GBC AG
Investment Research

UmweltBank AG[*1,4,5a,7,11]

Lending business on course for growth – profitability improves

Industry: financial services
Focus: financial investments, financing environmentally-friendly projects
Founded: 1997

Employees: 389 (30.09.2026)
Headquarters: Nuremberg
Executive Board: Goran Bašić, Dietmar von Blücher, Dr. Nicole Handschuher

UmweltBank AG is committed to banking that is environmentally and socially responsible. It offers investors transparent green investment products and supports business customers throughout Germany by financing environmentally friendly projects. By offering exclusively a range of green products, UmweltBank AG consistently pursues its environmental mission. In addition to traditional savings and current accounts, the company offers, amongst other things, green fund products and finances green projects. In doing so, UmweltBank AG operates as a direct bank, without the traditional branch network. Since its foundation in 1997, over 25,000 loan projects have been supported. At the end of 2025, environmental loans (including outstanding commitments) totalled €3.2 billion

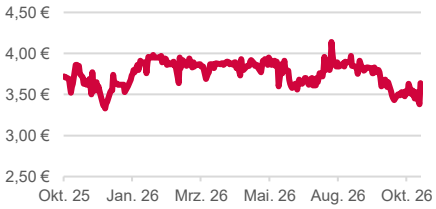
in € million	FY 24	FY 25	FY 26e	FY 27e	FY 28e
Net interest income	44.95	58.45	60.41	80.97	89.63
Financial result	12.98	17.56	6.00	5.80	5.80
Commission and trading income	5.54	7.09	7.36	12.34	19.34
Earnings before taxes	-8.50	6.44	11.72	22.01	35.67
Earnings after tax	0.73	14.26	7.97	14.96	24.26
Earnings per share	0.02	0.35	0.19	0.36	0.59
Dividend per share	0.00	0.05	0.12	0.18	0.22
Total capital	514.90	513.25	524.30	531.06	542.39
Return on capital (before taxes)	-1.7%	1.3%	2.2%	4.1%	6.6%
Cost-income ratio	109.3%	91.8%	83.5%	76.1%	67.4%

Investment case

- **Strong market position in sustainable banking:** UmweltBank is well established in the financing of renewable energy and sustainable property and is benefiting from the long-term rise in financing requirements driven by the green transition.
- **Significant upturn in new lending**: With €324 million in new lending in the first nine months of 2026, the full-year lending volume recorded in both 2024 and 2025 were exceeded. The annual target of €450 million appears well within reach.
- **Improved interest rate positioning:** The phasing out of expensive special overnight deposit rates, the repositioning of the treasury portfolio and higher lending margins are laying the foundations for a sustained increase in net interest income.
- **Successful cost optimisation:** The efficiency programme reduced administrative expenses by 10.0% in the first nine months of 2026. Rising quarterly results highlight the progress made in improving operational profitability.
- **Growth potential in the retail banking business**: The expansion of the current account business, the broadening of the range of securities on offer, and new investment products open up cross-selling opportunities and prospects for higher commission income.
- **Solid capitalisation and valuation potential:** The total capital ratio of 16.9% provides scope for further lending growth. Our residual income model yields a fair value of €8.00 per share, the BUY rating remains unchanged.

Rating: BUY
Target price: €8.00 (old: €8.00)

Share and key data



Closing price (28/10/2026)	€ 3.64
Stock exchange	XETRA
ISIN	DE0005570808
WKN	557080
Number of shares (in millions)	41.40
MCap (in million EUR)	150.70
Transparency level	Open market
Market segment	Scale
End of financial year	31.12.
Accounting	HGB

Shareholder structure

GLS Bank	15%
Free float	85%

Financial dates

11.11.26	MKK-Munich. Conference
23-25.11.26	German Equity Forum

Analysts

Cosmin Filker (filker@gbc-ag.de)
Marcel Goldmann (goldmann@gbc-ag.de)

Latest GBC Research

Date: Publication / Target price in EUR / Rating
04.08.2026: RS / 8.00 / BUY
08.07.2026: RS / 9.00 / BUY
04.05.2026: RS / 9.00 / BUY
03.03.2026: RS / 9.00 / BUY
19.01.2026: RS / 9.40 / BUY
The research studies listed above can be viewed at www.gbc-ag.de

