

LB  BW

Breaking new ground

Annual financial statements 2021



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01

Combined management report

The management report of LBBW (Bank) and the group management report are combined in accordance with section 315 (5) of the Handelsgesetzbuch (HGB - German Commercial Code) in conjunction with section 298 (2) HGB and published in the 2021 annual report of LBBW.

The annual financial statements and the LBBW management report combined with the group management report for the 2021 financial year will be submitted to and published by the operator of the German Federal Gazette (Bundesanzeiger).

The annual financial statements of LBBW (Bank) and the annual report of LBBW are also available online at www.LBBW.de.

02

Annual financial statements
for the 2021 financial year



Balance sheet

as at 31 December 2021

Assets

EUR million	Explanation in the Notes (chapter)		31/12/2021	31/12/2020
Cash and cash equivalents				
a) Cash			180	205
b) Balances with central banks			36,675	13,430
including: with Deutsche Bundesbank		24,072		7,134
			36,856	13,636
Loans and advances to banks	2, 3, 4, 5, 36			
a) Mortgage loans			0	659
b) Public-sector loans			33,755	47,437
c) Other receivables			10,940	16,289
			44,695	64,385
of which: payable on demand		3,227		21,602
of which: collateralized by securities		7,840		10,757
Loans and advances to customers	2, 3, 4, 5, 36			
a) Mortgage loans			36,577	40,884
b) Public-sector loans			17,323	18,662
c) Other receivables			66,483	49,009
			120,383	108,555
of which: collateralized by securities		9,042		5,179
Debentures and other fixed-income securities	2, 3, 4, 5, 7, 36			
a) Money market instruments				
aa) issued by public-sector borrowers		0		119
ab) issued by other borrowers		652		708
			652	826
b) Bonds and debentures				
ba) issued by public-sector borrowers		4,338		4,353
of which: eligible as collateral with Deutsche Bundesbank		3,230		3,738
bb) issued by other borrowers		25,641		26,025
of which: eligible as collateral with Deutsche Bundesbank		20,307		22,299
			29,980	30,379
c) Own debentures			921	627
Nominal amount		914		626
			31,553	31,832

Differences in the amount of +/- one unit in the balance sheet, income statement and in the Notes are due to rounding.

Assets

EUR million	Explanation in the Notes (chapter)			31/12/2021	31/12/2020
Equities and other non-fixed-income securities	2, 7			183	187
Trading portfolio	2, 5, 9			29,014	32,800
Equity investments	2, 7, 12			191	194
of which: in banks		5			10
Shares in affiliates	2, 7, 12			1,614	1,596
of which: in banks		321			320
of which: in financial services companies		381			381
Trust assets	13			982	901
of which: trust loans		981			900
Intangible assets	2, 12				
a) Internally generated industrial property rights and similar rights and assets			32		44
b) Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets			90		98
d) Advances paid			3		5
				125	147
Property and equipment	2, 12			759	780
Other assets	14			2,033	2,248
Deferred items	15				
a) From issuing and lending business			920		947
b) Other			1,978		3,070
				2,897	4,017
Total assets				271,285	261,278

Differences in the amount of +/- one unit in the balance sheet, income statement and in the Notes are due to rounding.

Equity and liabilities

EUR million	Explanation in the Notes (chapter)		31/12/2021	31/12/2020
Deposits from banks	2, 16, 17, 18, 35			
a) Mortgage-backed registered covered bonds issued			58	128
b) Public-sector registered covered bonds issued			429	452
c) Other liabilities			85,256	75,368
			85,742	75,947
of which: payable on demand		9,136		6,374
Deposits from customers	2, 16, 17, 18, 35			
a) Mortgage-backed registered covered bonds issued			187	189
b) Public-sector registered covered bonds issued			2,113	2,467
c) Savings deposits				
ca) with an agreed notice period of three months		4,769		5,073
cb) with an agreed notice period of more than three months		8		76
			4,777	5,149
d) Other liabilities			90,143	87,534
			97,220	95,340
of which: payable on demand		66,444		64,186
Securitized liabilities	2, 17			
a) Issued debentures				
aa) Pfandbriefe (mortgage-backed covered bonds)		7,261		9,361
ab) Pfandbriefe (public covered bonds)		4,093		4,635
ac) Other debentures		26,625		24,520
			37,979	38,517
b) Other securitized liabilities			8,229	6,281
			46,208	44,797
of which: money market instruments		8,229		6,281
Trading portfolio	2, 9, 18		15,147	16,808
Trust liabilities	13		982	901
of which: trust loans		981		900
Other liabilities	2, 19		1,202	1,434
Deferred items	15			
a) From issuing and lending business			298	244
b) Other			2,413	3,231
			2,710	3,475
Provisions	2, 20			
a) Provisions for pensions and other post-employment benefits			336	336
b) Tax provisions			327	37
c) Other provisions			744	687
			1,407	1,059
Subordinated liabilities	2, 21		4,616	5,121

Differences in the amount of +/- one unit in the balance sheet, income statement and in the Notes are due to rounding.

Equity and liabilities

EUR million	Explanation in the Notes (chapter)			31/12/2021	31/12/2020
Capital generated from profit-participation rights	22			47	229
Regulatory AT 1 capital instruments	23			771	771
Fund for general banking risks				926	926
of which: special reserve in accordance with section 340e (4) HGB		141			141
Equity	24				
a) Subscribed capital					
aa) Share capital		3,484			3,484
ab) Silent partners' contributions		850			880
			4,334		4,364
b) Capital reserve			8,240		8,240
c) Retained earnings					
cd) Other retained earnings		1,501			1,501
			1,501		1,501
d) Unappropriated profit/loss			231		364
				14,307	14,470
Total equity and liabilities				271,285	261,278
Contingent liabilities	2, 10, 25				
b) Liabilities from guarantees and warranties			11,986		10,338
				11,986	10,338
Other obligations	25				
c) Irrevocable loan commitments			38,260		34,745
				38,260	34,745

Differences in the amount of +/- one unit in the balance sheet, income statement and in the Notes are due to rounding.

Income statement

for the period from 1 January to 31 December 2021

EUR million	Explanation in the Notes (chapter)		01/01- 31/12/2021	01/01- 31/12/2020
Interest income from	26, 27			
a) Credit and money market transactions		15,086		12,238
of which: negative interest income		- 355		- 237
b) Fixed income securities and book-entry securities		200		219
of which: negative interest income		- 12		- 7
			15,286	12,457
Interest expenses	26		- 13,530	- 10,947
of which: positive interest expenses			614	282
			1,756	1,511
Current income from	27			
a) Equities and other non-fixed-income securities			62	18
b) Equity investments			11	9
c) Shares in affiliates			44	35
			117	62
Income from profit-pooling, profit transfer agreements or partial profit transfer agreements			64	62
Fee and commission income	27, 28		565	513
Fee and commission expenses			- 99	- 96
			466	417
Total operating income/expenses from the trading portfolio	27		325	250
of which: transfers/reversals in accordance with section 340e (4) HGB		0		- 6
Other operating income	27, 29		119	176
General administrative expenses				
a) Staff costs				
aa) Wages and salaries		- 661		- 625
ab) Social security contributions and expenses for pension provision and other benefits		- 228		- 242
of which: pension costs		- 91		- 137
			- 890	- 866
b) Other administrative expenses			- 797	- 734
			- 1,687	- 1,601
Depreciation and write-downs of intangible assets and property and equipment			- 82	- 84

Differences in the amount of +/- one unit in the balance sheet, income statement and in the Notes are due to rounding.

EUR million	Explanation in the Notes (chapter)			01/01/- 31/12/2021	01/01/- 31/12/2020
Other operating expenses	29			- 159	- 154
Depreciation and write-downs of loans and certain securities, as well as additions to provisions for credit risks			- 288		- 332
				- 288	- 332
Depreciation and write-downs of equity investments, shares in affiliates and securities treated as fixed assets			0		- 10
Income from reversals of impairment losses on equity investments, shares in affiliates and securities treated as fixed assets			47		0
				47	- 10
Expenses from loss transfer				- 9	- 7
Allocations/reversals made to/from the fund for general banking risks				0	- 86
<i>Result from normal operations</i>				669	204
Extraordinary income	31		0		52
Extraordinary expenses	31		- 27		- 99
Extraordinary result	31			- 26	- 47
				643	157
Taxes on income	32		- 377		- 26
Other taxes, unless reported under »other operating expenses«			- 6		12
				- 382	- 14
Profits transferred as a result of profit pooling, profit transfer agreement or a partial profit transfer agreement				- 35	- 38
<i>Net profit for the year</i>	24			225	105
Profit/loss carryforward from the previous year				6	259
<i>Unappropriated profit</i>				231	364

Differences in the amount of +/- one unit in the balance sheet, income statement and in the Notes are due to rounding.

Notes

for the period from 1 January to 31 December 2021

General information

1. Principles governing the preparation of the annual financial statements

Landesbank Baden-Württemberg (LBBW (Bank)) is a public law institution (rechtsfähige Anstalt des öffentlichen Rechts) with registered offices in Stuttgart, Karlsruhe, Mannheim and Mainz. The commercial register numbers at the responsible district court are as follows: district court of Stuttgart HRA 12704, district court of Mannheim HRA 104440 (for Karlsruhe) and HRA 4356 (for Mannheim) and district court of Mainz HRA 40687.

The annual financial statements for the 2021 financial year were prepared on 1 March 2022 in compliance with the provisions of the German Commercial Code (*Handelsgesetzbuch – HGB*), in particular the Supplemental Regulations for Banks (sections 340 et seq. HGB), the German Accounting Regulation for Banks and Financial Service Institutions (*Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV*), the German Banking Act (*Kreditwesengesetz – KWG*) and the German Pfandbrief Act (*Pfandbriefgesetz – PfandBG*).

For the purpose of transparency, the values are stated in EUR millions.

2. General accounting and valuation methods

Receivables and allowances for losses on loans and advances

Loans and advances to banks and customers are stated at nominal value, where necessary after deduction of the applicable write-downs. Allowances for losses on loans and advances were deducted from the other receivables in the net amount. Differences between acquisition costs and nominal amount which are related to interest are allocated to deferred items and recognized proportionally in net interest income over the period. Deferred interest is reported directly in loans and advances to banks and customers.

Bills and forfeiting transactions held in the portfolio are stated at discounted face amount, less specific valuation allowances.

Securities repurchase transactions with central counterparties are presented in net terms. The transactions were concluded on the basis of framework agreements which provide for offsetting financial assets and financial liabilities.

Provisions for specific allowances for losses on loans and advances have been recognized for significant loans for which objective indications of impairment have been identified. The impairment loss is calculated as the carrying amount of the loan less the present value of expected payments received on account of the loan. To calculate the expected future payments, all expected payments from the receivable (principal and interest) and any payments from the liquidation of collateral are estimated in terms of amount and timing on the basis of various probability-weighted scenarios. In the case of insignificant loans, for which objective evidence indicating an impairment has been identified, portfolio valuation allowances for individual risks are recognized by using a statistically calculated default amount. General valuation allowances are recognized for expected losses on the loan portfolio as at the balance sheet date resulting from possible loss events over the next twelve months. Their amount is based on statistically calculated default probabilities, loss ratios relating to parts of the loan portfolio for which no other provisions have been set up and the expected exposure at default. Country risks in the form of transfer and/or conversion risks are taken into account.

Given the uncertainties at the end of 2021 relating to the pandemic, the economy and the geopolitical situation, it is a great challenge to calculate the allowances for losses on loans and securities. The general structural change triggered or accelerated by the COVID-19 pandemic and the potentially rising customer default risks in certain segments, in part due to the worsening, ongoing shortage of raw materials and intermediates and potential upheaval in global supply chains, mean that to suitably quantify the impact of these future developments and structural changes the statistically determined default probabilities and loss ratios established on the basis of many years of data history cannot be considered as unqualifiedly reliable.

For this reason – on the basis of implementing a multi-scenario approach, including both moderate and adverse scenarios, which considers forward-looking information beyond the twelve-month horizon – to the end of 2021 LBBW (Bank) again increased allowances for losses on loans and securities by another EUR 165 million, despite comparatively low underlying loan defaults.

Securities

Securities in the liquidity reserve are measured at cost observing the principle of strict lower-of-cost-or-market, or at the lower quoted/market price or fair value (if lower) as at the balance sheet date.

Securities held as long-term investments are carried at cost or the fair value on the reporting date (if lower) in the case of continued impairment losses. Provided the reasons for impairment in earlier financial years have elapsed, reversals of impairment losses up to the amount of the fair value are carried out to a maximum of the acquisition costs. In the case of impairments which are expected not to be permanent, the option of section 253(3) sentence 4 HGB is exercised in conjunction with section 340e (1) HGB, so that no write-downs are recognized on the lower fair value (less strict lower-of-cost-or-market principle).

The impairment of securities held as long-term investments is determined on the reporting date on the basis of published stock market price quotations, price quotations from market data providers or recognized valuation methods (e. g. net income value or discounted cash flow method). The assessment of whether impairment is expected to be permanent is carried out on the basis of LBBW's (Bank) rating classification. A distinction is drawn between equity instruments, ABS securitizations and other securities. The primary reason for a permanent impairment is the occurrence of a trigger event, such as interest loss or redemption default.

Securities arising from asset swap combinations are valued as a valuation unit; for securities in the liquidity reserve from asset swap combinations, market-induced impairment losses due to credit risks are recognized in income.

In the case of securities lending agreements, economic ownership is not transferred to the borrower. Securities that are lent are therefore still shown in the securities portfolio and accounted for accordingly (analogous application of the corresponding regulations for transactions with firm repurchase agreements in section 340b (4) sentence 1 HGB).

As internal transactions only financial instruments are used. These internally contracted financial instruments are valued as transactions with external contracting parties. However, unlike external transactions, they are not recognized individually in the balance sheet but are offset under trading assets or trading liabilities.

Financial instruments

On-balance sheet products and derivative financial instruments of the trading portfolio are subject to fair value changes. Financial instruments in the trading portfolio traded on active markets are recognized at market prices. Financial transactions for which market prices are not available are recognized at prices determined with the help of valuation models or on the basis of indicative quotations and parameters obtained from market data providers. Market prices, quotations and parameters are validated by LBBW (Bank) by means of statistical methods or as part of the independent price verification process (IPV). The fair values are reduced by the value-at-risk for these portfolios determined in line with regulatory requirements (10-day holding period, 99.0 % confidence level, 250-day observation period). On the balance sheet, the reduction affects the balance sheet item of »trading assets«.

The absolute amount of the risk discount is EUR 10 million for LBBW (Bank) as at 31 December 2021 (2020: EUR 19 million).

This procedure ensures that the income statement drawn up in line with the German Commercial Code takes into account any potentially remaining realization risks in line with the conservatism principle.

The amount of the addition to the special reserve is limited in accordance with section 340e (4) HGB. There was no addition to the fund for general banking risks for the 2021 financial year (2020: EUR 6 million).

Observable parameters are used for valuation methods for financial instruments in and outside the trading portfolio, if available. The application of these models and the use of these parameters require assumptions and estimates on the part of the management, the extent of which depends on the transparency and availability of market data information and the complexity of the instrument in question. These involve a certain level of uncertainty and may be subject to change. Therefore, actual results and values may differ from these assumptions and estimates.

The main parameters used in the valuation models of LBBW (Bank) are listed in the following table:

Derivatives/financial instruments	Valuation models	Material parameters ¹
Interest rate swaps and options	Net present value method, Black-Scholes-model, replication and Copula models, Markov functional model and Libor market models	Yield curves, swaption volatility, cap volatility, correlations, mean reversion
Forward rate agreements	Net present value method	Yield curves
Forward commodity agreements, currency forwards	Net present value method	Commodity rates/exchange rates, yield curves
Stock/index options, equity index/dividend futures ²	Black-Scholes-model, local volatility model, present value method	Equity prices, share volatility, dividends, interest rates (swap, repo)
Currency options	Garman-Kohlhagen model (modified Black-Scholes-model)	FX rates, yield curves, FX volatility
Commodity options	Garman-Kohlhagen model (modified Black-Scholes-model)	Commodity rates, yield curves, volatility
Credit derivatives	Intensity model, Cheyette model	Credit spreads, yield curves, correlations
Money market transactions	Net present value method	Credit spreads, yield curves
Borrower's note loans, loans	Net present value method	Credit spreads, yield curves
Securities, forward security transactions	Net present value method	Securities prices, credit spreads, yield curves
Own bearer notes and borrower's note loans issued	Net present value method	Yield curves, own credit spread

¹ For the counterparty default risk of OTC derivatives a credit value adjustment is calculated using credit spreads, taking into account collateral and netting agreements.

