

DISCLOSURE REPORT

for the First Half of 2025

Breaking new ground

LB  BW

Disclosure Report

First Half of 2025

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1 General provisions (Articles 431 – 434a CRR)

As a “large institution”, LBBW also discloses information on a quarterly or semi-annual basis as required in addition to the annual disclosure report.

LBBW fulfills its obligation to prepare the disclosure report in aggregate form at group level in its function as a parent company. The basis for the figures given in this report is the regulatory basis of consolidation.

The figures are calculated in accordance with the International Financial Reporting Standards (IFRS).

CRR III (Capital Requirements Regulation – Regulation (EU) No 2024/1623) took effect on 1 January 2025 and thus has been implemented by LBBW in the disclosure report. For the purposes of this report, Regulation (EU) No 575/2013 is supplemented hereinafter by the revisions of Regulation (EU) No 2019/876 (“CRR II”) and Regulation (EU) No 2024/1623 (“CRR III”) and referred to hereinafter as “CRR”.

In derogation from the above, the previous disclosure tables under CRR II in accordance with Commission Implementing Regulation (EU) 2021/637 will continue to be reported for market price risk in accordance with Commission Implementing Regulation (EU) 2024/3172 until the FRTB framework is implemented.

Template EU CVA4 (Art. 438d and h) is not disclosed as LBBW applies the reduced basic approach rather than the standardized approach for CVA risk.

The step-by-step regulatory disclosure of ESG risks in accordance with Article 449a CRR has taken place since 31 December 2022. Following the issuance of a no-action letter by the EBA on 5 August 2025, ESG templates 6-10 and information on exposures considered to be environmentally sustainable are not disclosed in the report on the first half of the year.

In accordance with Regulation (EU) No 575/2013 and the Bank Recovery and Resolution Directive (BRRD) 2014/59/EU, this report also includes the regulatory disclosure of the minimum requirements for own funds and eligible liabilities (MREL).

This report provides the information required as at the end of the reporting period regarding:

- Key metrics and overview of risk-weighted exposure amounts
- Own funds
- Countercyclical capital buffers
- Leverage ratio
- Liquidity requirements
- Credit and dilution risk and credit quality
- Use of credit risk mitigation techniques
- Use of the credit risk standardized approach
- Application of the IRB approach to credit risk
- Specialized lending and equity exposures
- Counterparty credit risks
- Risks in connection with securitization positions
- Market risks
- Interest rate risks on positions in the non-trading book
- Regulatory disclosures on ESG risks and
- Minimum requirements for own funds and eligible liabilities (MREL)

The figures published in the disclosure report have been rounded to the nearest million in accordance with commercial principles. Amounts under EUR 500,000 are therefore shown as “0”. This means that addition may result in rounding differences. By contrast, empty cells represent a value of EUR 0.

2 Disclosure of key metrics and overview of risk-weighted exposure amounts (Articles 438, 447 CRR)

2.1 Key metrics (Articles 438b, 447a–g CRR)

Compared to the previous quarter, the Common Equity Tier 1 ratio remained constant at 16.65% as at 30 June (31 March 2025: 16.59%). The Tier 1 ratio and the total capital ratio were also unchanged as against the previous quarter. The Tier 1 ratio amounted to 17.52% as at 30 June 2025 (31 March 2025: 17.46%), while the total capital ratio amounted to 21.61% as at 30 June 2025 (31 March 2025: 21.76%).

The German Federal Financial Supervisory Authority (BaFin) lowered the sectoral systemic risk buffer for residential property in Germany from 2% to 1% with effect from 1 May 2025. As a result, the buffer required to be maintained by LBBW fell to 0.03% as at 30 June 2025 (31 March 2025: 0.07%).

A detailed explanation of the changes can be found in sections 2.2 *Overview of total risk exposure amounts (Article 438d CRR)* and 3.1 *Composition of regulatory own funds (Article 437a, d–f CRR)*.

The leverage ratio amounted to 4.30% at the end of the first half of the year (31 March 2025: 4.05%). The leverage ratio exposure decreased by EUR 19.6bn in the last quarter. This is due in particular to the lower volume of transactions with sovereigns and central banks.

In the second quarter of 2025, the LCR ranged from 128% to 139% and hence was largely stable.

As at 30 June 2025, the net stable funding ratio (NSFR) was broadly unchanged compared to the previous quarter at 120.62%.

		a	b	c	d	e
	EUR million	30/06/2025	31/03/2025	31/12/2024	30/09/2024	30/06/2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	14,266	14,197	14,199	13,798	13,815
2	Tier 1 (T1) capital	15,011	14,943	14,944	14,541	14,559
3	Total capital	18,514	18,627	18,766	18,435	18,584
	Risk-weighted exposure amounts					
4	Total risk exposure amount	85,694	85,586	97,318	95,601	94,032
4a	Total risk exposure pre-floor	85,694	85,586			
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	16.65%	16.59%	14.59%	14.43%	14.69%
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	16.65%	16.59%			
6	Tier 1 ratio (%)	17.52%	17.46%	15.36%	15.21%	15.48%
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)	17.52%	17.46%			
7	Total capital ratio (%)	21.61%	21.76%	19.28%	19.28%	19.76%
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)	21.61%	21.76%			
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.87%	1.87%	1.87%	1.87%	1.87%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.05%	1.05%	1.05%	1.05%	1.05%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.40%	1.40%	1.40%	1.40%	1.40%
EU 7g	Total SREP own funds requirements (%)	9.87%	9.87%	9.87%	9.87%	9.87%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)					
9	Institution-specific countercyclical capital buffer (%)	0.72%	0.73%	0.73%	0.74%	0.72%
EU 9a	Systemic risk buffer (%)	0.03%	0.07%	0.10%	0.10%	0.10%
10	Global Systemically Important Institution buffer (%)					
EU 10a	Other Systemically Important Institution buffer	0.75%	0.75%	0.75%	0.75%	0.75%
11	Combined buffer requirement (%)	4.00%	4.05%	4.08%	4.09%	4.07%
EU 11a	Overall capital requirements (%)	13.87%	13.92%	13.95%	13.96%	13.94%
12	CET1 available after meeting the total SREP own funds requirements (%)	10.11%	10.06%	7.95%	7.81%	8.08%
	Leverage ratio					
13	Total exposure measure	349,432	369,066	338,919	358,121	339,357
14	Leverage ratio (%)	4.30%	4.05%	4.41%	4.06%	4.29%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)					
EU 14b	of which: to be made up of CET1 capital (percentage points)					
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)					
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%

		a	b	c	d	e
	EUR million	30/06/2025	31/03/2025	31/12/2024	30/09/2024	30/06/2024
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value – average)	105,241	103,805	102,219	101,492	100,422
EU 16a	Cash outflows – Total weighted value	106,200	104,260	102,452	100,910	99,400
EU 16b	Cash inflows – Total weighted value	26,529	25,798	25,284	24,794	23,868
16	Total net cash outflows (adjusted value)	79,672	78,462	77,168	76,116	75,532
17	Liquidity coverage ratio (%)	132.71%	132.88%	133.08%	134.07%	133.68%
	Net Stable Funding Ratio					
18	Total available stable funding	177,439	178,270	172,673	170,585	171,767
19	Total required stable funding	147,102	150,089	152,143	149,098	153,699
20	NSFR ratio (%)	120.62%	118.78%	113.49%	114.41%	111.76%

Figure 1: EU KM1 – Key metrics template

2.2 Overview of total risk exposure amounts (Article 438d CRR)

LBBW uses the internal ratings-based approach (foundation IRB approach) approved by BaFin for calculating the own funds requirements for counterparty risks arising from the main exposure classes.

Following the introduction of CRR III, equity exposures are no longer reported using the simple risk weight method under the IRB approach, and instead are reported exclusively using the standardized approach. As previously, significant investments in financial sector entities must be risk-weighted at 250%.

The own funds requirements for securitization transactions are determined in accordance with the securitization regulations. A distinction is made based on SEC-ERBA (Securitization – External Ratings Based Approach), SEC-IAA (Securitization – Internal Assessment Approach), SEC-IRBA (Securitization Internal Ratings Based Approach), 1,250% / deduction and SEC-SA (Securitization – Standardized Approach).

The own funds requirements for market price risks for the general interest rate risk, general share price risk and associated option price risks of LBBW (Bank) are calculated using an internal market price risk model that is also approved by the regulatory authority. This also includes the own funds requirements for the stressed VaR. The other market price risks are calculated using the standardized approach.

Since the introduction of CRR III, the own funds requirements for operational risks have been calculated using the new standardized approach, which replaces the previous standardized approach. The following table sets out the total risk exposure amounts and own funds requirements for risk types that are relevant from a prudential point of view.

Significant investments in financial sector entities to which a 250% risk weight must be applied and deferred taxes resulting from temporary differences are reported in the line “Amounts below the thresholds for deduction”.

A breakdown by exposure class is provided as follows:

- Disclosure of the use of the credit risk standardized approach, section 9
- Disclosure of the application of the IRB approach to credit risk, section 10
- Disclosure of exposures to counterparty credit risk, section 12

	EUR million	a	b	c
		Total risk exposure amounts (TREA)		Total own funds requirements
		30/06/2025	31/03/2025	30/06/2025
1	Credit risk (excluding CCR)	64,261	63,900	5,141
2	Of which the standardized approach	15,999	15,619	1,280
3	Of which the foundation IRB (F-IRB) approach	46,493	46,459	3,719
4	Of which slotting approach	62	70	5
EU 4a	Of which equities under the simple risk-weighted approach			
5	Of which the advanced IRB (A-IRB) approach			
6	Counterparty credit risk – CCR	4,883	4,472	391
7	Of which the standardized approach	3,115	2,754	249
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP	357	341	29
9	Of which other CCR	1,410	1,376	113
10	Credit valuation adjustments risk – CVA risk	2,165	1,830	173
EU 10a	Of which the standardized approach (SA)			
EU 10b	Of which the basic approach (F-BA and R-BA)	2,165	1,830	173
EU 10c	Of which the simplified approach			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	12	11	1
16	Securitization exposures in the non-trading book (after the cap)	3,395	3,420	272
17	Of which SEC-IRBA approach	945	1,021	76
18	Of which SEC-ERBA (including IAA)	1,080	1,060	86
19	Of which SEC-SA approach	197	192	16
EU 19a	Of which 1,250% / deduction	1,172	1,148	94
20	Position, foreign exchange and commodities risks (Market risk)	4,219	5,170	338
21	Of which the Alternative standardized approach (A-SA)			
EU 21a	Of which the Simplified standardized approach (S-SA)	2,560	3,175	205
22	Of which the Alternative Internal Model Approach (A-IMA)			
EU 22a	Large exposures			
23	Reclassifications between trading and non-trading books			
24	Operational risk	7,931	7,931	634
EU 24a	Exposures to crypto-assets			
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	2,535	2,751	203
26	Output floor applied (%)	50.00%	50.00%	
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	Total	86,866	86,734	6,949

Figure 2: EU OV1 – Overview of total risk exposure amounts

The total risk exposure amount remained at the same level as in the previous quarter. In addition to fluctuations in interest rate risk in connection with general business activities, the main change in market risk was a reduction in risk in the FX exposure. These were offset by increases in SACCR and CVA due to standard market fluctuations. RWAs from credit risks were slightly higher than in the previous quarter.

In the presentation of securitization exposures, exposures subject to capital deduction and thus not backed with RWAs must also be reported in this template. The total RWAs shown in the template are therefore EUR 1,172m higher than the total RWAs actually reported.

2.3 Comparison of modeled and standardized risk-weighted exposure amounts at risk level (Article 438d and da CRR)

The following table shows the composition of RWAs broken down by risk type and classifies the RWAs at the reporting date into RWAs from internal modeled approaches (column a) and RWAs from standardized approaches (column b). RWAs calculated using the full standardized approach (column d) and RWAs that are the base of the output floor (column EU d) are also reported.

		a	b	c	d	EU d
		Risk-weighted exposure amounts (RWEAs)				
		RWEAs for modeled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardized approaches are used	Total actual RWEAs (a + b)	RWEAs calculated using full standardized approach	RWEAs that are the base of the output floor
	EUR million					
1	Credit risk (excluding counterparty credit risk)	48,185	15,999	64,183	112,160	96,040
2	Counterparty credit risk	3,981	902	4,883	11,085	11,085
3	Credit valuation adjustment		2,165	2,165	2,248	2,248
4	Securitization exposures in the banking book	3,085	310	3,395	9,965	4,958
5	Market risk	1,659	2,560	4,219	5,356	5,356
6	Operational risk		7,931	7,931	7,931	7,931
7	Other risk-weighted exposure amounts		90	90	90	90
8	Total	56,910	29,956	86,866	148,835	127,708

Figure 3: EU CMS1 – Comparison of modeled and standardized risk-weighted exposure amounts at risk level

In the presentation of securitization exposures, exposures subject to capital deduction and thus not backed with RWAs must also be reported in this table with their RWA equivalent. The total RWAs shown in the template are therefore EUR 1,172m higher than the total RWAs actually reported.

2.4 Comparison of modeled and standardized risk-weighted exposure amounts for credit risk at asset class level (Article 438d and da CRR)

In this section, a comparison is made for credit risk (excluding counterparty credit risk) between the RWAs as computed using internal modeled approaches (column a) and the corresponding RWAs re-computed using the standardized approach (column b), in each case broken down by the exposure classes in the standardized approach. RWAs calculated using the full standardized approach (column d) and RWAs that are the base of the output floor (column EU d) are also reported.

		a	b	c	d	EU d
		Risk-weighted exposure amounts (RWEAs)				
		RWEAs for modeled approaches that institutions have supervisory approval to use	RWEAs for column (a) if re-computed using the standardized approach	Total actual RWEAs	RWEAs calculated using full standardized approach	RWEAs that are the base of the output floor
	EUR million					
1	Central governments and central banks	2,812	2,119	2,822	2,121	2,121
EU 1a	Regional government or local authorities			32	31	31
EU 1b	Public sector entities		5	101	104	104
EU 1c	Categorized as Multilateral Development Banks in SA					
EU 1d	Categorized as International organizations in SA					
2	Institutions	3,141	5,129	3,499	5,485	5,485
3	Equity			2,533	2,533	2,533
4	Not applicable					
5	Corporates	29,873	38,888	36,039	64,888	48,769
5.1	Of which: F-IRB is applied	29,873	38,888	29,873	64,888	48,769
5.2	Of which: A-IRB is applied					
EU 5a	Of which: Corporates – General	20,517	34,129	26,683	48,756	34,129
EU 5b	Of which: Corporates – Specialized lending	8,586	4,759	8,586	6,251	4,759
EU 5c	Of which: Corporates – Purchased receivables	770	1,381	770	1,723	1,381
6	Retail	350	508	2,959	3,089	3,089
6.1	Of which: Retail – Qualifying revolving					
EU 6.1a	Of which: Retail – Purchased receivables					
EU 6.1b	Of which: Retail – Other					
6.2	Of which: Retail – Secured by residential real estate					
7	Not applicable					
EU 7a	Categorized as secured by mortgages on immovable properties and ADC exposures in SA	10,017	27,476	13,688	27,476	27,476
EU 7b	Collective investment undertakings (CIU)			44	44	44
EU 7c	Categorized as exposures in default in SA	18	2,187	202	2,372	2,372
EU 7d	Categorized as subordinated debt exposures in SA	23	158	241	376	376
EU 7e	Categorized as covered bonds in SA	666	1,839	666	1,839	1,839
EU 7f	Categorized as claims on institutions and corporates with a short-term credit assessment in SA	5	13	5	13	13
8	Other non-credit obligation assets	1,280	1,720	1,351	1,790	1,790
9	Total	48,185	80,042	64,183	112,160	96,040

Figure 4: EU CMS2 – Comparison of modeled and standardized risk-weighted exposure amounts at asset class level

3 Disclosure of own funds (Article 437 CRR)

3.1 Composition of regulatory own funds (Article 437a, d–f CRR)

The following table shows the composition of regulatory own funds. The table also includes regulatory adjustments, regulatory ratios and relevant capital buffers.

The “Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation” column in *table EU CC1* reconciles the components of the Bank’s own funds under CRR with the balance sheet. *Table EU CC2* shows the relevant items of the balance sheet with figures based on IFRS and FinRep (Financial Reporting).

The LBBW Group’s own funds are made up of

- Common equity Tier 1 (CET1) capital, which comprises the following items:
 - paid-in capital
 - share premiums (capital reserves)
 - retained earnings
 - other eligible reserves (including revaluation reserves)
- Additional Tier 1 (AT1) capital, which comprises the following items:
 - subordinated AT1 bonds
- Tier 2 (T2) capital, which comprises the following items:
 - non-current subordinated liabilities
 - silent partners’ contributions
 - IRB valuation adjustment excess

With regard to the valuation of AT1 and T2 instruments, we have used the procedure described by the EBA in its monitoring report of 27 June 2024 since 31 December 2024 and recognize the instruments at their carrying amount.

Tier 2 capital instruments must be amortized based on the actual number of days elapsed in the five years prior to maturity under the applicable rules.

Discussion of changes since the start of the year:

The LBBW Group’s Common Equity Tier 1 (CET1) capital increased compared to 31 December 2024. This was due in particular to the positive development of the revaluation reserve and a lower capital deduction from securitization exposures. This was offset by the expiry of the transitional provisions for IFRS 9.

As previously, additional Tier 1 (AT1) capital consists of the AT1 bond issued in 2024.

Tier 2 capital (T2) decreased primarily on account of the amortization of Tier 2 capital instruments based on the actual number of days elapsed.

The changes impacting CET1 capital have an effect on all capital ratios. An increase in AT1 capital influences the Tier 1 capital ratio and the total capital ratio. Changes in T2 capital affect only the total capital ratio.

No restrictions are applied to the calculation of own funds in accordance with the CRR (Article 437e CRR). The calculation of the capital ratios does not include any elements of own funds that are determined on a basis other than that laid down in the CRR (Article 437 (f) CRR).