Completion: 29.10.2026 (9:47 am)
First disclosure: 29.10.2026 (11:00 am)

Validity of the price target: until 31.12.2027 at the latest

* Catalogue of potential conflicts of interest on p.7

IMPORTANT NOTE:
Please note the disclaimer/risk warning and the disclosure of potential conflicts of interest in accordance with Section 85 of the German Securities Trading Act (WpHG) and Article 20 of the Market Abuse Regulation (MAR), starting on page 4.

Note in accordance with MiFID II regulations for research on 'minor non-monetary benefits': In GBC AG's assessment, this research meets the criteria for classification as a 'minor non-monetary benefit'. Further information on this can be found in the disclosure under 'I. Research under MiFID II'.

Note on issuer-sponsored research: This research report is issuer-sponsored research and has been prepared in accordance with the EU Code of Conduct for issuer-sponsored research.

BUSINESS PERFORMANCE – 9M 2026

in € million	9m 2024	9m 2025	9m 2026
Net interest income	28.78	43.35	43.79
Financial result	18.06	14.84	3.61
Net commission and trading income	3.13	5.30	4.98
Earnings before taxes	3.60	9.13	5.31
Earnings after taxes	0.73	8.97	2.55

Sources: UmweltBank AG; GBC AG

Looking at the first nine months of 2026, UmweltBank AG also reported a largely stable trend in net interest income, which stood at €43.79 million (previous year: €43.35 million). In the third quarter of 2026, following a slight decline in the two preceding quarters, a noticeable reversal of the trend was achieved with a 13.8% increase in net interest income.

This positive trend in net interest income reflects, on the one hand, the gradual phasing out of special terms and conditions in the deposit business (retail banking), which is likely to have led to a reduction in interest expense. Since October 2025, UmweltBank AG has been offering 3.0% interest on instant access savings as part of a special promotion, originally limited to three months. This initially led to a sharp rise in customer deposits. Owing to the currently more intense competitive environment and following the expiry of the three-month period, there was an outflow of retail customer deposits, which had fallen to approximately €3.7 billion as at 30 September 2026 (31 December 2025: approximately €4.3 billion), a decline greater than expected. During the period when the special rates were in force, the interest earned on deposits placed with the ECB was lower than the promotional deposit rate, resulting in a negative interest margin. The elimination of these ‘customer acquisition costs’ has had a positive impact on net interest income.

Corporate banking also contributed to the positive trend in net interest income, having picked up noticeably in the first nine months of 2026. With gross new lending of €324 million, the respective full-year figures for 2025 and 2024 were already exceeded by the end of the first nine months of 2026. The gross new lending volume of €450 million forecast by UmweltBank AG for the full year 2026 is likely to be well within reach, as, according to the company, demand in the renewable energy and property sectors remains high. Thanks to the capital increase carried out in the previous year and the reduced capital requirement, UmweltBank AG is now better placed to selectively meet this high demand.

At the same time, UmweltBank AG’s financial result for the first nine months of 2026 fell significantly to €3.61 million (previous year: €14.84 million). The high figure for the previous year was largely due to a one-off item of income arising from a profit distribution by a subsidiary. The net commission and trading income was also slightly below the previous year’s level at €4.98 million (previous year: €5.30 million). This was primarily due to weaker-than-expected income from securities trading and payment transactions.

The overall decline in total income to €51.72 million (previous year: €60.72 million) was offset by a significant improvement in administrative expenses to €46.42 million (previous year: €51.59 million). This was driven in particular by the cost-cutting and efficiency programme implemented, which led to a significant reduction in other administrative expenses (IT costs, consultancy and audit fees, other administrative expenses) to €20.36 million (previous year: €29.26 million). This more than offset the increase in staff costs to €25.79 million (previous year: €21.85 million),

which was due to the planned expansion of the workforce and salary adjustments. As a result, UmweltBank AG achieved a pre-tax profit of €5.31 million (previous year: €9.13 million) in the first nine months of 2026. The positive trend reflected in net interest income is also evident on a quarterly basis. Following a pre-tax profit of €0.23 million (Q1 2026) and €1.95 million (Q2 2026), the figure for the third quarter stood at €3.13 million.