² The valuation models for equity derivatives are based on OTC- as well as on exchange-traded derivatives.

The valuation methods include all factors and parameters which LBBW (Bank) believes would also be considered by other market participants. If the valuation methods do not take individual factors into account, valuation adjustments are conducted. Value adjustments are determined by Risk Controlling and documented in a valuation adjustment policy. Significant value adjustments affect, among other things, valuation adjustments for counterparty credit risk (credit valuation adjustment, CVA) and own credit risk (debt valuation adjustment, DVA) of OTC (Over-the-Counter) derivatives and valuation adjustments to take into account bid/ask spreads (close-out costs). LBBW (Bank) makes further valuation adjustments to take account of model weaknesses and valuation uncertainties (model valuation adjustments), including when determining the fair value of certain interest rate and credit derivatives. Differences arising between the price calculated by the model and the price traded on the transaction day are taken into account as day-1 P&L valuation adjustment for those transactions categorized as level 3 according to the International Financial Reporting Standards (IFRS). Collateralized OTC derivatives are mostly discounted on the basis of EONIA (Euro Overnight Index Average) rates.

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

The key issue in recognizing derivative financial instruments in the annual financial statements of LBBW (Bank) is whether they are components of valuation units (micro hedges) or are used in the course of trading or are used for the (internal) management of the interest margin of the interest-bearing transactions of the banking book (loss-free valuation in the banking book).

With due regard to accounting practice statement IDW RS HFA 22, issued by the Main Committee (Hauptfachausschuss) of the Institute of Public Auditors in Germany (IDW), ancillary agreements of a derivative nature, whose market price risks are included in portfolio-related management of trading positions, are disclosed separately from the underlying transactions.

The tables exclude ancillary agreements of a derivative nature that are not reported separately on the balance sheet but that are instead components of structured instruments (structured financial instruments) and are therefore included as assets or liabilities in the corresponding balance sheet items. The tables exclude netting and collateral agreements which mitigate default risks.

In addition to the main measurement parameters already named, there are further influencing factors for derivatives which determine the extent, time and collateral of future cash flows.

In the case of options in particular, there are transaction-related payment terms (e. g. trigger for exotic options, redemption date for premiums, structuring the option as American or European). Upfront or balloon payments can be agreed for interest rate swaps. Furthermore, the creditworthiness of the counterparties and the Bank or the resulting default risk has a significant effect on future cash flows. For this purpose, the LBBW (Bank) draws up a credit valuation adjustment (CVA) or reaches collateral agreements with counterparties. Furthermore, LBBW (Bank) is a direct clearing member for the purposes of clearing interest rate swaps via central counterparties. The variation margin is offset against the fair values. In the case of standardized derivatives traded on derivatives exchanges, margining can be agreed which hedges payments between counterparties.

Credit derivatives outside the trading portfolio

Credit derivatives outside the trading portfolio are used in the form of credit default swaps and products with ancillary agreements of a credit default swap nature for risk assumption, arbitrage, hedging and efficient portfolio management with regard to credit risks.

In accordance with statement IDW RS BFA 1, the treatment of credit derivatives differs depending on their purpose.

Protection seller transactions in the non-trading portfolio are shown in the item »Contingent liabilities«, sub-item b) »Liabilities from guarantees and warranties«.

Credit derivatives in the non-trading portfolio that were entered into by LBBW (Bank) as a protection buyer are then treated as credit collateral received, if a documented hedging purpose exists in relation to another transaction subject to credit risk and the derivatives are objectively appropriate for reducing risk. As credit collateral received, these credit derivatives are not recorded in the balance sheet (such as with guarantees received) but are taken into consideration when calculating the necessary allowances for losses on loans and advances for the hedged transaction.

Credit derivatives used for portfolio management purposes with regard to credit risks are not valued using the mark-to-market method provided the credit default swap constitutes an original lending transaction for LBBW (Bank). A prerequisite in this respect is the intention to hold the investment to maturity, and the credit default swap must not contain structures that cannot be part of the original lending transaction. Corresponding provisions for anticipated losses are created for credit derivatives for which there is no intention to hold.

Credit derivatives in the non-trading portfolio that do not fulfill these conditions are valued separately. Unrealized valuation gains are offset only if the credit risk relates to one and the same reference debtor. Provisions for anticipated losses from pending transactions are created for unrealized valuation losses, if necessary after netting unrealized valuation gains. The results are included in depreciations and write-downs of loans and certain securities, as well as additions to provisions for credit risks. Any valuation gains remaining after netting are not recognized. The combined management report (risk and opportunity report) contains information about the scope and development of the LBBW (Bank) market price risks.

Equity investments and shares in affiliates

Equity investments and shares in affiliates are carried at cost or fair value on the reporting date (if lower) in the case of continued impairment losses. Provided the reasons for impairment in earlier financial years have elapsed, reversals of impairment losses up to the amount of the fair value are carried out to a maximum of the acquisition costs. In the case of impairments which are expected not to be permanent, the option of section 253(3) sentence 6 HGB is exercised in conjunction with section 340e (1) HGB, so that no write-downs are recognized on the lower fair value (less strict lower-of-cost-or-market principle).

Sales profit or loss from equity investment transactions is recorded in »other operating income or expenses« on the basis of section 340c (2) sentence 2 HGB. For a list of shareholdings in accordance with section 285 no. 11 HGB, refer to the chapter »List of shareholdings«.

The value of equity investments and shares in affiliates is determined on the reporting date on the basis of published stock market price quotations, price quotations from market data providers or recognized valuation methods (e. g. net income value or discounted cash flow method).

Intangible assets and property and equipment

Acquired intangible assets are valued at acquisition cost less scheduled depreciation and, where necessary, unscheduled write-downs.

Internally generated intangible assets held as long-term investments are recognized in accordance with section 248 (2) HGB and valued at production cost less scheduled depreciation and, where necessary, unscheduled write-downs.

Tangible assets are valued at acquisition or production cost less scheduled depreciation and, where necessary, unscheduled write-downs.

Scheduled depreciation is effected at the rates permitted by tax laws since, in the view of LBBW (Bank), these correspond to the economic life.

Liabilities

Liabilities are recognized at the settlement amount as per section 253 (1) HGB. Differences between issue amount and settlement amount which are related to interest are allocated to deferred items and recognized proportionally in net interest income over the period. Deferred interest is reported directly in liabilities. Zero coupon bonds are recognized including the pro rata interest rate in accordance with section 22 (2) sentence 3 RechKredV.

Securities repurchase transactions with central counterparties are presented in net terms. The transactions were concluded on the basis of framework agreements which provide for offsetting financial assets and financial liabilities.

Regulatory AT 1 capital instruments

The instruments issued qualify as liabilities and are recognized at settlement or nominal amount. Interest expense are recognized on the basis of the expected payments to the owners of the instruments.

Provisions

In the financial year 2020, LBBW (Bank) transferred most of its direct pension obligations to a non-insurance-based pension fund under German law, together with the corresponding funding. This transfer turned the commitments into indirect obligations, for which there is a disclosure option in accordance with Article 28 (1) sentence 2 of the Introductory Act to the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch - EGHGB*). LBBW (Bank) exercised this option resulting in a reduction of pension provisions by EUR 2,218 million as at 31 December 2020.

For meeting the obligations transferred to the pension funds, LBBW (Bank) continues to bear subsidiary liability in accordance with section 1 (1) sentence 3 of the German Company Pension Improvement Act (*Betriebsrentengesetz - BetrAVG*). As at 31 December 2021, due to not recognizing indirect obligations within the meaning of Article 28 (1) sentence 2 EGHGB, there is underfunding of EUR 337 million for pension funds, the supplementary pension fund and the benevolent fund. The settlement amount for ongoing direct and indirect obligations are calculated on the basis of actuarial principles pursuant to section 253 HGB and the 2018 G mortality tables (Heubeck-Richttafeln-GmbH, Cologne). The projected unit credit method was used as an actuarial calculation method. Accrual allocation of benefit payments during employment and actuarial assumptions are used for the assessment. According to section 253 (2) HGB, the average ten-year discount rate for pension provisions is 1.87 %, compared with the average seven-year discount rate of 1.35 %. Expected wage and salary increases are 2.35 %, plus a career trend of 0.50 % based on an age up to 50. The future annual rate of pension increase remains at 2.20 % and an average company-specific fluctuation of 4.00 % is assumed. Depending on the benefit type, a retirement probability of 50 % / 20 % is assumed for paying the benefit payments. It is assumed that the remainder of the beneficiaries will decide for the single/installment payment.

In September of the financial year, LBBW (Bank) allocated an initial EUR 66 million to a special fund as part of a new contractual trust arrangement (CTA), thus creating plan assets. Assets will not be transferred back to the sponsoring undertaking. On the reporting date, the fair value is EUR 83 million EUR which was netted against provisions for pensions.

The difference in accordance with section 253 (6) sentence 1 HGB as a result of the switch from a pension provisions approach as determined by the corresponding average market interest rate from the last seven financial years to an approach based on ten financial years amounts to EUR 25 million.

According to Article 67 (1) sentence 1 EGHGB, the additions to the pension provisions can be spread out over 15 years as a consequence of the first time adoption of BilMoG (*Bilanzrechtsmodernisierungsgesetz* – German Act on the Modernization of Accounting). LBBW (Bank) used this option. As at the reporting date, the outstanding addition was EUR 79 million, of which EUR 73 million related to the indirect part of pension obligations.

There is a unit-linked commitment (LBBW VorsorgeFonds Plus), which invests via a life-cycle model through a contractual trust arrangement (CTA), for new entrants after 31 December 2016. The new regulation applies from 1 January 2026 for employees of capital account plan 2000 and 2005 with entry dates before 1 January 2017. The amount of the obligation is determined by the fair value of the associated fund, provided that this exceeds the guaranteed minimum value. The original acquisition cost of the plan assets is EUR 20 million. EUR 25 million in obligations from the LBBW VorsorgeFonds Plus were offset against the plan assets with a fair value of EUR 25 million. The obligations for the LBBW VorsorgeFonds Plus were netted against the plan assets measured at fair value.

For pension obligations of the London branch, obligations of EUR 34 million were netted against existing plan assets of EUR 33 million.

Some current and former employees are also entitled to aid (medical support). For employees still entitled to aid after entering retirement, relevant provisions of EUR 185 million were created.

For the obligation for settlement arrears from partial retirement contracts, plan assets at the level of the fair value amounting to EUR 38 million were recognized as at year-end 2021. The obligations for settlement arrears from partial retirement contracts of EUR 72 million were netted against the plan assets in line with section 246 (2) sentence 2 HGB.

For obligations relating to partial retirement obligations, LBBW (Bank) recognized provisions of EUR 36 million as at the reporting date.

As at 31 December 2021, EUR 101 million in obligations from the LBBW FlexiWertkonto (working time account) were offset against the plan assets with a fair value of EUR 86 million. The acquisition costs amount to EUR 82 million. The obligations for the LBBW FlexiWertkonto were netted against the plan assets measured at fair value.

For pensions and other benefits, for which there are plan assets, expenses of EUR 133 million were netted against income of EUR 44 million.

»Other provisions« which include provisions for credit risks, provisions for legal risks and restructuring are calculated under consideration of all contingent liabilities and anticipated losses from pending transactions on the basis of conservative commercial assessment. Provisions with a residual term over one year are discounted at the seven-year average discount rate published by Deutsche Bundesbank in accordance with section 253 (2) HGB.

Loss-free valuation in the banking book

The business activities of the banks within the scope of the banking book do not permit regular immediate reciprocal allocation of individual financial instruments. However, regardless of this, there is an economic link between these transactions (funding partnership) due to their objective (achieving an interest margin). Accordingly, LBBW (Bank) manages the interest margin/change in present value of all interest-bearing transactions as a whole in the banking book. This (internal) management of the banking book also provides the framework for the application of the imparity principle in commercial law.

A provision that might be required in line with section 340a in conjunction with section 249 (1) sentence 1, 2nd alternative HGB (provision for onerous contracts) thus extends to all interest-bearing financial instruments in the banking book. The valuation of the interest rate position of the entire banking book and the associated risk and administrative costs must be included in the calculation of negative excess liability, if any, as part of the loss-free valuation of interest-bearing transactions of the banking book. The Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW) has answered individual questions on the procedure in a statement issued on this topic (IDW RS BFA 3).

LBBW (Bank) applied statement IDW RS BFA 3 as at the reporting date. LBBW (Bank) uses the net present value method. No negative excess liability existed. Accordingly, no provisions were created.

Valuation units

In the case of valuation units, underlying transactions (assets, debt and derivatives separable from the balance sheet) are linked with hedging transactions (derivative financial instruments and some on balance sheet assets) to hedge market price risks (hereinafter referred to as micro hedge).

The hedged risks include general and structured interest rate risks, equity risks, credit risks and currency risks.

The following methods of measuring effectiveness are used: When a valuation unit is formed and on each reporting date, a check is carried out prospectively as to whether effective hedging is in place. The micro hedges, in particular, which are created for the purpose of hedging structured interest-rate and other market price risks, are structured in such a way as to ensure that the main factors (hedged risk, nominal amount, currency and duration) receive the same or almost the same coverage. In the case of these valuation units and, in general, when a valuation unit is formed, a check is carried out for the compensatory settlement of hedged risks for underlying and hedging transactions; to this end, a comparison is carried out between these factors in the underlying and hedging transactions. In the case of micro hedges that hedge the general interest rate risk a regression analysis is carried out on each reporting date to investigate the compensatory effect. If the above mentioned comparison or regression analysis is positive, effectiveness (between the change in the value of the underlying transactions and hedging transactions with reference to the hedged risk) is also expected for the future (the remaining maturity of the transactions).

Retrospective valuation of effectiveness takes place on each reporting date with the help of the dollar offset method. According to this method, the underlying transaction is valued for the hedged risk and compared with the valuation of the hedging transaction for the hedged risk (e. g. interest rate risk). This also forms the basis for calculating the previous invalidity and any loss peak. The procedure is already applied for the majority of valuation units for the general interest rate risk. In case of all other valuation units formed for the structured interest rate risk or other market price risks, the valuation of the hedged risk of the underlying is derived from the valuation of the hedging transaction.

The changes in value of hedging and underlying transactions are calculated on the balance sheet for the effective part using the net hedge presentation method, with only a loss peak shown on the balance sheet as a provision for valuation units. The loss peak (ineffectiveness from the hedged risk) is taken into account in the income statement.

Brokered, structured derivatives, from which the market price risk is eliminated, are treated as economic hedges in risk management. These transactions are allocated to the trading book (so-called back-to-back operations) in the financial statements pursuant to German law.

For recognition of market price risks, refer to the chapter »Market price risks« in the combined management report (risk and opportunity report) for the 2021 annual financial statements.

Net interest income

Net interest income also reports current interest income and expense in the trading portfolio. This procedure is in line with the LBBW (Bank) internal controlling. In addition, based on hedge items negative interest income from lending is reported as an of which item in the income statement item »Interest income« and positive interest expenses from borrowing as an of which item in the income statement item »Interest expenses«. The presentation provides a net view.

Other administrative expenses

»Other administrative expenses« include expenses for EDP costs, costs of premises, legal and consulting expenses as well as expenses for the bank levy and the deposit guarantee system of EUR 137 million (2020: EUR 118 million).

IBOR transition effects

In the financial year, due to the IBOR reform the reference interest rate was transitioned for a large number of variable rate financial instruments. The resulting settlement payments were accrued over the residual term. On the other hand, settlement payments due to transitions of discount curves were recognized immediately and fully in profit and loss.

Currency translation

Currency translations takes place in line with the principles of sections 256a and 340h HGB and the IDW statement IDW RS BFA 4. In order to determine the currency position, LBBW (Bank) offsets foreign currency assets and foreign currency liabilities arising from on-balance transactions by currency. In line with the risk management of LBBW (Bank), the application of the particular cover for foreign currency translations of the non-trading portfolio is derived from the Bank's internal FX policy. This states that the open net current positions resulting from non-trading portfolios are transferred to the trading books and the relevant expenses and income ultimately recognized in the trading result.

Assets and liabilities are translated at the mid-spot exchange rate as at the reporting date. Differences resulting from the translation of hedged assets and liabilities at the mid-spot exchange rate are offset by the opposing effects of outstanding nominal payments from foreign exchange transactions, cross-currency/interest-rate swaps and currency swaps. Currency forwards, cross-currency/interest-rate swaps and currency swaps, provided that they are not part of a valuation unit and are not concluded for the purpose of liquidity management of the banking book, are allocated to the trading portfolio. In the balance sheet these derivatives are recognized at fair value as part of the positive or negative fair values in trading assets/liabilities.

