effectiveness – within the institutions, at management levels and in the experiences of staff and job applicants.

This success is particularly evident in the area of apprenticeships: applications for apprenticeships at Savings Banks rose sharply once again in the reporting year – by 33.9% (previous year: 33.4%). As a result, the application rate has risen to 12 applications per new recruitment vacancy and already matches the target set for 2027. The intensive and targeted approach to specific audiences via social media, simplified application procedures and direct engagement by the banks' own trainees appear to be having a lasting effect. In this respect the Savings Banks clearly stand out from the market as a whole: according to the DIHK Apprenticeship Survey 2025, 48% of all companies were unable to fill their apprenticeship places; in the banking sector, the figure was still 37%.

In total, around 10,800 new staff were recruited from the labour market during the reporting year – a strong result despite a challenging labour market situation. In addition, around 3,400 young professionals were taken on from the Savings Banks' own apprenticeship programmes. The Savings Banks thus ensure they meet their need for skilled staff both through external recruitment and through their own training of young talent.

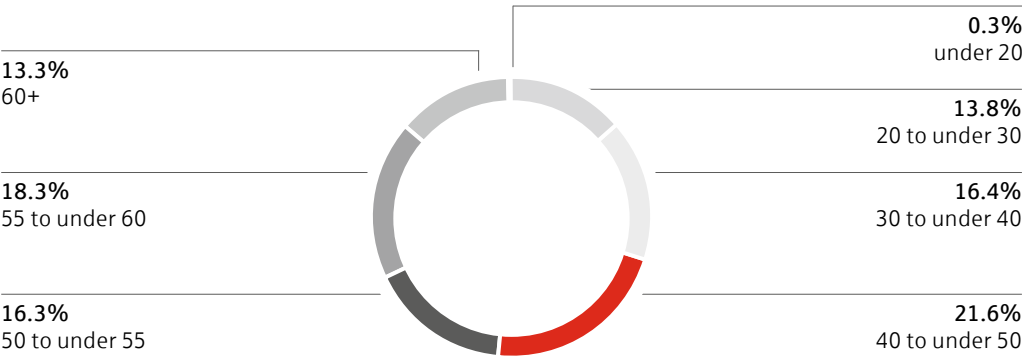
Human resources management

The demographic situation remains one of the key challenges facing the Savings Banks Finance Group. Furthermore, almost half of all Savings Banks employees are aged 50 or over (48.0%). The demographic ratio – that is, the ratio of those under 30 to those over 55 – remained unchanged at 0.44. Within the age structure, the picture is shifting: the proportion of those over 60 rose (to 13.4%; +1.5 percentage points), whilst the proportion of those aged 50 to 59 fell accordingly. On a positive note, the proportion of those under 30 has also risen slightly (+0.7 percentage points to 14.1%). This is an initial visible result of the intensified efforts to recruit young talent, the effects of which will become more apparent in the coming years.

In concrete terms, this means that around 22,500 Savings Bank employees are already aged 60 or over and will be retiring in the coming years; in addition, around 7,600 employees left their Savings Bank during the reporting year. The Group is responding with a combination of measures to secure the next generation of talent, with targeted training and data-driven HR planning to identify needs at an early stage.

Savings Banks increased the level of digitalisation in their HR departments to manage human resources in 2025. Standardised key performance indicator systems, fully digitalised processes for tracking staff changes, and the further expansion of a job group infrastructure to manage staffing requirements are helping to reduce administrative burdens. This frees up capacity within HR departments specifically for strategic transformation tasks.

Savings Bank employees: Age structure¹
As at 31 December 2025



¹ Active bank-specific employees (master data).

Demographic ratio: 0.44
(ratio of those under 30 to those over 55)

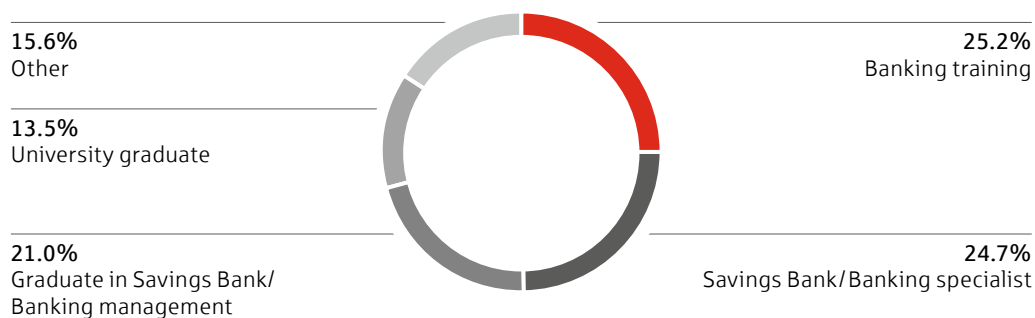
Training

The training programmes offered by the Savings Banks remain a key pillar in securing the next generation of talent. At the end of the reporting year, 15,030 trainees were employed by the Savings Banks – an increase of 9.7% compared with the previous year. The training ratio rose to 8.9% (previous year: 8.3%). Around 59% of all banking professionals in Germany are trained by the Savings Banks – evidence of the Savings Banks’ continued outstanding role as trainers within the German banking sector.

In addition to dual vocational training, the Savings Banks Finance Group meets its need for new talent through dual study programmes, study models integrated with training and trainee programmes. The further development of transparent career paths and individual development opportunities following training and study remains a key priority, supported by talent management programmes, the scholarship programme of the Foundation for Science and the staff development programme of the German Sparkassenstiftung for International Cooperation.

The Savings Banks Finance Group’s internal training system, comprising the nine academies and the University of Finance and Management, was systematically expanded in 2025. The focus was on more needs-based skills development: training is increasingly geared towards the specific requirements of the respective field of work and less towards traditional job profiles. Particular emphasis was placed on building future-oriented skills, especially in the context of digitalisation and artificial intelligence.

Savings Bank employees: Qualification structure¹ As at 31 December 2025



¹ Active employees in the banking sector (master data).

Transformation

A decisive step taken in 2025: artificial intelligence is firmly embedded in day-to-day working life. The AI assistant 'S-KI-Pilot', launched in 2024, is now available to all Savings Bank staff across the board.

This means that AI is available at each of the approximately 200,000 workstations across the entire Group. The aim is to increase efficiency and relieve staff of administrative tasks, thereby freeing up more capacity for value-adding and advisory-intensive activities.

In parallel with the technological roll-out, the Savings Banks Finance Group is making targeted investments in its workforce's AI skills. The Group's training centres are continuously expanding their training programmes in the field of AI-supported systems. Transformation is not viewed as a one-off project, but as an ongoing component of organisational development: areas such as team collaboration, personal responsibility and transparency are being specifically strengthened to foster a learning, adaptable culture within the organisation.

This comprehensive understanding of transformation also includes strengthening sustainability management. In 2025, the Savings Banks Finance Group specifically allocated human resources to further develop and professionalise activities in this area. This ensures that social sustainability goals are not only strategically embedded but can also be implemented effectively at an operational level and continuously refined.

Diversity

The Savings Banks Finance Group is continuing on its path towards a more open and diverse corporate culture. The proportion of female members of the executive board rose to 9.1% in the reporting year (previous year: 8.0%) – a continuous, albeit not yet complete, development. The proportion of female managers overall continues its positive trend. Promoting equal career opportunities regardless of gender, age or background remains a key priority and also makes a significant contribution to the Group's long-term capacity for innovation.

Wide-ranging social commitment

Savings Banks, Savings Bank foundations, Landesbanken and network partners shape local community life in a variety of ways. In 2025, the Savings Banks Finance Group supported community-oriented projects with around EUR 504 million (previous year: EUR 535 million).

The Savings Banks Finance Group can thus look back on three record years for funding: with a contribution of more than EUR 500 million per year in each of these three years, it has maintained a high level for the third year running. Once again in 2025, the most common form of support was the donation – a contribution given without expecting anything in return. Around 44% of the total funding amount is accounted for by this form of support.

Art and culture

Support for art and culture is the largest area of funding and is firmly embedded in the Savings Banks Finance Group's social commitment. In total, the Savings Banks Finance Group supported art and culture in 2025 with EUR 138.4 million (previous year: EUR 134.8 million). Projects across the country received support. Long-standing partnerships were continued, such as the Group's role as the main sponsor of the Dresden State Art Collections. 160 foundations within the Savings Banks Finance Group are dedicated exclusively or primarily to cultural funding.

Social commitment

The Savings Banks are committed to supporting children, young people and the elderly through a wide range of projects. They direct their funding towards society at large and support, for example, social advice centres, community centres and integration projects for immigrants. With funding totalling EUR 135.8 million in 2025 (previous year: EUR 148.2 million), social engagement is the Savings Banks Finance Group's second-largest area of funding.

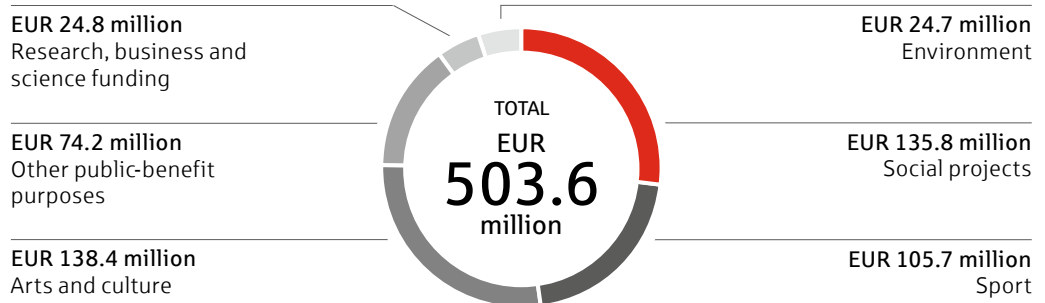
Under the banner 'Financial Education for All', the Savings Banks Finance Group is committed to strengthening financial literacy in Germany through key initiatives. The "Savings Banks School Service" offers a wide range of teaching materials on the topics of money, finance, job applications and career guidance. In the extracurricular sector, "Money and Household" supports all consumers with services for budget and financial planning. More than 1,500 schools, clubs and organisations cooperate each year with the Savings Banks Finance Group's financial education institutions.

105 foundations within the Savings Banks Finance Group are dedicated exclusively or primarily to promoting social causes.

Sport

The Savings Banks Finance Group supports sport in all areas. The bulk of this support benefits sports clubs across all regions of Germany. A national example of this is its commitment to the German Sports Badge, which includes participation in the Sports Badge Tour as well as the annual Sports Badge Competition.

Social commitment of the Savings Banks Finance Group As at 31 December 2025



In addition, elite sport, youth sport and para-sport are also supported at national level, for example as a top partner of Team Deutschland and Team Deutschland Paralympics, and as a main sponsor supporting elite sports schools.

In 2025, sport and members of sports clubs received support totalling EUR 105.7 million (previous year: EUR 102.5 million). 30 foundations within the Savings Banks Finance Group are dedicated exclusively or primarily to promoting sport.