Forecast and Valuation

in € million	FY 2025	FY 26e (old)	FY 26e (new)	FY 2027e	FY 2028e
Net interest income	58.45	60.41	60.41	80.97	89.63
Financial result	17.56	6.00	6.00	5.80	5.80
Net commission and trading income	7.09	12.06	7.36	12.34	19.34
Operating costs	71.91	66.50	64.10	74.50	76.50
Earnings before taxes	6.44	12.02	11.72	22.01	35.67
Earnings after taxes	14.26	8.18	7.97	14.96	24.26

Sources: UmweltBank AG; GBC AG

Following the publication of the figures for the first nine months of 2026, the management of UmweltBank has adjusted certain elements of its guidance for the current financial year. Whilst the forecast for net interest income (€60–65 million) and net financial income (€4–8 million) remains unchanged, net commission and trading income is now expected to be lower, at €6–9 million (previously: €10–15 million). This is due to the expected non-placement of two planned bond issues planned for 2026, as well as weaker-than-expected income from the securities business.

In view of the continuing intense competition on interest rates and the associated outflows from overnight deposits, management has reduced the forecast for retail customer deposits at the end of 2026 to around €4.0 billion (previously: €4.0–5.4 billion). Together with lower customer growth, total expenses are also expected to fall significantly. With the additional efficiency and cost-cutting programme currently underway, the Management Board of UmweltBank anticipates other administrative expenses of €28–32 million (previously: €32 million). This would offset part of the expected lower net commission and trading income. Furthermore, due to the ongoing recovery of individual property finance facilities, the company expects reversals of previously recognised loan loss provisions, meaning that a positive contribution to earnings from risk provisions of between €0 and €4 million is forecast for the full year. Overall, these effects result in an unchanged EBT forecast of €12.5–17.5 million, with earnings expected to be at the lower end of the forecast range.

We have adjusted our forecasts for the current financial year 2026 in line with the updated company guidance. Given lower commission and trading income, we anticipate lower expenses, and therefore expect a virtually unchanged pre-tax profit of €11.72 million (previously: €12.02 million). Our estimates for the coming financial years remain unchanged. On 10 December 2026, the company will present a strategic plan extending to the financial year 2031. This will also involve a reassessment of the previous long-term growth targets, which could, under certain circumstances, lead to an adjustment of our forecasts for the coming financial years. Our marginal forecast adjustment has a negligible impact on the fair value per share determined using the residual income model. We therefore confirm the price target of €8.00 and reiterate our ‘BUY’ rating.

ANNEX

§1 Research under MiFID II - Minor Non-Monetary Benefit

I. There is an agreement between GBC AG as the research provider and the issuer regarding the independent preparation, publication and distribution of research on the respective issuer. GBC AG is remunerated by the issuer for these services. The existing contractual and remuneration relationship is disclosed in the respective research report.

II. The research is not made available exclusively to individual investment firms, clients or investors, but is made accessible to interested investment firms and/or the general public.

III. Issuer-Sponsored Research fully paid for by the issuer is made publicly available free of charge.

IV. Written research material commissioned and paid for by an issuer may be classified as an acceptable minor non-monetary benefit under Article 12(3)(b) of Commission Delegated Directive (EU) 2017/593, provided that the contractual relationship is clearly disclosed and the material is made available to interested investment firms or the general public.

V. In GBC AG's assessment, this research meets these requirements. The final regulatory assessment of whether the research may be accepted and used rests with each recipient investment firm, taking into account its own regulatory obligations and client relationships.

VI. Where research is not commissioned by an issuer or any other client, it is prepared independently, without a client mandate and without influence from third parties.

§2 Issuer-Sponsored Research under the EU Code of Conduct

I. Classification and Remuneration

This research report is Issuer-Sponsored Research and was prepared by GBC AG in accordance with the applicable EU Code of Conduct for Issuer-Sponsored Research.