The swap points are accrued and shown in interest income or interest expense for currency forwards.

Deferred taxes

There is a recognition option for net lending positions resulting from the overall view of deferred tax assets and liabilities and a recognition obligation for net borrowing positions. Accordingly, LBBW (Bank) has not exercised the option in section 274 (1) sentence 2 HGB regarding the recognition of deferred tax assets.

Deferred tax liabilities from different temporary taxable differences between book value and the tax base, especially for property, plant and equipment, other assets and intangible assets were offset against deferred tax assets, particularly on deductible temporary differences on provisions (especially for pensions) and receivables measurement.

Company-specific tax rates were used in the recognition of deferred taxes. For the domestic tax group, the corporate income tax was recognized at 15.83 % including solidarity surcharge. An average trade tax rate of 14.70 % was used for the domestic tax group. Deferred taxes for the foreign branches were recognized at the statutory tax rates applicable in those locations, ranging from 13.50 % to 29.37 %.

Notes to the balance sheet

3. Relationships with affiliates and companies in which equity interests are held, and with affiliated savings banks (Sparkassen), receivables and debentures

The following balance sheet items include receivables and debentures to affiliates or companies in which an equity investment is held:

EUR million	31/12/2021	31/12/2020
Loans and advances to banks	44,695	64,385
of which to affiliates	171	93
of which to companies in which equity interests are held	0	548
of which to affiliated savings banks (Sparkassen)	27,953	25,602
Loans and advances to customers	120,383	108,555
of which to affiliates	4,536	7,328
of which to companies in which equity interests are held	3	158

4. Maturity structure of the receivables and debentures

The following table contains a breakdown of the remaining maturity of the receivables and debentures (including pro rata interest):

EUR million	31/12/2021	31/12/2020
Loans and advances to banks	44,695	64,385
up to 3 months	9,227	28,975
more than 3 months to 1 year	5,668	9,530
more than 1 year to 5 years	13,771	10,497
more than 5 years	16,029	15,383
Loans and advances to customers	120,383	108,555
up to 3 months	18,115	15,731
more than 3 months to 1 year	15,154	14,738
more than 1 year to 5 years	50,499	41,031
more than 5 years	36,615	36,856
no specified maturity	1	199
Debentures and other fixed-income securities	31,553	31,832
of which due in the following year	4,925	4,609

5. Subordinated assets

Subordinated assets are included in the following asset items:

EUR million	31/12/2021	31/12/2020
Loans and advances to banks	225	182
Loans and advances to customers	116	93
Debentures and other fixed-income securities	124	122
Trading assets	105	279

6. Transactions with firm repurchase agreements

The carrying amount of securities sold to other banks and non-banks under repurchase agreements as at the balance sheet date was EUR 1,730 million (2020: EUR 1,496 million).

7. Securities and equity investments

The asset items below include marketable securities as well as securities, equity investments and shares in affiliates measured at the less strict lower-of-cost-or-market principle:

EUR million	31/12/2021	31/12/2020
Debentures and other fixed-income securities		
Marketable	31,553	31,832
of which listed	29,888	29,491
No write-down due to temporary impairment		
Carrying Amount	7,547	2,790
Fair value	7,510	2,829
Equities and other non-fixed-income securities		
Marketable	183	187
of which listed	30	29
Equity investments		
Marketable	3	3
Shares in affiliates		
Marketable	9	8

With micro-hedged transactions, as a result of the net hedge presentation method, the carrying amounts shown above do not include any corresponding adjustments to the book values for hedged risks (please refer to the chapter »Valuation units«). If the carrying amounts had been adjusted, the omitted write-downs of the debentures and other fixed-income securities would amount to EUR – 82 million (2020: EUR – 18 million).

8. Shares in investment fund assets

The value of the shares in investment fund assets is determined on the reporting date on the basis of published redemption prices in the case of retail funds and the fair values provided in the case of special funds.

Investment goal	Name	Fair value	Difference to carrying amount	Distribution for the financial year	Daily return possible	Unscheduled write-downs omitted
Investment funds – closed-end fund investments	F&C European Cap. Partn. B.L.P. ¹	11	- 18	0	No	No
Mixed fund	BNPP Flexi I - Mul.-Ass.Boost.Act. Nom.	19	0	0	Yes	No
Property fund	Germany Diversified Core+ bearer units	20	1	1	Yes	No
Bond fund	IPAM RentenWachstum bearer units	3	0	0	Yes	No
Bond fund	CQS Fds IE Sust.Tot.Ret.Cred.Reg. Shs I	68	0	0	Yes	No
Bond fund	OP-Fonds SKP bearer units ¹	184	106	30	Yes	No
		305	89	31		

¹ The fund units are part of an asset-linked note i. e. performance from the fund units is attributable to the bearer of the associated issue by LBBW (Bank).

9. Trading portfolio

The trading portfolio is composed as follows:

EUR million	Trading assets		Trading liabilities	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Derivative financial instruments	8,656	11,485	5,092	5,178
Receivables/liabilities	12,518	14,773	3,440	4,714
Debentures and other fixed-income securities	7,284	5,822	6,523	6,527
Equities and other non-fixed-income securities	540	714	0	0
Other assets/other liabilities	15	5	93	389
	29,014	32,800	15,147	16,808

10. Derivatives

The following tables provide information on derivative financial instruments pursuant to section 285 nos. 19 and 20 HGB in conjunction with section 36 RechKredV that existed at LBBW (Bank) as at the balance sheet date.

Derivative transactions – Product structure – Recognized at fair value

EUR million	Nominal values		Positive fair value ^{1,2,3}		Negative fair value ^{1,2,3}	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Interest rate swaps	1,899,910	1,671,585	5,490	8,210	1,252	1,685
Forward rate agreements	734,805	1,328,594	0	0	0	0
Interest rate options	54,907	60,537	18	178	48	100
Purchases	22,451	24,966	14	169	12	35
Sales	32,456	35,571	4	9	36	65
Caps, floors, collars	35,026	33,080	5	8	35	10
Other interest rate contracts	2,224	2,464	44	- 8	194	485
Exchange-traded interest rate products	45,674	60,667	0	0	0	0
Interest rate risks – overall	2,772,546	3,156,926	5,557	8,387	1,530	2,280
Foreign exchange transactions	195,054	175,936	1,056	944	834	1,067
Interest-rate/currency swaps	34,312	31,186	172	131	87	139
Currency options	4,527	4,457	21	13	18	39
Purchases	2,231	2,273	21	13	0	0
Sales	2,296	2,184	0	0	18	39
Currency risks – total	233,893	211,579	1,250	1,089	939	1,245
Stock options	120	1,358	- 10	45	2	16
Purchases	60	683	- 10	45	0	0
Sales	60	675	0	0	2	16
Exchange-traded equity and index products	20,070	21,904	1,009	1,017	995	1,231
Commodities	2,902	2,157	92	116	84	95
of which exchange-traded	1,455	1,126	66	96	39	42
Other equity derivatives	909	1,064	156	120	1,453	287
Equity and other price risks – overall	24,001	26,483	1,247	1,298	2,534	1,629
Credit derivatives – protection seller	4,699	4,201	6	3	1	1
Credit derivatives- protection buyer	5,820	4,620	2	2	132	128
Credit derivatives	10,519	8,822	8	5	133	128
Risks – overall	3,040,959	3,403,810	8,062	10,779	5,137	5,282

1 Including interest deferral (=dirty price=).

2 The fair value of transactions concluded on the basis of framework agreements that provide for a daily exchange of the margin collateral will be presented in net terms. The net presentation includes the fair value of the derivatives and the margin collateral.

3 The positive and negative fair values do not include the premiums of internal transactions. This can, in individual cases, result in the reporting of negative values.

Derivative transactions – Product structure – Not recognized at fair value

EUR million	Nominal values		Positive fair value ^{1,2}		Negative fair value ^{1,2}	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Interest rate swaps	589,584	614,296	181	174	356	445
Forward rate agreements	459,937	287,675	3	0	3	0
Interest rate options	1,322	1,214	16	7	0	0
Purchases	708	717	16	7	0	0
Sales	614	497	0	0	0	0
Other interest rate contracts	2,820	38	0	0	0	0
Exchange-traded interest rate products	60,101	97,868	0	0	0	0
Interest rate risks – overall	1,113,764	1,001,091	200	181	359	445
Interest-rate/currency swaps	1,706	1,424	1	5	0	10
Currency risks – total	1,706	1,424	1	5	0	10
Stock options	272	272	10	11	8	7
Purchases	95	95	10	11	0	0
Sales	177	177	0	0	8	7
Equity and other price risks – overall	272	272	10	11	8	7
Credit derivatives – protection seller	0	0	0	-1	0	0
Credit derivatives – protection buyer	1,123	1,527	2	1	321	47
Credit derivatives	1,123	1,527	2	0	321	47
Risks – overall	1,116,865	1,004,314	213	197	688	509

1 Including interest deferral («dirty price»).

2 The positive and negative fair values do not include the premiums of internal transactions. This can, in individual cases, result in the reporting of negative values.

Most of the transactions previously referred to are concluded to cover interest rate, exchange rate or market price fluctuations, as well as for customer transactions and hedging these customer transactions.

With regard to the valuation models used, refer to the information under the chapter »General accounting and valuation methods«.

Please refer to the data presented in the »Other assets« and »Other liabilities« items for information on the carrying amount of options in the form of option premiums.

Derivative transactions - maturity structure (by remaining maturity)

Nominal values EUR million	up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
Interest rate risks					
31/12/2021	229,836	1,191,361	1,354,144	1,110,968	3,886,309
31/12/2020	960,351	956,584	1,237,716	1,003,368	4,158,019
Currency risks					
31/12/2021	113,565	67,306	44,737	9,990	235,598
31/12/2020	124,708	44,410	33,668	10,216	213,002
Equity and other price risks					
31/12/2021	3,303	10,028	10,438	504	24,273
31/12/2020	3,250	10,616	12,708	180	26,754
Credit derivatives					
31/12/2021	319	1,722	7,926	1,674	11,641
31/12/2020	467	2,097	6,632	1,153	10,349
Risks - overall					
31/12/2021	347,023	1,270,417	1,417,246	1,123,136	4,157,821
31/12/2020	1,088,777	1,013,707	1,290,725	1,014,917	4,408,124

Derivative transactions - by counterparty

EUR million	Nominal values		Positive fair value ¹		Negative fair value ¹	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Banks in the OECD	2,762,123	2,848,675	2,901	3,681	2,542	3,494
Banks outside the OECD	12,042	16,446	36	278	371	128
Public-sector agencies in OECD countries	37,501	32,698	3,234	4,776	74	124
Other counterparties	1,346,157	1,510,306	2,104	2,242	2,837	2,045
Counterparties - total	4,157,823	4,408,125	8,275	10,977	5,824	5,791

¹ Including interest deferral (=dirty price=).

11. Currency translation

Foreign currency assets worth EUR 48.8 billion (2020: EUR 54.5 billion) and foreign currency liabilities worth EUR 53.4 billion (2020: EUR 63.6 billion), as well as income and expenses included in the financial statements were translated in compliance with section 256a and section 340h HGB and statement IDW RS BFA 4 from the Institute of Public Auditors in Germany (IDW). Assets and liabilities do not include any assets or liabilities from pending transactions. They are included in the derivatives tables in the chapter »Derivatives«. The risk of exchange rate movements associated with balance sheet items denominated in foreign currencies, including precious metals, is primarily covered by off-balance sheet hedging transactions.

12. Fixed assets

Changes in equity investments, shares in affiliates and securities

EUR million	01/01/2021	Changes ¹	31/12/2021
Equity investments	194	- 3	191
Shares in affiliates	1,596	18	1,614
Securities allocated to fixed assets	27,618	556	28,174

¹ The aggregation option under section 34 (3) RechKredV was used.

Historical cost

EUR million	01/01/2021	Additions	Disposals	Transfers	31/12/2021
Intangible assets	819	33	0	0	852
Land and buildings	1,001	0	- 8	0	993
of which land and buildings used commercially	924	0	- 7	0	917
Other facilities, operating and office equipment	341	7	- 7	0	341

Depreciation/amortization, write-downs and carrying amounts

EUR million	01/01/2021	Current depreciation/ amortization and write-downs	Disposals/ additions	31/12/2021	Carrying amount 31/12/2021	Carrying amount 31/12/2020
Intangible assets	- 672	- 55	0	- 727	125	147
Land and buildings	- 309	- 18	7	- 320	672	692
of which land and buildings used commercially	- 249	- 17	6	- 260	656	675
Other facilities, operating and office equipment	- 252	- 9	7	- 254	87	89

The option described in section 248 (2) HGB is being exercised. Development costs in the 2021 financial year were accounted for fully by the internally generated intangible assets, which amounted to EUR 32 million (2020: EUR 44 million). Operating and office equipment amounted to EUR 44 million (2020: EUR 46 million).

13. Fiduciary transactions

The following table contains a breakdown of trust assets and trust liabilities:

EUR million	31/12/2021	31/12/2020
Trust assets	982	901
Loans and advances to banks	938	749
Loans and advances to customers	43	150
Equities and other non-fixed-income securities	2	1
Trust liabilities	982	901
Deposits from banks	981	900
Deposits from customers	2	1

14. Other assets

Items of particular significance included in the »Other assets« of LBBW (Bank) are margins and option premiums of EUR 1,379 million (2020: EUR 1,547 million), other assets in affiliates and companies in which an equity investment is held totaling EUR 161 million (2020: EUR 175 million) and tax refund claims of EUR 142 million (2020: EUR 147 million).

The tax refund claims in Germany primarily include income tax assets from past financial years of EUR 71 million (2020: EUR 81 million) and other tax receivables of EUR 58 million (2020: EUR 41 million), comprising mainly interest receivables and VAT receivables.

The refund claims stand in contrast to the LBBW (Bank) tax provisions amounting to EUR 327 million (2020: EUR 37 million).

15. Deferred items

Deferred items include the following amounts:

EUR million	31/12/2021	31/12/2020
<i>Prepaid expenses</i>	2,897	4,017
Discount from liabilities in line with section 250 (3) HGB	213	205
Premium from receivables in line with section 340e (2) sentence 3 HGB	707	742
<i>Deferred income</i>	2,710	3,475
Discount from receivables in line with section 340e (2) sentence 2 HGB	91	112
Premium from liabilities in line with section 340e (2) sentence 2 HGB	206	133

Deferred items also include one-off payments from interest rate and cross-currency interest rate swaps of EUR 998 million (2020: EUR 1,961 million) on the assets side and EUR 958 million (2020: EUR 1,918 million) on the liabilities side. In addition, there are EUR 761 million (2020: EUR 598 million) discontinued valuation units on the assets side and EUR 835 million (2020: EUR 650 million) on the liabilities side. Liabilities also contain premiums on liabilities of EUR 206 million (2020: EUR 133 million).

16. Relationships with affiliates and companies in which equity interests are held, and with affiliated savings banks (Sparkassen) - liabilities

The following balance sheet items include liabilities to affiliates or companies in which an equity investment is held:

EUR million	31/12/2021	31/12/2020
<i>Deposits from banks</i>	85,742	75,947
of which from affiliated savings banks (Sparkassen)	3,520	2,274
<i>Deposits from customers</i>	97,220	95,340
of which from affiliates	656	724
of which from companies in which equity interests are held	8	265

17. Maturity structure of the liabilities

The remaining maturities of the liabilities (including pro rata interest) are as follows:

EUR million	31/12/2021	31/12/2020
<i>Deposits from banks with agreed duration or withdrawal notice</i>	76,606	69,573
up to 3 months	10,809	12,561
more than 3 months to 1 year	3,487	4,102
more than 1 year to 5 years	43,463	34,650
more than 5 years	18,848	18,260
<i>Savings deposits to customers with an agreed notice period of more than three months</i>	8	76
more than 3 months to 1 year	5	64
more than 1 year to 5 years	3	12
<i>Other deposits from customers with an agreed duration or notice period, including mortgage-backed registered covered bonds issued and public-sector registered covered bonds issued</i>	25,999	26,004
up to 3 months	15,084	13,510
more than 3 months to 1 year	3,399	4,968
more than 1 year to 5 years	3,171	3,042
more than 5 years	4,345	4,485
<i>Securitized liabilities</i>	46,208	44,797
<i>a) Issued debentures</i>	37,979	38,517
of which due in the following year	12,862	11,443
<i>b) Other securitized liabilities</i>	8,229	6,281
up to 3 months	7,455	5,856
more than 3 months to 1 year	774	424

18. Assets assigned as collateral for own liabilities

Assets in the amounts stated below were assigned for the following liabilities.