The development of the total risk exposure amount is shown in more detail in *section 2.2 Overview of total risk exposure amounts (Article 438d CRR)*.

		a	b
	EUR million		Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Capital instruments	Amounts	
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	11,724	
	of which: paid-in capital	3,484	j
	of which: capital reserves	8,240	k
	of which: other		
2	Retained earnings	3,740	l
3	Accumulated other comprehensive income (and other reserves)	- 167	m + n + o
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		
6	<i>Common Equity Tier 1 (CET1) capital before regulatory adjustments</i>	15,297	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	- 157	
8	Intangible assets (net of related tax liability) (negative amount)	- 214	a + b
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	- 62	c
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitized assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	- 31	
15	Defined-benefit pension fund assets (negative amount)	- 24	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)		
17	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative	- 94	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		
EU-20c	of which: securitization positions (negative amount)	- 94	
EU-20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		
22	Amount exceeding the 17.65% threshold (negative amount)		
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences		
EU-25a	Losses for the current financial year (negative amount)		
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		

		a	b
	EUR million		
	Capital instruments	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
27a	Other regulatory adjustments	- 450	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	- 1,031	
29	Common Equity Tier 1 (CET1) capital	14,266	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	745	p
31	of which: classified as equity under applicable accounting standards	745	
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a (1) subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b (1) subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	of which: instruments issued by subsidiaries subject to phase out		
36	Additional Tier 1 (AT1) capital before regulatory adjustments	745	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		
44	Additional Tier 1 (AT1) capital	745	
45	Tier 1 capital (T1 = CET1 + AT1)	15,011	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	3,215	e + f + g + h + i
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments	313	
51	Tier 2 (T2) capital before regulatory adjustments	3,528	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	- 25	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Not applicable		

		a	b
			Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	EUR million	Amounts	
Capital instruments			
	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)		
55	(negative amount)		
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital		
57	<i>Total regulatory adjustments to Tier 2 (T2) capital</i>	- 25	
58	<i>Tier 2 (T2) capital</i>	3,503	
59	<i>Total capital (TC = T1 + T2)</i>	18,514	
60	Total risk exposure amount	85,694	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	16.65%	
62	Tier 1	17.52%	
63	Total capital	21.61%	
64	Institution CET1 overall capital requirements	9.55%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.72%	
67	of which: systemic risk buffer requirement	0.03%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.75%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.05%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	10.11%	
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	481	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	229	
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	792	d
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	209	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	672	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	313	
Capital instruments subject to phase out arrangements (only applicable between 1 January 2014 and 1 January 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Figure 5: EU CC1 – Composition of regulatory own funds

3.2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements (Article 437a CRR)

The following table compares the components of the Bank's own funds relevant for the CRR report on the basis of the accounting and prudential scope of consolidation. It includes only those balance sheet items which are relevant for the calculation of the Bank's own funds in accordance with CRR. Accordingly, it does not show all the components reported on the face of the balance sheet.

The disclosure of the shareholders' equity rows in the following template EU CC2 "Reconciliation of regulatory own funds to balance sheet in the audited financial statements" is not relevant, as LBBW has no shareholders' equity.

	a	b	c	
	Balance sheet as in published financial statements (IFRS)	Under regulatory scope of consolidation (FINREP)		
EUR million	As at period end		Reference	
Assets – Breakdown by asset classes according to the balance sheet in the published financial statements (excerpt)				
1	Intangible assets	187	177	
2	of which goodwill			a
3	of which other intangible assets	187	177	b
4	Deferred income tax assets	834	871	
5	of which from unused tax losses	62	60	c
6	of which from temporary differences	771	811	d
7	Total assets	369,027	366,482	
Equity and liabilities – Breakdown by equity and liability classes according to the balance sheet in the published financial statements (excerpt)				
1	Financial liabilities designated at fair value	3,939	3,939	
2	of which subordinated liabilities	364	364	e
3	of which capital generated from profit participation rights			f
4	Subordinated capital	3,881	3,881	
5	of which subordinated liabilities	2,931	2,931	g
6	of which typical silent partners' contributions	838	838	h
7	of which capital generated from profit participation rights			i
8	Equity	16,719	16,572	
9	of which share capital	3,484	3,484	j
10	of which capital reserve	8,240	8,240	k
11	of which retained earnings	3,970	3,740	l
12	of which other income	-213	-128	
13	of which revaluation reserve	-264	-174	
14	of which revaluation reserve for equity investments	-39	51	m
15	of which revaluation reserve for debt instruments	-225	-225	n
16	of which currency translation reserve	12	7	o
17	of which additional equity components (Additional Tier 1)	745	745	p
18	Total equity and liabilities	369,027	366,482	

Figure 6: EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

4 Disclosure of countercyclical capital buffers (Article 440 CRR)

4.1 Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (Article 440 (a) CRR)

The composition of the institution-specific countercyclical capital buffer must be disclosed on a semi-annual basis.

The countries with the greatest risk exposure in accordance with the guidelines for the countercyclical buffer and those that imposed a countercyclical capital buffer as at 30 June 2025 are shown in the following table.

The “Other countries” item groups countries whose share in the weighted own funds requirements is only 7.6%. These are therefore regarded as non-material and are not listed individually in accordance with Article 432 (1) CRR.

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk				Own fund requirements						
EUR million Breakdown by country:	Exposure value under the CRSA approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitization exposures – Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit exposures – Securitization positions in the non- trading book	Total	Risk- weighted exposure amounts	Own fund requirem ents weights (%)	Counterc yclical buffer rate (%)
Armenia		0				0						0.00%	1.50%
Australia	1	277	10			288	6	0		6	76	0.12%	1.00%
Belgium	17	576	174			767	20	1		20	253	0.38%	1.00%
Bulgaria	1					1	0			0	1	0.00%	2.00%
Chile	0	4	7			10	0	0		0	2	0.00%	0.50%
Denmark	5	239	7			251	9	0		9	112	0.17%	2.50%
Germany	27,173	83,660	5,923		14,494	132,755	3,399	48	158	3,605	45,067	68.54%	0.75%
Estonia	0					0	0			0	0	0.00%	1.50%
France	21	3,738	461		101	4,321	85	8	2	95	1,184	1.80%	1.00%
United Kingdom	248	2,696	819		77	3,840	114	11	2	127	1,588	2.42%	2.00%
Hong Kong	34	221	0			255	9	0		9	109	0.17%	0.50%
Ireland	31	695	2			728	14	0		14	172	0.26%	1.50%
Iceland	0					0	0			0	0	0.00%	2.50%
Croatia	2					2	0			0	2	0.00%	1.50%
Latvia	0					0	0			0	0	0.00%	1.00%
Lithuania	0	70				71	0			0	6	0.01%	1.00%
Luxembourg	91	6,172	119			6,381	184	1		185	2,311	3.52%	0.50%
Netherlands	211	8,412	265			8,888	221	8		229	2,862	4.35%	2.00%
Norway	1	1,123	51			1,175	14	0		14	176	0.27%	2.50%
Austria	195	2,488	271		122	3,076	91	1	2	94	1,178	1.79%	0.00%
Poland	149	1,992	8			2,149	45	0		45	563	0.86%	0.00%
Republic of Korea	74	301	366		207	949	17	1	2	20	256	0.39%	1.00%
Romania	2	8				10	0			0	5	0.01%	1.00%
Sweden	3	436	31		57	527	19	1	1	21	257	0.39%	2.00%
Switzerland	387	1,810	407		23	2,627	77	5	1	83	1,032	1.57%	0.00%
Slovakia	1					1	0			0	1	0.00%	1.50%
Slovenia	0	3				4	0			0	1	0.00%	1.00%
Czech Republic	10	214	2			227	4	0		4	52	0.08%	1.25%
Hungary	52	11	0			63	0	0		0	6	0.01%	0.50%
USA	483	14,723	892		296	16,393	265	5	6	277	3,463	5.27%	0.00%
Cyprus	0					0	0			0	0	0.00%	1.00%
Other countries	3,399	7,906	4,672		169	16,146	355	43	3	401	5,012	7.62%	
Total	32,594	137,775	14,487		15,545	201,906	4,948	134	178	5,260	65,749	100%	

Figure 7: EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

4.2 Amount of institution-specific countercyclical capital buffer (Article 440 (b) CRR)

The amount of LBBW's institution-specific countercyclical capital buffer is shown in the table below.

		a
Amount of institution-specific countercyclical capital buffer		Amount
1	Total risk exposure amount (EUR million)	85,694
2	Institution-specific countercyclical capital buffer rate (%)	0.72%
3	Institution-specific countercyclical capital buffer requirement (EUR million)	616

Figure 8: EU CCyB2 – Amount of institution-specific countercyclical capital buffer.

At 0.72% as at 30 June 2025, the institution-specific countercyclical capital buffer rate was essentially unchanged from the figure of 0.73% as at 31 December 2024. The CET1 capital cover of the total countercyclical capital buffer of all relevant countries is capped at 2.5%.

5 Disclosure of the leverage ratio (Article 451 CRR)

5.1 Summary reconciliation of accounting assets and leverage ratio exposures (Article 451 (1) b CRR)

		a
		Applicable amount EUR million
1	Total assets as per published financial statements	369,027
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	2,545
3	(Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference)	
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	
5	(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a (1) CRR)	
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	
7	Adjustment for eligible cash pooling transactions	
8	Adjustments for derivative financial instruments	1,271
9	Adjustment for securities financing transactions (SFTs)	2,793
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	38,087
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and (ca) of Article 429a (1) CRR)	-14,228
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a (1) CRR)	
12	Other adjustments	-50,064
13	Total exposure measure	349,432

Figure 9: EU LR1 – LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

5.2 Leverage ratio common disclosure (Article 451 (1) CRR)

Row EU-22e consists entirely of exposures arising from passing through promotional loans to other credit institutions where the promotional loans were granted by an entity set up by the central government, regional government or local authority of a Member State through an intermediate credit institution.

		a	b
		CRR leverage ratio exposures	
EUR million		30/06/2025	31/12/2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	297,135	296,769
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-6,843	-6,176
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)		
5	General credit risk adjustments to on-balance sheet items)		
6	Asset amounts deducted in determining Tier 1 capital)	-509	-438
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	289,783	290,155
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	11,181	9,891
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardized approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	12,480	13,739
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardized approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-7,713	-6,478
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardized approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives	5,762	5,622
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-4,169	-4,010
13	Total derivatives exposures	17,541	18,764
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	49,588	40,468
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-4,774	-9,816
16	Counterparty credit risk exposure for SFT assets	3,115	2,823
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e (5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	Total securities financing transaction exposures	47,929	33,475
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	90,204	91,345
20	(Adjustments for conversion to credit equivalent amounts)	-52,120	-49,151
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	Off-balance sheet exposures	38,085	42,195
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) and (ca) of Article 429a (1) CRR)	-14,228	-15,922
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off-balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) – Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) – Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-26,707	-26,615
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-2,971	-3,133
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	(Excluded exposures to shareholders in accordance with point (da) of Article 429a (1) CRR)		
EU-22l	(Deducted exposures in accordance with point (q) of Article 429a (1) CRR)		
EU-22m	(Total exempted exposures)	-43,906	-45,670
Capital and total exposure measure			
23	Tier 1 capital	15,011	14,944
24	Total exposure measure	349,432	338,919

		a	b
		CRR leverage ratio exposures	
EUR million		30/06/2025	31/12/2024
Leverage ratio			
25	Leverage ratio (%)	4.30%	4.41%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	4.30%	4.41%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	4.30%	4.41%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		

Figure 10: EU LR2 – LRCom: Leverage ratio common disclosure

The promotional loans are granted in order to promote the public policy objectives of the central government, regional government or local authority in a Member State. These are stipulated in the articles of association of the respective promotional institutions. At LBBW, promotional loans are passed through both to other credit institutions and to customers.

The leverage ratio amounted to 4.30% as at 30 June 2025 (31 December 2024: 4.41%). The leverage ratio exposure was EUR 349.4bn as at 30 June 2025 (31 December 2024: EUR 338.9bn).

5.3 Breakdown of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (Article 451 (1) b CRR)

		a
		CRR leverage ratio exposures
		EUR million
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	249,780
EU-2	Trading book exposures	16,441
EU-3	Banking book exposures, of which:	233,339
EU-4	Covered bonds	12,329
EU-5	Exposures treated as sovereigns	73,066
EU-6	Exposures to regional governments, MDB, international organizations and PSE not treated as sovereigns	2,994
EU-7	Institutions	11,899
EU-8	Secured by mortgages of immovable properties	51,847
EU-9	Retail exposures	4,077
EU-10	Corporates	69,550
EU-11	Exposures in default	1,862
EU-12	Other exposures (e.g. equity, securitizations, and other non-credit obligation assets)	5,715

Figure 11: EU LR3 – LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

The “Exposures treated as sovereigns” item mainly includes exposures to central banks.

6 Disclosure of liquidity requirements (Article 451a CRR)

With Commission Implementing Regulation (EU) 2024/3172, the European Commission laid down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council in respect of liquidity risk. The regulation also includes specifications and requirements as to which information institutions must disclose with regard to the liquidity coverage ratio (LCR).

The LCR shows the short-term resilience of the liquidity profile and is defined as the ratio of liquid assets (liquidity buffer) to total net cash outflows over the next 30 days.

The NSFR ensures that institutions have an adequate ratio of stable funding by requiring the available stable funding – the liabilities side of the balance sheet – to at least equal the required stable funding – the assets side of the balance sheet.

6.1 Quantitative information of LCR (Article 451a (2) CRR)

LCR disclosure

Levels and components of LCR

LBBW is required to disclose quantitative information on the components of LCR using the template in Annex I Section 7 of Commission Implementing Regulation (EU) 2024/3172.

The average liquidity coverage ratio is calculated by taking the average liquidity coverage ratios of the last twelve months before the end of each quarter. Based on LCR data collated at the end of each month, the unweighted and weighted values (simple average of twelve month-values before the end of each quarter) can be presented as follows.

The LCR over the entire disclosure period was consistently above the required minimum ratio of 100%.

		a	b	c	d	e	f	g	h
	EUR million	Total unweighted value				Total weighted value (average)			
	Quarter ending on	30/06/25	31/03/2025	31/12/2024	30/09/2024	30/06/25	31/03/2025	31/12/2024	30/09/2024
EU 1a	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
EU 1b	High-quality liquid assets								
1	Total high-quality liquid assets (HQLA)					105,241	103,805	102,219	101,492
	Cash outflows								
2	Retail deposits and deposits from small business customers, of which:	22,565	22,352	22,476	22,548	1,353	1,320	1,318	1,326
3	Stable deposits	7,940	7,921	8,041	8,208	397	396	402	410
4	Less stable deposits	7,052	6,857	6,836	6,840	953	922	914	913
5	Unsecured wholesale funding	124,663	120,920	117,783	115,466	80,365	78,047	75,651	74,411
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	19,770	18,955	19,167	19,328	5,019	4,809	4,859	4,893
7	Non-operational deposits (all counterparties)	84,002	81,310	78,244	75,456	54,455	52,583	50,420	48,836
8	Unsecured debt	20,891	20,655	20,372	20,682	20,891	20,655	20,372	20,682
9	Secured wholesale funding					918	951	1,020	1,086
10	Additional requirements	42,192	42,218	42,644	42,781	13,239	13,281	13,437	13,360
11	Outflows related to derivative exposures and other collateral requirements	5,994	6,117	6,332	6,444	4,338	4,424	4,579	4,642
12	Outflows related to loss of funding on debt products	121	120	125	192	121	120	125	192
13	Credit and liquidity facilities	36,077	35,982	36,187	36,145	8,779	8,737	8,733	8,526
14	Other contractual funding obligations	8,652	8,845	9,082	8,651	8,489	8,674	8,905	8,452
15	Other contingent funding obligations	38,425	38,493	38,624	38,617	1,837	1,987	2,120	2,276
16	TOTAL CASH OUTFLOWS					106,200	104,260	102,452	100,910
	Cash inflows								
17	Secured lending (e.g. reverse repos)	23,740	21,613	19,868	18,703	5,432	4,154	3,417	3,108
18	Inflows from fully performing exposures	15,432	15,876	16,306	16,456	9,878	10,069	10,249	10,260
19	Other cash inflows	12,763	13,333	13,468	13,358	11,218	11,575	11,617	11,426
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialized credit institution)								
20	TOTAL CASH INFLOWS	51,934	50,822	49,642	48,517	26,529	25,798	25,284	24,794
EU-20a	Fully exempt inflows								
EU-20b	Inflows subject to 90% cap								
EU-20c	Inflows subject to 75% cap	47,731	46,360	45,063	43,883	26,529	25,798	25,284	24,794
	Total adjusted value								
EU-21	LIQUIDITY BUFFER					105,241	103,805	102,219	101,492
22	TOTAL NET CASH OUTFLOWS					79,672	78,462	77,168	76,116
23	LIQUIDITY COVERAGE RATIO					132.71%	132.88%	133.08%	134.07%

Figure 12: EU LIQ1 – Quantitative information of LCR

6.2 Qualitative information of LCR in addition to template EU LIQ1 (Article 451a (2) CRR)

The LCR is characterized by a diversified funding mix across various maturities (short and long), product groups (secured and unsecured) and investor groups (private customers, corporate customers, public sector and financial customers). All the usual liability products are offered on a secured and unsecured basis in various maturity segments. In addition, the open-market transactions offered by central banks can be used if necessary.

The short-term maturities from the funding mix and potential additional liquidity outflows are countered by an adequate buffer of highly liquid assets and expected incoming payments from maturing exposures. The structural funding requirements are derived from the expected business performance (funding planning) on the basis of the economic planning and complemented by short-term fine-tuning measures for the purposes of LCR management.

In the second quarter of 2025, the LCR ranged from 128% to 139% as at the respective reporting dates.

The liquidity available on the market remains high, but is declining on account of the current monetary policy of the central banks. LBBW has a high liquidity buffer, significant parts of which are held in cash balances at central banks, and additionally enjoys a good standing on the market and can obtain unsecured funding to the extent required.

Deposits from private and corporate customers and investments by affiliated savings banks as well as domestic institutional investors continue to form the main funding sources. Potential concentrations are monitored by way of investor lists.

In addition, the long-term funding requirement is covered by Pfandbriefs and unsecured issues, which are highly attractive to investors because of the Bank's good market standing and their partial configuration as green or social bonds.

The Bank's liquidity buffer comprises a strategic buffer aligned to the requirements of the business model (e.g. call risks from non-maturity deposits, loan commitments, intended maturity transformation), supplemented by buffer stocks that can be adjusted at short notice.

For the strategic buffer, the Bank manages a stock of highly liquid securities that are funded structurally. In addition, short-term liquidity buffers are held in the form of cash balances at central banks or within the framework of securities received via repurchase agreements and lending transactions.

LBBW enters into derivative exposures at its customers' request and to hedge risks from its own business portfolio (e.g. interest rate risks). If adverse market conditions are encountered, a portion of these derivative exposures must be secured with cash on the basis of collateralization agreements. These outflows are calculated at LBBW using the historical look-back approach (HLBA) within the meaning of Commission Delegated Regulation (EU) 2017/208. As at the end of the reporting period on 30 June 2025, the average proportion of the outflows calculated on the basis of the HLBA amounted to approximately 4% of the total net cash outflows.

LBBW manages compliance with the LCR across all currencies. The US dollar is currently defined a significant currency within the meaning of Article 415 (2) CRR.

All LBBW Group liquidity risks classified as material, including subsidiaries which are material in terms of liquidity risk, are managed centrally or in close cooperation with LBBW Treasury. With the exception of Berlin Hyp, the impact of the other subsidiaries on the LCR was generally marginal during the disclosure period.

LBBW does not consider there to be any further positions of relevance to its liquidity profile that are not included in the figures or in the text of this disclosure report.

6.3 Disclosure of net stable funding ratio (NSFR) (Article 451a (3) CRR)

The net stable funding ratio (NSFR) as defined by Regulation (EU) No 575/2013 in conjunction with Regulation (EU) 2019/876 is a structural liquidity ratio that took effect from 28 June 2021 to ensure that the institution has a stable funding structure. Compliance with the ratio requires that the amount of permanently available weighted liabilities and own funds – available stable funding (ASF) – at least matches the amount of the permanent funding requirement from weighted assets and off-balance sheet exposures – required stable funding (RSF).