The issuer has fully remunerated GBC AG for the preparation, publication and ongoing updating of this research report. The agreed remuneration is fixed. It is neither directly nor indirectly linked to the content of the research, the recommendation, rating, price target, valuation, share price performance, investor demand, capital market reaction or the issuer's satisfaction.

II. Public Availability

This research report is classified as 'public' and is made available to the general public free of charge. The report may be published and distributed through GBC AG's website, research portals, email distribution lists, financial data platforms, stock exchange publication systems, media, data providers and other suitable distribution channels.

III. Independence and Responsibility

The analysis, methodology, valuation approach, assumptions, recommendation, rating, price target, investment case and conclusions are the sole responsibility of GBC AG and the responsible analysts.

The paid or sponsored nature of the research must not compromise the independence and objectivity of the analysis. GBC AG, its analysts and other relevant persons do not promise the issuer positive coverage, a favourable recommendation, any particular rating, price target or capital market reaction.

IV. Conflicts of Interest

GBC AG maintains a conflicts of interest policy and a conflicts of interest register or comparable documented records. Relevant existing or potential conflicts of interest are disclosed in this research report, in GBC AG's disclosure register or by other appropriate means.

The conflicts of interest policy and further disclosures can be viewed on GBC AG's website under 'Disclosure'.

V. 5 % Revenue Threshold

Revenue generated from the business relationship with the issuer, including remuneration for Issuer-Sponsored Research and other issuer-related revenue, did not exceed 5 % of GBC AG's consolidated gross revenue in the previous financial year.

VI. Contractual and Client Relationship

The issuer commissioned the research and is a client of GBC AG. During the twelve months preceding publication of this research report, a contractual relationship existed for the preparation, publication and distribution of research for remuneration.

In addition, the issuer has participated in fee-based investor conferences organized by GBC AG over the past 12 months and is expected to participate in fee-based investor conferences and roadshows in the current year as well.

VII. External Research Analysts

No external or third-party research analyst made a material contribution to the preparation of this research report.

VIII. Draft Review

Where a draft of the research report was provided to the issuer before publication, this was done solely to verify factual accuracy and/or compliance with legal or regulatory obligations. Such a draft contained no final or indicative recommendation, rating, price target, valuation section or investment conclusion. The issuer had no right to approve, amend, block or delay the research, or to prevent its publication. GBC AG independently decided whether, and to what extent, comments based on factual or legal grounds were taken into account.

§3 Disclaimer/Limitation of Liability

This document is for information purposes only. All data and information contained in this report are derived from sources that GBC AG considers reliable. In addition, the authors have exercised the utmost care to ensure that the facts used and the opinions expressed are reasonable and accurate.

Despite this care, no express or implied representation or warranty is given as to the accuracy, completeness or currency of the information contained herein, and no liability is accepted in this respect. Information may be incomplete, abridged or summarised. Neither GBC AG nor the individual authors accept any liability for damage or loss arising from the use of this document, its contents or otherwise in connection with this document, to the extent that such exclusion of liability is legally permissible.

This document constitutes neither an offer nor a solicitation of an offer to purchase, subscribe for, hold or sell any security or other financial instrument. It may not, in whole or in part, form the basis of any binding contract or be relied upon in that context as the sole or a reliable basis for a decision.

Any decision in connection with a public or private offering of securities by a company discussed in this publication should be made solely on the basis of the published offering documents, securities prospectuses or other sales documents legally applicable to that offering.

GBC AG gives no assurance that any forecasts, return expectations, price targets, valuations or other forward-looking statements presented will materialise. Changes in assumptions, market conditions, company performance or other factors may have a material effect on the results, forecasts and price targets presented.

Investment returns and the prices of financial instruments are subject to fluctuations. Investors may lose some or all of the capital invested. Investment decisions should be made in light of personal circumstances, investment objectives and risk tolerance and, where appropriate, after consulting a suitably qualified investment adviser.

This research report does not constitute individual investment advice, legal advice or tax advice, nor does it constitute a recommendation tailored to the personal circumstances of any particular recipient.