EUR million	31/12/2021	31/12/2020
Deposits from banks	44,207	41,324
Deposits from customers	1,476	955
Trading liabilities	131	590
Total amount of collateral transferred	45,814	42,869

19. Other liabilities

The most important individual components of the »Other liabilities« item are margins and option premiums totaling EUR 996 million (2020: EUR 1,269 million), distributions from silent partners' contributions amounting to EUR 35 million (2020: EUR 38 million) and taxes to be transferred amounting to EUR 54 million (2020: EUR 33 million). These are essentially liabilities from provisional capital gains tax and VAT tax returns.

20. Valuation units

The following table illustrates the amount by which assets and liabilities are incorporated to hedge which risks in valuation units as at 31 December 2021.

EUR million	Carrying amount ^{UT}	Micro hedge					
		Negative change in value			Positive change in value		
		Change in value ^{UT}	Change in value ^{HT}	Loss peak	Change in value ^{UT}	Change in value ^{HT}	Profit peak
Assets							
General interest rate risk	21,327	51	- 51	0	114	- 113	1
Structured interest rate risk and other market price risk	790	62	- 62	0	0	0	0
Liabilities							
General interest rate risk	- 4,524	- 15	15	0	- 76	76	0
Structured interest rate risk and other market price risk	- 4,205	- 498	498	0	0	0	0
Contracts in progress							
Structured interest rate risk and other market price risk	- 24	- 7	7	0	0	0	0
Total				0			1

UT = hedged item; HT = hedge.

There was thus a profit peak of EUR 1 million (2020: EUR 1 million) and a loss peak of EUR 0 million (2020: EUR -1 million) as at 31 December 2021.

LBBW (Bank) includes two types of hedge relationships under micro hedges. In the first, individual underlying transactions are hedged by individual hedging transactions. In the other, one or more underlying transactions are hedged by one or more hedging transactions.

Both types of micro hedge are documented by means of clear referencing of the underlying and hedging transactions.

21. Subordinated liabilities

The »Subordinated liabilities« were raised in the form of borrower's note loans and issues denominated in EUR, USD, AUD, SGD and JPY. There were no new issues in the current and previous financial years.

Nominal amounts of EUR 506 million (2020: EUR 88 million) will mature within the next two years. The last »Subordinated liabilities« will be repaid in 2041. The rate of interest ranges between 0.00 % and 7.63 %.

Subordinated liabilities, which in each case exceed 10 % of the total subordinated liabilities position, are structured as follows:

The XS1246732249 issue of EUR 500 million bears interest of 3.625 % and is due in 2025. There is no call option for the creditor or LBBW (Bank). The subordinated liabilities comply with the requirements of CRR (Capital Requirements Regulation).

The DE000LB1B2E5 issue of EUR 500 million bears interest of 2.875 % and is due in 2026. There is no call option for the creditor or LBBW (Bank). The subordination condition complies with CRR requirements.

The DE000LB13HZ5 issue of EUR 500 million bears interest of 2.2 % and is due in 2029. There is no call option for the creditor or LBBW (Bank). The subordination condition complies with CRR requirements.

With the exception of issues with a nominal volume of EUR 36,000, the subordinated liabilities complied with the requirements of Article 63 CRR. Pursuant to Article 64 CRR, amortization of the Tier 2 instruments shall occur on the basis of the number of days that have passed in the last five years of their term.

In the year under review, interest expense of EUR – 183 million (2020: EUR – 196 million) was incurred for »Subordinated liabilities«.

22. Capital generated from profit-participation rights

The capital generated by profit-participation rights comprises ten registered participation rights.

The creditors' rights are dependent on LBBW (Bank)'s unappropriated profit/loss pursuant to HGB and are guaranteed only until maturity.

The creditors receive an annual distribution provided there is no or no increase in the unappropriated loss pursuant to HGB. In addition, no distribution is made if the capital generated from profit-participation rights that was reduced in the past by losses has yet to be replenished in full again.

If the capital generated from profit-participation rights was lowered in the past, all agreements include the right to replenishment of the capital from net profit for the year or unappropriated profit pursuant to HGB. Provided the capital has been replenished again, the agreements provide for unpaid dividends to be carried forward if net profit for the year or unappropriated profit pursuant to HGB is available.

23. Regulatory AT 1 capital instruments

The AT1 bonds (AT1 = Additional Tier 1) are unsecured and subordinated bonds of LBBW (Bank). The repayment and nominal amount of the bonds can be reduced by a trigger event. An example of such a trigger event is if the core equity Tier 1 ratio of the LBBW Group, calculated on a consolidated basis, drops below 5.125 %. After such a trigger event, the bonds can be written up under certain conditions. There are fixed interest payments. However, in line with supervisory regulations or at the sole discretion of LBBW (Bank), these can be canceled. Lost interest is not reinstated. The bonds have perpetual maturity but can be called at pre-defined dates. Fixed interest ends at the first call date, and if the call is not exercised, adjusted.

24. Equity

The equity of LBBW (Bank) developed as follows in the financial year 2021:

EUR million	
Equity as at 31 December 2020	14,470
- Repayment of silent partners' contributions	- 30
- Distribution to shareholders	- 358
+ Net profit for the year 2021	225
Equity as at 31 December 2021	14,307

As part of profit appropriation for 2019 and 2020, EUR 358 million was distributed to the owners of LBBW (Bank) last year in line with the guidelines issued by the ECB.

The creditors' rights of 41 »Silent partners' contribution« are dependent on LBBW (Bank) net profit/loss for the year or unappropriated profit/loss pursuant to HGB and are guaranteed only until maturity.

The creditors receive an annual distribution, provided the distribution does not lead to a net loss for the year (35 agreements) or unappropriated loss (six agreements) pursuant to HGB, or that such a loss is

increased as a result of the distribution. In addition, a distribution is not made if capital from »Silent partners' contributions« that was reduced in the past has yet to be replenished in full again.

If the »Silent partners' contributions« were reduced in the past, 41 agreements include the right to a replenishment of capital from net profit or unappropriated capital pursuant to HGB. Provided the capital is replenished, twelve agreements also provide for a repayment of suspended distributions if net profit for the year or unappropriated profit pursuant to HGB is available.

25. Items below the line

Contingent liabilities

EUR million	31/12/2021	31/12/2020
Contingent liabilities	11,986	10,338
Liabilities from guarantees and warranties	11,986	10,338

If a guarantee is drawn on, there is a risk for the LBBW (Bank) that its claim (for recourse) against the guarantee holder less the collateral is not valuable. If there are valid reasons for an expected claim, LBBW (Bank) creates specific provisions at the level of individual transactions, provided that imminent loss is expected. Provisioning on a portfolio basis is created for latent risks.

The following letters of comfort had been issued as at the balance sheet date:

LBBW has issued a letter of comfort, which reads as follows, in favor of the wholly owned subsidiaries LBBW Asset Management Investmentgesellschaft mbH, Stuttgart, and SüdFactoring GmbH, Stuttgart:

»Except for political risks and for the duration of an equity investment, for the companies listed in the list of shareholdings of LBBW, LBBW ensures that the companies are in a position to cover their liabilities, regardless of the amount of the interest held by LBBW.«

Obligations from the guarantor's liability:

LBBW (Bank) is liable indefinitely for the liabilities of DekaBank Deutsche Girozentrale, Berlin and Frankfurt am Main, and of former LBS Landesbausparkasse Baden-Württemberg, Stuttgart and Karlsruhe created up to 18 July 2001.

This also applies externally to the liabilities of Landesbank Schleswig-Holstein Girozentrale, Kiel, arising up to July 18, 2001 resulting from the period of its participation in the former Landesbank Schleswig-Holstein Girozentrale, Kiel.

In deviation from previous years, LBBW's (Bank's) guarantor's external liability is no longer listed for the time it was a guarantor of the former LRP Landesbank Rheinland-Pfalz, Mainz, as LBBW (Bank) is already liable as the legal successor of the former LRP Landesbank Rheinland-Pfalz, Mainz, for the liabilities of LRP Landesbank Rheinland-Pfalz, Mainz, that arose by 18 July 2001.

Other obligations

EUR million	31/12/2021	31/12/2020
Other obligations	38,260	34,745
Irrevocable loan commitments	38,260	34,745

The following matters within the item »Other obligations« are of material importance for total business activity: due to the conclusion of traded forward securities repurchase transactions, LBBW (Bank) has irrevocable loan commitments to a central counterparty of EUR 6,653 million. In addition, one special purpose entity that purchases and securitizes trading, lease and bank receivables was provided with liquidity amounting to EUR 2,718 million as at 31 December 2021. A commitment of of EUR 750 million was granted to three companies with joint and several liability headquartered in Luxembourg and a commitment of EUR 600 million was granted to a German company.

The item »Other obligations« comprises the amount of commitment granted not but yet drawn on that the Bank may not revoke. If a guarantee is drawn on, there is a risk for the LBBW (Bank) that its claim against the borrower less the collateral is not valuable. If there are valid reasons for an expected claim, LBBW (Bank) creates specific provisions at the level of individual transactions, provided that imminent loss is expected. Provisioning on a portfolio basis is created for latent risks.

Notes on the income statement

26. Net interest income

The negative interest income results from reserve holdings with the ECB, banks and institutional customers that exceed the bank's reserve requirement. These customer groups also generate income through positive interest expenses.

Net interest income includes the effects of interest on other provisions with a term of more than twelve months amounting to EUR – 2 million (2020: EUR – 2 million) and discounting effects of EUR 1 million (2020: EUR 2 million).

27. Breakdown of income according to geographic markets

The total amount from the income statement items

- interest income
- current income from shares and other non-fixed-income securities, equity investments and shares in affiliates,
- fee and commission income,
- net income from the trading portfolio and
- other operating income

is distributed across the geographical markets below as follows:

EUR million	31/12/2021	31/12/2020
Federal Republic of Germany	15,950	12,882
Europe (EU states excluding Germany)	1	1
Asia	72	128
America	237	273
Other countries	153	175
Total	16,413	13,459

28. Administrative and intermediary services

Services rendered for third parties relate in particular to the administration and intermediation of securities transactions, (trustee) loans, warranties and guarantees, payments and other bank services.

29. Other operating income and expenses

Income from renting, leasing and selling land and buildings amounted to EUR 23 million (2020: EUR 26 million). Income from refunds of expenses from third parties amounted to EUR 23 million (2020: EUR 24 million), from services charged to third parties to EUR 17 million (2020: EUR 18 million) and reversals of provisions to EUR 30 million (2020: EUR 64 million).

»Other operating expenses« largely comprised allocations to provisions of EUR – 105 million (2020: EUR – 61 million), comprising mainly allocations to provisions for tax matters and litigation and recourse risks. Expenses for non-banking business essentially consist of operating expenses amounting to EUR – 14 million (2020: EUR – 15 million) and expenses for land and buildings held as long-term investments of EUR – 8 million (2020: EUR – 8 million). There are also expenses for voluntary social benefits of EUR – 7 million (2020: EUR – 4 million).

30. Auditors' fee

The following information relates to Landesbank Baden-Württemberg and the companies it controls. Information on auditor's fees is provided in the notes to the consolidated financial statements in LBBW's 2021 annual report.

Audit services relate primarily to the audits of the annual financial statements and the consolidated financial statements of the parent company, as well as various audits of the annual financial statements of its subsidiaries including mandatory extensions of contracts and audit priorities agreed with the Supervisory Board. Audit reviews of interim financial statements and clarification of specialist accounting and regulatory matters.

Other audit-related services concern mandatory or contractually-agreed audits, such as the audit pursuant to section 89 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) and section 68 (7) of the German Capital Investment Code (Kapitalanlagegesetzbuch – KAGB), the audit pursuant to section 16j (2) sentence 2 of the German Act Establishing the Federal Financial Supervisory Authority (Gesetz über die Bundesanstalt für Finanzdienstleistungsaufsicht – FinDAG), the audit for assessing the contribution for the bank-related guarantee system of the Sparkassen-Finanzgruppe under section 5 (1) of the German Deposit Guarantee Act (Einlagensicherungsgesetz – EinSiG) and the audit of the combined non-financial report.

Tax advisory services were utilized primarily in relation to assessments on the tax impact in respect to company structures and ongoing tax advice at a LBBW subsidiary.

Other services include quality assurance activities and training seminars.

31. Extraordinary result

The negative »Extraordinary result« of EUR – 26 million (2020: EUR – 47 million) comprises extraordinary income in the amount of EUR 0 million (2020: EUR 52 million) and extraordinary expenditure of EUR – 27 million (2020: EUR – 99 million).

Extraordinary expenditure includes additions of EUR – 26 million (2020: EUR – 26 million) made to pension provisions from the BilMoG conversion.

32. Taxes on income

The periodic tax expense of EUR – 243 million (2020: EUR – 39 million) is essentially attributable to expenses from corporation tax and trade tax. The prior-period tax expense of EUR – 134 million for financial year 2021 (2020: tax income of EUR 12 million) is due in particular to the increased provision for tax risks.

The total tax expense for taxes on income amounts to EUR – 377 million (2020: EUR – 26 million).

Other information

33. Transactions and other financial obligations that do not appear on the balance sheet

There are other financial obligations of EUR 1,067 million (2020: EUR 1,062 million); of which EUR 697 million (2020: EUR 805 million) are obligations to make an additional contribution to central counterparties. Affiliates and associates account for EUR 0 million (2020: EUR 19 million) thereof.

Other financial obligations include payment obligations to the restructuring fund (»bank levy«) which shall be met in full or in part at first request in case of resolution measures and for which cash collateral has been provided.

The German Deposit Guarantee Act (Einlagensicherungsgesetz – EinSiG), which became effective on 3 July 2015, governs the future financial resources of statutory and bank-related guarantee systems, including the bank-related guarantee system of the Sparkassen-Finanzgruppe.

LBBW (Bank) makes an irrevocable commitment to the owner of the bank-related guarantee system, German Savings Bank Association (Deutscher Sparkassen- und Giroverband – DSGV), to make further payments on first demand e. g. in the compensation case pursuant to section 10 EinSiG, in addition to the annual contribution. Other financial obligations include the guarantee payments made in this context.

In addition, pursuant to section 5 (10) of the bylaws of the German Deposit Protection Fund, LBBW undertook to indemnify Bundesverband Deutscher Banken e. V., Berlin, against any and all losses incurred by the latter as a result of assistance provided to credit institutions that are majority-owned by Landesbank Baden-Württemberg.

Annual payment obligations also arise from long-term rental, lease and IT service contracts. These amount to EUR 270 million (2020: EUR 252 million), with EUR 8 million (2020: EUR 6 million) relating to affiliates and associates.

34. Distribution block

LBBW (Bank) reported a restriction on distribution of EUR 57 million (2020: EUR 58 million) on the balance sheet in the 2021 financial year, with the difference in accordance with section 253 (6) sentence 2 HGB accounting for EUR 25 million (2020: EUR 14 million) and internally generated intangible assets for EUR 32 million (2020: EUR 44 million). The restriction on distribution codified for such amounts in accordance with section 268 (8) HGB does not apply, as the freely available reserves remaining following a possible pay-out far exceed the restriction on distribution.

35. Appropriated funds

Deposits from banks and customers include appropriated funds of EUR 34,110 million (2020: EUR 32,179 million) from the development loan business (transmitted loans).