The regulatory requirement of a minimum requirement has been binding for LBBW, including the subsidiaries within the Group, since 28 June 2021.

At LBBW, disclosures on the NSFR are based on the scope of prudential consolidation within the meaning of the CRR.

The disclosure presents the figures as at the end of each quarter of the relevant disclosure period. The annual and semi-annual disclosures therefore present two quarters – the quarter of the reporting date of the disclosure and the preceding quarter.

The management of the NSFR is embedded into LBBW's management of the balance sheet structure. Fulfillment of the NSFR requirement is a core requirement of economic and funding planning (five-year perspective). The ratio is thus a significant influencing factor in the definition of the funding requirement on the liabilities side. The aim of the funding mix strategy is to achieve balanced diversification in terms of product and investor groups. To this end, all standard liability products are offered on a secured and unsecured basis in various maturity segments.

In addition to long-term capital market issues, NSFR management is supplemented by the active daily management of short-term deposits from and loans to non-finance customers. Open-market transactions offered by central banks can also be used as necessary or when favorable opportunities present themselves.

The NSFR increased during the disclosure period. In addition to active measures to strengthen it, the ratio rose as a result of advance funding that is expected to decline further over the coming months due to an excess of new lending business.

The interdependent assets and liabilities included in the NSFR currently comprise promotional business in the form of pass-through and transmitted loans and derivative clearing activities for customers. For the transmitted promotional loans, LBBW recognizes both a liability to the development bank and a receivable in the same amount from the final borrower, i.e. public savings banks. Derivative clearing activities for customers are also reported as interdependent. In total, the volume of interdependent assets and liabilities was EUR 39,528m each as at 30 June 2025 (31 December 2024: EUR 39,677m), of which EUR 35,483m (31 December 2024: EUR 35,646m) related to promotional business and EUR 4,042m (31 December 2024: EUR 4,031m) to derivative clearing activities.

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
30/06/2025 EUR million		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
	Available stable funding (ASF) Items					
1	Capital items and instruments	15,620			4,495	20,115
2	Own funds	15,620			4,495	20,115
3	Other capital instruments					
4	Retail deposits		21,496	942	1,584	22,361
5	Stable deposits		11,212	449	661	11,738
6	Less stable deposits		10,284	493	923	10,623
7	Wholesale funding:		161,547	21,659	80,455	133,387
8	Operational deposits		23,942			5,238
9	Other wholesale funding		137,606	21,659	80,455	128,149
10	Interdependent liabilities		5,316	1,947	32,262	
11	Other liabilities:	1,763	4,710	2	1,575	1,576
12	NSFR derivative liabilities	1,763				
13	All other liabilities and capital instruments not included in the above categories		4,710	2	1,575	1,576
14	Total available stable funding (ASF)					177,439
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					2,089
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		410	631	29,051	25,578
16	Deposits held at other financial institutions for operational purposes		1			1
17	Performing loans and securities:		80,225	14,108	92,417	105,721
18	Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut		18,163	199	36	2,979
19	Performing securities financing transactions with financial customers collateralized by other assets and loans and advances to financial institutions		33,257	4,745	18,532	23,193
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		21,683	6,925	51,534	67,153
21	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk		1,357	336	3,651	9,997
22	Performing residential mortgages, of which:		1,136	756	12,077	
23	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk		794	438	9,116	
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		5,985	1,483	10,237	12,397
25	Interdependent assets		5,316	1,947	32,262	
26	Other assets		14,370	195	7,765	10,927
27	Physical traded commodities				854	726
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,130		3,011	3,520
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted		5,943			297
31	All other assets not included in the above categories		7,297	195	3,900	6,385
32	Off-balance sheet items		35,303	4,427	34,912	2,786
33	Total RSF					147,102
34	Net stable funding ratio (%)					120.62%

Figure 13: EU LIQ2 – Net stable funding ratio (NSFR) 30/06/2025

The disclosure of the net stable funding ratio for the previous period as at 31 March 2025 is presented below.

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
	31/03/2025 EUR million	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
	Available stable funding (ASF) Items					
1	Capital items and instruments	15,546			4,573	20,119
2	Own funds	15,546			4,573	20,119
3	Other capital instruments					
4	Retail deposits		21,055	870	1,128	21,435
5	Stable deposits		11,019	492	643	11,579
6	Less stable deposits		10,036	378	484	9,857
7	Wholesale funding:		180,683	24,486	80,374	135,135
8	Operational deposits		19,109			4,448
9	Other wholesale funding		161,575	24,486	80,374	130,686
10	Interdependent liabilities		5,240	2,064	32,307	
11	Other liabilities:	2,228	5,391	33	1,565	1,581
12	NSFR derivative liabilities	2,228				
13	All other liabilities and capital instruments not included in the above categories		5,391	33	1,565	1,581
14	Total available stable funding (ASF)					178,270
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					2,288
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		400	1,220	29,569	26,510
16	Deposits held at other financial institutions for operational purposes		1			1
17	Performing loans and securities:		80,029	17,630	92,885	106,992
18	Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut		19,102	19	122	3,415
19	Performing securities financing transactions with financial customers collateralized by other assets and loans and advances to financial institutions		35,338	5,265	18,179	23,302
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		19,482	9,581	50,711	66,913
21	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk		971	623	3,272	9,876
22	Performing residential mortgages, of which:		818	1,185	12,318	
23	With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk		523	719	9,431	
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		5,289	1,580	11,555	13,362
25	Interdependent assets		5,240	2,064	32,307	
26	Other assets		13,742	163	8,278	11,511
27	Physical traded commodities				767	652
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,201		2,667	3,287
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted		5,175			259
31	All other assets not included in the above categories		7,367	163	4,844	7,313
32	Off-balance sheet items		34,040	5,293	34,071	2,787
33	Total RSF					150,089
34	Net stable funding ratio (%)					118.78%

Figure 14: EU LIQ2 – Net stable funding ratio (NSFR) 31/03/2025

7 Disclosure of exposures to credit risk and dilution risk and of credit quality (Article 442 CRR)

The tables below show the credit quality of performing and non-performing exposures and related provisions. They also provide a breakdown by maturity, sector and country. The disclosure is based on the figures in the FinRep report.

7.1 Performing and non-performing exposures and related provisions (Article 442c, e CRR)

The table below shows the performing and non-performing exposures and related provisions.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – Accumulated impairment and provisions			Non-performing exposures – Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	Performing exposures	Non-performing exposures
	EUR million		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
	Cash balances at central banks and other demand deposits	52,029	52,028	0	0		0	-0	-0	-0	-0		-0			
005																
010	Loans and advances	218,173	173,133	44,005	2,832	0	2,733	-937	-115	-822	-928	-0	-927	-217	108,178	1,340
020	Central banks	17	17												4	
030	General governments	9,494	8,766	35	0		0	-1	-1	-0	-0		-0		793	0
040	Credit institutions	62,892	62,668	174	22		22	-7	-6	-1	-21		-21		21,647	0
050	Other financial corporations	26,353	21,417	4,722	233		174	-87	-11	-76	-41		-41	-8	18,993	128
060	Non-financial corporations	108,133	70,767	37,289	2,492	0	2,453	-796	-85	-711	-832		-831	-192	59,760	1,183
070	Of which: SMEs	37,228	21,428	15,787	1,017		1,010	-306	-34	-272	-244		-244	-6	28,004	530
080	Households	11,284	9,498	1,786	84	0	84	-44	-11	-33	-33	-0	-33	-17	6,981	29
090	Debt securities	38,018	37,360		6		6	-3	-3		-6		-6		664	
100	Central banks	474	474					-0	-0							
110	General governments	10,085	10,067					-1	-1						97	
120	Credit institutions	23,401	23,401					-1	-1						398	
130	Other financial corporations	3,277	2,637					-0	-0							
140	Non-financial corporations	781	781		6		6	-0	-0		-6		-6		169	
150	Off-balance sheet exposures	84,527	68,824	6,175	202	0	167	-322	-29	-293	-52	-0	-35		4,780	24
160	Central banks															
170	General governments	3,210	3,087	0				-1	-1	-0					261	
180	Credit institutions	8,406	7,936	7				-0	-0	-0					27	
190	Other financial corporations	10,971	9,704	413	0		0	-29	-3	-26	-0				515	
200	Non-financial corporations	58,846	45,225	5,552	200		165	-290	-25	-266	-52		-35		3,507	24
210	Households	3,094	2,871	203	1	0	1	-2	-1	-1	-0	-0			470	0
220	Total	392,746	331,345	50,180	3,040	1	2,906	-1,262	-147	-1,115	-987	-0	-969	-217	113,622	1,363

Figure 15: EU CR1 – Performing and non-performing exposures and related provisions

7.2 Residual maturity of exposures (Article 442g CRR)

The following table shows the net exposure values broken down by maturity. Net value is calculated as the gross carrying amount less allowances/impairments.

	a	b	c	d	e	f
	Net exposure value					
EUR million	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1 <i>Loans and advances</i>	8,448	60,137	67,358	83,197		219,140
2 <i>Debt securities</i>		4,368	17,800	15,846		38,015
3 <i>Total</i>	8,448	64,505	85,159	99,043		257,155

Figure 16: EU CR1-A – Maturity of exposures

7.3 Changes in the stock of non-performing loans and advances (Article 442f CRR)

The following table shows the stock of non-performing loans and advances in accordance with FinRep as at 30 June 2025.

The difference between the disclosed non-performing values and the values as if the definition of defaulted in accordance with Article 178 CRR were applied was immaterial as at 30 June 2025.

	a
EUR million	Gross carrying amount
010 <i>Initial stock of non-performing loans and advances</i>	2,718
020 <i>Inflows to non-performing portfolios</i>	519
030 <i>Outflows from non-performing portfolios</i>	-405
040 <i>Outflows due to write-offs</i>	-2
050 <i>Outflow due to other situations</i>	-403
060 <i>Final stock of non-performing loans and advances</i>	2,832

Figure 17: EU CR2 – Changes in the stock of non-performing loans and advances

The disclosure of template *EU CR2a – Changes in the stock of non-performing loans and advances and related net accumulated recoveries* is not relevant for LBBW, as its NPL ratio is currently below 5%.

7.4 Credit quality of forborne exposures (Article 442c CRR)

		a	b	c	d	e	f	g	h
		Gross carrying amount/Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Non-performing forborne							
				Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures	Of which: Collateral and financial guarantees received on non-performing exposures with forbearance measures	
EUR million		Performing forborne							
005	<i>Cash balances at central banks and other demand deposits</i>								
010	<i>Loans and advances</i>	4,886	1,509	1,508	1,499	-87	-431	3,949	745
020	Central banks								
030	General governments								
040	Credit institutions								
050	Other financial corporations	376	100	100	97	-4	-14	372	48
060	Non-financial corporations	4,509	1,403	1,403	1,397	-83	-415	3,575	696
070	Households	2	6	5	5	0	-3	1	1
080	<i>Debt securities</i>								
090	<i>Loan commitments given</i>	322	74	74	74	-5	-11	109	5
100	<i>Total</i>	5,208	1,583	1,582	1,573	-92	-442	4,058	750

Figure 18: EU CQ1: Credit quality of forborne exposures

The disclosure of template *EU CQ2 – Quality of forbearance* is not relevant for LBBW, as its NPL ratio is currently below 5%.

7.5 Quality of non-performing exposures by geography (Article 442c, e CRR)

The following table breaks down exposures by country. The 15 largest countries in terms of “gross carrying amounts of on-balance sheet exposures” and the 10 largest countries in terms of “nominal amounts of off-balance sheet exposures” are classified as significant. The countries shown represent more than 90% of the total gross carrying amounts of on-balance sheet exposures and more than 90% of the total nominal amounts of off-balance sheet exposures. The other countries as well as supranational organizations are shown under “Others/supranational organizations”. These are therefore considered to be non-material and are not listed individually in accordance with Article 432 (1) CRR.

The disclosure of columns b (Gross carrying/nominal amount – of which non-performing) and d (Gross carrying/nominal amount – of which subject to impairment) of the following template *EU CQ4 – Quality of non-performing exposures by geography* is not relevant for LBBW, as its NPL ratio is currently below 5%.

	a	c	e	f	g
	Gross carrying/Nominal amount	Of which: non-performing and defaulted	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
EUR million					
010 <i>On-balance sheet exposures</i>	311,058	2,838	-1,874		
020 Germany	174,930	1,716	-1,253		
030 USA	34,272	541	-257		
040 France	20,897	138	-36		
050 Luxembourg	10,486	167	-70		
060 United Kingdom	8,682	0	-40		
070 Netherlands	8,493	4	-48		
080 Canada	6,522	0	-11		
090 Austria	4,262	32	-14		
100 Singapore	3,796		0		
110 Republic of Korea	3,392		-5		
120 Finland	3,155	0	0		
130 Spain	2,441	0	-2		
140 Poland	2,159	0	-24		
150 Ireland	2,033	0	0		
160 Belgium	2,006	0	-2		
Other countries/supranational organizations	23,533	239	-111		
170 <i>Off-balance sheet exposures</i>	84,728	201		-374	
190 Germany	59,160	161		-297	
200 France	5,251	0		0	
210 Ireland	4,903			0	
220 Austria	2,671			-10	
230 Switzerland	2,617			-8	
240 USA	2,097	40		-9	
250 Netherlands	1,710			-26	
260 Republic of Korea	593			0	
270 Luxembourg	586			-12	
280 Poland	529			0	
Other countries/supranational organizations	4,610	0		-10	
290 <i>Total</i>	395,786	3,040	-1,874	-374	0

Figure 19: EU CQ4 – Quality of non-performing exposures by geography

7.6 Credit quality of loans and advances to non-financial corporations by industry (Article 442c, e CRR)

In the following table, the loans and advances to non-financial corporations are grouped by industry using NACE codes on the basis of the principal activity of the business partner.

The disclosure of columns b (Gross carrying amount – of which non-performing) and d (Gross carrying amount – of which loans and advances subject to impairment) of the following template *EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry* is not relevant for LBBW, as its NPL ratio is currently below 5%.

	a	c	e	f
EUR million Industry	Gross carrying amount	Of which: non-performing and defaulted	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
010 Agriculture, forestry and fishing	126	4	-2	
020 Mining and quarrying	656	7	-4	
030 Manufacturing	16,371	639	-389	
040 Electricity, gas, steam and air conditioning supply	5,363	28	-27	
050 Water supply	2,785	3	-5	
060 Construction	2,647	179	-60	
070 Wholesale and retail trade	6,550	190	-177	
080 Transport and storage	3,902	58	-23	
090 Accommodation and food service activities	134	1	-1	
100 Information and communication	4,779	92	-101	
110 Financial and insurance activities				
120 Real estate activities	49,856	1,119	-592	
130 Professional, scientific and technical activities	8,650	82	-137	
140 Administrative and support service activities	4,246	70	-85	
150 Public administration and defense, compulsory social security				
160 Education	289	0	0	
170 Human health services and social work activities	1,312	5	-6	
180 Arts, entertainment and recreation	299	0	0	
190 Other services	2,660	15	-18	
200 Total	110,626	2,492	-1,629	

Figure 20: EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

The disclosure of template *EU CQ6 – Collateral valuation – loans and advances* is not relevant for LBBW, as its NPL ratio is currently below 5%. The disclosure of template *EU CQ7 – Collateral obtained by taking possession and execution processes* is not relevant for LBBW, as it does not currently hold any such collateral. The disclosure of template *EU CQ8 – Collateral obtained by taking possession and execution processes – vintage breakdown* is not relevant for LBBW, as its NPL ratio is currently below 5%.

8 Disclosure of the use of credit risk mitigation techniques (Article 453f CRR)

8.1 CRM techniques overview: Disclosure of the use of credit risk mitigation techniques (Article 453f CRR)

The following table shows the net values of secured and unsecured exposures for credit risks, not including counterparty credit risk, as well as the collateral, financial guarantees and derivatives used for credit risk mitigation. Net value is calculated as the gross carrying amount less allowances/impairments.

	EUR million	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	161,651	109,517	97,103	12,415	
2	Debt securities	37,351	664		664	
3	Total	199,002	110,181	97,103	13,079	
4	Of which non-performing exposures	564	1,340	1,086	254	
EU-5	Of which defaulted	564	1,340			

Figure 21: EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

The change in the unsecured exposure values (carrying amounts) for loans and advances compared to the previous period is mainly due to the increase in receivables due on demand or current receivables (primarily cash balances at central banks).

9 Disclosure of the use of the standardized approach (Articles 444e, 453g–i CRR)

9.1 Standardized approach – Credit risk exposure and CRM effects (Articles 444e, 453g–i CRR)

The following table shows the exposures to be reported in the CRSA before and after credit conversion factor and credit risk mitigation as well as RWA and RWA density. RWA density is the ratio of risk-weighted assets to exposures after taking into account credit conversion factors and credit risk mitigation.

EUR million Exposure classes		Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEA density	
		On-balance sheet exposures	Off-balance sheet exposures	On-balance sheet exposures	Off-balance sheet exposures	RWEAs	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	51,208	453	51,879	36	2	0.00%
2	Non-central government public sector entities	18,608	2,401	20,669	1,033	129	0.60%
EU 2a	Regional government or local authorities	16,817	1,497	18,766	622	31	0.16%
EU 2b	Public sector entities	1,792	905	1,903	411	99	4.26%
3	Multilateral development banks			208			
EU 3a	International organizations	2,390		2,390			
4	Institutions	36,869	2,906	38,995	1,222	356	0.88%
5	Covered bonds	483		483			
6	Corporates	9,634	3,606	8,540	961	6,210	65.36%
6.1	Of which: Specialized lending						
7	Subordinated debt exposures and equity	1,481	130	1,461	2	2,751	188.13%
EU 7a	Subordinated debt exposures	166	129	145	0	218	150.00%
EU 7b	Equity	1,316	2	1,316	2	2,533	192.33%
8	Retail exposures	4,075	2,991	3,751	129	2,581	66.50%
9	Secured by mortgages on immovable property and ADC exposures	7,932	330	7,822	92	3,670	46.38%
9.1	Secured by mortgages on residential immovable property – non IPRE	7,375	302	7,266	85	3,326	45.25%
9.2	Secured by mortgages on residential immovable property – IPRE	71	5	71		20	27.76%
9.3	Secured by mortgages on commercial immovable property – non IPRE	455	21	455	7	307	66.46%
9.4	Secured by mortgages on commercial immovable property – IPRE	30	2	30		18	58.99%
9.5	Acquisition, Development and Construction (ADC)	0		0		0	150.00%
10	Exposures in default	150	6	132	2	185	137.98%
EU 10a	Exposures to institutions and corporates with a short-term credit assessment						
EU 10b	Collective investment undertakings (CIU)	30		30		44	144.64%
EU 10c	Other items	71		71		71	99.98%
11	Not applicable						
12	TOTAL	132,912	12,816	136,413	3,477	16,023	11.45%

Figure 22: EU CR4 – Standardized approach – Credit risk exposure and CRM effects

The increase in *On-balance sheet exposures* (especially in the exposure category of central governments and central banks) is mainly due to the change in the rating approach from F-IRB to CRSA.