Distribution Outside the Federal Republic of Germany

Where this publication is distributed in the United Kingdom, it may be made available only to persons who (i) are authorised persons or exempt persons within the meaning of the Financial Services and Markets Act 2000 or (ii) are relevant persons within the meaning of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, in each case as amended from time to time.

This publication is not directed at retail clients within the meaning of the Financial Conduct Authority rules and may not be distributed, directly or indirectly, to or used by such persons where this is not permitted under the applicable rules.

This publication does not constitute an offer, solicitation or personal recommendation to buy or sell financial instruments within the meaning of the Financial Services and Markets Act 2000.

No person other than the relevant persons referred to above is entitled to rely on this publication or take any action solely on the basis of it.

The distribution of this publication may be subject to legal restrictions in other jurisdictions. Persons into whose possession this publication comes are required to inform themselves about and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the applicable securities and financial market laws.

By accepting this document, the recipient acknowledges the foregoing limitations of liability and distribution restrictions, to the extent legally permissible.

§4 Legal Notices and Disclosures pursuant to Section 85 WpHG, Article 20 MAR and Commission Delegated Regulation (EU) 2016/958

I. Updating

No specific update of this analysis is currently scheduled for a fixed date. GBC AG reserves the right to update the analysis without prior notice.

For Issuer-Sponsored Research, GBC AG uses its best endeavours during the relevant coverage period to provide a timely update when significant information is published that is expected to have a material impact on the financial instruments covered by the research. GBC AG independently decides whether and to what extent an update is required.

II. Recommendations/Classifications/Ratings

Since 1 July 2006, GBC AG has used a three-tier absolute equity rating system. Since 1 July 2007, the ratings have applied to an investment horizon of at least six and no more than 18 months. Before that date, the ratings applied to an investment horizon of up to twelve months.

When the analysis is published, investment recommendations are assigned to the categories described below on the basis of expected return. Temporary price movements outside these ranges do not automatically lead to a change in classification, but may prompt a review of the original recommendation.

BUY

The expected return, based on the determined price target and including expected dividend payments over the relevant time horizon, is at least +10 %.

HOLD

The expected return, based on the determined price target and including expected dividend payments over the relevant time horizon, is more than -10 % and less than +10 %.

SELL

The expected return, based on the determined price target and including expected dividend payments over the relevant time horizon, is at most -10 %.

GBC AG's price targets are set on the basis of the calculated fair value per share. This is determined using generally accepted and widely used fundamental analysis methods, such as a discounted cash flow method, a peer group comparison and/or a sum-of-the-parts valuation.

Where relevant, fundamental factors and corporate actions such as stock splits, capital reductions, capital increases, M&A activities or share buybacks are taken into account.

III. Historical Recommendations

GBC AG's historical recommendations relating to this analysis can be viewed in the disclosure register on GBC AG's website.

IV. Basis of Information

Publicly available information about the issuer that GBC AG considers reliable was used in preparing this analysis. This may include, in particular, annual and quarterly reports, ad hoc announcements, press releases, securities prospectuses, company presentations and other publicly available information.

In addition, discussions may have been held with management or other representatives of the company under analysis to obtain further explanations of publicly known facts, business activities and business performance.

Before transmission, the issuer is required to clearly identify as such any non-public or confidential information, or any information that may qualify as inside information. GBC AG may refuse to receive such information.

V. Conflicts of Interest pursuant to Section 85 WpHG and Article 20 MAR

GBC AG and the responsible analysts declare that, at the time of publication, the existing or potential conflicts of interest specified below exist with regard to the company named in the analysis. An explanation of each conflict of interest is provided in the catalogue of potential conflicts of interest under § 4 (VI) below.

The following potential conflicts of interest exist with respect to the securities or financial instruments discussed in the analysis: 1,4,5a,7,11

VI. Catalogue of Potential Conflicts of Interest

(1) At the time of publication, GBC AG or an affiliated legal entity holds shares or other financial instruments in the company under analysis or in the financial instrument or financial product under analysis.

(2) The company under analysis holds more than 3 % of the shares in GBC AG or an affiliated legal entity.

(3) GBC AG or an affiliated legal entity is a market maker or designated sponsor for financial instruments of the company under analysis.