Environment

Savings Banks also take responsibility in the area of the environment. They are committed to environmental and climate protection in their business areas in a variety of ways. As a result, a large number of local environmental organisations can count on the support of the Savings Banks. The range of funding initiatives also includes selected environmental projects in schools. The funds allocated for this purpose amounted to around EUR 24.7 million in 2025 (previous year: EUR 25.2 million).

Research, business and science funding

Supporting research and science is a key element of the Savings Banks Finance Group's commitment to sustainable social development. In 2025, EUR 24.8 million (previous year: EUR 20.1 million) were channelled into projects in the fields of research, business and science.

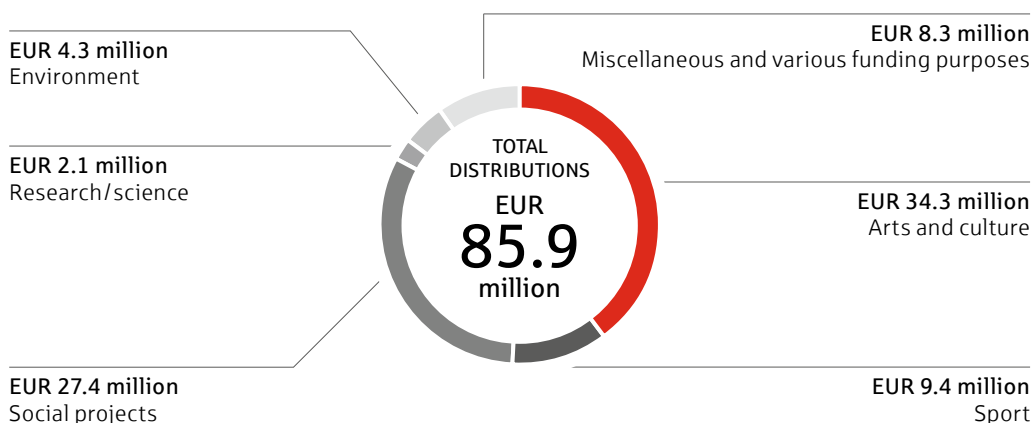
Foundations

The charitable foundations of the Savings Banks Finance Group continue the funding activities undertaken by the Savings Banks, Landesbanken and other institutions of the Savings Banks Finance Group in a variety of ways, with a predominantly regional focus. As at 31 December 2025, the number of foundations within the Savings Banks Finance Group had fallen from 781 (2024) to 770. This is attributable to the merger of foundations following the reform of foundation law. Newly established foundations place particular emphasis on the issue of sustainability. At the end of 2025, they had total capital of EUR 3.3 billion (previous year: EUR 3.2 billion). Last year, the Savings Bank foundations' distributions of EUR 85.85 million (previous year: EUR 77.9 million) accounted for around 17% of the Savings Banks Finance Group's total commitments.

The Savings Banks Finance Group reports regularly on its social commitment at:

➤ dsgv.de/our-responsibility

Distributions by the foundations of the Savings Banks Finance Group in EUR million As at 31 December 2025



German Sparkassenstiftung for International Cooperation e.V.

Creating opportunities. Together. Worldwide

Savings Banks were founded in Germany over 200 years ago as microfinance institutions for people on low incomes. Since then, German Savings Banks have developed into one of the largest financial groups in the world, successfully combining a high level of professionalism with a strong social mission. The mission of the German Sparkassenstiftung (Savings Banks Foundation) for International Cooperation e.V. (DSIK) is to make these successes and experiences available worldwide in developing and emerging economies. The aim is to create stable financial systems and to give local people prospects for a better life through social inclusion. Since its foundation in 1992, the German Savings Banks Foundation has implemented around 260 projects in over 100 countries. Since then, more than 2,200 staff members from the Savings Banks Finance Group have provided valuable support as advisers on DSIK projects.

Global issues in project work

Global challenges are fundamentally changing economic conditions. Through its projects, the German Sparkassenstiftung strengthens the resilience of financial institutions, promotes equality of opportunity and supports sustainable development. This ranges from adaptation to climate change and the empowerment of women, right through to digital transformation and the economic integration of refugees.

Adapting to climate change

Climate change and its consequences not only pose major risks to people and businesses, but also for financial institutions. Together with central banks and other partners, the German Sparkassenstiftung is developing sustainable technologies and creating innovative products and services for female customers. It also supports financial institutions in identifying the vulnerability of their portfolios to the impacts of climate change and developing appropriate risk management systems.

Women in business

Women have fewer employment opportunities in most economies: they are less likely to be in paid employment, are more likely to work in informal employment with lower incomes, and are less likely to set up their own businesses. Furthermore, they often have only limited access to financial services. By specifically empowering women, the German Sparkassenstiftung aims to eliminate gender-based disparities.

Refugees and migration

There have been global refugee and migration flows for many years, and the trend is rising. A key approach is to support refugees in building a sustainable livelihood in their country of transit or host country. The German Sparkassenstiftung runs projects in many parts of the world to promote the economic integration of refugees and host communities.

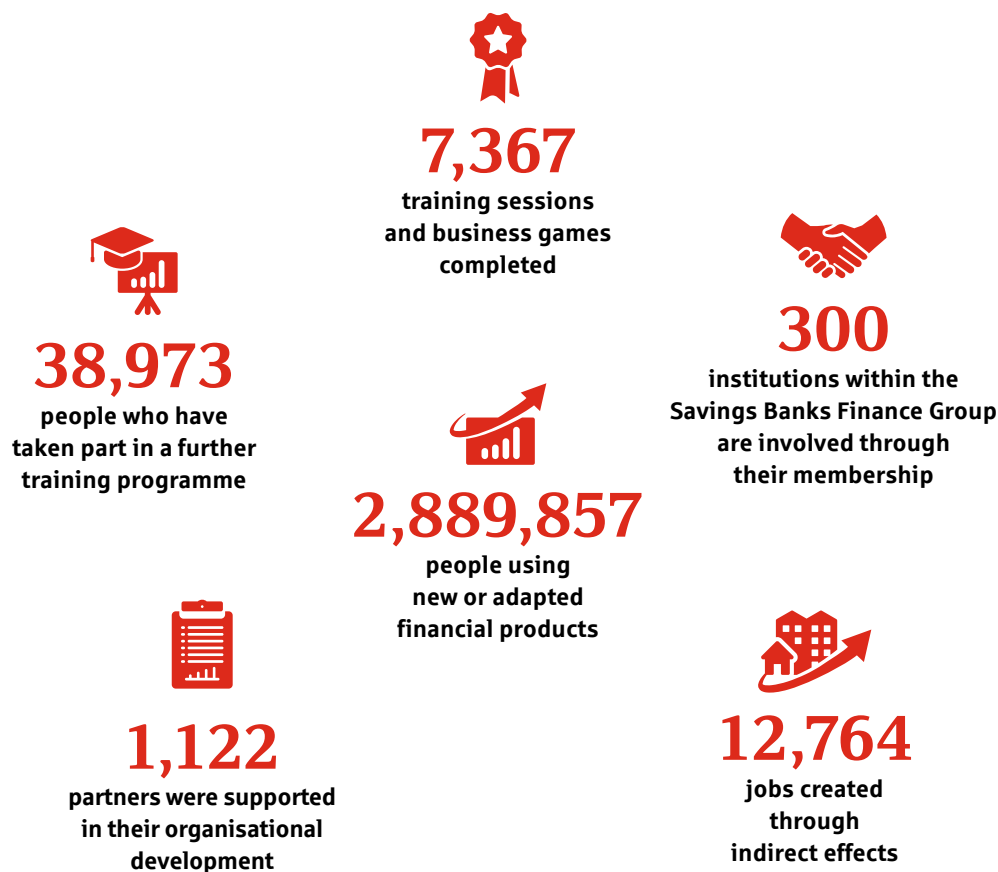
Digital transformation

In an ever-accelerating world with a growing number of digital services, there is also strong demand for digital products and services from financial institutions. That is why the German Sparkassenstiftung supports its partner institutions in their digital transformation. This involves automating internal processes and introducing new technologies such as mobile apps or online banking. Access to digital financial services is being improved through digital training programmes for staff and customers of financial institutions, particularly in rural or remote areas.

➤ [Sparkassenstiftung.de](https://www.sparkassenstiftung.de)

The work of the German Sparkassenstiftung makes a difference

In 2025, the German Sparkassenstiftung worked to promote financial inclusion and regional economic development in 51 countries.



Risk report

The institutions of the Savings Banks Finance Group continued to perform well in 2025 despite a persistently challenging economic environment (the war in Ukraine, trade conflicts arising from tariffs) and once again proved themselves to be a bastion of stability. The EU shifted its priorities from climate and environmental policy towards reducing bureaucracy and enhancing competitiveness.

In terms of banking supervision, 2025 was characterised above all by the enactment of the final Basel III regulations at European level (CRR III/CRD VI) on 1 January 2025. This regulatory package amended key elements of banking regulation, such as the requirements for calculating risk-weighted assets and the associated capital requirements. As a result, capital requirements were increased on average, thereby strengthening the resilience of financial institutions.

In addition, new reporting and disclosure requirements have been or are being introduced, including in the area of ESG risks¹. CRD VI, which was transposed into German law in spring 2026, primarily tightens governance requirements and sets out guidelines for incorporating ESG risks into institutions' risk management.

The first mandates for EBA standards and guidelines arising from the implementation of CRR III and CRD VI were finalised or initiated in 2025. Further mandates will follow from 2026 onwards.

Nevertheless, the issue of sustainability remains a key focus of the institutions' risk management. As early as 2025, the DSGV launched a project to support the implementation of future requirements arising from current EBA guidelines on the management of ESG risks. Furthermore, implementation work is expected to continue beyond 2025 as a result of the MaRisk review announced for 2026 as part of the 9th MaRisk amendment (the final version of MaRisk is expected in summer 2026), as well as the amendments to the German Banking Act (KWG) arising from CRD VI in the area of sustainability risks.

Despite the aim of reducing bureaucracy, the implementation of CRR III/CRD VI continues to result in a persistently high number of new requirements (particularly from the European Banking Authority, EBA). S Rating und Risikosysteme GmbH (SR) provides centralised support to the regional Savings Banks in their operational implementation to promote standardisation in banking management.

Risk management at institutions of the Savings Banks Finance Group:

The identification, monitoring and management of general banking risks are among the core tasks of a credit institution. The key risks faced by credit institutions include:

- Counterparty risks
- Market price risks
- Liquidity risks
- Operational risks

¹ ESG risks and sustainability risks are used synonymously.

The institutions of the Savings Banks Finance Group manage the returns and risks associated with their business activities professionally and with a view to the future. Changes in the market environment and new regulatory requirements necessitate the ongoing development of methods, models and tools for risk management.

The DSGV, SR and the regional Savings Bank associations continuously develop, maintain and improve these tools and methods in close cooperation with the institutions. This offers numerous advantages, including

- creating practical, uniform and efficient standards throughout the Savings Banks Finance Group,
- establishing a broad database through nationwide data pooling based on these standards,
- reducing the burden on individual institutions through centralised solutions and avoiding duplication of effort,
- pooling the Savings Banks Finance Group's collective expertise to continuously improve risk management solutions.