9.2 Standardized approach (Article 444e CRR)

The following table shows the distribution of the risk weight.

		Risk weight																										
	EUR million	0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%	105%	110%	130%	150%	250%	370%	400%	1,250%			
	Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa
1	Central governments or central banks	51,913															2										51,915	51,904
2	Non-central government public sector entities	21,055				646											0										21,701	
EU 2a	Regional government or local authorities	19,234				153																					19,388	19,388
EU 2b	Public sector entities	1,820				493											0										2,314	2,314
3	Multilateral development banks	208																									208	208
EU 3a	International organizations	2,390																									2,390	
4	Institutions	39,179				420	521		0		29						4					65					40,217	40,056
5	Covered bonds	483																									483	
6	Corporates	408				2,149		34			1,288			708			4,893					7			0	14	9,501	17,894
6.1	Of which: Specialized lending																											
7	Subordinated debt exposures and equity																354					145	566		4	393	1,462	
EU 7a	Subordinated debt exposures																					145					145	
EU 7b	Equity																354					566		4	393	1,317		
8	Retail exposures													3,596			285										3,881	
9	Secured by mortgages on immovable property and ADC exposures					4,279						365		2,535			726					9				1	7,914	
9.1	Secured by mortgages on residential immovable property – non IPRE					4,215								2,512			619					5				0	7,351	
9.1.1	Loan splitting not applied													1,771			582					5				0		
9.1.2	Loan splitting applied (secured)					4,215																					4,215	
9.1.3	Loan splitting applied (unsecured)													742			36										778	
9.2	Secured by mortgages on residential immovable property – IPRE					64								5								3					71	
9.3	Secured by mortgages on commercial immovable property – non IPRE											337		17			107					1				0	462	
9.3.1	Loan splitting not applied													6			53					0						

10 Disclosure of the use of the IRB approach to credit risk (Articles 438, 452, 453g–j CRR)

The following section shows credit risk exposures reported under the IRB approach, excluding counterparty credit risks. The table below shows IRB credit risk exposures by exposure class and PD ranges set by the regulator.

A distinction between F-IRB and A-IRB is not currently relevant for LBBW.

10.1 IRB approach – Credit risk exposures by exposure class and PD range (Article 452g CRR)

The following table shows IRB credit risk exposures by exposure class and PD ranges set by the regulator.

The “Number of obligors” column shows the number of obligors allocated to the individual PDs listed in the table. The “Density of risk-weighted exposure amount” column refers to the ratio of risk-weighted assets to exposures post credit conversion factors and credit risk mitigation.

F-IRB EUR million PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure- weighted average CCF	Exposure post CCF and post CRM	Exposure- weighted average PD (%)	Number of obligors	Exposure- weighted average LGD (%)	Exposure- weighted average maturity (years)	Risk- weighted exposure amount after supporting factors	Density of risk- weighted exposure amount	Expected loss amount	Value adjustments and provisions
a	b	c	d	e	f	g	h	i	j	k	l	m
Exposure class: Central governments and central banks												
0.00 to < 0.15	3,013	4	100.00%	4,185	0.03%	17	45.00%	2.50	578	13.82%	1	0
0.00 to < 0.10	2,736	4	100.00%	3,908	0.02%	16	45.00%	2.50	480	12.28%	0	0
0.10 to < 0.15	277			277	0.14%	1	45.00%	2.50	99	35.56%	0	0
0.15 to < 0.25	65			86	0.05%	2	45.00%	2.50	13	15.01%	0	0
0.25 to < 0.50				368	0.01%		45.00%	2.50	30	8.25%	0	
0.50 to < 0.75	0			2	0.04%	1	45.00%	2.50	0	16.21%	0	0
0.75 to < 2.50	0			568	0.01%	1	45.00%	2.50	49	8.61%	0	0
0.75 to < 1.75				202	0.02%		45.00%	2.50	21	10.53%	0	
1.75 to < 2.5	0			366	0.01%	1	45.00%	2.50	28	7.55%	0	0
2.50 to < 10.00	128	294	35.36%	763	0.05%	2	45.00%	2.50	65	8.53%	0	0
2.5 to < 5				497	0.01%		45.00%	2.50	39	7.76%	0	
5 to < 10	128	294	35.36%	266	0.12%	2	45.00%	2.50	27	9.97%	0	0
10.00 to < 100.00	42	178	40.00%	1,054	0.01%	2	45.00%	2.50	85	8.04%	0	0
10 to < 20	42	178	40.00%	911	0.01%	1	45.00%	2.50	74	8.12%	0	0
20 to < 30	0			143	0.01%	1	45.00%	2.50	11	7.55%	0	0
30.00 to < 100.00												
100.00 (Default)				98	0.01%		45.00%		7	7.53%	0	
Subtotal	3,248	476	87.38%	7,124	0.03%	25	45.00%	2.50	828	11.63%	1	-1
Exposure class: Institutions												
0.00 to < 0.15	22,614	878	24.26%	21,967	0.05%	247	26.10%	2.50	3,217	14.65%	3	-1
0.00 to < 0.10	22,243	796	26.35%	21,630	0.05%	229	25.95%	2.50	3,123	14.44%	3	-1
0.10 to < 0.15	371	83	4.14%	337	0.13%	18	35.47%	2.50	95	28.06%	0	0
0.15 to < 0.25	430	129	24.40%	512	0.17%	21	40.60%	2.50	220	42.97%	0	0
0.25 to < 0.50	18	20	31.02%	23	0.29%	12	45.00%	2.50	15	65.03%	0	0
0.50 to < 0.75	364	3	35.83%	256	0.58%	6	45.00%	2.50	222	87.02%	1	0
0.75 to < 2.50	78	2	48.35%	257	0.33%	9	45.00%	2.50	115	44.60%	0	0
0.75 to < 1.75	69	0	20.00%	175	0.34%	8	45.00%	2.50	83	47.28%	0	0
1.75 to < 2.5	9	2	50.00%	82	0.30%	1	45.00%	2.50	32	38.85%	0	
2.50 to < 10.00				38	0.05%		45.00%	2.50	10	26.37%	0	
2.5 to < 5				35	0.05%		45.00%	2.50	9	26.70%	0	
5 to < 10				3	0.07%		45.00%	2.50	1	22.77%	0	
10.00 to < 100.00	87	7	50.00%	6	8.91%	5	45.00%	2.50	12	195.50%	0	-1
10 to < 20	87	7	50.00%	6	8.91%	5	45.00%	2.50	12	195.50%	0	-1
20 to < 30												
30.00 to < 100.00												
100.00 (Default)	0			0	14.05%	1	45.00%		0	22.96%	0	0
Subtotal	23,592	1,041	24.62%	23,059	0.06%	301	26.90%	2.50	3,812	16.53%	5	-3
Exposure class: Corporates – Large corporates												
0.00 to < 0.15	15,105	23,081	30.66%	20,991	0.08%	698	35.39%	2.50	4,168	19.86%	6	-3
0.00 to < 0.10	12,980	17,386	30.07%	16,962	0.07%	467	34.78%	2.50	3,041	17.93%	4	-3
0.10 to < 0.15	2,125	5,694	32.46%	4,029	0.12%	231	37.96%	2.50	1,127	27.97%	2	-1
0.15 to < 0.25	3,059	4,334	30.80%	4,285	0.18%	266	37.95%	2.50	1,469	34.27%	3	-2
0.25 to < 0.50	5,868	5,748	33.50%	7,667	0.32%	397	38.15%	2.50	3,575	46.63%	9	-9
0.50 to < 0.75	1,185	1,770	33.24%	1,674	0.59%	84	37.02%	2.50	1,004	60.00%	4	-5
0.75 to < 2.50	2,342	1,413	30.28%	2,784	1.06%	196	37.21%	2.50	1,999	71.80%	11	-21
0.75 to < 1.75	1,636	1,150	28.41%	1,909	1.06%	135	35.98%	2.50	1,384	72.51%	7	-10
1.75 to < 2.5	706	263	38.51%	875	1.07%	61	39.91%	2.50	615	70.25%	4	-11
2.50 to < 10.00	833	545	32.62%	925	4.45%	90	39.15%	2.50	1,089	117.73%	16	-15
2.5 to < 5	553	309	31.91%	548	3.37%	57	39.47%	2.50	585	106.63%	7	-9

F-IRB EUR million PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure- weighted average CCF	Exposure post CCF and post CRM	Exposure- weighted average PD (%)	Number of obligors	Exposure- weighted average LGD (%)	Exposure- weighted average maturity (years)	Risk- weighted exposure amount after supporting factors	Density of risk- weighted exposure amount	Expected loss amount	Value adjustments and provisions
a	b	c	d	e	f	g	h	i	j	k	l	m
5 to < 10	280	237	33.54%	377	6.03%	33	38.69%	2.50	505	133.86%	9	-6
10.00 to < 100.00	599	549	36.36%	566	7.45%	41	38.33%	2.50	675	119.33%	16	-11
10 to < 20	406	476	40.34%	347	10.45%	22	37.28%	2.50	556	160.03%	13	-9
20 to < 30	192	73	10.35%	218	2.69%	19	40.00%	2.50	119	54.49%	2	-2
30.00 to < 100.00												
100.00 (Default)	497	43	42.02%	412	100.00%	18	36.55%				151	-188
Subtotal	29,487	37,483	31.40%	39,304	1.48%	1,790	36.55%	2.50	13,980	35.57%	215	-255

Exposure class: Corporates – SMEs

0.00 to < 0.15	14,059	2,629	23.45%	14,433	0.10%	1,634	26.40%	2.50	1,643	11.38%	4	-18
0.00 to < 0.10	7,495	2,103	19.75%	7,768	0.07%	1,230	28.73%	2.50	770	9.91%	1	-4
0.10 to < 0.15	6,563	525	38.29%	6,665	0.13%	404	23.68%	2.50	873	13.09%	2	-14
0.15 to < 0.25	5,789	777	37.60%	5,991	0.19%	474	25.87%	2.50	1,030	17.20%	3	-13
0.25 to < 0.50	8,409	1,048	27.40%	8,653	0.36%	960	26.94%	2.50	2,209	25.54%	8	-25
0.50 to < 0.75	3,325	410	25.47%	3,425	0.62%	398	27.22%	2.50	1,128	32.93%	6	-12
0.75 to < 2.50	4,835	927	32.98%	4,820	1.24%	838	30.21%	2.50	2,249	46.65%	18	-41
0.75 to < 1.75	4,067	752	34.20%	4,091	1.09%	649	30.33%	2.50	1,864	45.55%	13	-31
1.75 to < 2.5	767	176	27.77%	728	2.05%	189	29.49%	2.50	385	52.82%	4	-10
2.50 to < 10.00	1,436	220	20.00%	1,312	3.98%	339	32.90%	2.50	908	69.19%	18	-30
2.5 to < 5	1,155	140	15.46%	1,085	3.45%	226	31.45%	2.50	684	63.07%	12	-18
5 to < 10	280	80	27.92%	228	6.51%	113	39.82%	2.50	224	98.37%	6	-11
10.00 to < 100.00	809	67	32.24%	622	15.99%	137	37.85%	2.50	849	136.43%	38	-34
10 to < 20	502	56	30.62%	391	12.51%	83	36.81%	2.50	462	118.02%	18	-20
20 to < 30	299	9	45.88%	222	20.94%	34	39.92%	2.50	377	169.37%	19	-13
30.00 to < 100.00	8	2	18.13%	8	48.19%	20	30.66%	2.50	10	121.19%	1	-1
100.00 (Default)	1,069	49	43.14%	1,066	100.00%	58	35.95%		0		383	-183
Subtotal	39,730	6,127	27.80%	40,322	3.36%	4,838	27.60%	2.50	10,016	24.84%	478	-356

Exposure class: Corporates – Specialized lending

0.00 to < 0.15	12,539	939	48.50%	12,551	0.10%	312	27.54%	2.50	1,695	13.51%	3	-18
0.00 to < 0.10	6,352	593	46.80%	6,309	0.07%	248	31.30%	2.50	806	12.78%	1	-4
0.10 to < 0.15	6,188	345	51.43%	6,243	0.13%	64	23.74%	2.50	889	14.24%	2	-14
0.15 to < 0.25	6,169	552	40.14%	6,307	0.19%	69	26.57%	2.50	1,253	19.86%	3	-20
0.25 to < 0.50	9,837	1,612	41.65%	10,389	0.36%	109	27.89%	2.50	3,269	31.47%	11	-39
0.50 to < 0.75	4,535	450	42.55%	4,709	0.63%	44	28.65%	2.50	2,016	42.82%	9	-15
0.75 to < 2.50	4,859	951	40.61%	4,979	1.21%	64	30.35%	2.50	2,697	54.16%	18	-41
0.75 to < 1.75	4,268	878	40.60%	4,359	1.10%	56	30.60%	2.50	2,325	53.34%	15	-28
1.75 to < 2.5	590	73	40.63%	620	2.02%	8	28.65%	2.50	371	59.90%	4	-13
2.50 to < 10.00	1,220	158	34.98%	1,238	4.05%	14	35.32%	2.50	1,129	91.13%	18	-34
2.5 to < 5	1,012	118	32.36%	1,015	3.48%	10	34.27%	2.50	853	84.04%	12	-20
5 to < 10	208	40	42.57%	223	6.63%	4	40.08%	2.50	275	123.42%	6	-13
10.00 to < 100.00	725	40	40.81%	706	15.16%	14	37.03%	2.50	1,031	145.92%	40	-34
10 to < 20	458	38	40.00%	469	12.13%	10	35.52%	2.50	604	128.66%	20	-19
20 to < 30	267	2	57.89%	237	21.14%	4	40.00%	2.50	427	180.05%	20	-15
30.00 to < 100.00												
100.00 (Default)	1,263	59	42.94%	1,288	100.00%	12	35.59%				458	-239
Subtotal	41,149	4,761	43.24%	42,168	3.79%	638	28.57%	2.50	13,089	31.04%	561	-439

Exposure class: Corporates – Purchased receivables

0.00 to < 0.15	938	38	40.00%	716	0.08%	363	41.80%	2.50	181	25.29%	0	0
0.00 to < 0.10	754	2	40.00%	525	0.07%	237	41.42%	2.50	122	23.23%	0	0
0.10 to < 0.15	184	36	40.00%	191	0.12%	126	42.86%	2.50	59	30.97%	0	0

F-IRB EUR million PD range	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Exposure- weighted average CCF	Exposure post CCF and post CRM	Exposure- weighted average PD (%)	Number of obligors	Exposure- weighted average LGD (%)	Exposure- weighted average maturity (years)	Risk- weighted exposure amount after supporting factors	Density of risk- weighted exposure amount	Expected loss amount	Value adjustments and provisions
a	b	c	d	e	f	g	h	i	j	k	l	m
0.15 to < 0.25	296	2	40.00%	288	0.18%	187	40.72%	2.50	102	35.30%	0	0
0.25 to < 0.50	312	27	40.00%	252	0.34%	418	39.43%	2.50	117	46.61%	0	0
0.50 to < 0.75	176			119	0.62%	157	40.00%	2.50	70	58.40%	0	0
0.75 to < 2.50	351	2	40.00%	216	1.46%	365	40.53%	2.50	181	83.93%	1	-4
0.75 to < 1.75	252	2	40.00%	146	1.17%	266	40.61%	2.50	111	75.88%	1	-3
1.75 to < 2.5	99			70	2.05%	99	40.36%	2.50	71	100.64%	1	-1
2.50 to < 10.00	83			70	5.25%	154	40.52%	2.50	85	119.93%	2	-2
2.5 to < 5	43			38	3.59%	106	40.00%	2.50	38	99.14%	1	-1
5 to < 10	39			32	7.20%	48	41.14%	2.50	47	144.28%	1	-1
10.00 to < 100.00	26	1	40.00%	20	12.61%	56	40.20%	2.50	34	169.14%	1	-1
10 to < 20	24	1	40.00%	19	11.94%	40	40.21%	2.50	32	167.38%	1	-1
20 to < 30	2			1	20.37%	13	40.00%	2.50	3	196.41%	0	0
30.00 to < 100.00	0			0	38.49%	3	40.00%	2.50	0	137.76%	0	0
100.00 (Default)	53			52	100.00%	53	41.54%				22	-32
Subtotal	2,235	69	35.40%	1,734	3.69%	1,753	40.92%	2.50	770	44.41%	26	-39
Exposure class: Corporates – Other												
0.00 to < 0.15	30,885	31,830	27.86%	38,349	0.08%	3,201	32.53%	2.50	6,809	17.75%	10	-13
0.00 to < 0.10	24,471	24,389	27.19%	29,736	0.06%	2,257	32.51%	2.50	4,804	16.15%	6	-5
0.10 to < 0.15	6,414	7,440	30.07%	8,612	0.13%	944	32.62%	2.50	2,005	23.28%	4	-7
0.15 to < 0.25	6,293	6,754	29.35%	7,984	0.18%	1,072	34.98%	2.50	2,432	30.45%	5	-7
0.25 to < 0.50	12,005	9,706	30.68%	14,419	0.33%	2,004	37.04%	2.50	6,372	44.19%	18	-16
0.50 to < 0.75	3,335	2,607	26.66%	3,962	0.60%	736	33.86%	2.50	2,006	50.64%	8	-12
0.75 to < 2.50	5,717	3,612	28.60%	5,972	1.21%	1,488	37.40%	2.50	4,294	71.89%	27	-37
0.75 to < 1.75	3,855	2,784	27.14%	4,321	1.09%	1,107	36.29%	2.50	2,956	68.42%	17	-24
1.75 to < 2.5	1,862	828	33.49%	1,651	1.52%	381	40.32%	2.50	1,337	80.99%	10	-12
2.50 to < 10.00	2,778	1,103	28.20%	2,221	4.18%	645	38.09%	2.50	2,380	107.16%	36	-47
2.5 to < 5	2,088	766	27.30%	1,553	3.40%	426	37.56%	2.50	1,533	98.70%	20	-31
5 to < 10	690	337	30.25%	668	5.99%	219	39.32%	2.50	847	126.85%	16	-15
10.00 to < 100.00	1,665	961	34.81%	940	11.91%	314	37.38%	2.50	1,256	133.53%	40	-30
10 to < 20	1,191	753	39.35%	571	11.51%	185	40.12%	2.50	978	171.22%	27	-24
20 to < 30	442	201	18.40%	335	8.65%	100	32.75%	2.50	220	65.73%	7	-4
30.00 to < 100.00	33	7	16.66%	34	50.84%	29	36.99%	2.50	57	168.89%	7	-2
100.00 (Default)	1,198	126	43.04%	1,009	99.99%	244	38.60%		0	0.02%	389	-393
Subtotal	63,875	56,699	28.70%	74,857	1.87%	9,704	34.43%	2.50	25,548	34.13%	533	-553
Total (all exposure classes)	203,315	106,655	27.86%	228,568	2.20%	19,049	33.19%	2.50	68,043	31.32%	1,818	-1,645

Figure 24: EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range

The decrease in *On-balance sheet exposures* (especially in the exposure category of central governments and central banks) is mainly due to the change in the rating approach from F-IRB to CRSA.