(4) Within the past twelve months, GBC AG or an affiliated legal entity acted as lead manager or in a supporting role in a public offering of financial instruments by the company under analysis.

(5a) Within the past twelve months, GBC AG or an affiliated legal entity has entered into an agreement with the company under analysis or the issuer of the financial instrument under analysis to prepare research reports for remuneration. Where a draft of the research was provided to the issuer before publication, this was done solely to verify factual accuracy and/or compliance with legal or regulatory obligations. The draft contained no final or indicative recommendation, rating, price target, valuation section or investment conclusion.

(5b) The draft research was amended on the basis of legitimate factual, publicly verifiable or legal comments from the company or issuer. The decision whether to take those comments into account was made exclusively by GBC AG.

(6a) Within the past twelve months, GBC AG or an affiliated legal entity has entered into an agreement with a third party to prepare research reports on the company or financial instrument under analysis for remuneration. Where a draft was made available to the third party and/or the issuer before publication, this was done solely to verify factual information and/or compliance with legal or regulatory obligations. The draft contained no final or indicative recommendation, rating, price target, valuation section or investment conclusion.

(6b) The draft research was amended on the basis of legitimate factual, publicly verifiable or legal comments from the third party and/or issuer. The decision whether to take those comments into account was made exclusively by GBC AG.

(7) At the time of publication, the responsible analyst, the Chief Analyst, the Deputy Chief Analyst and/or any other person involved in preparing the research holds shares or other financial instruments in the company under analysis.

(8) The analyst responsible for the company under analysis is a member of a management or supervisory body of that company.

(9) The responsible analyst received or acquired shares in the company under analysis before those shares were publicly offered and before publication of this research.

(10) Within the past twelve months, GBC AG or an affiliated legal entity has entered into an agreement with the company under analysis to provide advisory services.

(11) GBC AG or an affiliated legal entity has other significant financial interests in the company under analysis. These may include, in particular, securing or executing mandates and providing other services, such as presenting the company at investor conferences, roundtables or roadshows.

(12) At the time of the research, the company under analysis is included in a financial instrument or financial product managed or advised by GBC AG or an affiliated legal entity, such as a certificate or fund.

(13) Revenue generated from the business relationship with the company or issuer under analysis, including remuneration for Issuer-Sponsored Research and other issuer-related revenue, exceeded 5 % of GBC AG's consolidated gross revenue in the previous financial year. The relevant percentage and the measures taken to prevent or manage the resulting specific conflict of interest are disclosed in the respective research report.

VII. Compliance

GBC AG has implemented internal regulatory and organisational arrangements to identify, prevent or manage conflicts of interest and appropriately disclose existing or potential conflicts of interest. In particular, GBC AG maintains a conflicts of interest policy, a conflicts of interest register or comparable documented records, internal compliance and restricted list processes, and rules governing personal transactions in securities and approval procedures.

GBC AG's Compliance function is responsible for monitoring compliance with the relevant requirements. Enquiries may be directed to compliance@gbc-ag.de.

VIII. Responsibility for Preparation

The company responsible for preparing this analysis is GBC AG, based in Augsburg.

GBC AG is represented by its Management Board members Manuel Hölzle and Jörg Grunwald.

The analysts responsible for this analysis are:

Cosmin Filker, Dipl. Betriebswirt (FH), Deputy Chief Analyst

Marcel Goldmann, M.Sc., Financial Analyst

Other persons involved in the preparation of the study:

Jörg Grunwald, Executive Board

§5. Copyright

This document is protected by copyright. It is provided to the recipient solely for information purposes.

Any reproduction, editing, distribution or other use beyond the limitations permitted by copyright law generally requires the prior consent of GBC AG or the relevant rights holder.

Where the issuer has been granted contractual rights of use or publication, the research may not be distorted, misleadingly abridged, taken out of context or used in a manner that could create a misleading impression.

If published or distributed by the issuer, GBC AG must be identified as the research provider and reference must be made to the full research report.

GBC AG
Halderstraße 27
86150 Augsburg, Germany

Email: compliance@gbc-ag.de