Notwithstanding the development of standardised procedures across all Savings Banks, decision-making regarding business operations and the associated risks – such as the design of customer products or the bank's own investment policy – remains with each individual institution. This also applies to the definition of the individual risk profile at the overall institutional level and the application of risk quantification methods.

Types of general banking risks

Counterparty default risks	– The risk of a negative deviation from the expected value of an on-balance-sheet or off-balance-sheet position resulting from a deterioration in creditworthiness, including the default of a debtor. Counterparty risk is subdivided into a debtor's default risk and migration risk. For the purposes of this definition, debtors in retail banking are borrowers, i.e. traditional private, commercial and corporate customers, credit institutions (interbank), countries and the public sector. Debtors in proprietary trading are any counterparties or issuers.
Market price risks	– The risk of a negative deviation from the expected value or the current market value of an on-balance-sheet or off-balance-sheet position, resulting from changes in risk factors (interest rates, spreads, foreign currencies, equities, property, commodities, including volatility and option risk).
Liquidity risks	– Liquidity risk generally comprises insolvency risk and refinancing cost risk. In both of the components defined below, liquidity risk also encompasses market liquidity risk. This is the risk that, due to market disruptions or insufficient market depth, financial instruments cannot be traded on the financial markets at a specific point in time and/or at fair prices. – Insolvency risk: the risk of being unable to meet payment obligations in full or on time. – Refinancing cost risk: the risk of a negative deviation from the expected value of refinancing costs.
Operational risks	– The risk of loss arising from damage caused by the inadequacy or failure of internal procedures, staff, internal infrastructure or external factors.
Other risks	– Depending on their individual business model, Savings Banks may be subject to further risks.

Each institution makes individual use of the jointly developed procedures for measuring risks, aggregating them within the risk-bearing capacity, managing the portfolio and allocating capital in a way that optimises the risk-return ratio. Owing to the large number of individual decisions, the Savings Banks Finance Group remains very well diversified overall.

Risk management procedures are optimised on an on-going basis within the Savings Banks Finance Group.

Ensuring risk-bearing capacity

For many years, the institutions of the Savings Banks Finance Group have used risk management procedures and IT tools designed, on the one hand, to determine internal capital (risk coverage potential) and, on the other, to assess risk. The consolidation and subsequent comparison of these elements takes place within the framework of risk-bearing capacity (RTF). Here, the institutions have access to centrally developed concepts and IT solutions that link the various procedures and methods and embed them within a risk limitation framework at both the institution-wide level and for individual risk categories.

Since 2023, Savings Banks have mapped their risk-bearing capacity in accordance with the requirements of the national banking supervisory authority from both an economic and a normative perspective. For Landesbanken, however, the ECB's ICAAP guidelines serve as the basis for their own risk-bearing capacity frameworks. The management methods enshrined in the risk-bearing capacity frameworks of Savings Banks and Landesbanken aim to ensure both the long-term viability of the individual institutions and the protection of creditors.

The frameworks and IT solutions for bank management developed jointly within the Savings Banks Finance Group support the institutions across the entire spectrum, from data consolidation in risk management through scenario analysis and risk measurement to regulatory reporting and internal risk reporting. This process incorporates the individual risk values and, consequently, the capital and asset requirements arising from the business structure of each Savings Bank. Since mid-2016, responsibility for providing IT support to the Savings Banks in the area of banking management has rested with SR.

In the institutions' risk-bearing capacity calculations, risks are weighed against risk coverage potential to ensure that coverage is maintained at all times. The overall risk for each individual institution and the individual risk categories within it are capped by a limit that enables a timely response and includes limit reserves. When setting the overall risk limit, not all of the risk coverage potential is utilised, thereby retaining additional reserves for potential additional burdens.

In order to identify trends in capital levels and future margins at an early stage, the institutions of the Savings Banks Finance Group carry out capital planning processes (normative perspective on risk-bearing capacity). Should measures be required in the areas of capital adequacy and profit performance, these can thus be initiated at an early stage. Furthermore, dedicated planning of own funds and own funds requirements ensures a high level of transparency regarding own funds margins. This enables a targeted and prudent use of these funds.

The results planned for the coming years and the retention of these profits will enable the Savings Banks and Landesbanken to gradually build up their own funds. This facilitates the ongoing growth of the lending business, which increases the minimum capital requirement. Potential pressures arising from unfavourable macroeconomic developments can thus be taken into account at an early stage in business, profit and capital planning, and appropriate measures can be prepared where necessary.

Since 2016, the German supervisory authority has regularly set institution-specific capital requirements and expectations through the so-called SREP surcharges² for interest rate risks and other material risks, as well as through the capital adequacy recommendation (Pillar 2 guidance), which must be taken into account both in the ongoing capital adequacy assessment and in the normative perspective of risk-bearing capacity (capital planning).

Through the SREP add-ons, the supervisory authority intends to ensure that such risks are underpinned by own funds which, although identified in the risk-bearing capacity assessment and backed by risk coverage potential, are not, or not sufficiently, taken into account in the Basel Pillar 1 capital requirements.

The capital recommendation specifies how much additional capital an institution should hold from a regulatory perspective so that it can meet the total SREP capital requirement at all times, including during periods of stress. For the majority of Savings Banks, this results in no or only minimal additional capital requirements.

Ensuring solvency

The capital adequacy of the Savings Banks remained extremely sound in 2025. The common equity tier 1 ratio stood at 16.8% as at 31 December 2025, whilst the total capital ratio reached 17.7%.

On average, the Savings Banks thus significantly exceed the Basel capital requirements in force since 1 January 2014, which are 4.5% for common equity tier 1 capital and 8% for the total capital ratio. The capital base also covers the capital conservation buffer (2.5%), which raises the minimum requirements for common equity tier 1 capital under Basel III to 7% and the total capital ratio to 10.5%. Also covered are the SREP add-ons and the capital recommendation (formerly the capital target ratio), as well as the buffers set by BaFin by way of a general ruling (currently: countercyclical capital buffer 0.75%, systemic risk buffer for residential property 1.0%).

The Landesbanken (at individual institution level), including DekaBank, reported an average common equity tier 1 ratio of 18.4% at the end of 2025. The total capital ratio averaged 22.6%.

Managing individual risk categories

Increased regulatory requirements for risk reporting make it necessary to establish principles for the management, quality and aggregation of risk data.

Together with Finanz Informatik, SR ensures that regulatory and business requirements are taken into account in the Savings Banks Finance Group's shared data framework.

Profit and risk management constantly navigate the tension between economic market conditions, the regulatory framework and changing customer expectations. Particular attention is paid to the management of counterparty risk, as this type of risk has a significant impact on the institutions' risk-bearing capacity and the stability of their results. However, comprehensive risk measurement and management procedures ensure the sustainable lending capacity of the Savings Banks and Landesbanken.

² SREP = Supervisory Review and Evaluation Process.

Risk classification tools

For corporate banking: Savings Banks Standard Rating	– The Savings Banks Standard Rating is applied to commercial customers of the Savings Banks. The credit assessment follows a modular structure; that is, the first step is to examine what information the Savings Bank or Landesbank has on a company that can be incorporated into the determination of the rating. This information is categorised as follows: – Analysis of the annual accounts or the income and expenditure statement, – Qualitative rating, i.e. the characteristics of the company and the entrepreneur or managing director are assessed, – Taking into account existing business relationships with the customer, such as their account behaviour, – Adjustments based on warning signs of an impending corporate crisis, – Consideration of third-party creditworthiness factors (joint liability arrangements) in an existing 'parent-subsidiary relationship'. – A strength-potential profile of the customer can be automatically generated from an approved rating, which can be used for customer communications. – For customers with low exposure, institutions have access to an automated process for ongoing creditworthiness assessment – based primarily on account data – as well as a simplified risk classification process for applications (KundenKompaktRating).
For commercial property investments: Savings Banks Property Business Rating	– The Savings Banks Property Business Rating is used to assess the creditworthiness of property clients. Both quantitative indicators, such as balance sheets, and qualitative factors, such as the expected development of the business, are taken into account in the assessment. As a key risk driver, the property to be financed or already financed is assessed using property-specific information and key figures. The focus is on assessing whether it is likely that the loans will be repaid from rental income or the proceeds from the sale of the property in the coming years. – To ensure the assessment is as realistic as possible, all available information is weighted accordingly and combined to produce a rating for the customer.
For retail banking: Savings Banks Customer Scoring	– The Savings Banks Customer Scoring system is the risk classification procedure for retail banking. It enables the customer adviser to objectively assess the creditworthiness of both new and existing customers when a loan application is made, using as much credit-relevant information as possible. – This tool also provides institutions with automated monitoring of their retail customer exposures, thereby enabling them to identify risks at an early stage.
For investments in renewable energy: Project Finance Rating	– The Project Finance Rating is a tailor-made process for financing in the renewable energy sector (wind, solar, biogas/biomass). The loan commitment is based primarily on the cash flows generated from the operation of the plant. Consequently, it is not the financial position of the equity provider (also known as the sponsor) that forms the core of the risk, but the project's performance. – As the project company is to be assessed in its entirety, qualitative factors such as the expertise of those involved in the project, information on the project environment and the structure of the contracts are also incorporated into the assessment process.

Furthermore, SR, has worked together with Savings Banks and Regional Associations to develop a standardised procedural model for conducting risk inventories, including a risk concentration analysis, with key recommendations on the criteria for assessing the materiality of individual risks. This also involves carrying out an assessment of sustainability risks and a qualitative impact analysis of economically material risks from a normative perspective.

To support the risk management process in the Savings Banks, the institutions also have access to a risk handbook, which helps to document risks in a standardised manner. In addition, the risk handbook provides an overview of the methods and procedures used in risk management.

Management of counterparty risks

SR develops and maintains the procedures necessary for efficient and needs-based credit risk measurement in Savings Banks, in cooperation with representatives from Regional Associations, Savings Banks, Landesbanken, Landesbausparkassen and Finanz Informatik, based on data from the Savings Banks Finance Group. These procedures are consequently used across the board within the Savings Banks Finance Group for the management of default risks.

Centralised maintenance and further development of the procedures by SR ensure their high quality and consistency. This safeguards data protection-compliant handling of data from Savings Banks and Landesbanken (data pooling), the annual qualitative and quantitative review (validation), and the regular regulatory review of the instruments.

The risk classification procedures set out in the table on page 78 relate to corporate lending, property lending and retail banking.

Furthermore, the institutions of the Savings Banks Finance Group have credit assessment tools for the fair calculation of credit spreads (risk costs) and for risk measurement (value-at-risk calculation) of the overall loan portfolio. The calculated 'fair' credit risk premium is also used for risk transfer between institutions or within the framework of so-called credit pooling.

The Savings Banks Finance Group is constantly working to make its management of counterparty risks more efficient and thus to obtain more accurate forecasts. Only a balance between accurate risk assessment and the effective deployment of financial resources can ensure fair terms for customers.