10.2 IRB approach – Effect on the risk-weighted exposure amounts of credit derivatives used as CRM techniques (Article 453g, j CRR)

The following section shows credit risk exposures reported under the IRB approach, excluding counterparty credit risks.

The following table shows the effect on the RWAs of credit derivatives used for credit risk mitigation. As LBBW has not used any credit derivatives for credit risk mitigation, the two columns are identical.

	EUR million Exposure class	Pre-credit derivatives risk-weighted exposure amount	Actual risk-weighted exposure amount
		a	b
1	Central governments and central banks – F-IRB	2,808	2,808
EU 1a	Regional governments and local authorities – F-IRB		
EU 1b	Public sector entities – F-IRB		
2	Central governments and central banks – A-IRB		
EU 2a	Regional governments and local authorities – A-IRB		
EU 2b	Public sector entities – A-IRB		
3	Institutions	3,812	3,812
4	Not applicable		
5	Corporates – F-IRB	39,700	39,700
EU 5a	Corporates – General	25,701	25,701
EU 5b	Corporates – Specialized lending	13,230	13,230
EU 5c	Corporates – Purchased receivables	770	770
6	Corporates – A-IRB		
EU 6a	Corporates – General		
EU 6b	Corporates – Specialized lending		
EU 6c	Corporates – Purchased receivables		
7	Not applicable		
8	Not applicable		
EU 8a	Retail – A-IRB		
9	Retail – Qualifying revolving (QRRE)		
10	Retail – Collateralized by immovable property		
EU10a	Retail – Purchased receivables		
EU10b	Retail – Other retail exposures		
11	Not applicable		
12	Not applicable		
13	Not applicable		
14	Not applicable		
15	Not applicable		
16	Not applicable		
17	Exposures under F-IRB	46,321	46,321
18	Exposures under A-IRB		
19	Total exposures	46,321	46,321

Figure 25: EU CR7: IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

The change in total exposures compared to the previous period is due in particular to the conversion to the CRR III methodology.

10.4 RWEA flow statements of credit risk exposures under the IRB approach (Article 438h CRR)

The following table shows the development of RWEAs of risk exposures under the IRB approach between 31 March 2025 and 30 June 2025.

EUR million		Risk-weighted exposure amount
		a
1	<i>Risk-weighted exposure amount as at the end of the previous reporting period</i>	48,247
2	Asset size (+/-)	-35
3	Asset quality (+/-)	284
4	Model updates (+/-)	375
5	Methodology and policy (+/-)	
6	Acquisitions and disposals (+/-)	-7
7	Foreign exchange movements (+/-)	-565
8	Other (+/-)	-114
9	<i>Risk-weighted exposure amount as at the end of the reporting period</i>	48,185

Figure 27: EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach

The “Asset size” item shows the organic change in the book, including new business and outstanding receivables. The “Asset quality” item shows the changes in the assessed quality of the investments resulting from changes to the obligor risk, such as changes to ratings or similar effects. The “Model updates” item shows changes resulting from the implementation of models, changes to the scope of the model and model improvements. The “Methodology and policy” item shows changes caused by adjustments to calculation methods resulting from changes to regulatory policies. The “Foreign exchange movements” item shows changes arising from fluctuating exchange rates. The “Other” item shows all other changes that cannot be explicitly allocated to one of the exposures listed.

11 Disclosure of specialized lending and equity exposures (Article 438e CRR)

11.1 Specialized lending: Project finance (slotting approach) (Article 438e CRR)

Specialized lending: Project finance (slotting approach)							
EUR million		On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
Regulatory categories	Remaining maturity	a	b	c	d	e	f
Category 1	Less than 2.5 years		3	50.00%	2	1	
	Equal to or more than 2.5 years		0	70.00%	0	0	0
Category 2	Less than 2.5 years			70.00%			
	Equal to or more than 2.5 years	0		90.00%	0	0	0
Category 3	Less than 2.5 years	0		115.00%	0	0	0
	Equal to or more than 2.5 years	0		115.00%	0	0	0
Category 4	Less than 2.5 years			250.00%			
	Equal to or more than 2.5 years			250.00%			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	Less than 2.5 years	0	3		2	1	0
	Equal to or more than 2.5 years	0	0		0	0	0

Figure 28: EU CR10.1 – Specialized lending: Project finance (Slotting approach)

11.2 Specialized lending: Income-producing real estate and high volatility commercial real estate (Slotting approach) (Article 438e CRR)

Specialized lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)							
EUR million		On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
Regulatory categories	Remaining maturity	a	b	c	d	e	f
Category 1	Less than 2.5 years			50.00%			
	Equal to or more than 2.5 years	8		70.00%	8	6	0
Category 2	Less than 2.5 years			70.00%			
	Equal to or more than 2.5 years			90.00%			
Category 3	Less than 2.5 years			115.00%			
	Equal to or more than 2.5 years	7		115.00%	7	7	0
Category 4	Less than 2.5 years	6		250.00%	6	16	1
	Equal to or more than 2.5 years			250.00%			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	Less than 2.5 years	6			6	16	1
	Equal to or more than 2.5 years	15			15	13	0

Figure 29: EU CR10.2 – Specialized lending: Income-producing real estate and high volatility commercial real estate (Slotting approach)

11.3 Specialized lending: Object finance (Slotting approach) (Article 438e CRR)

Specialized lending: Project finance (Slotting approach)							
EUR million		On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
Regulatory categories	Remaining maturity	a	b	c	d	e	f
Category 1	Less than 2.5 years			50.00%			
	Equal to or more than 2.5 years			70.00%			
Category 2	Less than 2.5 years	7	36	70.00%	22	15	0
	Equal to or more than 2.5 years	21		90.00%	21	16	0
Category 3	Less than 2.5 years			115.00%			
	Equal to or more than 2.5 years			115.00%			
Category 4	Less than 2.5 years			250.00%			
	Equal to or more than 2.5 years			250.00%			
Category 5	Less than 2.5 years			-			
	Equal to or more than 2.5 years			-			
Total	Less than 2.5 years	7	36		22	15	0
	Equal to or more than 2.5 years	21			21	16	0

Figure 30: EU CR10.3 – Specialized lending: Object finance (Slotting approach)

Template *EU CR10.4 – Specialized lending: Commodities finance (Slotting approach)* is not presented as it is a zero report as at 30 June 2025.

11.4 Equity exposures in accordance with Article 133 (3) to (6) and Article 495a (3) CRR

EUR million Categories	Equity exposures in accordance with Article 133 (3) to (6) and Article 495a (3) CRR					
	On-balance sheet exposures	Off-balance sheet exposures	Risk weight	Exposure value	Risk-weighted exposure amount	Expected loss amount
	a	b	c	d	e	f
<i>Total</i>	1,316	2			2,533	

Figure 31: EU CR10.5 – Equity exposures in accordance with Article 133 (3) to (6) and Article 495a (3) CRR

12 Disclosure of exposures to counterparty credit risk (Article 438h, 439 CRR)

12.1 Analysis of CCR exposure by approach (Article 439f–g, k, m CRR)

The methods used to determine the prudential requirements pursuant to the CRR are shown in the following table. LBBW uses SA-CCR (for derivatives) and the financial collateral comprehensive method (for SFTs) to calculate RWAs.

		a	b	c	d	e	f	g	h
	EUR million	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU – Original Exposure Method (for derivatives)				1.4				
EU-2	EU – Simplified SA-CCR (for derivatives)				1.4				
1	SA-CCR (for derivatives)	2,601	5,473		1.4	25,683	11,252	11,229	3,115
2	IMM (for derivatives and SFTs)								
2a	Of which securities financing transactions netting sets								
2b	Of which derivatives and long settlement transactions netting sets								
2c	Of which from contractual cross-product netting sets								
3	Financial collateral simple method (for SFTs)								
4	Financial collateral comprehensive method (for SFTs)					47,985	45,718	45,718	1,421
5	VaR for SFTs								
6	Total					73,667	56,970	56,947	4,536

Figure 32: EU CCR1 – Analysis of CCR exposure by approach

The effective expected positive exposure is not shown because it is not relevant for LBBW.

The disclosure obligation regarding template *EU CCR2* on CVA risk no longer applies following the implementation of CRR III.

12.2 Standardized approach – CCR exposures by regulatory exposure class and risk weights (Article 439I CRR)

The following table shows the counterparty credit risk exposures reported in the CRSA by exposure class and risk weight.

	EUR million	Risk weight											Total exposure value
		a	b	c	d	e	f	g	h	i	j	k	
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	
1	Central governments or central banks	128				42							170
2	Regional government or local authorities	616				8							624
3	Public sector entities	367				12							379
4	Multilateral development banks												
5	International organizations												
6	Institutions	1,907				4					1		1,912
7	Corporates						120		28	569			716
8	Retail								40	1			42
9	Institutions and corporates with a short-term credit assessment												
10	Other items												
11	Total exposure value	3,018				66	120		68	570	1		3,844

Figure 33: EU CCR3 – Standardized approach – CCR exposures by regulatory exposure class and risk weights

12.3 IRB approach – CCR exposures by exposure class and PD scale (Article 439I CRR)

The following table shows all relevant parameters used for the calculation of counterparty credit risk capital requirements in the IRB approach. The parameters are presented by exposure class and by fixed PD scales as set by the regulator. The “Number of obligors” column shows the number of obligors allocated to the individual PDs listed in the table. The “Density of risk-weighted exposure amount” column refers to the ratio of risk-weighted assets to exposures post credit conversion factors and credit risk mitigation.

	a	b	c	d	e	f	g
	EUR million / PD scale	Exposure value	Exposure-weighted average PD (%)	Number of obligors	Exposure-weighted average LGD (%)	Exposure-weighted average maturity (years)	Density of risk- weighted exposure amount (%)
						RWEA	
1	Exposure class: Central governments or central banks						
2	0.00 to < 0.15	33	0.01%	4	45.00%	3.00	10.87%
3	0.15 to < 0.25						
4	0.25 to < 0.50						
5	0.50 to < 0.75						
6	0.75 to < 2.50						
7	2.50 to < 10.00						
8	10.00 to < 100.00						
9	100.00 (Default)						
10	<i>Subtotal</i>	33	0.01%	4	45.00%	3.00	10.87%
11	Exposure class: Institutions						
12	0.00 to < 0.15	44,564	0.06%	188	11.63%	1.00	4.25%
13	0.15 to < 0.25	69	0.19%	4	45.00%	1.00	25.71%
14	0.25 to < 0.50	99	0.43%	6	13.30%	1.00	19.21%
15	0.50 to < 0.75	1	0.66%	1	45.00%	3.00	78.34%
16	0.75 to < 2.50						
17	2.50 to < 10.00						
18	10.00 to < 100.00						
19	100.00 (Default)						
20	<i>Subtotal</i>	44,733	0.06%	199	11.68%	1.00	4.32%
21	Exposure class: Corporates						
22	0.00 to < 0.15	6,224	0.07%	783	20.00%	3.00	10.00%
23	0.15 to < 0.25	1,181	0.06%	223	13.00%	4.00	36.00%
24	0.25 to < 0.50	859	0.32%	383	39.00%	5.00	53.00%
25	0.50 to < 0.75	272	0.62%	118	40.00%	5.00	67.00%
26	0.75 to < 2.50	240	1.64%	186	41.00%	5.00	90.00%
27	2.50 to < 10.00	105	4.13%	92	29.00%	4.00	127.00%
28	10.00 to < 100.00	51	18.01%	36	37.00%	5.00	202.00%
29	100.00 (Default)	16	100.00%	15	40.00%		0.00%
30	<i>Subtotal</i>	8,947	0.47%	1,836	22.00%	3.00	24.00%
	<i>Total (all CCR relevant exposure classes)</i>	53,714	0.13%	2,039	13.48%	1.00	7.59%
31							

Figure 34: EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale

12.4 Composition of collateral for CCR exposures (Article 439e CRR)

The following table contains a breakdown of all types of collateral posted or received by banks to reduce counterparty credit risk. “Segregated” means collateral that is held in a bankruptcy-remote manner as defined in Article 300 CRR. “Unsegregated” refers to collateral that is not held in a bankruptcy-remote manner.

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
EUR million		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	100	13,455		8,668				
2	Cash – other currencies		838		1,070				
3	Domestic sovereign debt		53				5,049		5,780
4	Other sovereign debt		111				11,493		9,472
5	Government agency debt		1,164				739		3,348
6	Corporate bonds	2	367	131			8,014		1,014
7	Equity securities	26					8,306		596
8	Other collateral	217	1,000	2,043	105		13,285		3,290
9	<i>Total</i>	<i>345</i>	<i>16,988</i>	<i>2,174</i>	<i>9,844</i>		<i>46,886</i>		<i>23,499</i>

Figure 35: EU CCR5 – Composition of collateral for CCR exposures

12.5 Credit derivatives exposures (Article 439j CRR)

The following table sets out the notional amounts and fair values of the credit derivatives bought and sold for the Bank's own credit portfolio and for the trading portfolio by type of credit derivative (based on notional value). Credit derivatives from brokering activities were not used by LBBW in 2025.

EUR million Notionals		a	b
		Protection bought	Protection sold
1	Single-name credit default swaps	5,011	4,486
2	Index credit default swaps		
3	Total return swaps	1,300	
4	Credit options		
5	Other credit derivatives	2,133	864
6	<i>Total notionals</i>	8,443	5,350
<i>Fair values</i>			
7	<i>Positive fair value (asset)</i>	19	90
8	<i>Negative fair value (liability)</i>	-141	-3

Figure 36: EU CCR6 – Credit derivatives exposures

The above table (EU CCR6) breaks down credit derivatives by protection bought and protection sold. Fair values are shown separately as positive and negative values. No distinction is made between types of credit derivative.

The disclosure of table *EU CCR7 – RWEA flow statements of CCR exposures under the IMM* is not relevant for LBBW, as there is no internal model for counterparty credit risks.

12.6 Exposures to CCPs (Article 439i CRR)

The following table shows exposures to central counterparties (CCPs) broken down by qualifying and non-qualifying CCPs and by exposure class.

	EUR million	a	b
		Exposure value	RWEA
1	<i>Exposures to QCCPs (total)</i>		357
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	26,059	136
3	(i) OTC derivatives	602	12
4	(ii) Exchange-traded derivatives		
5	(iii) SFTs	25,458	124
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin	131	
8	Non-segregated initial margin		0
9	Prefunded default fund contributions	727	221
10	Unfunded default fund contributions		
11	<i>Exposures to non-QCCPs (total)</i>		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which		
13	(i) OTC derivatives		
14	(ii) Exchange-traded derivatives		
15	(iii) SFTs		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Prefunded default fund contributions		
20	Unfunded default fund contributions	1,206	

Figure 37: EU CCR8 – Exposures to CCPs

13 Disclosure of exposures to securitization positions (Article 449 CRR)

LBBW most recently concluded two synthetic securitizations in the 2024 reporting year. These securitizations cover loans to companies in LBBW's non-trading book that remain on the balance sheet of the originator because of the synthetic structure. The significant risk transfer is achieved using a credit-linked note on the mezzanine tranche. In both cases, the significant risk transfer is based on Article 245 (2) (a) CRR, as the total risk-weighted exposure amount of the mezzanine tranche is placed on the market. LBBW's RWAs are reduced accordingly. The efficiency of the transactions is substantiated by the new business that is enabled by the reduced own funds requirements of the securitized portfolio. The two transactions were additionally notified as STS securitizations.

In all of the securitizations it enters into, LBBW meets the risk retention obligation by holding an originator share of at least 5% of the nominal value of each securitized exposure in accordance with Article 6 (3) (a) of the Securitization Regulation. The remaining exposure after the deduction of the risk retention is divided into tranches in line with the securitization structure. The total mezzanine/first loss tranche is placed on the market.

At least 95% of the securitized exposures are assigned exclusively to the IRB, meaning that the internal ratings-based approach (SEC-IRBA) applies to the calculation of the risk-weighted exposure amounts.

13.1 Securitization exposures in the non-trading book (Article 449j CRR)

The following table (template EU-SEC1) shows LBBW's non-trading book positions in its role as sponsor broken down by the underlying exposure class. Total amounts are split into traditional and synthetic securitizations as well as into STS securitizations and non-STS securitizations. LBBW did not transact any securitization positions without the transfer of receivables in the reporting year.

As part of the traditional securitizations, LBBW acts as a sponsor in the Weinberg ABCP program. The volume of the corresponding ABCP transactions is shown in table EU SEC1 under "Institution acts as sponsor"/"Traditional".

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional		Synthetic		Subtotal			Traditional		Subtotal		Traditional		Subtotal	
	STS	Non-STs													
EUR million		of which SRT		of which SRT		of which SRT		STS	Non-STs	Synthetic		STS	Non-STs	Synthetic	
1 Total exposures					8,902	8,902	8,902	4,394	187		4,582	1,465	597		2,062
2 Retail (total)												403	207		611
3 residential mortgage															
4 credit card															
5 other retail exposures												403	207		611
6 re-securitization															
7 Wholesale (total)					8,902	8,902	8,902	4,394	187		4,582	1,061	390		1,451
8 loans to corporates					8,902	8,902	8,902					444	83		527
9 commercial mortgage															
10 lease and receivables								4,394	187		4,582	618	307		924
11 other wholesale															
12 re-securitization															

Figure 38: EU-SEC1 – Securitization exposures in the non-trading book

The disclosure of template *EU SEC2 – Securitization exposures in the trading book* is not relevant for LBBW, as it currently has no trading book exposures in its portfolio.

Furthermore, LBBW does not have any retained or assumed re-securitization positions in its portfolio.

13.2 Securitization exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor (Article 449k CRR)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
EUR million	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1,250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% RW
1 Total exposures	11,051	2,272	67		94	8,808	3,971	611	94	945	968	61		76	77	5	
2 Traditional transactions	2,243	2,272	67				3,971	611			968	61			77	5	
3 Securitization	2,243	2,272	67				3,971	611			968	61			77	5	
4 Retail																	
5 Of which STS																	
6 Wholesale	2,243	2,272	67				3,971	611			968	61			77	5	
7 Of which STS	2,129	2,231	35				3,783	611			907	61			73	5	
8 Re-securitization																	
9 Synthetic transactions	8,808				94	8,808			94	945				76			
10 Securitization	8,808				94	8,808			94	945				76			
11 Retail																	
12 Wholesale	8,808				94	8,808			94	945				76			
13 Re-securitization																	

Figure 39: EU-SEC3 – Securitization exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor

13.3 Securitization exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor (Article 449k CRR)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
	Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
EUR million	≤ 20% RW	> 20% to 50% RW	> 50% to 100% RW	> 100% to < 1,250% RW	1,250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% RW / deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1,250% RW
1 Total exposures	2,054		8				1,117	945			113	136			9	11	
2 Traditional transactions	2,054		8				1,117	945			113	136			9	11	
3 Securitization	2,054		8				1,117	945			113	136			9	11	
4 Retail underlying	611						403	207			40	31			3	2	
5 Of which STS	403						403				40				3		
6 Wholesale	1,444		8				714	737			72	105			6	8	
7 Of which STS	1,054		8				714	348			72	43			6	3	
8 Re-securitization																	
9 Synthetic transactions																	
10 Securitization																	
11 Retail underlying																	
12 Wholesale																	
13 Re-securitization																	

Figure 40: EU-SEC4 – Securitization exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor

13.5 Exposures securitized by the institution – Exposures in default and specific credit risk adjustments (Article 449I CRR)

	a	b		c
		Exposures securitized by the institution – Institution acts as originator or as sponsor		Total amount of specific credit risk adjustments made during the period
		Total outstanding nominal amount	Of which exposures in default	
EUR million				
1 Total exposures		13,990	43	0
2 Retail (total)				
3 residential mortgage				
4 credit card				
5 other retail exposures				
6 re-securitization				
7 Wholesale (total)		13,990	43	0
8 loans to corporates		9,408	22	
9 commercial mortgage				
10 lease and receivables		4,582	22	0
11 other wholesale				
12 re-securitization				

Figure 41: EU-SEC5 – Exposures securitized by the institution – Exposures in default and specific credit risk adjustments

14 Disclosure of market risk (Articles 435, 445 and 455 CRR)

In derogation from the rest of the report, the previous disclosure tables under CRR II in accordance with Commission Implementing Regulation (EU) 2021/637 will continue to be reported for market price risk in accordance with Commission Implementing Regulation (EU) 2024/3172 until the FRTB framework is implemented.