36. Coverage for the mortgage and public-sector lending business

The liabilities below are covered as follows:

EUR million	31/12/2021	31/12/2020
Public covered bonds issued pursuant to PfandBG	10,812	8,922
Assets serving as cover	12,151	11,651
Loans and advances to banks	1,158	1,099
Loans and advances to customers	10,639	10,187
Debentures and other fixed-income securities	354	365
Depth of coverage	1,339	2,729
Mortgage-backed covered bonds issued pursuant to PfandBG	12,378	10,553
Assets serving as cover	15,976	14,694
Loans and advances to customers	15,234	13,812
Debentures and other fixed-income securities	742	882
Depth of coverage	3,598	4,141

37. Transparency provisions for public covered bonds (öffentliche Pfandbriefe) and mortgage backed covered bonds (Hypothekendarlehen) pursuant to section 28 PfandBG

A) Transparency provisions for public covered bonds (öffentliche Pfandbriefe) pursuant to section 28 PfandBG

EUR million	31/12/2021	31/12/2020
Cover fund for public covered bonds		
Nominal value	12,151	11,651
Proportion of fixed-income cover funds in %	78	84
Present value	13,886	14,022
Present value of risk ¹	12,275	12,164
Circulation of public covered bonds		
Nominal value	10,812	8,922
Proportion of fixed-income covered bonds in %	59	80
Present value	11,648	9,947
Present value of risk ¹	10,802	8,917
Depth of coverage		
Nominal value	1,339	2,729
Present value	2,238	4,075
Net present value in CHF	1	0
Net present value in USD	108	- 2
Present value of risk ¹	1,473	3,247
Depth of coverage/proportion of circulation- nominal value ²	1,339	2,729
as a % of outstanding volume of public covered bonds	12	31
Depth of coverage/proportion of circulation- present value ²	2,238	4,075
as a % of outstanding volume of public covered bonds	19	41

1 Calculated using the static approach in accordance with section 5 (1) no. 1 and section 6 (2) PfandBarwertV.

2 Use of vdp credit quality differentiation model for EU and EEA countries

Structure of outstanding public covered bonds and the cover funds:

EUR million	Up to 0.5 years	More than 0.5 years to 1 year	More than 1 year to 1.5 years	More than 1.5 years to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years to 10 years	More than 10 years	Total
Cover fund¹										
31/12/2021	907	819	474	609	1,118	916	1,347	3,568	2,392	12,151
31/12/2020	621	420	641	656	845	923	792	4,179	2,575	11,651
Outstanding public covered bonds²										
31/12/2021	308	1,237	592	336	1,043	1,182	1,226	3,242	1,646	10,812
31/12/2020	246	830	308	1,236	936	143	1,182	3,218	824	8,922

1 The fixed-interest periods are specified for fixed rate loans and the margin commitment period for variable rate loans.
2 The terms of the covered bonds are specified.

Total nominal value of the ordinary cover for public covered bonds by amount

EUR million	31/12/2021	31/12/2020
Up to EUR 10 million	2,978	2,982
More than EUR 10 million to EUR 100 million	3,176	3,217
Over EUR 100 million	5,996	5,452
Total	12,151	11,651

Total nominal value of the ordinary cover of public covered bonds according to country/type:

31/12/2021	Central state		Regional government		Local government		Other debtors ¹		Total	of which export credit receivables
	Owed	Guaranteed	Owed	Guaranteed	Owed	Guaranteed	Owed	Guaranteed		
Belgium	0	28	0	0	0	0	0	0	28	28
Denmark	0	89	0	0	0	0	0	0	89	89
Germany	0	1,546	2,331	168	4,833	1,122	1,571	0	11,571	1,546
EU institutions	0	50	0	0	0	0	0	0	50	0
France incl. Monaco	0	41	0	0	0	0	0	0	41	41
Great Britain	0	3	0	0	0	0	0	0	3	3
Italy	0	0	0	0	0	0	0	0	0	0
Netherlands	0	13	0	0	0	0	0	0	13	13
Austria	13	60	27	0	0	0	0	0	100	60
Poland	38	0	0	0	0	0	0	0	38	0
Sweden	0	82	0	0	0	0	0	0	82	82
Switzerland	0	66	0	0	0	0	0	0	66	66
Slovenia	20	0	0	0	0	0	0	0	20	0
Spain	0	0	40	0	0	0	0	0	40	0
USA	0	0	10	0	0	0	0	0	10	0
Total	71	1,978	2,409	168	4,833	1,122	1,571	0	12,151	1,927

1 This item includes the development banks in the amount of EUR 728 million.

31/12/2020	Central state		Regional government		Local government		Other debtors ¹		Total	of which export credit receivables
	Owed	Guaranteed	Owed	Guaranteed	Owed	Guaranteed	Owed	Guaranteed		
EUR million										
Belgium	0	28	0	0	0	0	0	0	28	28
Denmark	0	76	0	0	0	0	0	0	76	76
Germany	0	873	2,194	166	2,811	1,197	3,769	0	11,010	873
EU institutions	0	50	0	0	0	0	0	0	50	0
France incl. Monaco	0	0	0	0	0	0	0	0	0	0
Great Britain	0	0	0	0	0	0	0	0	0	0
Italy	0	0	0	0	22	0	0	0	22	0
Netherlands	0	11	0	0	0	0	0	0	11	11
Austria	33	27	31	0	0	0	0	0	91	27
Poland	158	0	0	0	0	0	0	0	158	0
Sweden	0	89	0	0	0	0	0	0	89	89
Switzerland	0	27	0	0	0	0	0	0	27	27
Slovenia	20	0	0	0	0	0	0	0	20	0
Spain	0	0	50	0	0	0	0	0	50	0
USA	0	7	13	0	0	0	0	0	20	7
Total	211	1,188	2,288	166	2,833	1,197	3,769	0	11,651	1,138

¹ This item includes the development banks in the amount of EUR 728 million.

Further information:

There were no payments outstanding by at least 90 days as at either 31 December 2021 or 31 December 2020.

B) Transparency provisions for mortgage-backed covered bonds (Hypothekendarlehenpfandbriefe) pursuant to section 28 PfandBG

EUR million	31/12/2021	31/12/2020
Cover fund for mortgage-backed covered bonds		
Nominal value	15,976	14,694
Proportion of fixed-income cover funds in %	79	78
Present value	17,163	16,127
Present value of risk ¹	15,142	14,315
Circulation of mortgage-backed covered bonds		
Nominal value	12,378	10,553
Proportion of fixed-income covered bonds in %	60	82
Present value	12,692	10,850
Present value of risk ¹	12,091	9,991
Depth of coverage		
Nominal value	3,598	4,142
Present value	4,472	5,278
Net present value in CAD	151	70
Net present value in CHF	25	28
Net present value in GBP	897	487
Net present value in JPY	1	1
Net present value in USD	720	541
Present value of risk ¹	3,051	4,324
Depth of coverage/proportion of circulation – nominal value ²	3,598	4,142
as a % of outstanding volume of mortgage-backed covered bonds	29	39
Depth of coverage/proportion of circulation – present value ²	4,472	5,278
as a % of outstanding volume of mortgage-backed covered bonds	35	49
Additional cover assets	742	882
Receivables pursuant to section 19 (1) no. 3 PfandBG	692	882
Belgium	30	50
Bulgaria	0	130
Germany	413	551
Italy	32	10
Austria	115	0
Poland	55	105
Slovenia	10	10
Spain	37	27
Receivables pursuant to section 19 (1) no. 2 PfandBG	50	0
Germany	50	0

1 Calculated using the static approach in accordance with section 5 (1) no. 1 and section 6 (2) PfandBarwertV.
2 Use of vdp credit quality differentiation model for EU and EEA countries

Structure of outstanding mortgage-backed covered bonds and cover funds:

EUR million	Up to 0.5 years	More than 0.5 years to 1 year	More than 1 year to 1.5 years	More than 1.5 years to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years to 10 years	More than 10 years	Total
Cover fund¹										
31/12/2021	1,596	917	536	1,080	1,922	2,619	1,522	4,450	1,335	15,976
31/12/2020	1,525	1,121	924	821	1,389	1,401	2,132	4,294	1,088	14,695
Outstanding mortgage-backed covered bonds²										
31/12/2021	1,263	732	1,046	146	1,830	2,487	1,138	3,429	307	12,378
31/12/2020	1,128	1,100	1,213	732	1,192	1,230	2,086	1,864	8	10,553

¹ The fixed-interest periods are specified for fixed rate loans and the margin commitment period for variable rate loans.

² The terms of the covered bonds are specified.

Total nominal value of the ordinary cover of mortgage-backed covered bonds by amount:

EUR million	31/12/2021	31/12/2020
Up to EUR 300,000	2,787	2,520
More than EUR 300,000 to EUR 1 million	947	770
More than EUR 1 million to EUR 10 million	2,724	2,456
Over EUR 10 million	8,775	8,066
Total	15,233	13,812

Total nominal value of the ordinary cover of mortgage-backed covered bonds by type/country:

31/12/2021	Germany	Netherlands	France	Belgium	USA	Canada	Great Britain	Total
EUR million								
Apartments	1,059	0	0	0	0	0	0	1,059
Single- and two-family houses	1,754	0	0	0	0	0	0	1,754
Apartment blocks (including two family houses)	3,558	0	0	0	185	0	0	3,743
Office buildings	2,567	225	124	20	848	102	795	4,681
Trade buildings	1,734	6	0	0	310	59	7	2,116
Industrial buildings	976	0	0	0	0	0	0	976
Other commercially used buildings	711	70	0	0	0	0	96	877
Incomplete and not profitable new buildings	8	0	0	0	0	0	0	8
Building plots	19	0	0	0	0	0	0	19
Total	12,386	301	124	20	1,344	161	898	15,233

31/12/2020

EUR million	Germany	Netherlands	France	Belgium	USA	Canada	Great Britain	Total
Apartments	877	0	0	0	0	0	0	877
Single-family homes	1,553	0	0	0	0	0	0	1,553
Apartment blocks (including two family houses)	2,966	0	0	0	182	0	0	3,148
Office buildings	2,131	225	124	25	521	72	1,005	4,103
Trade buildings	1,439	0	0	0	75	0	12	1,526
Industrial buildings	845	0	0	0	0	0	19	864
Other commercially used buildings	1,052	76	0	0	336	0	263	1,727
Incomplete and not profitable new buildings	1	0	0	0	0	0	0	1
Building plots	14	0	0	0	0	0	0	14
Total	10,878	301	124	25	1,114	72	1,299	13,812

Further information:

The average weighted term of the ordinary cover was 5.8 years (2020: 5.5 years), while the weighted loan-to-value ratio was 55 % (2020: 55 %).

There were no payments outstanding by at least 90 days as at either 31 December 2021 or 31 December 2020.

There were no foreclosures or compulsory administration procedures pending as at either 31 December 2021 or 31 December 2020. No foreclosures were carried out in the 2021 and 2020 financial year, nor was any land acquired to avoid losses.

There was no outstanding interest in either the 2021 or 2020 financial year.

38. Total remuneration of the corporate bodies

In 2021, total remuneration for the Board of Managing Directors came to EUR 6 million (2020: EUR 7 million). Former members of the Board of Managing Directors and their surviving dependents received EUR 14 million in 2021 (2020: EUR 13 million). The Supervisory Board received fixed remuneration (including fees per meeting) of EUR 1 million in 2021 (2020: EUR 1 million).

There were provisions for pensions for former members of the Board of Managing Directors and their surviving dependents of EUR 16 million (2020: EUR 21 million).

39. Advances and loans granted to and contingent liabilities assumed in favor of the corporate bodies of LBBW (Bank) and their predecessors

As at 31 December 2021, loans granted to and contingent liabilities assumed in favor of members of the Board of Managing Directors and members of the Supervisory Board came to EUR 4 million (2020: EUR 4 million), of which EUR 3 million (2020: EUR 3 million) related to the Board of Managing Directors.

No advances were made to members of the Board of Managing Directors in 2021, as was also the case in 2020. No advances were made either to members of the Supervisory Board as at the balance sheet date.

40. Employees (annual averages)

	2021			2020		
	Male	Female	Total	Male	Female	Total
German headquarters/regional offices	3,738	4,013	7,750	3,784	4,116	7,900
Company officers	207	45	252	224	37	261
Other staff	3,531	3,968	7,498	3,561	4,079	7,640
Foreign branches	123	93	215	117	90	207
Company officers	6	0	6	6	0	6
Other staff	117	93	209	111	90	201
Representative offices	20	17	37	22	17	38
Company officers	1	0	1	2	0	2
Other staff	19	17	36	20	17	36
LBBW (Bank) total	3,880	4,122	8,003	3,923	4,222	8,145
For information purposes:						
Trainees ¹	140	152	293	181	115	296

¹ Including students at universities of cooperative education.

41. List of shareholdings

In the annual financial statements as at 31 December 2021 and pursuant to section 285 no. 11 HGB, Landesbank Baden-Württemberg lists the shareholdings with details pursuant to section 285 no. 11a HGB in the Notes:

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
I. Companies included in the consolidated financial statements							
1. Subsidiaries							
a. Fully-consolidated subsidiaries (authority over the voting rights)							
1	ALVG Anlagenvermietung GmbH ^{1,6,7,32}	Stuttgart	100.00		EUR	19,000.00	0.00
2	Austria Beteiligungsgesellschaft mbH ³²	Stuttgart	66.67		EUR	35,596.92	- 561.24
3	Berlin Lützowstraße GmbH & Co. KG ^{1,32}	Stuttgart	60.00		EUR	- 4,671.86	1,716.43
4	Centro Alemán de Industria y Comercio de México S.de R.L.de C.V. ^{2,32}	Mexico City, Mexico	100.00		MXN	- 9,058.94	7.43
5	Dritte Industriefabrik Objekt-GmbH ^{1,6,32}	Stuttgart	100.00		EUR	701.91	0.00
6	Eberhardstraße Stuttgart GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	- 3,681.99	- 78.21
7	Employrion Komplementär GmbH ^{10,32}	Weil	100.00		EUR	34.32	0.92
8	Entwicklungsgesellschaft Grunewaldstraße 61 - 62 mbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	- 3,415.44	- 37.99
9	Entwicklungsgesellschaft Uhlandstraße 187 GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	- 2,202.34	8.45
10	Erste IMBW Capital & Consulting Komplementär GmbH ^{1,32}	Weil	100.00		EUR	28.88	0.90
11	Erste IMBW Capital & Consulting Objektgesellschaft mbH & Co. KG ^{1,32}	Weil	100.00		EUR	- 34.14	0.00
12	Erste Industriefabrik Objekt-GmbH ^{1,6,32}	Stuttgart	100.00		EUR	474.96	0.00
13	EuroCityCenterWest GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	4,685.96	2,270.22
14	EuroCityCenterWest Verwaltungs-GmbH ^{1,32}	Stuttgart	100.00		EUR	34.45	- 0.55
15	FLANTIR PROPERTIES LIMITED i.L. ^{1,31}	Nicosia, Cyprus	100.00		RUB	6,647.75	16,269.62
16	FOM / LEG Generalübernehmer GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	- 7,877.53	- 688.83
17	Fünfte Industriefabrik Objekt-GmbH ^{1,6,32}	Stuttgart	100.00		EUR	575.02	0.00
18	German Centre for Industry and Trade GmbH, Beteiligungsgesellschaft ^{5,32}	Stuttgart	100.00		EUR	7,720.60	0.00
19	German Centre for Industry and Trade Pte. Ltd. ^{1,32}	Singapore, Singapore	100.00		SGD	20,852.68	2,424.63
20	IMBW Capital & Consulting GmbH ^{1,6,32}	Stuttgart	100.00		EUR	250.00	0.00
21	Immobilienvermittlung BW GmbH ³²	Stuttgart	100.00		EUR	3,868.48	1,162.15
22	Industriefabrik-Aktiengesellschaft ^{1,6,32}	Stuttgart	93.63		EUR	23,281.64	0.00
23	KI Campus 1 GmbH & Co. KG ¹	Stuttgart	100.00		n/s	n/s	n/s
24	KI Campus 2 GmbH & Co. KG ¹	Stuttgart	100.00		n/s	n/s	n/s
25	Kiesel Finance Management GmbH ^{1,32}	Baienfurt	90.00		EUR	46.34	2.10
26	Kommunalbau Rheinland-Pfalz GmbH ^{1,32}	Stuttgart	100.00		EUR	2,034.54	39.57