Over 257,000 commercial and corporate customers were assigned to rating categories in 2025. In some cases, the ratings were carried out or updated several times. In total, the Savings Banks Finance Group's data pool contains more than 16.3 million commercial ratings. This database ensures a high level of reliability in credit assessments whilst also enabling the provision of expert advice to customers.

The advantages of uniform, joint rating procedures within the Savings Banks Finance Group lie in

- a very broad data base,
- a high degree of differentiation in the procedures,
- a precise and fair categorisation of our customers according to their creditworthiness,
- stable default rates,
- early and objective risk identification, and
- central regulatory approval of the instruments used to determine capital requirements under the internal ratings-based approach.

All rating and scoring procedures have been approved by the regulatory authorities and are reviewed regularly by the banking supervisory authority.

The models and methods used for counterparty risk management by the Savings Banks take into account their heterogeneity in terms of the size of the individual institution, as well as the nature, scope and complexity of the counterparty risk portfolio.

Thus, an idealised model of counterparty risk management can be represented across a total of five development stages.

As part of the implementation, the Savings Banks

- leverage synergies through the efficient use of risk measurement tools and their integration into overall bank management,
- optimise their capital utilisation through the flexible build-up and reduction of counterparty risk positions,
- create greater sales freedom through a clear demarcation of responsibilities between sales, back-office functions and portfolio management,
- capitalise on growth opportunities in the lending business (including new business) through the targeted management of concentration risks and the consistent use of risk management tools,
- find competitive terms more easily thanks to improved risk structures within the lending portfolio.

Through efficient management of their loan portfolios, the Savings Banks are able to continue to grow sustainably in the lending business without exposing themselves to excessive risk.

The portfolios of the Savings Banks Finance Group were again well positioned in the 2025 financial year. Overall, 62.9% of all corporate customers of the Savings Banks and Landesbanken had a credit rating in the so-called investment-grade range (better than BBB–) and thus demonstrated high credit quality. This figure has risen slightly compared with the previous year.

Management of counterparty risk at portfolio level

To remain sustainable and competitive in the lending business, Savings Banks comprehensively assess the risks associated with lending and can manage these effectively, amongst other things, by applying the eKRM (efficient credit risk management) framework. Through such efficient credit portfolio management, which specifically optimises the return and risk profile within their existing and new business loan portfolios, they can gain an advantage even in the current competitive environment. This leads, not least, to improvements in efficiency and earnings. Despite the changed interest rate environment and after taking risk costs into account, the lending market – particularly the retail lending business – remains more profitable and less risky than the capital markets business, thanks to the consistent use of the risk measurement and valuation methods listed in the table above.

Diversification of counterparty risks: Syndicated lending as an example

Traditional syndicated lending is an established instrument, widely used by Savings Banks, for targeted portfolio and risk management in retail lending. This involves not only the sharing of credit and risk with the relevant Landesbank and network partners, but also, to a comparable extent, the joint financing of larger retail loans by several Savings Banks. The structure of this cooperation ranges from direct lending, through sub-participation in loans, to liability relief.

Promissory note loans are also a form used by many Savings Banks for targeted investment in corporate lending. All these instruments can be used both to hedge against credit risks and to invest in credit risks.

The key point is that responsibility for the customer remains with the Savings Bank granting the loan. At the same time, however, this bank has 'financing partners', enabling it to increase its scope for manoeuvre in the lending business by reducing pressure on liquidity and capital. The involvement of other Savings Banks, Landesbanken and network partners creates new opportunities for increased lending growth, particularly when supporting the growth and transformation of large SMEs towards greater digitalisation and sustainability. The joint financing of large-scale investment projects will become increasingly important through the use of the instruments mentioned.

Tools for counterparty risk management

Savings Bank risk-adjusted premium calculation	– Risk-adjusted premium determination (RAP) calculates a fair credit risk premium based on credit ratings and collateral as part of a risk-adjusted price. The determination of the credit risk premium in both pre- and post-calculation is based on a calculation tailored individually to the transaction. RAP also enhances the pre-calculation in terms of the transparency of counterparty risk costs and supports the post-calculation with regard to cost transparency and the risk-oriented management of new business.
Savings Banks - CreditPortfolioView	– CreditPortfolioView (CPV) enables Savings Banks and Landesbanken to identify, measure and present, in real time, the counterparty risks associated with a loan portfolio and Portfolio A. This is generally carried out on a cash-flow basis (value-oriented); P&L-oriented (periodic) calculations are also possible. CPV takes into account changes in creditworthiness and credit defaults by customers, issuers and counterparties in the relevant macroeconomic scenarios.
Savings Banks Loss Data Collection	– The loss data collection determines realisation and recovery rates from the history of defaulted customers. The loss data is validated annually and, based on institution or pool-level data, integrated into the bank's management system via the RAP and CPV applications to manage counterparty default risk. Additional parameters are estimated from the validated pooled loss data of the Savings Banks Finance Group (e.g. to fulfil the hard test reporting requirements) and comprehensive reports are generated.

Hedging counterparty risks: Savings Bank loan baskets as an example

For 23 years, the Savings Banks have had access to another efficient tool for hedging credit risks and managing concentration risks: the Savings Bank loan baskets. Unlike syndicated lending, they offer a means of synthetically hedging credit risks.

Structured like a mutual insurance society, participating Savings Banks contribute the hedging requirements relating to their entire lending relationship with a major customer to a basket twice a year, whilst at the same time participating in the diversified portfolio of SME loans typical of Savings Banks that is created in this way.

To date, a good 40% of all Savings Banks have participated in at least one of the Savings Bank loan baskets, collectively providing mutual cover for a total of around EUR 9.5 billion. Here, too, the basic principle applies that the customer relationship remains with the Savings Bank granting the loan, whilst at the same time that bank gains greater flexibility in its lending business with both existing and new customers. This is because it enables the bank to manage its risk exposure in the lending business in a targeted manner.

Managing market price risks

The starting point for market price risk management is the identification of the assets held in this segment, both in the retail and proprietary trading businesses. The total value of these asset positions is subject to market price fluctuations, which can lead to increases in asset value, but also to decreases. The institutions of the Savings Banks Finance Group are supported by the DSGV, SR and the Regional Associations both in terms of the methodology for quantifying market price risks and optimising assets, and in the technical implementation of measures to manage these risks. Since 2022, SR has offered the Savings Banks standardised methods and parameters for quantifying interest rate, spread, equity and foreign exchange risks via the OSPlus application MPR, and works consistently to further develop methods for market price risk management.

Interest rate risk is a significant market price risk. Within the Savings Banks Finance Group, this is measured as Value at Risk (VaR) using the standard variance-covariance approach. The MPR application calculates value-based market price risk across portfolio boundaries, thereby ensuring a consistent assessment of risks in both proprietary and customer business. Furthermore, diversification effects between the risk categories of interest rates, spreads, foreign currencies and equities are taken into account within market price risk.

Institutions have access to tools for the management of interest rate risk, enabling them to generate specific control measures, whilst also taking into account the regulatory risk-bearing capacity, regulatory outlier criteria and internal economic and balance sheet limits. The continuous application of these procedures broadens the institutions' basis for decision-making and makes it easier to derive effective measures to manage interest rate risk.

For the Savings Banks Finance Group, the management of interest rate risk will remain of paramount importance in 2025 in the current interest rate environment, as

- the capital invested in interest-bearing business accounts for a significant and strategic proportion of the total capital allocation at most institutions within the Savings Banks Finance Group,
- institutions must prepare for a potential renewed rise or fall in interest rates,
- new refinancing structures require the separation of refinancing and interest rate risk management,
- for debt securities, credit spreads and interest rate risk are becoming more closely linked than before, and
- regulators are focusing on interest rate risk, monitoring it through standardised metrics and deriving capital requirements on the basis of these metrics. Examples of this include the so-called SREP add-on for interest rate risk and the determination of capital recommendations based on data from the LSI stress test.

The potential provided by interest rate risk management has been used across the board for years. Virtually all Savings Banks have the necessary procedures and associated technology in place. More than two-thirds of Savings Banks regularly report their interest rate risk to the DSGV on this basis.

Analyses of Savings Banks' interest rate risks for the year 2025 show that measures to manage interest rate risks are deliberately adapted to current interest rate trends. At the same time, the varying risk appetites and interest rate expectations within the Savings Banks Finance Group ensure a very high degree of diversification across interest-bearing investments throughout the entire Group.

Managing liquidity risks

Liquidity risk encompasses both insolvency risk and refinancing cost risk. Market liquidity risk is taken into account for both of these aspects. This is the risk that financial instruments cannot be traded at a specific point in time and/or at fair prices due to market disruptions or insufficient market depth. Market liquidity risk focuses on the liquidity value of securities and the available refinancing capacity in the market.

The European liquidity coverage ratio (LCR) has been in force since 1 January 2018, with a regulatory minimum requirement of 100 percent. This requirement has been more than adequately met by the Savings Banks (LCR 195.1 as at 31 December 2025). The simulation and planning capabilities relating to the LCR have steadily improved in recent years thanks to the 'LCR controller', enabling all Savings Banks to fine-tune this short-term ratio at an operational level.

Based on the EU banking package adopted in April 2019, the Net Stable Funding Ratio (NSFR) – with a regulatory minimum requirement of 100% – has been mandatory since 28 June 2021. This ratio compares the 'required' and 'available' funding over a one-year horizon. In particular, the stable customer deposits held by the Savings Banks enable the ratio to be met more than adequately across the entire Savings Banks Finance Group (the Savings Banks' NSFR stood at 130.2 as at 31 December 2025). A 'simplified' version of the NSFR also exists. The 'simplified NSFR' was not applied due to the efficient centralised implementation of the NSFR reporting system by Finanz Informatik.

The focus of the institutions and associations within the Savings Banks Finance Group is generally on the continuous improvement of qualitative and quantitative liquidity risk management. Centrally developed key performance indicators, such as the survival period (SVP), make risk management comparable and interpretable for management. A key innovation in the technical framework for this is the Group-wide 'SVP Calculator' software and the associated 'standard parameterisation'. The analytical capabilities of the comprehensive liquidity reporting system (which, in addition to the LCR and NSFR, includes further liquidity ratios under AMM³) were further expanded in 2022. Thanks to the granular data supply from the data centre, the Savings Banks are able to analyse their liquidity flows to any level of detail.

Since 2019, the institution-specific process for identifying, measuring, managing and monitoring all liquidity risks (ILAAP) has been further refined. As a result of the ECB's unconventional monetary policy measures during the period of low and negative interest rates, there was a general 'excess liquidity in the banking system'.⁴ This has since gradually diminished following the repayment of the Eurosystem's longer-term refinancing instruments and the phasing out of the bond-purchase programmes APP and PEPP. With the full introduction of the European requirements for real-time transfers in euros on 9 October 2025, a new need for action has arisen in operational processes, particularly due to the removal of previously applicable upper limits. The Savings Banks are taking adequate account of the new framework conditions in their liquidity risk management as well as in their refinancing strategy and planning.

Managing operational risk

Their sustainable business orientation obliges the institutions of the Savings Banks Finance Group to regularly address impending risks and their professional prevention. Only in this way can existing assets be safeguarded in the future.