14.1 Market risk under the standardized approach (Article 445 CRR)

LBBW calculates the capital requirements for market price risks for general interest rate and equity risk including option price risks using the Internal Model Approach (IMA). Specific risks and currency and commodity risks are calculated using the standardized approach.

EUR million		a
		RWEAs
Outright products		
1	Interest rate risk (general and specific)	1,390
2	Equity risk (general and specific)	619
3	Foreign exchange risk	311
4	Commodities	197
Options		
5	Simplified approach	
6	Delta-plus approach	42
7	Scenario approach	
8	Securitization (specific risk)	
9	Total	2,560

Figure 42: EU MR1 – Market risk under the standardized approach

14.2 Market risk under the Internal Model Approach (IMA) (Article 455 CRR)

		a	b
EUR million		RWEAs	Own funds requirements
1	VaR (higher of values a and b)	340	27
a)	Previous day's VaR (VaRt-1)		8
b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		27
2	SVaR (higher of values a and b)	1,319	106
a)	Latest available SVaR (SVaRt-1)		24
b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		106
3	IRC (higher of values a and b)		
a)	Most recent IRC measure		
b)	12 weeks average IRC measure		
4	Comprehensive risk measure (higher of values a, b and c)		
a)	Most recent risk measure of comprehensive risk measure		
b)	12 weeks average of comprehensive risk measure		
c)	Comprehensive risk measure – Floor		
5	Other		
6	Total	1,659	133

Figure 43: EU MR2-A – Market risk under the Internal Model Approach (IMA)

14.3 RWEA flow statements of market risk exposures under the IMA (Article 438h CRR)

		a	b	c	d	e	f	g
EUR million		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements
1	RWEAs at previous period end	323	1,671				1,994	160
1a	Regulatory adjustment	224	1,304				1,528	122
1b	RWEAs at the previous quarter-end (end of the day)	99	367				466	37
2	Movement in risk levels	-1	-63				-64	-5
3	Model updates/changes							
4	Methodology and policy							
5	Acquisitions and disposals							
6	Foreign exchange movements							
7	Other	-2					-2	0
8a	RWEAs at the end of the disclosure period (end of the day)	97	304				401	32
8b	Regulatory adjustment	243	1,016				1,259	101
8	RWEAs at the end of the disclosure period	340	1,319				1,659	133

Figure 44: EU MR2-B – RWEA flow statements of market risk exposures under the IMA

The value for RWEAs calculated using the IMA decreased overall compared to the previous quarter. The exposure in VaR declined, while the the average applied in the regulatory adjustment increased. RWEAs in the stressed VaR declined due to a lower exposure. The decrease in the stressed VaR values also led to a reduction in the regulatory adjustment.

14.4 IMA values for trading portfolios (Article 455 CRR)

The following table shows the normal VaR and the stressed VaR for the trading book (99%/10 days) at institution level.

EUR million		a
VaR (10 day 99%)		
1	Maximum value	31
2	Average value	9
3	Minimum value	7
4	Period end	9
SVaR (10 day 99%)		
5	Maximum value	43
6	Average value	34
7	Minimum value	24
8	Period end	24
IRC (99.9%)		
9	Maximum value	
10	Average value	
11	Minimum value	
12	Period end	
Comprehensive risk measure (99.9%)		
13	Maximum value	
14	Average value	
15	Minimum value	
16	Period end	

Figure 45: EU MR3 — IMA values for trading portfolios

14.5 Comparison of VaR estimates with gains/losses (Article 455 CRR)

Backtesting and validation

LBBW's market risk model is subject to an extensive validation program implemented within Risk Control by the Independent Validation Unit, which is organizationally independent of model development. In this validation program, the potential model risks are identified in the stochastics of the market factors (e.g. distribution model, risk factor model), in the implemented valuation procedures (measurement model) and in the relevant market data (market data model), and are measured in terms of their materiality using tailor-made analyses. These analyses comprise benchmarking and backtesting. Benchmarking compares the productive model against benchmark models that are (objectively) improved in one or more model components in order to quantify incorrect VaR forecasts (resulting from one or more model weakness(es)). In contrast, backtesting constitutes the statistical backtesting of risk predictions using hypothetical (clean backtesting) and actual changes in portfolio value (dirty backtesting), which excludes credit, debit and additional valuation adjustments. In this context, the hypothetical changes in portfolio value are so separate that backtesting allows not only a statement on the forecast quality of the model as a whole, but also isolated statements on the quality of the distribution model, the risk factor model and the measurement model. If the validation indicates material model risks, these are made transparent to the model developers and recipients of the reports so that necessary model optimization measures can be initiated promptly.

The CRR portfolio, which comprises trading transactions where the own funds requirements for general equity and general interest rate risks are determined using the internal risk model, shows six outliers in the past 250 trading days for the clean P/L. Based on the dirty P/L, there was one outlier for the CRR portfolio. In backtesting, models representing 60.7% of the total own funds requirements for market price risks are compared with historical data.

The table below contains an overview of the outliers in clean backtesting:

Date	Excess amount in EUR		Cause
	m		
05/08/2024	3.1		Change in credit spreads, interest rate movement
31/10/2024	0.1		Change in credit spreads
06/11/2024	2.0		Change in credit spreads, interest rate movement
07/11/2024	1.6		Change in credit spreads
11/11/2024	0.2		Change in credit spreads, interest rate movement
02/12/2024	0.1		Interest rate movement

In dirty backtesting, an outlier with an excess amount of EUR 2.9m occurred on 27 May 2025 in response to an adjustment to the internal refinancing rates.

For a better overview, clean backtesting and dirty backtesting are illustrated in two charts, (1) and (2).

Clean backtesting CRR portfolio for the period from 1 July 2024 to 30 June 2025 in EUR million

VaR parameters: 99% confidence level, 1-day holding period

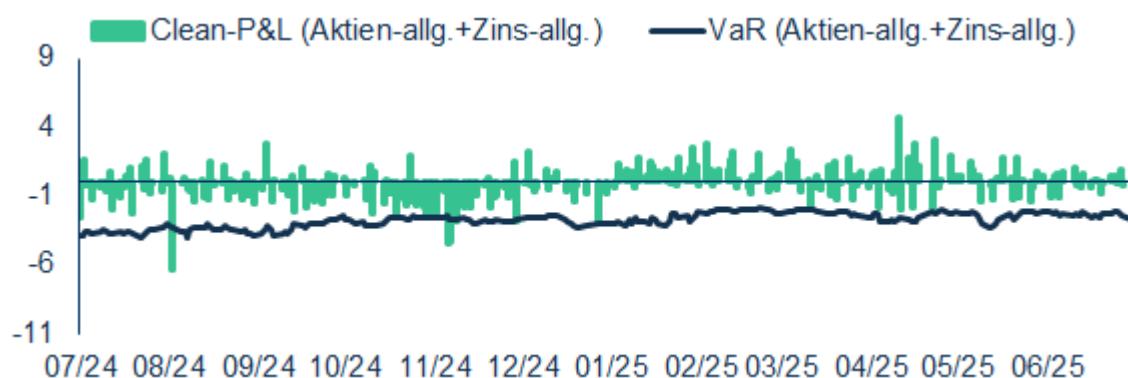


Figure 46: EU MR4 – Comparison of VaR estimates with gains/losses (1)

Dirty backtesting CRR portfolio for the period from 1 July 2024 to 30 June 2025 in EUR million

VaR parameters: 99% confidence level, 1-day holding period

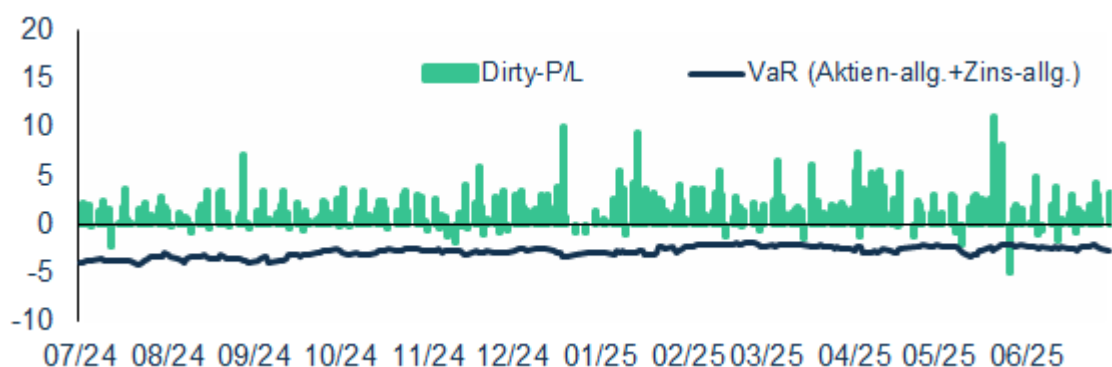


Figure 47: EU MR4 – Comparison of VaR estimates with gains/losses (2)

15 Disclosure of interest rate risks of non-trading book activities (Article 448 CRR)

15.1 Interest rate risks of non-trading book activities (Article 448 CRR)

		a		b		c		d	
		Changes of the economic value of equity				Changes of the net interest income			
EUR million									
Supervisory shock scenarios		Current period	Last period	Current period	Last period	Current period	Last period	Current period	Last period
1	Parallel up	-1,089	-853			126	133		
2	Parallel down	487	292			-268	-279		
3	Steeper	4	86						
4	Flattener	-227	-388						
5	Short rates up	-505	-565						
6	Short rates down	249	264						

Figure 48: EU IRRBB1 – Interest rate risks of non-trading book activities

Last period shows the figures as at 31 December 2024.

15.2 Qualitative information on interest rate risks of non-trading book activities (Article 448 CRR)

As a matter of principle, all new customer exposures are funded in a timely manner on a matching maturity basis based on their legal maturities. Treasury accepts further strategic positions in a framework established by the Board of Managing Directors as a whole on the basis of LBBW's business strategy. These items include risks in the form of cash flow incongruities (structural risks), risks from leveraging interest rate differences between individual market segments (basic risk) and options risks from financial transactions entered into.

Quantification

All relevant interest-bearing and/or interest-sensitive positions in the non-trading book are included in measurements of potential changes in economic value in accordance with LBBW's own procedures for measuring interest rate risks. These also include definitions for handling loans that mature early. The daily valuation is conducted on an individual-transaction and portfolio basis respectively.

For variable-rate transactions with private and corporate customers (particularly deposits), records made on grounds of conditions or conduct are taken into account by using the deposit base theory in conjunction with the concept of moving averages.

Interest rate risks are measured daily using a Monte Carlo simulation. Changes in the value of the non-trading book as a whole, or even of individual portfolios, are specified for each currency using randomly selected interest rate scenarios. Together with the confidence level, the distribution arising from this is used to determine the VaR (confidence level of 99% and holding period of one trading day). The VaR expresses the potential loss that will not be exceeded within one trading day with a probability of 99%. The calculated risks of the non-trading book are taken into account in the risk-bearing capacity on the basis of the relevant parameterization.

In addition to daily reporting, further stress and worst-case scenarios are calculated on a weekly basis. All of these scenarios help to illustrate the future effects of extreme events in the financial markets on the respective book that are not sufficiently presented in the VaR normal scenario. Extreme historic market fluctuations and self-defined scenarios are

applied. Scenarios that specifically quantify the effects of interest rate changes on the economic value of positions in the non-trading book are also included.

In order to measure the influence of interest rate changes on net interest income, projections for interest income and expenses are calculated in various scenarios. These scenarios are broken down into scenarios with a constant balance sheet (balance sheet with new business to replace expiring transactions) and scenarios with a dynamic balance sheet. In addition to the interest projections for a constant balance sheet in combination with parallel shifts, interest projections are calculated for a constant balance sheet in combination with the four other regulatory scenarios.

The quarterly ICAAP looks at multi-period scenarios (5 years) based on a dynamic balance sheet. These scenarios include both cross-risk type and interest-specific scenarios. The interest-specific scenarios comprise a scenario in which interest rates increase and a scenario in which they remain constant.

The interest projections relate to the complete external interest rate. The interest projections require assumptions on the development of market data as well as assumptions on the development of the balance sheet. A distinction is made between a constant and a dynamic balance sheet. For a constant balance sheet, expiring transactions are replaced by similar new transactions. This approach is also applied to hedges. Further assumptions on balance sheet development are not required.

For the dynamic balance sheet, assumptions must be made regarding balance sheet development. These assumptions form part of the definition of the respective scenario.

Net interest income forms part of regular monthly reporting. In addition, effects of shock scenarios are calculated and reported on a quarterly basis for the constant balance sheet and the effects of dynamic interest rate developments are ascertained in the ICAAP.

Modeling for ancillary agreements and non-maturity deposits is based on specific models.

Ancillary agreements

The scope of the analysis for modeling ancillary agreements includes all fixed-rate euro loans with material ancillary agreements. For materiality reasons, other currencies are not currently a focus of ancillary agreement modeling. This overall portfolio is broken down by type of termination right and into the customer groups of retail and non-retail. In the case of termination rights, a distinction is made between BGB and contractual termination rights to the greatest possible extent.

In the modeling of special repayments, the starting nominal of a transaction is selected as the reference value for the modeled prepayment rate. Special repayment rights are presented using a non-interest, linear prepayment model. The basic assumption of the modeling is that the expected prepayment rate for active special repayment rights (in relation to the starting nominal) is independent of time and interest rates. A standard expected prepayment rate is assumed for all transactions where the special repayment right is active at time ; a prepayment rate of zero is assumed for all other transactions.

In the modeling of section 489 BGB special termination rights until the end of margin pegging (margin pegging corresponds to interest rate pegging in this case), only the next possible termination right is relevant for this portfolio segment. The modeling uses a prepayment model, which seems particularly reasonable in light of the special termination character of the section 489 BGB special termination rights. Interest-based models are applied as the interest rate environment has a considerable influence on the termination decision. The starting nominal is of subordinate importance for special termination rights. Ignoring partial terminations, the central parameter is the termination rate, i.e. the probability of termination. In a portfolio view, the termination rate corresponds to a prepayment rate in relation to the current outstanding nominal. It therefore makes sense to select the currently outstanding capital balance () as the reference value for the modeled prepayment rate. The basic assumption of the modeling is that the expected prepayment rate for active special termination rights comprises two components: an interest-based, one-time rate and a non-interest, periodic core deposit rate. Both prepayment rates relate to the outstanding capital balance.

Non-maturity deposits

Non-maturity deposits are presented using a core deposit model in combination with a replication model.

In the quantification of interest rate risk, the stock of non-maturity deposits (NMD stock) is broken down into the stable portion, the core deposits, and a complementary and directly interest-sensitive volatile portion resulting from transactions in NMD accounts that fluctuate due to regular deposits and withdrawals. The volatile portion is expressed by a fluctuation range. The method selected to obtain a constant, specific behavior-based term for NMDs is the creation of a replication portfolio, which allocates the volume of the core deposits to long-term investments and generates a moving average return. The method of compiling a replication portfolio is intended to create a portfolio of products of differing terms that

replicates the cash flows of the NMDs sufficiently closely and has a constant average term, on which the NMDs are based.

The creation of the portfolio does not account for all potentially possible mix ratios, but only those that can be practically and meaningfully used under the given term restrictions.

Interest rate risks in the non-trading book

Present value perspective

Under the regulatory requirements, the effect of an interest rate shock on the economic value must be disclosed in the non-trading book. This involves a shift in the yield curve in accordance with EBA/GL/2022/14.

The change in customer behavior is also simulated when assessing the impact.

Stockpiling served to increased the effect of an interest rate shock.

Given the regulatory requirement that only half of the positive stress effects may be taken into account, there is a considerable difference between the absolute stress results for the increasing interest rate and declining interest rate scenarios.

Periodic perspective

The changes in net interest income (NII) in a 12-month analysis for the shock scenarios primarily result from non-maturity deposits (NMDs).

Given the regulatory requirement that only half of the positive stress effects may be taken into account, here, too, there is a considerable difference between the absolute stress results for the increasing interest rate and declining interest rate scenarios.

16 Regulatory disclosure of ESG risks (Article 449a CRR)

16.1 Qualitative information on ESG risks

Business strategy and processes

Integration of environmental factors/risks into the business and risk strategy

(Article 449a CRR table 1 row a)

The rapidly changing banking environment and its complex requirements are placing considerable demands on the strategic positioning of banks. In an environment that remains volatile, the balanced universal banking approach, which has proven its worth, remains the foundation for LBBW's strategic direction aligned with the strategic objectives of "Growth and Relevance". The primary focus is on a clear growth strategy with continuous earnings growth, consistent risk management and active cost controlling. At the same time, LBBW is striving to achieve a relevant position among its competitors and stakeholders so that it can support and shape the complex transformation processes in the long term as a reliable partner of industry and society.

LBBW's business strategy takes economic, environmental and social aspects into consideration. The implementation of the two strategic objectives of "Growth and Relevance" is supported by the five strategic levers of "Sustainable Transformation", "Innovative Solutions", "Enhanced Resilience", "Inspire Employees" and "Social Contribution". The business strategy forms the foundation for all downstream strategies. These include the ESG Strategy 2025+, the Group risk strategy and the HR strategy.

With the ESG Strategy 2025+ that was adopted by the Board of Managing Directors at the end of 2024, LBBW has laid down the strategic direction for the years ahead along the dimensions of environment, social and governance. Alongside the support provided for customers in the context of the sustainable transformation, active responsibility will be taken for the environment and society through the climate-neutral focus of the LBBW business portfolio by no later than 2050. Specific targets and actions are defined as part of the ESG Strategy 2025+ in order to deal appropriately with the impacts, risks and opportunities (IROs) that were identified in the course of the double materiality analysis conducted in 2024. As a downstream strategy of the business strategy, the ESG strategy is an important driver for fulfilling the objectives of the "Sustainable Transformation" and "Social Contribution" levers. The ESG Strategy 2025+ applies for the LBBW Group as defined by the scope of consolidation under IFRS.