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
27	Landesbank Baden-Württemberg Capital Markets Plc i.L. ³⁰	London, Great Britain	100.00		EUR	896.00	- 31.00
28	LBBW Asset Management Investmentgesellschaft mbH ^{3,7,32}	Stuttgart	100.00		EUR	37,874.76	18,094.76
29	LBBW Corporate Real Estate Management GmbH ³²	Stuttgart	100.00		EUR	3,431.12	818.69
30	LBBW Immobilien Asset Management GmbH ^{1,6,32}	Stuttgart	100.00		EUR	1,305.03	0.00
31	LBBW Immobilien Capital Fischertor GmbH & Co. KG ^{1,32}	Munich	93.98	94.00	EUR	- 5,215.79	- 6.39
32	LBBW Immobilien Capital GmbH ^{1,32}	Stuttgart	100.00		EUR	- 2,175.98	23.51
33	LBBW Immobilien Development GmbH ^{1,4,6,32}	Stuttgart	94.90		EUR	15,394.95	0.00
34	LBBW Immobilien Development Komplementär GmbH ^{1,32}	Stuttgart	100.00		EUR	- 737.27	- 5.62
35	LBBW Immobilien Investment Management GmbH ^{1,32}	Stuttgart	100.00		EUR	2.83	16.70
36	LBBW Immobilien Kommunalentwicklung GmbH ^{1,4,6,7,32}	Stuttgart	81.62		EUR	2,016.51	0.00
37	LBBW Immobilien Management Gewerbe GmbH ^{1,6,32}	Stuttgart	94.90		EUR	3,303.97	0.00
38	LBBW Immobilien Management GmbH ^{1,6,7,32}	Stuttgart	100.00		EUR	375,715.71	0.00
39	LBBW Immobilien Romania S.R.L. ^{1,30}	Bucharest, Romania	100.00		RON	- 33,894.35	- 833.24
40	LBBW Immobilien Süd GmbH & Co. KG ^{1,32}	Munich	100.00		EUR	- 33,600.51	346.34
41	LBBW Immobilien-Holding GmbH ^{5,32}	Stuttgart	100.00		EUR	402,050.54	0.00
42	LBBW Leasing GmbH i.L. ³²	Mannheim	100.00		EUR	24,983.17	- 21.26
43	LBBW México ^{2,32}	Mexico City, Mexico	100.00		USD	4,982.77	2,422.79
44	LBBW Service GmbH ^{5,32}	Stuttgart	100.00		EUR	224.67	0.00
45	LBBW US Real Estate Investment LLC ³⁵	Wilmington, USA	100.00		USD	52,130.86	3,941.23
46	LBBW Venture Capital Gesellschaft mit beschränkter Haftung ³²	Stuttgart	100.00		EUR	50,561.84	1,616.50
47	LEG Projektgesellschaft 2 GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	1,852.71	- 2,873.76
48	LEG Verwaltungsgesellschaft 2 mbH ^{1,32}	Stuttgart	100.00		EUR	26.79	- 0.42
49	LIAM Horizont Stuttgart GmbH ^{1,32}	Stuttgart	100.00		EUR	30.41	- 1.02
50	LOOP GmbH ^{1,32}	Stuttgart	100.00		EUR	198.08	5.34
51	Löwentor Stuttgart Komplementär GmbH ^{1,32}	Stuttgart	100.00		EUR	28.78	0.60
52	Löwentor Stuttgart Projekt GmbH & Co. KG ^{1,32}	Stuttgart	70.00		EUR	8,289.67	- 386.93
53	LRP Capital GmbH ^{1,32}	Stuttgart	100.00		EUR	3,328.58	- 80.05
54	Lyoner Quartier GmbH & Co. KG ^{1,32}	Frankfurt am Main	100.00		EUR	- 123.25	6,683.55
55	Mainz Marina A + B GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	0.79	- 0.21

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
56	MMV Bank GmbH ^{7,32}	Koblenz	100.00		EUR	53,205.76	12,007.44
57	MMV Leasing Gesellschaft mit beschränkter Haftung ^{1,6,7,32}	Koblenz	100.00		EUR	21,000.00	0.00
58	MMV Versicherungsdienst GmbH ^{1,6,32}	Koblenz	100.00		EUR	27.05	0.00
59	MMV-Mobilien Verwaltungs- und Vermietungsgesellschaft mbH ^{1,6,7,32}	Koblenz	100.00		EUR	26.00	0.00
60	Nymphenburger Straße München GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	448.46	245.53
61	Nymphenburger Straße München Komplementär GmbH ^{1,32}	Stuttgart	100.00		EUR	19.08	- 1.25
62	Pasing Projekt GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	- 2,696.95	2,696.27
63	Projekt 20 Verwaltungs GmbH ^{1,32}	Munich	100.00		EUR	44.18	1.17
64	Projektgesellschaft SMK 69 mbH ^{1,32}	Eschborn	60.00		EUR	- 563.44	- 500.14
65	Revaler Straße Grundbesitz GmbH ^{1,32}	Stuttgart	100.00		EUR	- 869.85	- 551.95
66	Schlossgartenbau Objekt-GmbH ^{1,6,32}	Stuttgart	100.00		EUR	18,560.61	0.00
67	Schlossgartenbau-Aktiengesellschaft ^{1,6,32}	Stuttgart	92.68		EUR	6,592.42	0.00
68	SG Management GmbH ^{1,32}	Stuttgart	100.00		EUR	13,018.23	- 717.20
69	Signaris GmbH ^{1,32}	Stuttgart	94.90		EUR	3,629.08	- 3,523.73
70	SLN Maschinen-Leasing Verwaltungs-GmbH ^{1,32}	Stuttgart	100.00		EUR	1,588.01	454.34
71	SLP Mobilien-Leasing Verwaltungs GmbH ^{1,32}	Mannheim	100.00		EUR	346.69	61.02
72	Süd Beteiligungen GmbH ³²	Stuttgart	100.00		EUR	137,446.08	- 837.54
73	Süd KB Sachsen GmbH ^{1,32}	Leipzig	100.00		EUR	9,825.79	1,781.60
74	Süd KB Unternehmensbeteiligungs-gesellschaft mbH ^{1,32}	Stuttgart	100.00		EUR	44,723.95	- 2,191.76
75	Süd-Kapitalbeteiligungs-Gesellschaft mbH ^{1,6,32}	Stuttgart	100.00		EUR	61,181.87	0.00
76	SüdFactoring GmbH ^{3,5,7,32}	Stuttgart	100.00		EUR	70,000.00	0.00
77	SüdLeasing Agrar GmbH ^{1,7,32}	Mannheim	100.00		EUR	3,311.57	632.79
78	SüdLeasing GmbH ^{5,7,32}	Stuttgart	100.00		EUR	33,642.29	- 357.27
79	targens GmbH ³²	Stuttgart	100.00		EUR	6,735.60	3,399.66
80	Turtle 1. Verwaltungs-GmbH ^{1,32}	Frankfurt am Main	100.00		EUR	- 27.75	- 29.53
81	Turtle Portfolio GmbH & Co. KG ^{1,32}	Frankfurt am Main	100.00		EUR	- 24,259.24	- 229.67
82	Turtle Vermögensverwaltungs-GmbH & Co. KG ^{1,32}	Frankfurt am Main	100.00		EUR	- 20,166.25	538.61
83	Ungererstraße München GmbH & Co. KG ^{1,32}	Stuttgart	100.00		EUR	- 103.89	- 104.89
84	Vierte Industriehof Objekt-GmbH ^{1,6,32}	Stuttgart	100.00		EUR	1,176.78	0.00
85	zob Esslingen Grundbesitz GmbH ^{1,4,32}	Stuttgart	100.00		EUR	1,717.73	440.78
86	Zweite IMBW Capital & Consulting Komplementär GmbH ^{1,32}	Stuttgart	100.00		EUR	24.34	1.13
87	Zweite Industriehof Objekt-GmbH ^{1,6,32}	Stuttgart	100.00		EUR	19,825.72	0.00
88	Zweite LBBW US Real Estate GmbH ³²	Leipzig	100.00		EUR	54,595.77	- 15,218.77

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
b. Consolidated subsidiaries (control through contractual agreements)							
89	Employrion Immobilien GmbH & Co. KG ^{1,32}	Weil	35.00	50.00	EUR	8.00	0.00
90	Grundstücksgesellschaft Einkaufszentrum Kröpeliner-Tor-Center Rostock mbH & Co. KG ^{1,30}	Berlin	39.94	50.00	EUR	- 8,755.33	0.00
91	Weinberg Capital Designated Activity Company ^{10,32}	Dublin, Ireland			EUR	50.00	- 20.00
92	Weinberg Funding Ltd. ^{10,32}	St. Helier, Jersey, United Kingdom			EUR	3.55	- 0.05
2. Joint ventures accounted for using the equity method							
93	ARGE ParkQuartier Berg ^{1,30}	Stuttgart	50.00		EUR	403.63	- 10.26
94	Bad Kreuznacher Entwicklungsgesellschaft mbH (BKEG) ^{1,32}	Bad Kreuznach	50.00		EUR	941.48	- 181.26
95	GIZS GmbH & Co. KG ³²	Frankfurt am Main	33.33		EUR	15,947.17	- 3,094.65
96	OVG MK6 Komplementär GmbH ^{1,32}	Berlin	50.00		EUR	109.82	- 4.66
97	Parcul Banatului SRL ^{1,32}	Bucharest, Romania	50.00		RON	60.65	- 134.18
3. Associates accounted for using the equity method							
98	Altstadt-Palais Immobilien GmbH & Co. KG ^{1,32}	Weil	40.00	50.00	EUR	- 61.23	- 4.05
99	BWK GmbH Unternehmensbeteiligungsgesellschaft ³²	Stuttgart	40.00		EUR	222,418.73	- 8,107.15
100	BWK Holding GmbH Unternehmensbeteiligungsgesellschaft ³²	Stuttgart	40.00		EUR	12,264.12	847.63
101	EGH Entwicklungsgesellschaft Heidelberg GmbH & Co. KG ^{1,32}	Heidelberg	33.33		EUR	6,359.63	- 555.99
102	Hypo Vorarlberg Bank AG ^{1,7,32}	Bregenz, Austria	23.13		EUR	1,155,908.37	36,389.51

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
II. Companies not included in the consolidated financial statements due to being of minor influence							
1. Subsidiaries							
a. Subsidiaries not included (authority over the voting rights)							
103	Berlin Lützowstraße Komplementär GmbH ^{1,32}	Stuttgart	100.00		EUR	14.86	0.86
104	DEBTVISION GmbH ^{1,32}	Stuttgart	80.00		EUR	1,927.16	- 2,058.50
105	German Centre for Industry and Trade Beijing Co., Ltd. ³²	Beijing, China	100.00		CNY	7,057.39	1,424.46
106	Heurika Mobilien-Leasing GmbH ^{1,4,32}	Mannheim	100.00		EUR	251.36	6.98
107	Karin Mobilien-Leasing GmbH i.L. ^{1,32}	Mannheim	100.00		EUR	884.31	0.00
108	KB Projekt GmbH ^{1,32}	Frankfurt am Main	100.00		EUR	50.20	- 0.83
109	Kröpeliner-Tor-Center Rostock Verwaltungsgesellschaft mbH ^{10,30}	Berlin	100.00		EUR	30.25	1.78
110	Laurus Grundstücksverwaltungs-gesellschaft mbH i.L. ³²	Stuttgart	100.00		EUR	1,302.30	33.46
111	LBBW (Schweiz) AG ³²	Zurich, Switzerland	100.00		CHF	8,452.90	- 340.21
112	LBBW Gastro Event GmbH ^{5,32}	Stuttgart	100.00		EUR	130.00	0.00
113	LBBW Pensionsmanagement GmbH ^{5,32}	Stuttgart	100.00		EUR	25.00	0.00
114	LBBW REPRESENTAÇÃO LTDA. ^{2,32}	São Paulo, Brazil	100.00		BRL	162.93	28.26
115	LEG Osiris 4 GmbH ^{1,32}	Stuttgart	100.00		EUR	25.41	- 1.68
116	LGZ-Anlagen-Gesellschaft mit beschränkter Haftung i.L. ³²	Mainz	100.00		EUR	2,843.66	- 14.95
117	LIVIDA MOLARIS Grundstücks-Vermietungs-gesellschaft mbH & Co. Landesfunkhaus Erfurt KG i.L. ³²	Erfurt	99.77	24.00	EUR	1,153.32	4,563.18
118	LIVIDA MOLARIS Grundstücks-Vermietungs-gesellschaft mbH & Co. Objekt Polizei Nordhausen KG i.L. ³²	Düsseldorf	100.00	15.00	EUR	3,241.20	6,661.90
119	LLC German Centre for Industry and Trade ³²	Moscow, Russia	100.00		RUB	1,967.17	- 47.49
120	MLP Verwaltungs GmbH i.L. ^{1,32}	Mannheim	100.00		EUR	106.31	0.00
121	MMV-Mittelrheinische Leasing Gesellschaft mit beschränkter Haftung ^{1,6,30}	Koblenz	100.00		EUR	26.43	0.00
122	Pollux Vierte Beteiligungsgesellschaft mbH ³²	Stuttgart	100.00		EUR	2,435.06	162.78
123	SL Bayern Verwaltungs GmbH i.L. ^{1,32}	Mannheim	100.00		EUR	65.00	0.00
124	SL Bremen Verwaltungs GmbH ^{1,32}	Mannheim	100.00		EUR	1,102.04	182.34
125	SL BW Verwaltungs GmbH i.L. ^{1,32}	Mannheim	100.00		EUR	39.64	0.00
126	SL Düsseldorf Verwaltungs GmbH ^{1,32}	Mannheim	100.00		EUR	598.14	- 3.24
127	SL Operating Services GmbH i.L. ^{1,32}	Mannheim	100.00		EUR	80.41	0.00
128	SL RheinMainSaar Verwaltungs GmbH ^{1,32}	Mannheim	100.00		EUR	56.82	- 0.71
129	SL Schleswig-Holstein Verwaltungs GmbH i.L. ^{1,32}	Mannheim	100.00		EUR	91.56	0.00

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
130	SL Ventus GmbH & Co. KG i.L. ^{1,32}	Mannheim	100.00		EUR	465.99	- 4.16
131	Städtische Pfandleihe Stuttgart GmbH ³²	Stuttgart	100.00		EUR	3,751.17	172.38
132	Süd Mobilien-Leasing GmbH i.L. ^{1,32}	Stuttgart	100.00		EUR	28.28	0.00
133	Süd Verwaltung Schweiz GmbH i.L. ³²	Zurich, Switzerland	100.00		CHF	123.55	22.44
134	SüdLeasing Finance GmbH ^{1,32}	Stuttgart	100.00		EUR	23.26	- 1.04
135	SüdLeasing Finance-Holding GmbH i.L. ^{1,32}	Stuttgart	100.00		EUR	174.58	0.00
136	targens Suisse SA ¹	Schwanden, Switzerland	100.00		n/s	n/s	n/s
137	Yankee Properties II LLC ¹⁰	Wilmington, USA		100.00	n/s	n/s	n/s
138	Yankee Properties LLC ²⁶	New York, USA	100.00		USD	575.12	- 23.35
139	Zenon Mobilien-Leasing GmbH i.L. ^{1,32}	Mannheim	100.00		EUR	36.61	0.00
140	Zorilla Mobilien-Leasing GmbH i.L. ^{1,32}	Mannheim	100.00		EUR	33.79	0.00
141	Zweite Karl-Scharnagl-Ring Immobilien Verwaltung GmbH ^{1,32}	Munich	100.00		EUR	45.38	1.52
b. Subsidiaries not included (authority over contractual agreements)							
142	Humboldt Multi Invest B SICAV-FIS Sachsen LB Depot A i.L. ²¹	Luxembourg, Luxembourg	100.00		EUR	5,897.89	- 248.71
143	LBBW AM-Start ^{10,22}	Stuttgart			EUR	60,256.20	3,256.15
144	LBBW Gesund Leben ^{10,16}	Stuttgart			EUR	21,120.18	721.86
145	LBBW High Yield 2027 ^{10,20}	Stuttgart			EUR	48,045.80	420.18
146	SPKED Smart Balance ¹⁰	Stuttgart			n/s	n/s	n/s
147	Weinberg Capital LLC ¹⁰	Wilmington, USA			n/s	n/s	n/s
2. Joint ventures not accounted for using the equity method							
148	German Centre for Industry and Trade India Holding-GmbH i.L. ^{1,32}	Munich	50.00		EUR	30.07	- 12.91
149	GIZS Verwaltungs-GmbH ³²	Frankfurt am Main	33.33		EUR	40.42	6.44
150	Projektgesellschaft Hangweide GbR ^{1,10}	Stuttgart		33.33	n/s	n/s	n/s
151	SHS Gesellschaft für Beteiligungen mbH & Co. Mittelstand KG ^{1,32}	Tübingen	75.02		EUR	3,661.76	- 29.68