According to AT 2.2 of MaRisk, operational risks must, in principle, be treated as 'significant risks'. Consequently, the Savings Banks must maintain an appropriate level of risk coverage for these risks.

For business management purposes, the Savings Banks use the 'Claims Database' and 'OpRisk Scenarios' methods offered by SR. In the Claims Database, claims that have occurred are systematically recorded and analysed; this constitutes an ex-post assessment. In the 'OpRisk Scenarios', as part of an ex-ante assessment, potential operational risks and their loss potential are assessed, and preventive measures are derived.

³ Additional Monitoring Metrics for Liquidity Reporting.

⁴ <https://www.bundesbank.de/de/aufgaben/geldpolitik/ueberschussreserven/ueberschussreserven-und-ueberschussliquiditaet--811892>

In addition to the procedures for managing operational risks, the Savings Banks have access to the 'OpRisk estimation procedure' as a standardised tool for estimating operational risks for the purpose of calculating economic risk-bearing capacity. This procedure takes into account not only the institution's own loss events but also those from the nationwide OpRisk data pool.

The Savings Banks submit their data annually to a nationwide data pool, which simultaneously grants them access to loss event data and risk scenarios from other institutions. The mutual exchange of this information helps to prevent losses and limit operational risks. Given the homogeneous business model of the Savings Banks, the pooled data collected is considered to be representative.

The methods provided (loss event database, OpRisk scenarios and OpRisk estimation methods) support institutions in complying with MaRisk.

Managing ESG risks

The transition to a sustainable economy remains a key focus for policymakers, society and regulators. The ESG risks associated with this transition are increasingly being incorporated into banking supervisory requirements for risk management. For instance, the 7th amendment to MaRisk, published in June 2023, integrated ESG risks into binding supervisory requirements. Institutions have been required to implement these amendments to MaRisk since 1 January 2024. Furthermore, the EBA published a guideline on the management of ESG risks in January 2025 and another on environmental scenario analyses in November 2025. These documents also introduce corresponding requirements at European level. Under the BRUBEG (Banking Directives Implementation and Red Tape Reduction Act), the European requirements of CRD VI on ESG risk management were transposed into national law with effect from April 2026 (Section 26c/d of the German Banking Act (KWG)), including requirements for the short, medium and long-term management of ESG risks and for the preparation of ESG risk plans.

ESG risks do not constitute a separate category of risk in their own right, but act as risk drivers influencing the traditional financial risks faced by credit institutions, such as counterparty default risk or market price risk. However, when analysing the impact of ESG risks on an institution's individual risk profile, risk management must take into account a significantly longer time horizon than is customary for conventional risk drivers. Savings Banks therefore supplement their risk inventory with a strategic perspective to ensure an appropriate analysis of the impact of ESG risks on their risk profile.

The starting point for analysing ESG risks across all time horizons (short, medium and long term) is sustainability factors (such as rising temperatures or heavy rainfall) and the question of whether these have a relevant impact on the risk profile, the business model and/or the strategy.

Integration into risk management is structured hierarchically at the strategic, tactical and operational levels.

- At the strategic level, the ESG risk profile is managed through an appropriate business model and suitable strategic positioning with regard to sustainability. In line with the business strategy, this is taken into account within the risk strategy, when defining the risk appetite and when deriving specific control measures.
- At the tactical level (structuring of transactions), transactions are structured appropriately with regard to sustainability aspects (e.g. via maturity, pricing, contract terms) in order to manage the ESG risks associated with the transactions appropriately.
- At the operational level (economic and normative risk-bearing capacity), tried-and-tested statistical models and scenario techniques are used for risk measurement and capital planning; risk is managed through limits based on the results of the risk inventory process; and capital is allocated to cover ESG risks. Appropriate consideration of ESG risks is ensured through model and parameter validation and, where necessary, suitable scenario analyses.

Scenario analyses play a central role in the assessment of ESG risks at all levels of bank management. To address the challenges associated with ESG risks and to ensure compliance with other sustainability-related regulatory requirements, the DSGV launched a key project back in July 2021, which was completed at the end of 2024. A further key project is currently being carried out to support institutions in implementing the additional requirements set out in the aforementioned EBA guidelines. In addition, SR supports institutions with centralised solutions.

The 7th amendment to the MaRisk also saw the integration of the EBA guidelines on lending and credit monitoring, which, amongst other things, require ESG risks to be taken into account in credit processes. These requirements are implemented, amongst other things, through the use of the SR's S-ESG Score and the DSGV industry service. The S-ESG Score assesses, at customer level, the extent to which corporate customers are exposed to sustainability risks using twelve indicators (e.g. CO₂ emissions and water consumption). In addition to the automated assessment, in which reference values are generated based on sector and postcode, the ESG score assessment can also be carried out on the basis of the corporate customer's individual information.

Securing the institutions through the Savings Banks Finance Group's Institution Protection Scheme

The Savings Banks Finance Group's institution protection scheme protects customer deposits held at the 342⁵ independent Savings Banks, the Landesbanken, DekaBank and the Landesbausparkassen. In addition, the following institutions are affiliated with the sub-funds of the Landesbanken: Frankfurter Bankgesellschaft, BSK 1818 Holding AG (formerly Landesbank Berlin Holding AG), S-Kreditpartner GmbH, Savings Banks Broker AG & Co. KG and Weberbank AG.

The Savings Banks Finance Group's institution protection scheme is designed as an institutional guarantee system. The primary objective of the protection scheme is to prevent the need for compensation and to protect the member institutions themselves, in particular to safeguard their liquidity and solvency (institutional protection). This is intended to ensure that the business relationships between the member institutions and their customers are continued as contractually agreed. Within the framework of the statutory requirements, the voluntary institution protection scheme therefore averts any impending or existing financial difficulties where necessary. Furthermore, the Savings Banks Finance Group's institution protection scheme is officially recognised as a deposit guarantee scheme under the Deposit Guarantee Act (EinSiG). Under the statutory deposit guarantee scheme, customers have a legal entitlement to reimbursement of their deposits up to EUR 100,000 from the guarantee scheme. This is governed by the Deposit Guarantee Act.

Under the umbrella of the German Savings Banks Association (Deutscher Sparkassen- und Giroverband e.V., 'DSGV'), the institution protection scheme is organised into 13 sub-funds: eleven sub-funds of the regional Savings Banks Associations, the sub-fund of the Landesbanken and Girozentralen, and the sub-fund of the Landesbausparkassen.

The individual sub-funds of the institution protection scheme are functionally linked to one another.

A total of eleven Savings Bank sub-funds are managed by the regional Savings Bank Associations. A supra-regional equalisation mechanism operates between these sub-funds. This comes into effect if the expenditure required to resolve a support case in a particular region exceeds the fund resources available there. All other Savings Bank sub-funds then jointly contribute to any necessary measures to support an institution. In this way, all eleven regional Savings Bank sub-funds are linked.

⁵ As at 31 December 2025.

There are separate sub-funds for the Landesbanken and Girozentralen, as well as for the Landesbausparkassen, each of which also has a supplementary fund sub-portfolio:

- the Landesbank sub-fund and
- the LBS sub-fund.

If necessary, all sub-funds act jointly within the framework of the system-wide compensation mechanism, namely:

- all Savings Bank sub-funds,
- the Landesbank sub-fund and
- the LBS sub-fund.

This applies in the event that the expenses required to resolve a support case should exceed the assets of the sub-funds concerned. Through this system-wide equalisation, the assets of all sub-funds are in principle available for measures to safeguard the institution in the event of a crisis.

Each of the 13 sub-funds is allocated two separate pools of assets ('sub-assets'), namely one pool allocated to the uniform support fund and one pool allocated to the supplementary fund. The 13 asset pools of the sub-funds allocated to the uniform support fund together form the institution-specific protection scheme of the Savings Banks Finance Group, which is recognised as a deposit guarantee scheme under Section 43 of the Deposit Guarantee Act (EinSiG). In accordance with the Deposit Guarantee Act, the guarantee scheme had fully built up the financial resources required to be held in the uniform support fund under the EinSiG by mid-2024. The statutory target level for the uniform support fund is 0.8% of the covered customer deposits of the member institutions of the guarantee scheme.

To enhance efficiency and effectiveness, all institutions of the Savings Banks Finance Group have built up a supplementary fund since 2025 with a target allocation of 0.5% of the total risk positions of the CRR member institutions, which is available in addition to the existing protection funds. In addition to meeting banking supervisory requirements, this supplementary fund serves to enable the system to act even more swiftly in the event of a crisis and to provide flexible support to institutions where necessary. As a result, the Savings Banks Finance Group's institution protection scheme has consistently had, and continues to have, a solid financial base.

The Savings Banks Finance Group's institution protection scheme has proven its worth for over five decades. Since its establishment in 1973, no customer has ever lost their deposits or the interest due on them. Depositors have never had to be compensated. No member institution has ever become insolvent.

Financial market participants recognise the protective effect of the institution protection scheme. Three international rating agencies – Moody's Investors Service, Fitch Ratings and DBRS Morningstar – explicitly cite the institution protection scheme as one of the reasons for their positive ratings of Savings Banks, Landesbanken and Landesbausparkassen.

Risk monitoring of the Savings Banks Finance Group's institution protection scheme

The sub-funds have a system in place for the early detection of potential risks, enabling them to initiate countermeasures promptly. This risk monitoring is based on quantitative and qualitative parameters.

In addition to standardised key figures, qualitative reports are taken into account in the assessment of an institution. On the basis of this information, member institutions are classified into one of four monitoring levels.

The sub-funds carry out risk monitoring in accordance with standardised principles. The monitoring committees oversee the risk situation of their member institutions, request additional information from them where necessary and, if required, take countermeasures.

The individual sub-funds report regularly to a central transparency committee at the DSGV. This committee monitors the overall risk situation of the institution protection scheme and ensures transparency within the scheme.

Options available to the sub-funds

The sub-funds have rights to information and intervention enshrined in their articles of association.

In addition to general rights, such as the right to audit all institutions at any time, there are additional rights to information and intervention that arise from the results of risk monitoring.

Institutions without specific risk situations are obliged to provide all information required for risk monitoring and must report on the occurrence of specific events as part of their due diligence obligations. Should the risk situation deteriorate, the sub-fund decides on countermeasures. Institutions facing a specific risk situation are required by the sub-funds to submit a restructuring plan and to implement appropriate operational and personnel measures.