In its Group risk strategy, which is consistently aligned with the business strategy and geared toward expected developments, LBBW defines its quantitative and qualitative risk tolerance in the risk appetite statement.

The Group-wide risk appetite statement underwent considerable changes and improvements as far as material ESG risks were concerned in 2024. In the quantitative risk tolerance, the achievement of the climate goals of the Paris Agreement and the decarbonization of the portfolio are just two of the long-term ESG targets that have been set. Emission intensity at the Group and segment level is the key risk indicator for monitoring in this area.

To account for ESG risks, overarching qualitative guidelines have been defined to provide both a framework for all activities in the LBBW Group and more specific details in the form of requirements and exclusions. The objective of a sustainable business model calls for various ESG-related requirements; an excerpt from the Group risk strategy is provided here:

Sustainable business model

1. The LBBW Group acts in the best and long-term interest of its customers and stakeholders and thus sets out to make a substantial contribution to society.
2. Exposures must be scaled in due consideration of the LBBW Group's risk-bearing capacity. Concentration risks must be identified using suitable methods and managed accordingly in a conscious way. Risks to the Group's going concern status must be excluded.
3. The total portfolio must be managed actively while taking concentration risks into account in order to enhance resilience in the event of a crisis. Concentration risks at sector, size and country level in particular must be managed in the credit portfolio.
4. Transactions that are liable to jeopardize the Bank's reputation on a sustained basis should be avoided.
5. LBBW conducts transactions only in products and markets where it understands and controls the risks.

Sustainable Transformation

6. Sustainable Transformation is one of our strategic levers. We ensure that sustainability criteria are met in customer financing projects. We want to support our customers as they transition to more sustainable business models.
7. LBBW has set itself quantitative targets for shaping the necessary transformation of the economy to climate neutrality (see text on Article 449a CRR table 1 row b).
In addition, LBBW has:
 - created transparency in loan applications for the sector pathways in the case of industries that generate large quantities of emissions;
 - established in the credit risk strategy that violations are determined on the basis of the individual ESG score,
 - set itself the goal of gradually increasing its sustainable business volume,
 - formulated clear principles for the lending business, guidelines and exclusions.
8. The LBBW Group considers ethical aspects, such as human rights, environmental protection, working conditions and anti-corruption, when granting loans and making investments. It goes without saying that the Bank does not support any unlawful acts, such as tax evasion or actions in violation of tax compliance and criminal activities.
9. Financing or insuring deliveries of military weapons/armaments to foreign countries and other issues considered critical in terms of sustainability are subject to restrictions that are set out in the Bank's internal regulations. It is our policy not to support projects that clearly cause massive destruction of the environment or nature and do not provide any added environmental value at the same time.

The materiality of ESG risks as cross-cutting risks is assessed in the annual risk inventory (see Article 449a CRR table 1 row r and table 2 row m). Cross-cutting risks are quantified primarily in the relevant risk categories.

In the area of capital risks, the ESG risk inventory currently classifies the impacts of climate and environmental risks on the Bank's credit portfolio for the long-term observation period as material, whereas the impacts of social and governance risks are classified as not material. In line with this classification, the focus of LBBW's ESG stress tests is currently climate and environmental risks.

Integration of social factors/risks into the business and risk strategy

(Article 449a CRR table 2 row a).

LBBW's business strategy forms the framework for all downstream strategies, such as the HR strategy, the ESG Strategy 2025+ and the Group risk strategy.

The Chairman of the Board of Managing Directors and the head of HR review each year what priorities are to be derived for the HR strategy from the Bank's overall strategy. This generally takes place in the course of the annual discussions. A critical analysis of environmental developments, such as emerging trends, is conducted in the dialog between the Board of Managing Directors, the management of the HR division and the management of the HR departments. Where necessary and given the appropriate prioritization, the strategic targets may be adjusted or new action plans may be devised.

With the ESG Strategy 2025+, LBBW has laid down its strategic direction for the years ahead along the dimensions of environment, social and governance.

Social risks for the next five years are assessed in the financial planning. This is essentially conducted in the annual ESG risk inventory for the Bank's credit portfolio, which includes a forward-looking materiality assessment. Possible impacts

resulting from social risks in the planning period are incorporated in the planning through rating shifts. Currently, social risks in the medium-term planning are classified as not material, meaning that this does not result in any changes for the planning.

LBBW also does not define any key risk indicators for social and governance risks in its risk strategy, as no materiality has previously been identified in the Group risk inventory.

A comprehensive demographic analysis developed by HR and updated each year shows specifically for LBBW that, in the course of demographic change, factors including an aging workforce and an increasing shortage of specialist staff will pose challenges in the near future. One consequence of this is the core task of developing and retaining specialist staff at LBBW in a targeted way. Managing capacity and staff costs will continue to play a significant role. For example, this includes investments in connection with recruiting and retaining employees.

The management of staff risk is also increasing in importance. Moreover, there is a wide variety of requirements concerning the working environment of the future, in which people from up to four different generations will work together. Personnel risk describes the risk that the company's own personnel could potentially endanger the company's going concern status. A distinction is made between risks relating to staff shortages, resignations, demographic factors, adjustments and motivations. Each sub-risk may result in the company no longer being able to maintain normal business operations.

LBBW already has a number of measures in place to address potential additional staff risks. For example, it ensures that its employees are suitably qualified for their role and it runs a target group-focused specialist training program. LBBW has established comprehensive talent programs for recruiting skilled young trainees and for succession planning, holds annual workforce planning discussions and has set up a program for active demographic management.

Individual value drivers and strategically desirable key indicators have been defined for all the sub-risks. Variance analyses are carried out under various circumstances, including in the course of regular submissions to the Board of Managing Directors, where critical developments are explicitly addressed and tabled for discussion by the Board.

LBBW has firmly anchored the promotion of gender equality in its human resources guidelines, especially in the two pillars of "work-life balance" and "equal opportunity and diversity". In 2022, LBBW became one of the first banks in Germany to sign the UN Women's Empowerment Principles, which advocate in particular for an equitable leadership culture and gender equality in companies. LBBW also signed the German Diversity Charter in 2008, thereby undertaking to ensure a workplace that is free of discrimination for all employees. The successor to a "Diversity and Inclusion Manager" was additionally guaranteed with effect from 1 April 2024.

Charitable initiatives by employees are also actively promoted as part of the "Social Contribution" strategic lever. These include a wide range of opportunities for corporate volunteering in particular.

LBBW recognizes the United Nations' Universal Declaration of Human Rights as valid and expects its contractual partners to do the same. Furthermore, LBBW firmly believes that the rights of children should be respected without exception and supports the elimination of child labor. To identify, prevent and reduce human rights abuses, the review of human rights aspects is integrated in the investment and lending processes.

In accordance with section 4 (3) of the Lieferkettensorgfaltspflichtengesetz (LkSG – German Supply Chain Act), a human rights officer was appointed for LBBW with effect from 1 January 2023. An analysis and an adjustment of LBBW's procurement processes were additionally carried out in connection with the LkSG. As part of the standard due diligence process, the questionnaires and the "Sustainability agreement for LBBW suppliers" were reviewed and amended with regard to their content and the protection objectives of the LkSG. A new risk management module designed specifically to meet the requirements of the Supply Chain Due Diligence Act was also introduced in LBBW's supplier management system. The abstract risk analysis (assessment of country and sector risk and questionnaires) and the specific risk analysis (if indications of risk have been identified in the abstract risk analysis) are both carried out in this module.

With regard to workers' rights, LBBW follows internationally recognized standards and voluntary commitments as well as German and European legal requirements and regulations.

Objectives, targets and limits to assess and address environmental risk and processes for their definition (Article 449a CRR table 1 row b)

As described in the passage on Article 449a CRR table 1 row a, LBBW defines its quantitative and qualitative risk tolerance in the risk appetite statement in its Group risk strategy, which is consistently aligned with the business strategy and geared toward expected developments. The risk guidelines specified constitute the key strategic principles and rules of conduct that are used for weighing up risks and opportunities within the LBBW Group. They play a part in creating a uniform risk culture and form the framework for the precise organization of the risk management processes, procedures and methods.

Where environmental issues are concerned, the guidelines for Sustainable Transformation described in the text above are, in turn, specified in greater detail by the Board of Managing Directors in the risk strategy and furnished with specific quantitative targets. These targets are set for short, medium and long-term horizons in order to guarantee a comprehensive assessment of possible ESG risks.

The risk appetite statement stipulates that, in order to monitor climate and environmental risks, the emission intensities of the credit portfolio at Group and segment level are continuously measured and published. To this end, the Board of Managing Directors defines targets for emission intensities for both LBBW (Bank) as a whole and the Corporate Customers and Real Estate/Project Finance segments in the course of the annual update of the strategy approach. To ensure a continuous reduction in emission intensities, the actual figures at the end of the previous year are applied as the limit for the current year.

In line with the Paris climate targets, LBBW's overarching goal is to make its investment and credit portfolio climate-neutral by no later than 2050.

Another instrument for monitoring climate and environmental risks and supporting the 2050 climate neutrality goal is provided by the basic principles on sector pathways that have already been developed for sectors that generate large quantities of greenhouse gases. These are backed by concrete sector-specific and scenario-based climate targets for 2030. The transformation pathways are incorporated in various portfolio and individual transaction management instruments and form part of the loan application for companies in sectors that generate large quantities of greenhouse gases. Developments and financed emissions are reported to senior management every quarter.

In addition, the reputational and sustainability risk rules include binding review processes and comprehensive regulations that support the early identification of environmental, social and ethical reputational and sustainability risks in the process for deciding whether to extend credit (see table 1 row q).

All the regulations to be complied with are included in the ESG risk section of the non-financial risk strategy.

Objectives, targets and limits to assess and address social risk and processes for their definition (Article 449a CRR table 2 row b)

LBBW is committed to the United Nations Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the labor standards of the International Labour Organization (ILO), the German General Anti-Discrimination Act (AGG), the UK Modern Slavery Act and the German Supply Chain Act (LkSG).

In addition to focusing on internationally recognized standards, LBBW is also committed to responsible corporate governance with effective and transparent governance processes, the protection of international human rights, freedom of association and the elimination of discrimination through its membership of the UN Global Compact, the UN Women Empowerment Principles and the UN Principles for Responsible Banking (UN PRB).

Compliance with these commitments in day-to-day business is ensured through binding guidelines and review processes:

- LBBW does not work with companies or organizations that are known to disregard fundamental human rights. This applies to all types of business, transactions, projects, products, operating decisions, strategies and plans of the LBBW Group.
- All LBBW Group employees are covered by the eight core labor standards of the International Labor Organization (ILO) governing fair working conditions, provided these have been ratified by the country in question. We also expect our suppliers and their subcontractors to respect human rights and workers' rights.
- We have defined binding standards for many corporate areas and activities as part of our sustainability management. We also require our suppliers and service providers to comply with sustainable criteria. Every supplier must confirm they have read the "Sustainability agreement for LBBW suppliers" when they register with LBBW and sign it when

entering into contracts. This agreement requires suppliers to comply with what LBBW considers to be essential environmental and social criteria. For example, LBBW expects suppliers to ensure fair working conditions. Any supplier violating the social or environmental standards set out in the sustainability agreement (e.g. relating to human rights abuses such as child labor) must accept this violation as grounds for termination of the agreement without notice.

- LBBW is committed to its responsibility for human rights and the environment in its own supply chains and requires its own suppliers to protect human rights and the environment as stipulated in the German Supply Chain Act (LkSG). LBBW also expects its suppliers to address this expectation appropriately throughout the supply chain. Appointed in 2023, LBBW's human rights officer reports directly to the Board of Managing Directors.
- The reputational and sustainability risk rules include binding review processes and comprehensive regulations that support the early identification of environmental, social and ethical reputational and sustainability risks in the process for deciding whether to extend credit (see Article 449a CRR table 1 row q).
- All employees are required to undergo online training on the German General Anti-Discrimination Act (AGG). LBBW does not tolerate any form of discrimination within the Bank or in its relations with its employees, customers, business partners, suppliers or other persons. LBBW has a zero-tolerance policy for any form of gender discrimination, including verbal, physical and sexual harassment.
- LBBW also successfully implemented measures to promote women in 2024 and thus further increased the proportion of women in management positions at the company. A target of at least 30% by the end of 2025 has been set for the LBBW Group.
- The topics of diversity and equal opportunity are overseen at LBBW by a diversity and inclusion manager. In accordance with the Works Agreement on Protection from Discrimination and a Cooperative Environment in the Workplace, employees who feel discriminated against can approach the staff council, representatives for employees with disabilities, the responsible manager, the social services department or the complaints office.
- LBBW expressly encourages its employees to be transparent about any irregularities and has established a whistleblowing process for this purpose: breaches of statutory regulations or internal guidelines and criminal offenses within LBBW can be reported strictly anonymously to the Compliance department or to an external, independent ombudsman appointed by LBBW. This option is available in the LBBW Group's branches and downstream companies throughout the Group.

All Group-wide regulations are also binding for LBBW's investments. Uniform ESG investment guidelines for LBBW's entire proprietary securities trading portfolio have been in place since 2022; these are based on established standards and LBBW's voluntary commitments (e.g. the UN's human rights standards and labor laws in accordance with the ILO's core labor standards). In addition to a blacklist of countries, they include in particular sector-specific regulations that adopt the standards applicable to customer business for the investment book, thereby harmonizing the requirements in both areas.

When it comes to managing staff risk, LBBW seeks to ensure that it is a highly visible and attractive employer both externally and internally.

- This includes addressing top talents by developing and marketing an authentic employer brand among the relevant target groups. HR's primary objectives are to attract qualified candidates to LBBW as an employer and ensure their loyalty for the long term, as well as to enhance the identification of existing employees with the Bank.
- Within LBBW, HR strives to achieve a high level of retention and ensure that existing top performers feel even stronger loyalty to the Bank. To facilitate growth in the face of the challenges posed by demographic change, employee retention must be accompanied by the targeted development and advancement of top performers. To this end, HR focuses on creating a work environment that fosters employees' performance and commitment and makes them passionate about their work, thereby supporting LBBW in achieving its objectives of "Growth and Relevance".

Current and future investments in environmentally sustainable and EU Taxonomy-aligned activities (Article 449a CRR table 1 row c)

LBBW supports the sustainable transformation and the EU's climate mitigation and environmental goals with a wide range of sustainable financial products and services. Sustainable investment offers are available to all customer groups in the categories that are relevant to them.

- The investment products in LBBW's product portfolio that are classified as important from sustainability perspectives include green, social and sustainability-linked bonds where the funds are used for projects in the field of environmental protection and climate change mitigation and projects of a social nature.
- The portfolio also includes funds that meet the criteria set out in Article 8 and Article 9 of the Sustainable Finance Disclosure Regulation (EU) 2019/2088. Article 8 funds take environmental and/or social aspects into consideration when selecting their investment instruments. Funds classified under Article 9 must pursue explicit sustainability objectives with their investment instruments.
- Certificates and retail bonds are also counted among LBBW's important products with sustainability characteristics. A large proportion of the volume is classified as PAI products, the sustainability characteristic referring to principal adverse impacts. The volume of outstanding products with sustainability features was further increased in 2024.
- In addition to sustainable investment products, LBBW provides an extensive range of financing solutions that focus on sustainability. A central element of this offer is real estate financing, in particular for energy-efficient residential and commercial properties. Project finance in the sustainability field, such as the financing of wind turbines, is also an important and significant element of the portfolio. ESG-linked financing is an additional component of the sustainability-focused financing solutions.

Increasing the sustainable finance volume is defined a core metric in LBBW's ESG Strategy 2025+, which was introduced in January 2025. LBBW has developed a classification instrument – the sustainable finance framework (SFF) – to record, manage and publish this metric. The environmental objectives of the EU Taxonomy and their review form the core of the “E” elements of this framework. Following its introduction, new SFF-compliant transactions have been recorded and sustainable financing volumes have been identified since the start of 2025.

Strategies and procedures for engagement with business partners on their strategies to mitigate and reduce environmental and social risks (Article 449a CRR table 1 row d and table 2 row c)

In addition to its investment and financing products, LBBW offers an important strategic service for its corporate customers in the form of its Corporate Finance Sustainability Advisory. LBBW's Corporate Finance Sustainability Advisory advises corporate customers on the sustainable transformation of their business models and offers sustainable finance solutions to fund this change.

Starting out by performing materiality analyses, Advisory advises customers on everything from their strategic focus and the development of individual climate goals in line with existing transformation and decarbonization pathways to the management of their sustainability activities.

The strong demand for this integrated approach has led to a significant expansion of the Advisory unit in recent years, while the range of services and advice has also been consistently developed and refined with the addition of issues that will arise in the future. For example, “LBBW Sustainability Readiness Checks” and “Ready4CSRD Workshops” support corporate customers in setting the right priorities. With the “ESG Customer Academy”, LBBW has also launched a new digital format in which it discusses all aspects of sustainable supply chains and the path to climate neutrality with participants.

The Sustainability Advisory units at LBBW offer expertise combined with implementation advice and support not only for companies, but also for financial institutions and institutional customers. LBBW's experts also advise banks, savings banks and institutional customers on structuring their own portfolios in accordance with ESG criteria and on issuing social and green bonds.

Internal regulations incorporate principles and exclusion criteria for ensuring compliance with human rights and environmental protection that must be taken into account in funding arrangements (see table 1 row q). The reputational and sustainability risk rules include binding review processes and comprehensive regulations for this that support the early identification of environmental, social and ethical reputational and sustainability risks in the process for deciding whether to extend credit.

Front office and risk management use portfolio-specific ESG checklists to assess borrowers within the environment (E), social (S) and governance (G) risk clusters (see table 1 row I).

With regard to environmental risks, the extent to which the borrower and their buildings, assets and revenue are exposed to physical risks and how they are preparing for the transformation is examined. To evaluate social risks, borrowers are reviewed in terms of their compliance with human rights, social and labor standards and their focus on employees and their interests.

Additional review processes are triggered if increased environmental, social and/or governance risks are identified. For example, it is mandatory for other specialist departments (Group Compliance and/or ESG Reporting & Guidelines) to be consulted to assess the sustainability-related reputational risk in cases where defined thresholds are exceeded. The specialist departments prepare a comprehensive statement that is included in the underlying process for deciding whether to extend credit.

Governance

Involvement of the management body in supervising and managing environmental objectives/risks and social risks (Article 449a CRR table 1 row e and table 2 row d (i)–(iv))

The focus of the risk strategy regarding the ESG-relevant risk drivers is defined by the Board of Managing Directors. The starting point for this is the ESG risk inventory that is conducted every year and that involves a materiality analysis for a broad set of ESG risk drivers. The results are approved in the Risk Committee and submitted to the Board of Managing Directors. The risk strategy is discussed in detail with the Risk Committee of the Supervisory Board. Please refer to the statements on Article 449a CRR table 1 rows a and b for specific requirements and the risk appetite.

The Board of Managing Directors is provided with regular comprehensive reports on the development of the physical and transition risks in particular. These reports include evaluations of the status of the transformation at our customers (transformation pathways) and of our portfolio (financed emissions) as well as the susceptibility of our own assets and financed assets to physical risks.