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
3. Associates not accounted for using the equity method							
152	AGVS Holding GmbH ^{1,32}	Villingen-Schwenningen	45.00		EUR	21,185.67	247.95
153	Deharde GmbH ^{1,32}	Vareil	39.47		EUR	2,885.91	593.82
154	EURAMCO Immobilien GmbH ^{1,32}	Aschheim-Dornach	49.00		EUR	6.61	- 7.16
155	FABMATICS Holding GmbH ^{1,32}	Dresden	50.00		EUR	8,463.86	1,346.97
156	Fischer Panda GmbH ^{1,32}	Paderborn	49.00		EUR	9,915.26	3,116.63
157	Grundstücks-, Vermögens- und Verwaltungs-GbR Stuttgart/Leinfelden-Echterdingen ^{1,30}	Stuttgart	29.09		EUR	779.06	- 27.71
158	Grundstücks-, Vermögens- und Verwaltungs-GbR Wolfstor 2, Esslingen i.L. ^{1,32}	Stuttgart	30.99		EUR	114.97	- 2.22
159	Grundstücks-, Vermögens- und Verwaltungs-GbR Ludwigsburg »Am Schloßpark« i.L. ^{1,32}	Stuttgart	44.64		EUR	143.75	- 59.83
160	Grundstücks-, Vermögens- und Verwaltungs-GbR Stuttgart/Fellbach i.L. ^{1,32}	Stuttgart	42.63		EUR	160.97	5.10
161	Janoschka AG ^{1,32}	Kippenheim	39.80		EUR	18,925.14	559.59
162	Kiesel Finance GmbH & Co. KG ^{1,10,32}	Baienfurt		75.00	EUR	625.01	1,120.32
163	KKL Holding GmbH ^{1,32}	Düsseldorf	48.27	47.20	EUR	20,073.33	2,606.34
164	Kreditgarantiegemeinschaft in Baden-Württemberg Verwaltungs-GmbH ³²	Stuttgart	20.00		EUR	1,022.58	0.00
165	Mittelständische Beteiligungsgesellschaft Sachsen mbH ³²	Dresden	25.27		EUR	49,446.04	276.99
166	MOLWANKUM Vermietungsgesellschaft mbH & Co. Objekt Landkreis Hildburghausen KG i.L. ³²	Düsseldorf	94.00	49.00	EUR	2,017.28	3,245.78
167	Siedlungswerk GmbH Wohnungs- und Städtebau ^{7,32}	Stuttgart	25.00	25.00	EUR	268,438.42	15,571.74
168	SL Mobilien-Leasing GmbH & Co. ENERCON KG ^{1,10,32}	Mannheim		80.00	EUR	18,125.37	647.03
169	SLN Maschinen Leasing GmbH & Co. OHG ^{1,10,32}	Stuttgart		75.00	EUR	- 4,295.72	- 1,135.50
170	SLP Mobilien-Leasing GmbH & Co. OHG ^{1,10,32}	Mannheim		75.00	EUR	616.88	81.90
171	Xavin GmbH ^{1,32}	Stuttgart	29.94		EUR	- 144.02	- 329.57
III. Equity investments within the meaning of Section 271 (1) HGB⁹							
172	»PORT MENIER« GmbH & Co. KG i.L. ^{1,34}	Bramstedt	0.15		EUR	68.86	- 60.36
173	1701 JFK Boulevard Philadelphia L.P. i.L. ^{1,24}	Wilmington, USA	0.03		USD	97,659.03	2,205.05
174	3YOURMIND GmbH ^{1,30}	Berlin	4.73		EUR	349.95	- 3,579.66
175	5Analytics GmbH i.L. ^{1,28}	Köngen	0.75		EUR	77.20	- 629.99
176	ABE Clearing S.A.S. à capital variable ³²	Paris, France	2.08		EUR	36,533.00	5,354.00
177	Abingworth Bioventures III L. P. ^{1,32}	London, Great Britain	0.44		USD	1,297.90	20.20

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
178	Achte Real Estate Poolgesellschaft mbH & Co. Wohnungs-KG i.L. ^{1,32}	Berlin	0.46		EUR	9,604.51	2,638.56
179	Acousia Therapeutics GmbH ^{1,32}	Tübingen	12.35		EUR	1,884.93	- 3,056.05
180	ActiTrex GmbH ^{1,32}	Mainz	19.41		EUR	- 188.43	- 230.93
181	ADLATUS Robotics GmbH ^{1,32}	Ulm	0.74		EUR	- 1,042.67	- 1,338.73
182	African Export-Import Bank ³¹	Cairo, Egypt	0.04		USD	2,978,562.46	311,115.53
183	AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung ³²	Frankfurt am Main	3.29		EUR	261,565.10	8,372.00
184	ALPHA CEE II L.P. ^{1,32}	Grand Cayman, Cayman Islands	2.41		EUR	57,140.00	13,706.00
185	amcure GmbH ^{1,30}	Eggenstein-Leopoldshafen	18.26		EUR	- 503.85	- 2,138.11
186	Bain Capital VIII L. P. ^{1,32}	Grand Cayman, Cayman Islands	0.26		USD	6,364.19	- 223.24
187	Biometrics GmbH i.L. ^{1,27}	Tübingen	17.47		EUR	- 508.59	- 1,218.76
188	Bürgschaftsbank Sachsen GmbH ³²	Dresden	27.96	18.44	EUR	44,259.93	174.50
189	CCP Systems AG i.L. ^{1,25}	Stuttgart	0.96		EUR	9,182.77	- 10,654.37
190	CME Group Inc. ³³	Wilmington, USA	0.00		USD	23,311,659.59	1,863,411.18
191	Code Intelligence GmbH ^{1,32}	Bonn	15.11		EUR	1,810.29	- 640.37
192	Computomics GmbH ^{1,32}	Tübingen	0.92		EUR	- 1,507.31	- 219.19
193	CorTec GmbH ^{1,32}	Freiburg	5.95		EUR	4,571.10	- 4,830.86
194	crealytics GmbH ^{1,32}	Passau	9.86		EUR	8,113.04	- 738.14
195	CVC European Equity Partners IV (A). L. P. ^{1,32}	Grand Cayman, Cayman Islands	0.29		EUR	5,853.10	- 10,400.66
196	Depository Trust & Clearing Corporation ³³	New York, USA	0.00	0.02	USD	2,378,229.83	187,559.27
197	Deutscher Sparkassen Verlag Gesellschaft mit beschränkter Haftung ^{7,32}	Stuttgart	8.11		EUR	211,904.74	8,185.67
198	Doughty Hanson & Co. IV Partnership 2 ^{1,32}	London, Great Britain	4.04		EUR	14,796.30	- 1,102.59
199	Dritte SHS Technologiefonds GmbH & Co. KG i.L. ^{1,32}	Tübingen	4.94		EUR	25,836.13	1,434.97
200	Erste IFD geschlossener Immobilienfonds für Deutschland GmbH & Co. KG i.L. ^{1,32}	Hamburg	0.18		EUR	1,550.77	- 111.31
201	EXCIVA GmbH ^{1,32}	Heidelberg	15.81		EUR	94.15	- 663.20
202	FL FINANZ-LEASING GmbH ³²	Wiesbaden	17.00		EUR	- 496.12	212.97
203	Fludicon GmbH i.L. ^{1,25}	Darmstadt	7.88		EUR	516.90	- 2,184.41

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
204	GbR VÖB-ImmobilienAnalyse ¹³	Bonn	25.00	20.00	n/s	n/s	n/s
205	GLB GmbH & Co. OHG ^{12,32}	Frankfurt am Main	30.05		EUR	2,776.79	- 61.40
206	GLB-Verwaltungs-GmbH ^{12,32}	Frankfurt am Main	30.00		EUR	59.63	1.98
207	Grundstücks- Vermögens- und Verwaltungs-GbR Leonberg/Ditzingen i.L. ^{1,30}	Stuttgart	0.37		EUR	1,467.64	- 0.65
208	Grundstücks-, Vermögens- und Verwaltungs-GbR Esslingen-Stuttgart i.L. ^{1,32}	Stuttgart	13.57		EUR	166.16	- 2.14
209	Grundstücks-, Vermögens- und Verwaltungs-GbR Sillenbucher Markt i.L. ^{1,32}	Stuttgart	0.02		EUR	848.03	144.92
210	Grundstücks-, Vermögens- und Verwaltungs-GbR Stuttgart-Mitte II i.L. 1, 30	Stuttgart	0.13		EUR	484.60	- 0.27
211	Grundstücks-Vermögens- und Verwaltungs-GbR, Leinfelden-Echterdingen/ Stuttgart-Möhringen i.L. ^{1,32}	Stuttgart	0.11		EUR	352.55	- 20.94
212	HANSA TREUHAND Dritter Beteiligungsfonds GmbH & Co. KG i.L. ^{1,30}	Hamburg	0.03		EUR	702.16	- 137.54
213	HANSA TREUHAND Zweiter Beteiligungsfonds GmbH & Co. KG i.L. ^{1,15}	Hamburg	0.16		EUR	- 1,784.66	- 528.00
214	Heidelberg Innovation BioScience Venture II GmbH & Co. KG i.L. ^{1,32}	Heidelberg	3.83		EUR	1,751.34	2,611.76
215	Humboldt Multi Invest B S.C.A., SICAV-FIS i.L. ^{1,11,21}	Luxembourg, Luxembourg	99.93		EUR	6,928.35	- 165.43
216	Icon Brickell LLC ¹	Miami, USA	13.35		n/s	n/s	n/s
217	Kreditgarantiegemeinschaft der Freien Berufe Baden-Württemberg Verwaltungs-GmbH ³²	Stuttgart	4.76		EUR	153.39	0.00
218	Kreditgarantiegemeinschaft der Industrie, des Verkehrsgewerbes und des Gastgewerbes Baden-Württemberg Verwaltungs-GmbH ³²	Stuttgart	15.28		EUR	1,299.87	0.00
219	Kreditgarantiegemeinschaft des Gartenbaues Baden-Württemberg Verwaltungs-GmbH ³²	Stuttgart	4.50		EUR	138.31	0.00
220	Kreditgarantiegemeinschaft des Handels Baden-Württemberg Verwaltungs-GmbH ³²	Stuttgart	9.14		EUR	1,021.91	0.00
221	Kreditgarantiegemeinschaft des Handwerks Baden-Württemberg Verwaltungs-GmbH ³²	Stuttgart	9.76		EUR	1,001.05	0.00
222	Kunststiftung Baden-Württemberg gGmbH ³²	Stuttgart	2.00	0.61	EUR	10,569.89	137.41
223	Maehler & Kaegi AG i. L. ^{1,23}	Ingelheim	7.50	9.26	EUR	- 2,041.59	67.06
224	Marco Polo Network Operations (Ireland) Limited ^{1,32}	Cork, Ireland	1.69		USD	- 17,118.57	- 21,895.99
225	MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg Gesellschaft mit beschränkter Haftung ³²	Stuttgart	9.94	8.33	EUR	83,351.77	2,055.84
226	MFP Munich Film Partners New Century GmbH & Co. HAM Productions KG i.L. ^{1,32}	Grünwald	0.50		EUR	4,385.60	605.56
227	NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Villingen-Schwenningen KG i.L. ^{8,32}	Düsseldorf	5.00	6.00	EUR	0.00	- 2.17
228	Paramount Group Operating Partnership LP ¹	Wilmington, USA	2.71		n/s	n/s	n/s
229	PARAMOUNT GROUP, INC. ^{1,33}	Lutherville, USA	0.50	0.55	USD	3,994,810.69	- 21,854.21

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
230	Phenex Pharmaceuticals AG ^{1,32}	Heidelberg	8.90		EUR	- 22,841.41	- 11,792.66
231	Poldergesellschaft Neumühlen-Westkai mbH ^{1,30}	Hamburg	16.67		EUR	145.76	0.00
232	Reha-Klinik Aukammtal GmbH & Co Betriebs-KG i.L. ¹	Wiesbaden	5.54		n/s	n/s	n/s
233	RSU Rating Service Unit GmbH & Co. KG ³²	Munich	18.80		EUR	9,693.14	632.38
234	RWSO-Grundstücksgesellschaft TBS der Württembergischen Sparkassenorganisation ³²	Stuttgart	10.00	8.48	EUR	5,023.82	369.99
235	S CountryDesk GmbH ³²	Cologne	2.50		EUR	704.30	140.14
236	Schiffahrts-Gesellschaft »HS ALCINA« mbH & Co. KG i.L. ^{1,19}	Hamburg	0.04		EUR	351.16	- 3,497.00
237	Schiffahrts-Gesellschaft »HS MEDEA« mbH & Co. KG i.L. ^{1,29}	Hamburg	0.16		EUR	648.43	- 9.50
238	Schiffahrts-Gesellschaft »HS MOZART« mbH & Co. KG i.L. ^{1,26}	Hamburg	0.23		EUR	- 7,619.62	n/s
239	Schiffahrts-Gesellschaft »HS OCEANO« mbH & Co. KG i.L. ^{1,14}	Hamburg	0.04		EUR	- 4,701.27	n/s
240	Schiffahrts-Gesellschaft »HS ONORE« mbH & Co. KG i.L. ^{1,26}	Hamburg	0.04		EUR	16,149.92	- 2,643.64
241	SE.M.LABS GmbH i.L. ^{1,27}	Stuttgart	0.75		EUR	- 474.89	- 331.64
242	SI-BW Beteiligungsgesellschaft mbH & Co. KG ³²	Stuttgart	4.00	3.96	EUR	43,751.31	1,204.61
243	stimOS GmbH ^{1,32}	Konstanz	1.05		EUR	- 977.36	- 521.08
244	Synapticon GmbH ^{1,32}	Schönaich	0.49		EUR	1,794.45	- 4,125.28
245	tado GmbH ^{1,32}	Munich	1.21		EUR	1,386.73	- 10,627.06
246	Technologiegründerfonds Sachsen Plus GmbH & Co. KG ^{1,32}	Leipzig	7.12	7.12	EUR	26,392.20	- 1,851.85
247	Technologiegründerfonds Sachsen Seed GmbH & Co. KG ^{1,32}	Leipzig	3.34		EUR	4,635.21	- 214.16
248	Technologiegründerfonds Sachsen Start up GmbH & Co. KG ^{1,32}	Leipzig	11.16		EUR	7,012.55	- 659.05
249	Teralytics AG ^{1,32}	Zurich, Switzerland	7.47		CHF	913.59	- 7,459.96
250	tocario GmbH i.L. ^{1,17}	Stuttgart	0.77		EUR	- 677.02	- 381.16
251	VCM Golding Mezzanine GmbH & Co. KG ^{1,32}	Munich	3.89		EUR	3,025.66	57.74
252	Visa Inc. ¹⁸	San Francisco, USA	0.00		USD	33,252,830.86	10,890,835.10
253	VRP Venture Capital Rheinland-Pfalz GmbH & Co. KG i.L. ^{1,32}	Mainz	16.65		EUR	918.86	3,694.69

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
254	VRP Venture Capital Rheinland-Pfalz Nr. 2 GmbH & Co. KG i.L. ^{1,32}	Mainz	16.65		EUR	666.40	5,117.83
255	Wachstumsfonds Mittelstand Sachsen Plus GmbH & Co. KG ^{1,32}	Leipzig	13.68	13.72	EUR	15,191.16	15,359.48
256	Wirtschaftsförderung Region Stuttgart GmbH ^{1,32}	Stuttgart	16.06		EUR	2,968.76	- 3,332.79
257	Zweiundfünfzigste IFH geschlossener Immobilienfonds für Holland GmbH & Co. KG i.L. ^{1,24}	Hamburg	1.05		EUR	25,654.00	- 14,921.34

1 Held indirectly.

2 Including shares held indirectly.

3 A letter of comfort exists.

4 A letter of comfort exists on the part of a Group subsidiary.

5 A profit transfer and/or control agreement has been concluded with the company.

6 A profit transfer and/or control agreement has been concluded with another company.

7 Equity investment in a large corporation (Kapitalgesellschaft) with a share of over 5% in voting rights (Section 340a (4) no. 2 HGB).

8 Is a structured entity in accordance with IFRS 12 at the same time.

9 Financial instruments pursuant to IFRS.

10 No shareholdings within the meaning of section 285 no. 11 HGB.

11 Classification as equity investment, as the company is in liquidation and no longer makes any relevant decisions.

12 Classification as equity investment, as no relevant decisions are made any longer and liquidation is expected.

13 Classification as equity investment, as the company does not generate any commercial activities.

14 The information is based on the last available annual financial statements as at 04/04/2018.

15 The information is based on the last available annual financial statements as at 25/07/2017.

16 The information is based on the last available annual financial statements as at 30/06/2021.

17 The information is based on the last available annual financial statements as at 30/09/2019. Liquidation closing balance sheet.

18 The information is based on the last available annual financial statements as at 30/09/2021. Consolidated financial statements.

19 The information is based on the last available annual financial statements as at 30/11/2018.

20 The information is based on the last available annual financial statements as at 31/03/2021.

21 The information is based on the last available annual financial statements as at 31/07/2014.

22 The information is based on the last available annual financial statements as at 31/10/2020.

23 The information is based on the last available annual financial statements as at 31/12/2004.

24 The information is based on the last available annual financial statements as at 31/12/2012.

25 The information is based on the last available annual financial statements as at 31/12/2014.

26 The information is based on the last available annual financial statements as at 31/12/2015.

27 The information is based on the last available annual financial statements as at 31/12/2017.

28 The information is based on the last available annual financial statements as at 31/12/2018.

29 The information is based on the last available annual financial statements as at 31/12/2018. Short financial year from 01/12/2018 to 31/12/2018

30 The information is based on the last available annual financial statements as at 31/12/2019.

31 The information is based on the last available annual financial statements in accordance with IFRS as at 31/12/2020.

32 The information is based on the last available annual financial statements as at 31/12/2020.

33 The information is based on the last available annual financial statements as at 31/12/2020. Consolidated financial statements.