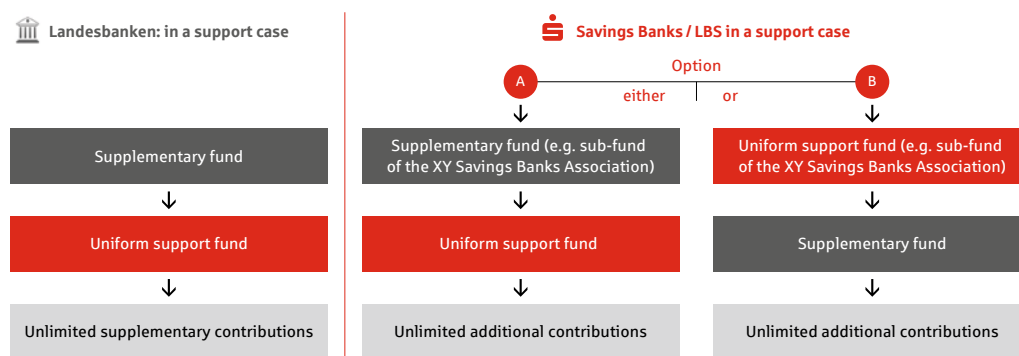
In the event of support being provided to an institution, the sub-funds of the institution protection scheme have a comprehensive range of measures at their disposal. Support is generally subject to conditions set out in a restructuring agreement; for example, payments may be repaid once the financial situation of the supported institution has improved. This may also involve a merger with another institution. The decision-making bodies are granted a high degree of flexibility to address the specific circumstances of each individual case of support.

The sub-funds of the institution protection scheme therefore have the resources and powers to identify and resolve financial difficulties at their member institutions at an early stage. The aim of each sub-fund is to restore the long-term competitiveness of the institution concerned.

Risk-based contribution assessment for the Savings Banks Finance Group's institution protection scheme

Contributions to the Savings Banks Finance Group's institution protection scheme take into account not only the size or scope of business but also an institution's individual risk-bearing capacity. The level of contributions from member institutions is calculated in accordance with regulatory requirements based on prudential risk measures. A member institution's contributions increase in line with its business volume and prudential risk measures. This creates incentives for risk-conscious behaviour and thus helps to safeguard the soundness of the member institutions.

Raising funds to safeguard the institutions



Forecast report

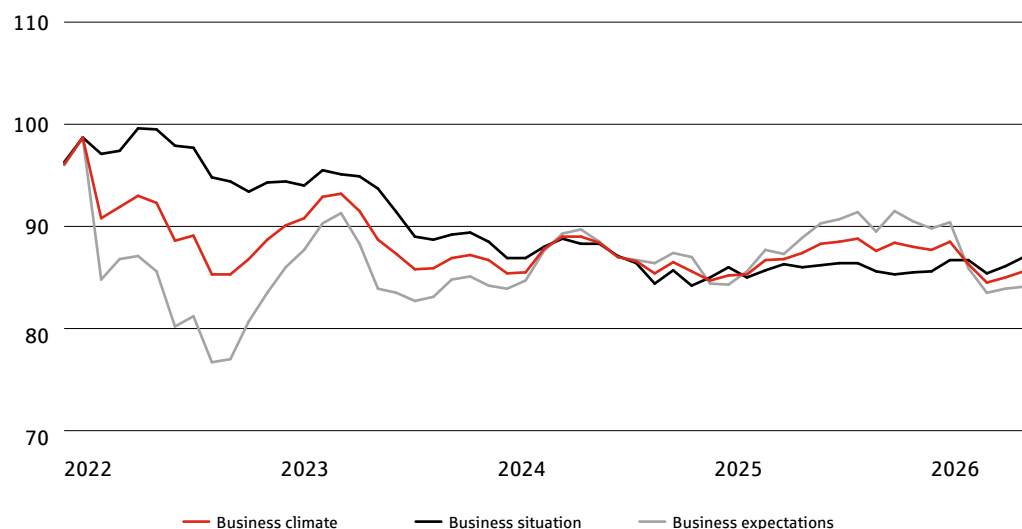
Economic conditions in 2026

The issue of tariff disputes had lost some of its drama by early 2026. One reason for this was the US courts' ruling that some of the tariffs imposed were legally invalid. Although the Trump administration replaced them fairly quickly using other instruments and on a different legal basis, some of these powers are only available for a limited period.

Secondly, another event has taken centre stage in global politics, which has dealt a severe blow to the global economy: the war waged by the US and Israel against Iran. It has once again brought the global economy to a standstill, this time in the form of a physical blockade of goods flows through the Strait of Hormuz. This affected 20% of global oil and gas shipments, as well as other key commodities such as helium, fertilisers and certain rare earth elements.

World market prices for these goods reacted immediately, and in the case of fuels, this had an immediate impact on end consumers. Monthly inflation rates rose worldwide from March to May, approaching the three percent mark in Germany and Europe. This eroded consumers' purchasing power and consequently dampened private consumption. Energy bills also rose for businesses and uncertainty regarding the economic outlook and supply chains intensified once again. This was also reflected in the sentiment indicators in spring 2026.

The ifo Business Climate for the commercial sector



Source: ifo Institute

Growth forecasts for 2026 were revised downwards in most relevant projections as a result of the war in Iran. At the start of the year, many forecasts – including the 'Joint Forecast by the Chief Economists of the Savings Banks Finance Group' published in January – had still pointed, with cautious optimism, to growth rates of around 1.0% for the German economy. Since spring, however, market expectations have weakened noticeably.

Reflecting the assessments following the first weeks of the war, the figures from the spring report by the German economic research institutes are already included in the management report. Even at the end of June, conflicting reports regarding the navigability of the Strait of Hormuz continue to cause uncertainty, despite the US-Iran framework agreement currently in force.

Given that 0.3 percentage points of growth in Germany are already accounted for by the statistical carry-over from the course of the previous year, and a further 0.3 percentage points by the positive working-day effect of the 2026 public holidays, which are favourable to employers, there remains, purely in mathematical terms, very little real growth momentum in the forecast GDP figures. Rather, the projected trend would, in fact, be best characterised as continued stagnation. A recession later in the year, particularly in the second and/or third quarters, cannot be entirely ruled out.

The effect of the fiscal stimulus provided by rising government spending on infrastructure and defence is helping to stabilise the economy. However, a truly significant boost from this will not be felt until towards the end of 2026. In 2026, the new borrowing limits of the Stability and Growth Pact – which, despite changes to national legal frameworks, are still formally in force across Europe – are also likely to be exceeded in Germany. The country is not alone in facing high levels of new borrowing – not only within Europe, but also compared with other major industrialised nations, not least the USA.

Both from a fiscal policy perspective and in terms of inflation, there are thus increasingly strong arguments for the economic justification of higher interest rates. Consequently, in the first few months of 2026, yields on government bonds have risen in both US dollars and euros.

The central banks, which at the end of the year – particularly in the US under the new leadership of the Federal Reserve – were still expected to cut key interest rates further, have since significantly adjusted their monetary policy stance. Following the oil price shock triggered by the war in Iran from March onwards, the focus has now shifted towards possible key interest rate rises. On 11 June 2026, the European Central Bank accordingly decided to raise key interest rates by 25 basis points.

Business performance of the Savings Banks

In the first few months of 2026, against a backdrop of uncertainty in the global and trade policy landscape and a correspondingly sluggish economy, the Savings Banks nevertheless recorded higher levels of new lending to businesses and the self-employed compared with the previous year; this was attributable to growth in commercial residential construction loans, coupled with a marginal decline in working capital and investment loans. For private individuals, more loans were also approved in the first few months than in the corresponding period of the previous year. With interest rates remaining largely stable, residential property prices continuing to rise slightly and resources in the construction sector still in short supply, new business in residential property loans has so far been slightly higher than in the corresponding months of 2025.

In the deposits segment, with interest rates rising slightly, growth is once again evident in own-issue bonds/savings certificates and fixed-term deposits. Demand and savings deposits have declined somewhat more sharply overall, meaning that deposits have fallen slightly since the start of the year. Compared with the same period last year, the decline – which is typical for the first few months of the year – is currently roughly the same. In the retail securities business, turnover has so far been significantly higher than in 2024. Net sales (purchases minus sales) are clearly positive and significantly higher than the previous year's figure.

The current year continues to be strongly influenced by the policies of the Trump administration. Protectionist measures, potential new US tariffs and uncertainties regarding the future role of the US within NATO are weighing on the investment climate and increasing economic uncertainty in Europe. Furthermore, the conflict between Israel, the US and Iran is exacerbating geopolitical risks and weighing on the global economy through higher energy and transport costs.

Although the German government's economic policy measures are intended to stimulate growth, doubts remain as to their effectiveness. High administrative costs, a shortage of skilled labour, and high energy and production costs continue to weaken Germany's competitiveness.

Whilst short-term money market rates and the Euribor could rise slightly depending on possible ECB interest rate adjustments, long-term capital market rates remain comparatively high.

For the year as a whole, we expect a slight increase in total assets, with net interest income continuing to rise from a high level, accompanied by a further slight rise in commission income and a noticeable increase in staff and operating costs.

The overall valuation result is expected to be slightly higher than in the previous year.

We expect further, slight valuation charges in the securities business, as there will be virtually no valuation gains from repayments (maturities) relating to the record write-downs in 2022. There are currently no signs of negative valuation impacts arising from interest rate developments. The value of equity investments is currently dominated by global uncertainty.

Provisions for credit risk are rising slightly. Corporate customers remain very resilient overall, thanks to their strong capital base and high flexibility. In sectors such as services, manufacturing and retail, insolvency figures continue to rise, which will not leave our customers unscathed. Retail customers have so far benefited from extensive government support measures and, whilst consumer spending remains subdued, are looking to the future with a healthy cash buffer. Consequently, despite the slight rise in insolvencies, no significant increase in loan defaults is expected.

Against the backdrop of the current conditions, the allocation to provisioning reserves is expected to fall short of previous years' levels once again. Nevertheless, it is likely to remain at a high level and, in a longer-term comparison, reach a very encouraging level.

Business performance of the Landesbanken

2026 will once again be a year of diverse challenges for the Landesbanken. Thanks to their strengths and their long-term business strategy, these institutions continue to have a good chance of maintaining their market position.

The strengths of the Landesbanken remain their long-standing expertise, their well-established customer relationships, their deep roots in the regions combined with an international presence, and their close integration within the Savings Banks Finance Group.

The Landesbank Group holds significant market positions in key lending and deposit categories: in corporate lending¹, its market share stood at 13.5% at the end of March 2026, and at 14.3% for corporate deposits. In lending to domestic public sector entities, they account for 24.9% of the total market volume, and for 24.3% of their deposits. In the first quarter of 2026, the aggregate balance sheet total of the institutions is no longer growing as strongly as in the corresponding quarter of the previous year. The retail lending business continues to expand; so far, it has been developing at a slightly faster pace than in the corresponding period of the previous year. This growth is broad-based, driven primarily by lending to foreign customers. On the deposit side, customer deposits continue to rise, with strong impetus coming from both businesses and public sector entities.

¹ Investment loans excluding commercial housing construction.

The environment for the German banking sector remains highly challenging in 2026. On the one hand, long-standing framework conditions, such as complex regulatory requirements and intense competition, persist in the market. Furthermore, future-oriented issues such as sustainability, digitalisation and demographic trends are of great significance. On the other hand, since the outbreak of the war in Ukraine and the conflicts in the Middle East, the risks to global economic development have increased significantly. As a result, issues such as securing energy supplies and defence are taking on new importance. Added to this are increasing trade restrictions, changes in security policy and the unpredictability of the US government, with a growing shift away from the rules-based world order. Together with structural difficulties (bureaucracy, a shortage of skilled workers and high energy costs), economic uncertainty has led to a decline in companies' willingness to invest.

In the 2026 banking year, the banking sector is likely to benefit from factors stimulating the economy, such as the expansion of government demand and investment programmes. However, high uncertainty, weak corporate investment appetite and structural location-related problems are having a dampening effect on the economic recovery, while construction and property prices remain high, limiting housing construction. The need for higher risk provisions also persists due to economic and geopolitical uncertainties. Loan defaults in certain sectors, such as export-oriented industry, energy-intensive sectors and commercial property, cannot be ruled out. Whilst this could put pressure on the banks' earnings, the Landesbanken are well equipped to cope, as they have solid capital and liquidity positions and a balanced risk profile.

Ongoing digitalisation has led to changes in customer behaviour and a profound transformation of the banking sector. Artificial intelligence will further accelerate this process. In addition, new competitors are driving this digitalisation drive. Consequently, business models must be continuously adapted and appropriate investments made, particularly in a modern, high-performance and efficient IT infrastructure. The institutions' digitalisation initiatives cover both the customer interface and internal processes, with the aim of making processes more efficient and expanding the range of services offered to customers. However, the aim is also to minimise IT security risks and ward off cyber-attacks. Through various cost-cutting measures and transformation programmes, the Landesbanken are constantly working to strengthen their competitiveness.

Alongside digitalisation, sustainability is a key issue for the Landesbanken, from which strategic sustainability targets can be derived. The banks will further expand the range of sustainable investment and financing options available to their customers. Corporate customers are to be supported in their transition to sustainable business models. At the institutional level, the Landesbanken will make their business operations more resource-efficient and continuously increase the proportion of ESG-compliant products in their portfolios. In doing so, they will adopt a holistic approach that takes environmental, social and governance factors into account.

The partnership with the Savings Banks offers both sides considerable potential to effectively counter ongoing pressure on profitability. The focus here is on the further expansion of joint offerings, targeted product and service initiatives, and the support of Savings Banks' business through digital applications and platform solutions. In this way, business potential can be tapped even more effectively and efficiency gains realised. Joint financing of larger companies and support for international business activities also strengthen the Savings Banks' export-oriented corporate clients.

Furthermore, pooling expertise within the Landesbank Group helps to harness synergies, allocate tasks efficiently and strengthen the institutions' competitiveness in the long term.

The trusting cooperation between private and corporate customers, the Savings Banks and the public sector will continue successfully in 2026. To meet changing market requirements, business models will be continuously developed and flexibly adapted to new customer needs. The Group's strengths will be specifically utilised to actively support and help shape the transformation towards a more sustainable economy.

Business performance of the Landesbausparkassen

High financing costs due to rising capital market interest rates, as well as a growing need for equity capital driven by high construction and property prices, continue to hamper home ownership. In this situation, demand for building society savings schemes is likely to increase, as they combine secure savings with a low-interest loan and are further incentivised by government schemes such as the housing construction bonus and the employee savings allowance. The financing business of the Landesbausparkassen is receiving sustained positive impetus from the growing need for energy-efficiency upgrades, the economic appeal of which continues to rise as prices for fossil fuels increase. However, deteriorating macroeconomic conditions could dampen the willingness to take out building society savings schemes, meaning that, overall, a stable business result is expected for the current year.

Management Outlook from the President

The war in Iran has further exacerbated the economic and geopolitical challenges in 2026. The prospects for an economic recovery in Germany remain fragile.

Germany and Europe face a considerable need for investment. This encompasses digital and critical infrastructure, road and rail networks, housing construction, digitalisation, the energy transition and industrial transformation.

At the same time, public finances are under severe strain. There are significant funding gaps at federal, state and local government levels. Particular focus must therefore be placed on mobilising private capital.

Savings Banks can support the financing of future-oriented investments at a local level through locally based and individually tailored models of public participation. Initial practical examples show that interest from private investors increases precisely where investments take concrete form and the benefits are visible locally.

Above all, however, political incentives are needed. Infrastructure financing and private pension provision should be considered more closely as a combined strategy.

On the basis of its solid capital base and strong market position, the Group considers itself well placed to support these developments actively and make a significant contribution to financing investments in Germany's future.

The Savings Banks will further expand their services in securities trading and wealth creation, and once again make it easier for broad sections of the population to access capital market investments.

With the new digital offering, S-Neo, investment in securities will be integrated even more closely into customers' everyday lives in the future.

In corporate banking, the Savings Banks Finance Group will further strengthen its role as a leading financing partner for small and medium-sized enterprises. Supporting companies with their investments in digital and sustainable transformation remains a key area of growth.

At the same time, the Group will continue to invest in staff, technology and security. The widespread roll-out of the Group's own S-KI pilot scheme is intended to further improve the quality of advice and service and relieve staff of administrative tasks.

“On the basis of its solid capital base and strong market position, the Savings Banks Finance Group considers itself well-placed to support these developments actively and make a significant contribution to financing investments in Germany’s future.”

Professor Ulrich Reuter
President of the German Savings Banks Association

Strengthening European sovereignty is a high strategic priority for the Savings Banks and their affiliated companies. The Savings Banks Finance Group is therefore helping to shape the digital Europe of tomorrow – for the everyday lives of millions of people. Through our stake in Wero, digital identities and the EUDI wallet, we are making digital policy accessible, secure and sovereign. We ensure that digital solutions have a tangible impact on people's everyday lives.

Against the backdrop of an intensely competitive environment, the Savings Banks Finance Group anticipates increasing investment in the market in the coming years and a deliberate shift of resources towards growth and future-oriented sectors. The aim remains to continue offering customers the highest levels of security, performance and reliability, to generate sustainable returns in the long term and thus to further strengthen the financial soundness of our institutions.

The Savings Banks Finance Group therefore looks to the coming years with confidence, despite a challenging environment. Its strong market position, regional roots and financial stability form the basis on which it can actively shape change and sustainably support positive economic development in Germany and Europe.

Supplementary report

No significant events have occurred since the balance sheet date of 31 December 2025.

5. AGGREGATED FINANCIAL STATEMENTS

Explanatory notes on aggregation

Scope of aggregation

The aggregated balance sheet and aggregated profit and loss account (P&L) presented by the DSGV comprise the financial statements of all Savings Banks, Landesbanken and Landesbausparkassen.

The Landesbausparkassen have been fully included in the scope of aggregation, irrespective of their legal form (legally independent companies or legally dependent units of the Landesbanken).

In the case of the Landesbanken, foreign branches, domestic and foreign group subsidiaries and Landesbausparkassen have not been taken into account.

For the first time in the 2025 Financial Report, the figures for Berliner Sparkasse/Landesbank Berlin for the years 2025 and 2024 will be allocated to the Savings Banks in the sub-aggregates (previously included in the sub-aggregate for the Landesbanken).

Aggregation procedure

In compiling the aggregated balance sheet, the December 2024 and 2025 reports on the monthly balance sheet statistics (Bista) from the Deutsche Bundesbank were used for the Savings Banks and the Landesbanken. The corresponding balance sheet figures for the Landesbausparkassen were taken from their respective annual reports.

The figures for the aggregated Profit and Loss Account (P&L) for the 2024 and 2025 financial years for the Savings Banks and Landesbanken are based on the results of the intercompany comparison and the FINREP reports from the Savings Banks, and the individual financial statements of the Landesbanken, published in accordance with the German Commercial Code (HGB), whereby the results of the intercompany comparison of the Savings Banks have been reclassified in accordance with the HGB framework. The figures for the Landesbausparkassen were taken from the respective annual reports for both financial years, which are also prepared in accordance with the German commercial code (HGB).

The result of this data compilation consists of an unconsolidated aggregate balance sheet and an unconsolidated aggregate profit and loss account for the institutions affiliated with the Savings Banks Finance Group's institution protection scheme. Other institutions also affiliated with the Savings Banks Finance Group's institution protection scheme are: Frankfurter Bankgesellschaft (Deutschland) AG, BSK 1818 Holding AG, S-Kreditpartner GmbH, S Broker AG & Co. KG and Weberbank Actiengesellschaft.

Aggregated profit and loss account of the Savings Banks Finance Group *

	2025 ¹ in EUR million	2024 in EUR million
Net interest income	38,576	38,726
Interest income	97,878	117,507
Interest expense	59,302	78,781
Net commission income	13,022	12,348
Commission income	16,551	15,665
Commission expense	3,529	3,316
Net income from financial operations	1,490	1,007
Administrative expenses	31,704	30,464
Personnel expenses	18,301	17,542
Operating expenses	13,403	12,922
Other operating income	1,413	1,724
Operating result before valuation	22,797	23,342
Valuation result (excluding investments)	-5,018	-4,350
Operating result after valuation	17,779	18,992
Balance of other and extraordinary income/expenses ²	-8,193	-9,143
of which: Allocations to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB) ³	-8,074	-9,231
Net income before taxes	9,586	9,850
Income taxes	5,137	5,204
Net income after taxes	4,449	4,645
of which net profit after taxes of the Savings Banks	2,553	2,429
of which net profit after taxes of the Landesbanken	1,846	2,133
of which net profit after taxes of the Landesbausparkassen	51	83
Return on equity	in %	in %
before taxes	8.5	9.8
after taxes	6.0	7.2
Cost-income ratio (operating income)	58.2	56.6

* Savings Banks Finance Group: 1. Savings Banks, 2. Landesbanken excluding foreign branches, excluding domestic and foreign Group subsidiaries, excluding LBS, 3. Landesbausparkassen (legally independent LBS and legally dependent divisions of the Landesbanken).

¹ Provisional figures from annual accounts in accordance with the German Commercial Code (HGB), some of which have not yet been audited; rounding differences may occur.

² This includes the balance of gains on the disposal of financial investments and securities held as fixed assets, write-downs on/write-ups of financial investments and securities held as fixed assets, as well as changes to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB) (allocations to the fund for general banking risks are shown with a negative sign).

³ Allocations to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB) are treated here – as in the 'original' profit and loss account in accordance with the HGB – as expenses that reduce the net profit for the year.

Source: Inter-bank comparison and FINREP reports from the Savings Banks, annual reports of the Landesbanken (individual financial statements in accordance with the HGB), DSGV/Federal Office of the Landesbausparkassen, Deutsche Bundesbank.

Aggregated balance sheet of the Savings Banks Finance Group *

Assets		Balance at year-end	
		2025 in EUR million	2024 in EUR million
1	Cash reserve ¹	30,433	30,931
1a	of which: balances with central banks	21,070	21,092
2	Treasury bills ²	0	105
3	Bills of exchange	0	0
4	Loans and advances to banks (MFIs)	399,054	430,221
5	Loans and advances to non-banks (non-MFIs)	1,562,164	1,495,984
6	Debt securities and other fixed-income securities	332,985	298,524
7	Equities and other non-fixed-income securities	119,088	114,282
8	Equity investments	15,936	14,944
9	Shares in affiliated companies	10,515	11,332
10	Trust assets	16,616	16,732
11	Settlement claims	0	0
12	Tangible assets	15,068	14,447
13	Other assets	99,270	109,421
14	Total assets	2,601,130	2,536,923

* Savings Banks Finance Group: 1. Savings Banks, 2. Landesbanken excluding foreign branches, excluding domestic and foreign group subsidiaries, excluding Landesbausparkassen, 3. LBS: legally independent LBS and legally dependent divisions of the Landesbanken.