34 The information is based on the last available annual financial statements as at 31/12/2020. Liquidation closing balance sheet.

35 The information is based on the last available annual financial statements as at 31/12/2021 in accordance with IFRS.

42. Positions held

Offices held by legal representatives of LBBW (Bank) and members of the AidA¹ Board of Managing Directors on statutory supervisory boards and similar supervisory bodies of large companies and banks, as well as offices held by employees of LBBW (Bank) on statutory supervisory boards of large companies and banks are listed below:

Company	Position	Incumbent
AVAG Holding SE, Augsburg	Supervisory Board	Karl Manfred Lochner since 16/04/2021
Deutscher Sparkassenverlag GmbH, Stuttgart	Supervisory Board	Andreas Götz
Eurex Clearing Aktiengesellschaft, Frankfurt am Main	Supervisory Board	Dr. Thilo Roßberg
EUWAX AG, Stuttgart	Chairman of the Supervisory Board	Dr. Christian Ricken Chairman of the Supervisory Board since 17/06/2021
KIC InnoEnergy SE, Eindhoven	Supervisory Board	Axel Weisheit
Kreditanstalt für Wiederaufbau, Frankfurt am Main	Administrative Board	Rainer Neske since 06/01/2021
Landeskreditbank Baden-Württemberg - Förderbank -, Karlsruhe	Administrative Board	Claudia Diem since 09/03/2021
LBBW Asset Management Investmentgesellschaft mbH, Stuttgart	Chairman of the Supervisory Board	Dr. Christian Ricken
LBBW Immobilien Management GmbH, Stuttgart	Supervisory Board	Cara Friederike Schulze
	Chairman of the Supervisory Board	Thorsten Schönenberger
	Deputy Chairman of the Supervisory Board	Anastasios Agathagelidis since 01/01/2021
	Supervisory Board	Jürgen Dosenbach
	Supervisory Board	Claudia da Silva Oliveira
Mainzer Stadtwerke AG, Mainz	Supervisory Board	Hannsgeorg Schöning
	Chairman of the Supervisory Board	Karl Manfred Lochner
	Deputy Chairman of the Supervisory Board	Anastasios Agathagelidis since 01/01/2021 member; since 24/02/2021 Deputy Chairman of the Supervisory Board
MMV Bank GmbH, Koblenz	Supervisory Board	Peter Hähner
	Chairman of the Advisory Board	Karl Manfred Lochner
	Deputy Chairman of the Advisory Board	Anastasios Agathagelidis member since 01/01/2021; Deputy Chairman of the Advisory Board since 24/02/2021
MMV Leasing GmbH, Koblenz	Advisory Board	Peter Hähner
	Deputy Chairman of the Supervisory Board	Thorsten Schönenberger
	Supervisory Board	Andreas Götz
Siedlungswerk GmbH Wohnungs- und Städtebau, Stuttgart	Supervisory Board	Thomas Christian Schulz
	Chairman of the Supervisory Board	Karl Manfred Lochner
	Deputy Chairman of the Supervisory Board	Anastasios Agathagelidis since 01/01/2021 member; since 25/02/2021 Deputy Chairman of the Supervisory Board
SüdFactoring GmbH, Stuttgart	Supervisory Board	Norwin Graf Leutrum von Ertingen
	Chairman of the Supervisory Board	Karl Manfred Lochner
	Deputy Chairman of the Supervisory Board	Anastasios Agathagelidis since 01/01/2021 member; since 25/02/2021 Deputy Chairman of the Supervisory Board
SüdLeasing GmbH, Stuttgart	Supervisory Board	Norwin Graf Leutrum von Ertingen
	Chairman of the Supervisory Board	Karl Manfred Lochner
	Deputy Chairman of the Supervisory Board	Anastasios Agathagelidis since 01/01/2021 member; since 25/02/2021 Deputy Chairman of the Supervisory Board
VPV Lebensversicherungs-Aktiengesellschaft, Stuttgart	Supervisory Board	Claudia Diem
Württembergische Versicherung Aktiengesellschaft, Stuttgart	Supervisory Board	Claudia Diem

1 Anstatt in der Anstalt (AidA = »Institution within the institution«).

43. Events after the end of the reporting period

On 26 January 2022, LBBW (Bank) signed a contract to acquire the commercial real estate financier Berlin HYP, a subsidiary of Landesbank Berlin Holding AG, which is wholly owned by the German savings banks and other companies in the Sparkassen-Finanzgruppe via an acquisition company. Both parties agreed not to disclose any financial details. The transaction is still subject to approval from antitrust authorities and must be authorized by the bodies responsible at the savings banks. It is planned to close the transaction in summer 2022.

The consequences of the current Russian invasion of Ukraine cannot currently be reliably determined and so LBBW (Bank) is closely monitoring developments and will review its risk assessment on an ongoing basis. LBBW (Bank) does not have any notable exposures in Ukraine and its net credit exposure in Russia, which is in the high double-digit millions, is limited.

Beyond that, after the end of the financial year, there were no further significant events as a result of which LBBW (Bank) expected a material influence on the net assets, financial position and result of operations.

44. LBBW (Bank) Board of Managing Directors and Supervisory Board

Board of Managing Directors

Chairman

RAINER NESKE
Central Divisions

Members

ANASTASIOS AGATHAGELIDIS
Risk Management and
Compliance

ANDREAS GÖTZ
Private and Business Customers/
Savings Banks
(since 01/01/2022)

KARL MANFRED LOCHNER
Corporate Customers

STEFANIE MÜNZ
Finance and Operations

DR. CHRISTIAN RICKEN
Capital Markets Business and
Asset Management/
International Business

THORSTEN SCHÖNENBERGER
Real Estate and Project Finance

Supervisory Board

Chairman

CHRISTIAN BRAND
Former Chairman of the
Board of Management of L-Bank

BERNHARD ILG
(since 27/09/2021)
Lord Mayor (retired)

CHRISTIAN ROGG
Employee Representative of
Landesbank Baden-Württemberg

Deputy Chairman

DR. DANYAL BAYAZ
(member since 17/08/2021,
Deputy Chairman since
01/09/2021)
Minister of Finance of the State
of Baden-Württemberg

GABIELE KELLERMANN
Deputy Chairman of the Board of
Managing Directors at BBBank eG

B. JUTTA SCHNEIDER
Executive Vice President T&I
Chief Transformation Officer SAP
SE

EDITH SITZMANN
(until 12 May 2021)
Minister (retired)

BETTINA KIES-HARTMANN
Employee Representative of
Landesbank Baden-Württemberg

PETER SCHNEIDER
President of the
Sparkassenverband Baden-
Württemberg
(Savings Bank Association of
Baden-Württemberg)

FRITZ KUHN
(until 6 January 2021)
Lord Mayor (retired)

SABINE LEHMANN
Employee Representative of
Landesbank Baden-Württemberg

WIEBKE SOMMER
Employee Representative of
Landesbank Baden-Württemberg

Members

JÖRG ARMBORST
Employee Representative of
Landesbank Baden-Württemberg

DR. FRANK NOPPER
(since 16/03/2021)
Lord Mayor of the state
capital of Stuttgart

DR. FLORIAN STEGMANN
State secretary at the Baden-
Württemberg State Ministry,
Head of the State Chancellery

JENS BAUMGARTEN
Employee Representative of
Landesbank Baden-Württemberg

DR. FRITZ OESTERLE
Attorney at law

THOMAS STROBL
(since 21/02/2022)
Minister of the Interior,
Digitalisation and Local
Government for the State of
Baden-Württemberg

WOLFGANG DIETZ
Lord Mayor of the town of
Weil am Rhein

MARTIN PETERS
Managing Partner: Chairman of
the Board Eberspächer Gruppe
GmbH & Co. KG

DR. JUTTA STUIBLE-TREDER
Attorney at law, German Public
Auditor, Tax Consultant

HELMUT HIMMELSBACH
(until 21 May 2021)
Lord Mayor (retired)

PROF. WOLFGANG REINHART
MDL
(until 30/09/2021)
Attorney at law

BURKHARD WITTMACHER
Chairman of the Board of
Managing Directors of
Kreissparkasse
Esslingen Nürtingen

NORBERT ZIPF
Employee Representative of
Landesbank Baden-Württemberg

03

Further information



Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of Landesbank Baden-Württemberg, and the combined management report includes a fair review of the development and performance of the business and the position of Landesbank Baden-Württemberg, together with a description of the principal opportunities and risks associated with the expected future development of Landesbank Baden-Württemberg.

Stuttgart, Karlsruhe, Mannheim and Mainz, March 1, 2022



RAINER NESKE
Chairman



ANASTASIOS AGATHAGELIDIS



ANDREAS GÖTZ



KARL MANFRED LOCHNER



STEFANIE MÜNZ



DR. CHRISTIAN RICKEN



THORSTEN SCHÖNENBERGER

Independent Auditor's Report

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

Report on the Audit of the Annual Financial Statements and of the Combined Management Report

Audit Opinions

We have audited the annual financial statements of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany, which comprise the balance sheet as at 31 December 2021, and the income statement for the financial year from 1 January to 31 December 2021, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the Company and the group of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany, for the financial year from 1 January to 31 December 2021. In accordance with the German legal requirements, we have not audited the content of the combined non-financial report contained in the »Combined non-financial report« section of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its financial performance for the financial year from 1 January to 31 December 2021 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the combined non-financial report contained in the »Combined non-financial report« section of the combined management report.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as »EU Audit Regulation«) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the »Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report« section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point

(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2021. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Determination of fair values of trading transactions using generally accepted measurement methods
2. Determination of allowances for credit losses

Our presentation of these key audit matters has been structured as follows:

- a) Description (including reference to corresponding information in the annual financial statements)
- b) Auditor's response

1. Determination of fair values of trading transactions using generally accepted measurement methods

- a) Landesbank Baden-Württemberg concludes trading transactions, particularly for securities, borrower's note loans, securities repurchase transactions and derivative financial instruments which are measured in the annual financial statements at fair value minus a risk premium pursuant to Section 340e (3) sentence 1 HGB and recognized in the »Trading portfolio« item on the assets side of the balance sheet at EUR 29.0 billion and on the liabilities side at EUR 15.1 billion. For the purposes of accounting and measurement and the disclosures in the notes, Landesbank Baden-Württemberg determines the fair values for these portfolios largely on the basis of generally accepted measurement methods as no market prices are observable. If no market prices are observable, Landesbank Baden-Württemberg determines the fair value using measurement models or on the basis of indicative quotations and parameters obtained from market data providers.

In the case of model-based measurements, there are increased risks from valuation uncertainties (e.g. due to the use of inappropriate measurement models and/or inappropriate characteristics of input factors) and from different acceptable ranges of the judgments and assumptions needed in measuring the trading transactions. For this reason, we identified the determination of fair values to be a key audit matter.

The statements on determining fair values of trading transactions are included in the notes in section 2 »General accounting and valuation methods« in the subsection »Finance instruments«.

- b) In the context of our risk-based audit approach, we audited both the relevant internal control system and also performed substantive audit procedures based on our risk assessment. In so doing, we analyzed the trading transactions measured using models. For this purpose, we assessed the appropriateness and effectiveness of the internal controls relevant for measuring these trading transactions, especially with respect to the controls relating to the Independent Price Verification (IPV) and the model validation. Calling in our internal valuation specialists, who are part of the audit team, we assessed the suitability of the used measurement models for products selected according to risk-based criteria.

As at the reporting date, on a sample basis, our internal valuation specialists performed an additional separate, independent remeasurement and/or plausibility check on the fair values calculated on the basis of measurement models and compared them with the measurement results of Landesbank Baden-Württemberg.

2. Determination of allowances for credit losses

- a) As at 31 December 2021, in its annual financial statements Landesbank Baden-Württemberg reported loans and advances to banks and customers totaling EUR 165.1 billion, corresponding to 60.9% of total assets. Existing allowances for credit losses have already been deducted from these loans and advances. Allowances for credit losses contain both specific valuation allowances and model-based general valuation allowances and portfolio valuation allowances. There are also contingent liabilities and other obligations of EUR 50.2 billion, for which credit business-related provisions have been set up. In 2021, the allowances for credit losses (including credit business-related provisions) include net additions to loss allowance adjustments totaling EUR 165.0 million.

Landesbank Baden-Württemberg checks regularly, and in the case of objective indications, as to whether there is ongoing recoverability of the receivables in the lending business. A possible impairment loss, i.e. the write-down to the lower of cost or market value, is calculated using the method stipulated by the Bank from the difference of the current carrying amount of the receivable and the expected future payments. The expected future payments derived in at least two probability-weighted scenarios are discounted at the original effective interest rate of the respective loan or advance. Relevant provisions are set up for off-balance-sheet transactions that are either subject to the risk of utilization by doubtful debtors (guarantees, warranties) or that are expected to be impaired due to payment obligations (irrevocable loan commitments).

The lending business is a core business activity at Landesbank Baden-Württemberg. For both the individual and the model-based measurement of loans and advances and the calculation of the necessary settlement amount of provisions according to sound business judgment, there is an increased risk that the amount of potentially necessary allowances for credit losses is not appropriate. Judgments of the executive directors of the Bank are made, for example, with regard to modeling the measurement models, to the estimates of assumptions and input factors such as expected future incoming payments and with regard to the valuation of collateral or of expected defaults. As the recoverability of loans and advances in the credit business and thus the appropriate calculation of allowances for credit losses is subject to uncertainty, this matter was particularly important in our audit.

The statements on determining the allowances for credit losses are included in the notes in section 2 »General accounting and valuation methods« in the subsection »Receivables and allowances for losses on loans and securities«.

- b) In the context of our risk-based audit approach, we audited both the relevant internal control system and also performed substantive audit procedures based on our risk assessment. The tests of design and implementation and of operating effectiveness covered the processes of identifying indications of an impairment (risk early recognition), of assessing customer credit ratings, of measuring collateral and of determining impairments based on cash flows (calculation of specific value adjustment). In addition, we implemented a test of design and implementation and of operating effectiveness of the processes for calculating the general valuation allowance and the portfolio valuation allowances.

On the basis of risk-based perspectives and representatively selected samples, we also examined and assessed the appropriate identification of indications of an impairment and the measurement of loans and advances that needed to be tested for impairment according to an evaluation of Landesbank Baden-Württemberg, including the appropriateness of the estimated values. For measuring loans and advances, we inspected the underlying assumptions, particularly the amount and time of the expected future payments, including the returns from existing collateral and the discounting of the payments in the respective scenarios, including the scenario weighting.

We called in internal specialists, who are part of the audit team, particularly for auditing the calculation of the general valuation allowance, the portfolio valuation allowances and the loss allowance adjustments.

In addition, we verified the calculated general valuation allowances and portfolio valuation allowances on the basis of a randomly selected sample and assessed the methodology for deriving the loss allowance adjustments established and the appropriateness of the amount of allowances on the basis of evidence.

In addition, we checked the disclosures in the notes for completeness and accuracy.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the combined non-financial report pursuant to Sections 289b to 289e in conjunction with 315b and 315c HGB contained in the »Combined non-financial report« section of the combined management report,
- the executive directors' confirmation regarding the annual financial statements and the combined management report pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB, and
- all other parts of the annual report,
- but not the annual financial statements, not the audited content of the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as »ESEF documents«) prepared for publication, contained in the provided file SHA256:

1ACCBF7A5F71153406A4646D2288E8E09EF7371C1C5E4F1E8416531E1F8849FC, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB (»ESEF format«). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the provided file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2021 contained in the »Report on the Audit of the Annual Financial Statements and of the Combined Management Report« above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the provided file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Draft Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (10.2021)). Our responsibilities in this context are further described in the »Auditor's Responsibilities for the Audit of the ESEF Documents« section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the provided file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 21 May 2021. We were engaged by the supervisory board on 18 June 2021. We have been the auditor of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format - including the versions to be published in the Federal Gazette - are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Herbert Apweiler.

Stuttgart/Germany, 4 March 2022

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

Signed

Klaus Löffler

Wirtschaftsprüfer
(German Public Auditor)

Signed

Herbert Apweiler

Wirtschaftsprüfer
(German Public Auditor)

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The German version of this Annual Financial Statements is the authoritative version and only the German version of the Combined Management Report and the Annual Financial Statements was audited by the auditors.

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