¹ Cash on hand, balances with central banks.

² Including non-interest-bearing treasury bonds and similar debt instruments issued by public authorities.

Liabilities		Balance at year-end	
		2025 in EUR million	2024 in EUR million
1	Liabilities to banks (MFIs)	344,617	342,121
2	Liabilities to non-banks	1,592,611	1,562,890
2a	Savings deposits	249,742	261,864
2b	Other liabilities	1,342,869	1,301,027
3	Securitised liabilities	265,155	240,856
3a	of which: bonds issued	248,495	217,444
3b	of which: money market instruments issued	16,554	23,413
4	Trust liabilities	16,616	16,732
5	Value adjustments	3,859	3,455
6	Provisions	23,103	24,211
7	Subordinated liabilities	17,165	18,528
8	Participation capital	851	1,122
9	Equity ¹	210,373	198,013
10	Other liabilities ²	126,781	128,995
11	Total liabilities	2,601,130	2,536,923
12	Contingent liabilities ³	0	0
13	Bills of exchange	0	0
14	Business volume	2,601,130	2,536,923
15	Guarantees	73,057	73,971

¹ Endowment capital and reserves (including the fund for general banking risks).

² Including special items with a reserve component.

³ From transferred and settled bills of exchange (including own draughts).

Source: DSGV, Balance Sheet Statistics/Business Performance of Savings Banks, Landesbanken (excluding LBS, excluding foreign branches and excluding domestic and foreign group subsidiaries) and Landesbausparkassen.

6. ABOUT THE DSGV (GERMAN SAVINGS BANKS ASSOCIATION)

The Deutscher Sparkassen- und Giroverband (DSGV – German Savings Banks Association) is the umbrella organisation of the Savings Banks Finance Group.

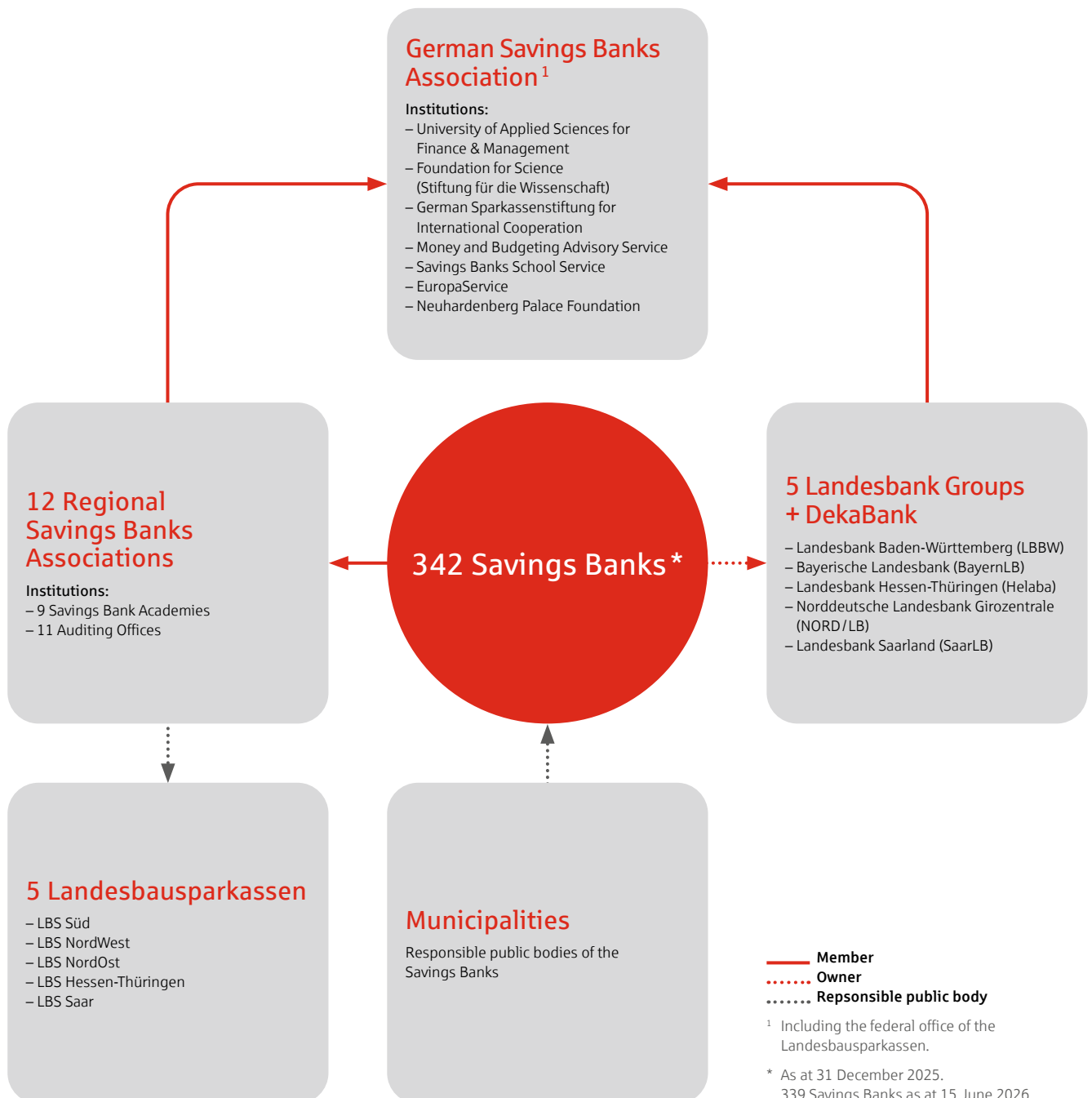
It represents the interests of all member institutions in matters relating to banking policy, the credit industry and regulatory issues vis-à-vis national and international institutions as well as the general public. The DSGV also oversees decision-making within the Savings Banks Finance Group and its strategic orientation.

To this end, its members and affiliated institutions work with the DSGV to develop strategies for successful market engagement. This covers market and operational strategy issues ranging from product development and processing, through risk management, overall bank management, card and payment transactions and the digital agenda, to comprehensive advisory approaches and sales strategies for all customer segments, as well as sustainability issues.

The DSGV is the governing body of the Savings Banks Finance Group's central educational institutions: the University of Applied Sciences for Finance and Management in Bonn, the Geld und Haushalt (Money and Budgeting) Advisory Service and the Sparkassen-Schulservice (Savings Banks School Service). Other joint institutions include the Foundation for Science with its research fellowship programme and the German Sparkassenstiftung (Savings Banks Foundation) for International Cooperation.

In addition, the DSGV manages the schemes protecting its affiliated institutions in accordance with the Deposit Guarantee and Investor Compensation Act and the institution protection scheme of the Savings Banks Finance Group, as well as the guarantee funds of the Girozentralen and the Landesbausparkassen.

Extract from the association structure of the Savings Banks Finance Group



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¹ All information: as at the editorial deadline of 10 July 2026.

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List of abbreviations

Abbreviation	Explanation in English	Explanation in German
AMM	Additional Monitoring Metrics for Liquidity Reporting	Zusätzliche Parameter für die Liquiditätsüberwachung
API	Application Programming Interface	Anwendungsprogrammierschnittstelle
APP	Asset Purchase Programmes	Ankauf von Vermögenswerten
GDP / BIP	Gross Domestic Product	Bruttoinlandsprodukt
Bista	Balance Sheet Statistics	Bilanzstatistik
BRRD	Banking Recovery and Resolution Directive	Richtlinie zur Sanierung und Abwicklung von Kreditinstituten
CMDI	Crisis Management and Deposit Insurance	Krisenmanagement und Einlagensicherung
CRD	Capital Requirements Directive	Eigenkapitalrichtlinie
CRR	Capital Requirements Regulation	Eigenkapitalverordnung
CSR	Corporate Social Responsibility	Soziale Unternehmensführung
CSRBB	Credit Spread Risk from the Banking Book	Kredit-Spread-Risiko im Anlagebuch
EBA	European Banking Authority	Europäische Bankenaufsichtsbehörde
EDIS	European Deposit Insurance Scheme	Europäisches Einlagensicherungssystem
EinSiG	Deposit Insurance Act	Einlagensicherungsgesetz
eKRM	Efficient Credit Risk Management	Effizientes Kreditrisikomanagement
ESG	Environmental, Social, Governance	Umwelt, Gesellschaft, Unternehmensführung
ETF	Exchange-Traded Funds	Börsengehandelte Fonds
FinaRisikoV	Financial and Risk-Bearing Capacity Information Regulation	Finanz- und Risikotragfähigkeitsinformationsverordnung
FSB	Financial Stability Board	Finanzstabilitätsrat
G-SIBs	Global Systemically Important Banks	Global systemrelevante Banken
HGB	German Commercial Code	Handelsgesetzbuch
ICAPP	Internal Capital Adequacy Assessment Process	Verfahren zur Beurteilung der Angemessenheit des internen Kapitals
ILAPP	Internal Liquidity Adequacy Assessment Process	Verfahren zur Beurteilung der Angemessenheit der internen Liquidität
IMF / IWF	International Monetary Fund	Internationaler Währungsfonds
IRBA	Internal Rating-Based Approach	Auf internen Ratings basierender Ansatz
IRRBB	Interest Rate Risk in the Banking Book	Zinsänderungsrisiko im Anlagebuch
KSA	Credit Risk Standardised Approach	Kreditrisiko-Standardansatz
KWG	Banking Act	Kreditwesengesetz
LCR	Liquidity Coverage Ratio	Liquiditätsdeckungskennziffer
LiqV	Liquidity Regulation	Liquiditätsverordnung
MaRisk	Minimum Requirements for Risk Management	Mindestanforderungen an das Risikomanagement
MFI	Monetary Financial Institutions	Monetäre Finanzinstitute
NSFR	Net Stable Funding Ratio	Strukturelle Liquiditätsquote
OECD	Organisation for Economic Co-operation and Development	Organisation für wirtschaftliche Zusammenarbeit und Entwicklung
OpRisk	Operational Risk	Operationelles Risiko
PEPP	Pandemic Emergency Purchase Programme	Pandemienotfallkaufprogramm
PSD 2	Payment Services Directive 2	Zweite Zahlungsdiensterichtlinie
P&L / GuV	Profit and Loss Account	Gewinn- und -Verlust-Rechnung
SREP	Supervisory Review and Evaluation Process	Aufsichtsrechtlicher Überprüfungs- und Bewertungsprozess
SRM	Single Resolution Mechanism	Einheitlicher Abwicklungsmechanismus
SSBB	Small and Simple Banking Box	Small and Simple Banking Box
TLAC	Total Loss-Absorbing Capacity	Verlustabsorptionsfähigkeit
TLTRO	Targeted Longer-Term Refinancing Operations	Gezielte längerfristige Refinanzierungsoperationen
VaR	Value at Risk	Potenzieller Risikobeitrag

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