As the management body, the Board of Managing Directors accepts the results of the annually updated materiality analysis in the event of relevant changes. The objectives relating to material impacts, risks and opportunities are defined by the ESG Strategy 2025+.

The ESG Strategy 2025+ adopted by the Board of Directors at the end of 2024 is a downstream strategy of LBBW's business strategy. The central ESG unit presents the implementation of the due diligence requirements in the area of sustainability and the results and effectiveness of the content and objectives resolved as part of the ESG Strategy to the Board of Managing Directors each year. This ensures that material impacts, risks and opportunities are taken into consideration in the monitoring of the strategy and in decisions on important transactions.

By signing LBBW's declaration on the Modern Slavery Act every year and the policy statements on the German Supply Chain Act, the Board of Managing Directors reaffirms the Bank's commitment to human rights and the environment in its supply chains and its field of business and highlights its preventive measures. The relevant documents are published on the LBBW website.

Social, non-financial staff risks are regularly analyzed and evaluated by HR and appropriate preventive measures are initiated. The measures are geared toward LBBW's aspiration of becoming the top employer in the German banking sector in line with the "Inspire Employees" strategic lever. In 2024, the Board of Managing Directors prioritized the compensation and benefits concept, new career paths, enhanced and connected learning programs and talent management. Responsibility for implementing the measures lies with the divisional and departmental HR managers in line with the target agreements.

Link between social/environmental risks and credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

(Article 449a CRR table 1 row r and table 2 row m)

A detailed ESG risk inventory is carried out for the cross-cutting ESG risk as part of the annual Group risk inventory process. This inventory analyzes what impact ESG risk drivers have on the existing financial risks (including credit risk, liquidity risk and market price risk) and non-financial risks (especially operational risk). To ensure the greatest possible consistency with the requirements within the CSRD materiality analysis, the risk drivers for the ESG risk inventory are derived from the ESRS standards.

A total of 22 ESG risk drivers were examined to determine whether there was any possible impact on the existing financial and non-financial risk types. The assessment distinguishes between short, medium and long-term horizons. For the financial risk types, physical risk drivers (flooding and heat/drought) and transition risks are deemed to be material with regard to credit risk.

For the non-financial risk types of compliance and tax compliance, the area of governance is deemed to be material. Individual risk drivers were identified as having relevance with potential materiality for both model risk and reputational risk. This assessment recognizes the dynamic nature of the ESG risk drivers, which can change at short notice.

The potential impact on the portfolio from biodiversity risks was also examined in the course of the risk inventory. The portfolio-wide impact of biodiversity risks lies within a very small range and is not material.

Integration of short, medium and long-term environmental factors and risks at the level of the management body and within internal control functions

(Article 449a CRR table 1 row f)

The impacts of environmental, social and governance risks on the traditional risk types are investigated in the course of the annual risk inventory as described above. The transmission channels and the materiality of the impacts are systematically assessed over the short, medium and long-term horizons. The materiality assessment is submitted to the Risk Committee and the Board of Managing Directors as a whole for their information.

Following the materiality assessment, the structure and intensity of risk management in front office units and control functions is determined and additional measures are derived by the management body. These related to the definition of the risk appetite, among other things. Regular reports concerning the material physical and transition risks are submitted to the Board of Managing Directors as a whole.

As part of its Group-wide stress testing program, LBBW also regularly carries out extensive climate risk stress tests and discusses the results in the Risk Committee and the Board of Managing Directors.

Integration of measures to manage environmental and social risks in internal governance arrangements, including the role of committees

(Article 449a CRR table 1 row g and table 2 row e)

The sustainable transformation of the economy and changing environmental factors mean that ESG risks are constantly gaining in importance in risk management. Both the expected increase in carbon pricing and other regulatory measures and the growing incidence of extreme weather events pose financial risks to LBBW's portfolio.

The ESG risks have an impact on the established risk types as cross-cutting risks. As presented above, the impact of climate risks on credit risk has been identified in particular as material in the risk inventory, while the impacts of various ESG risk drivers on reputational risk and model risk have also been identified as relevant. This means the Bank's core processes are affected. The governance risk driver "compliance breaches" has been deemed material for the compliance and tax compliance risk types, as the definition of the risk is identical to that in the Group risk inventory. Social risks do not have a material impact on the exposures.

Accordingly, sustainability risks are monitored and managed on an ongoing basis in the course of business using the existing risk processes. At the level of the Board of Managing Directors, this includes the Risk Committee (risk monitoring, determining risk methodology), the Asset Liability Committee (interest (banking book), management of FX, liquidity, capital and balance sheet structuring of the LBBW Group) and the Credit Committee (credit decisions in accordance with credit/trade decision-making system).

Responsibility for the ongoing consideration of sustainability risk (ESG) is divided among the units in accordance with the three lines of defense.

- Operational responsibility in the first line of defense lies with the areas responsible for the transaction based on the risk type (in particular credit and transaction-related reputational risk) in cooperation with the ESG Group Transformation department. Non-transaction-related risk management within the first line of defense is the responsibility of the ESG Group Transformation department together with all divisional managers and managing directors of Group subsidiaries.
- The monitoring function in the second line of defense is split between Risk Control (portfolio monitoring of ESG risks), Group Compliance (second line of defense for compliance and reputational risks) and COO Risk Management (ESG-related lending process guidelines).
- As the third line of defense, Internal Audit monitors the first and second lines and assesses the appropriateness and effectiveness of risk management.

The management process for credit risks that are materially impacted by ESG risks is presented below:

In the first line of defense, the front office units and Risk Management manage the lending portfolio in accordance with the strategic requirements. The portfolio is determined by the lending decisions taken in the first line of defense determine, and any reputational risks that may be present are included in the decision.

The Board of Managing Directors sets ESG-related guidelines on the strategic focus, risk appetite and the decision-making system and thus defines the operational framework for the management of the first line of defense. The portfolio is monitored on this basis in the second line of defense. To this end, indicators such as emission intensity are identified or stress scenarios are calculated using established methods. The Board of Managing Directors is regularly provided with specific risk reports on the development of the ESG risks on this basis and is supported by the Risk Committee in performing these tasks.

Finally, as the third line of defense, Internal Audit regularly reviews the risk management system described.

A special role in the process is assigned to the Chief Risk Officer (CRO). They are responsible for the risk strategy and risk assessment, including environmental risks, take charge of ongoing risk management and chair the Credit Committee. The Credit Committee decides on loan applications or prepares decisions for the Board of Managing Directors in line with the decision-making rules. The Board of Managing Directors takes climate risk into account in individual loan approval decisions.

At the level of the Supervisory Board, the Risk Committee acknowledges and discusses reports and presentations on risk monitoring, the risk strategy, explanations of the risk appetite and the risk methodology, including climate-related risks.

Environmental and social risks in internal reporting

(Article 449a CRR table 1 row h and table 2 row f)

Environmental risks are integrated into ongoing monitoring. The Board of Managing Directors is informed about transition risks once a quarter and about physical risks every six months at the level of the LBBW Group by way of risk reports.

These reports present and discuss the most important developments in transition and physical risks at portfolio, sector, segment and customer level. The development of the sector pathways is also reported to senior management in detail on a quarterly basis.

In addition, the half-yearly internal sector reports include a qualitative assessment of the ESG risks at portfolio level and present the development of the average emission intensity and the most relevant customers in the respective sector.

The materiality of social risks in terms of their impact on the business portfolio are investigated in the course of the annual ESG risk inventory. No materiality has been identified so far, which is why no internal reports on social risks are produced.

Remuneration policy in connection with social and environmental risks

(Article 449a CRR table 1 row i and table 2 row g)

The strategic levers (including “Social Contribution” and “Sustainable Transformation”) are monitored at the business segment level using incentive systems. At the LBBW Group, the Group remuneration strategy provides the framework for the design and implementation of the remuneration systems. It is derived from the overall Group and risk strategy, the ESG strategy and the HR strategy. This ensures that the strategic requirements are implemented in LBBW’s remuneration systems and processes. Sustainability aspects are thus an integral element of the remuneration policy and are included both in the individual target agreement and in the measurement of success. Qualitative and quantitative parameters are applied and constantly refined.

In addition, LBBW expressly supports the principle of gender-neutral remuneration for the same or equivalent work and performance and endeavors to grant every employee fair, non-discriminatory remuneration. The Group remuneration strategy ensures that the remuneration systems are essentially based on performance, results and the market, thereby ruling out any pay discrimination based on gender.

Integration of governance arrangements of business partners in institution’s own governance and risk management]

(Article 449a CRR table 3 rows a, b, c and d)

We do not enter into business relationships with partners that are known to violate laws or international conventions, conceal their true identity or ownership structure, engage in money laundering or finance terrorism. We also expect our suppliers and service providers to commit to respecting human rights, to undertake to establish appropriate due diligence processes and to pass on this expectation to their own suppliers. We ensure this when granting loans by implementing clear guidelines and exclusion criteria (see table 1 row q). Governance risks are taken into account throughout the entire credit process, starting with customer onboarding.

An ESG checklist tailored to the portfolio in question is used to identify specific governance risks of the borrower (see table 1, row l). This checklist is used to examine whether the company has any external or internal guidelines that govern compliance with statutory requirements in the areas of tax, corruption and competition. The extent to which governance already engages with sustainability aspects and integrates ESG targets into the company’s guidelines is also evaluated.

In accordance with the anti-money laundering guideline, it must also be ensured that customers and their beneficial owners are continuously monitored for negative news. To support this, Compliance has established a standardized technical process for identifying negative news on money laundering and criminal acts with money laundering relevance in connection with new and existing customers and their beneficial owners. Compliance forwards any hits generated by this system to the unit with customer responsibility for assessment.

Risk management

Integration of short, medium and long-term effects of social/environmental factors and risks in the risk framework

(Article 449a CRR table 1 row j and table 2 row i)

Each risk management process starts by identifying risks in the Bank’s own business model. ESG risks that arise in connection with LBBW’s business model are systematically evaluated in the course of the ESG risk inventory. These are cross-cutting risks that, as risk drivers, can impact a variety of risk types.

Material ESG risks are subsequently measured to the greatest possible extent, evaluated and reported on with regard to their (short, medium and long-term) implications, incorporated into the risk management process as described and underpinned by a risk strategy. Potential effects of ESG risks on the portfolio are also examined for several medium and long-term time periods in scenario analyses.

Climate and environmental risks cover transition and physical climate risks, physical environmental risks and biodiversity risks. As described above, the set of ESG risk drivers is based on the ESRs standards in order to enable consistency with the CSRD materiality assessment. Criteria are selected for each risk driver that can be used to assess the vulnerability of the credit portfolio. Depending on the risk type, indicators calculated internally by the Bank (e.g. emission intensities) or publicly available data (e.g. Human Freedom Index, World Bank hazard maps of physical risks or the Sustainability Accounting Standards Board (SASB) Materiality Map) are used to assess the impact of ESG risk drivers on

the portfolio of the counterparty in question over various time horizons. If the share of the portfolio affected exceeds materiality thresholds, this risk driver is classified as material.

The analyses within the 2024 ESG risk inventory were expanded in the same way as the risk drivers so that the most relevant risk types (including credit risk, liquidity risk, market price risk, business risk, operational risk) are assessed by means of quantitative analysis. To improve the comparability of a purely qualitative assessment, an evaluation matrix has been used since 2025 that combines the probability of occurrence and the severity to produce an amount of economic capital.

Because of the complex effect that ESG risk drivers have, the assessment scale was designed in such a way that, in addition to the assessments of “material” and “not material”, it is possible to rate risk drivers as “relevant and potentially material”. This includes risk types that are not currently material but where the possibility of a material risk arising in the future cannot be ruled out.

Beyond the risk inventory, the “ESG Risk” group in risk controlling is also involved in the new product process (NPP), where it offers an opinion if a new product has impacts on LBBW’s physical risks and financed emissions.

Methodologies and international standards on which the environmental and social risk management framework is based

(Article 449a CRR table 1 row k and table 2 row h)

As discussed in the section on the risk inventory, LBBW treats ESG risks as cross-cutting risks that can affect the Bank’s risk types. The ESG-specific elements are integrated into LBBW’s existing risk management structure accordingly. This is based on the requirements of section 25a KWG and MaRisk as well as the relevant EBA guidelines. The more detailed understanding set out in the ECB’s “Guide on climate-related and environmental risks” is also taken into account in ESG risk management.

LBBW bases the relevant methods and processes on the standards, data sources and procedures that are currently still being developed.

For example, the risk inventory uses publicly available data (e.g. Human Freedom Index, World Bank hazard maps of physical risks or the Sustainability Accounting Standards Board (SASB) Materiality Map) to assess the impact of ESG risk drivers on the portfolio of the counterparty in question over various time horizons. The scenarios of the Network for Greening the Financial System (NGFS) are used in the stress test. The quantification of financed emissions uses data from Eurostat, is based on the methods of the Partnership for Carbon Accounting Financials (PCAF) and is continuously enhanced in line with the gradually increasing levels of data quality defined therein.

In accordance with the requirements of the German Supply Chain Act (LkSG), LBBW also performs human rights and environmental risk analyses to examine its own area of business and its suppliers. The risk analyses are performed once a year and on an ad hoc basis. Firstly, potential risks at sector and country level are evaluated in an abstract risk analysis based on defined risk factors. If a probable risk is identified, LBBW then performs a specific risk analysis in which the affected supplier or the Bank’s own area of business in question is investigated in greater detail.

LBBW takes appropriate preventive measures when it identifies a relevant risk in its own area of business based on the risk analysis, e.g. by implementing suitable procurement strategies and purchasing practices in order to avoid or mitigate the risks that have been identified.

Processes for the identification, measurement and management of exposures/activities and environmental risks

(Article 449a CRR table 1 row l)

As discussed in the section on Article 449a CRR table 1 row j, the risk inventory initially identifies the risk drivers that have a material impact on LBBW's risk situation. LBBW's portfolio is screened for potentially critical sectors and countries using publicly available data (e.g. the Human Freedom Index or the Sustainability Accounting Standards Board (SASB) Materiality Map). The impact of climate risks on credit risk in particular is currently identified as material, while the impacts of various ESG risk drivers on reputational risk are also regarded as relevant. Materiality is assessed on the basis of the double materiality concept.

Accordingly, LBBW uses portfolio-specific ESG checklists to assess potential ESG risks in credit exposures. LBBW and Berlin Hyp harmonized the ESG real estate financing checklist in 2023. Questions are defined in the environment (E), social (S) and governance (G) risk clusters that help front office and risk management to identify and evaluate potential ESG risks. Based on the evaluation of the questions, four sub-scores and an overall ESG score are calculated automatically in the ESG checklist using a five-point scale. Since 2023, if the thresholds for the ESG score set out in the credit risk strategy are exceeded, the next-highest person responsible in accordance with the decision-making hierarchy for loans and trading must decide whether to approve the loan. Material risks for customers that have already been identified in the lending process are taken into account in the internal rating procedure.

Loan applications are also examined for compliance, reputational and sustainability risks based on the internal lending rules (see table 1 row q). Consultation with Group Compliance and the ESG Group Transformation department is mandatory as part of the lending process when specific compliance, reputational or sustainability risks are present (see table 1 row d and table 2 row c).

The sub-scores calculated using the ESG checklist, the overall ESG score and the statements are included in the loan application and taken into account in the lending decision. In addition, the positive and negative aspects of the results of the ESG risk assessment across all risk clusters are compared in the loan application. This can result in the transaction in question being rejected.

The calculation of the market value and mortgage lending value of real estate collateral takes account of various location-related and property-related indicators (e.g. building carbon intensity, site contamination, location-related emissions and immisions, etc.) by fixing the values of these indicators, as calculated using expert opinions, within the collateral provision. Changes in environmental and climate risks are also monitored on a regular basis.

In addition to ongoing risk management for individual credit exposures, LBBW monitors the risk effects arising from transition and physical risks at portfolio level using the procedures described in the section on Article 449a CRR table 1 row n.

Moreover, LBBW's lending rules for sustainability and reputational risks stipulate additional review procedures for exposures in environmentally sensitive sectors. For example, financing projects in the agriculture and forestry sector in the area of soya, palm oil, cotton and logging, in fisheries and aquaculture and in cattle farming in South America are possible only under certain conditions.

LBBW also has a product certification process for derivatives and conducts a reputational risk review for new products as part of the New Product Process (NPP).

In LBBW's corporate customer business, a shared sales philosophy helps to ensure that operating activities are based on portfolio analysis and strategic portfolio management. Within this sales network, the business strategy for the individual customer relations is defined taking into account factors such as the future viability and transformability of the business model. This ensures that LBBW lives up to its defined role as a driver of transformation and that the resources that are used contribute to the sustainable transformation of the economy.

Activities and commitments contributing to the mitigation of social and environmental risk

(Article 449a CRR table 1 row m and table 2 row j)

The ESG strategy 2025+ serves as a model for all sustainability activities and, especially with the designated core topics, provides the framework for ESG in the LBBW Group. Targets and actions have been defined for the six core topics in total: climate/decarbonization, nature/resources, customers, employees, society and corporate governance.

A monitoring process is being introduced to follow up on the measures derived from the ESG Strategy 2025+ and systematically track the progress and results of these measures. The effectiveness of the actions will be ensured through

their implementation, the evaluation of new actions and the review of relevant metrics. The monitoring process came into effect together with the ESG Strategy from the beginning of 2025, progress will be measured annually starting in 2026.

Examples of actions to put the ESG Strategy 2025+ into operation:

- Climate-neutral focus of the LBBW business portfolio by no later than 2050:
To achieve this objective, a comprehensive transition plan will be developed that will define specific actions and include a methodology for reviewing their effectiveness and measuring the progress made.
- Increase in the volume of transition and sustainable finance:
LBBW actively supports the sustainable transformation of industry and society and is pursuing the goal of increasing the volume of transition and sustainable finance.
- Increase in social assets as part of the sustainable finance volume:
LBBW is endeavoring to continually expand the volume of social assets that form part of the sustainable finance volume.
- Consideration of ESG criteria in proprietary investments:
The requirements for proprietary investments at LBBW (Bank), Berlin Hyp AG and LBBW Immobilien Management GmbH will be further refined in view of ESG aspects by 2026.
- Development of renewable energies:
LBBW is pursuing the goal of further expanding its financing in the area of renewable energies. The business target for the development of renewable energies is defined on an annual basis.
- Actions to maintain the high level of employee satisfaction, to further promote diversity, equality and inclusion and also to increase the proportion of women in management positions.

LBBW applies clear guidelines, exclusion criteria (see table 1 row q) and uniform credit risk assessment (see table 1 row l) to ensure that social risks and environmental risks are identified at an early stage in financing projects. If increased risks are identified in the credit risk assessment based on the ESG checklist, the procedure for additional reviews by the Compliance and ESG Group Transformation departments is triggered as described in table 1 row l.

LBBW models its internal policies and operating processes not only on the statutory requirements and regulations, but also on internationally recognized standards and voluntary commitments. The protection of universal human rights and fundamental labor rights is particularly important in this respect. LBBW also expects its business partners to comply with these values.

A human rights officer has been appointed in accordance with section 4 (3) LkSG. This officer is responsible for monitoring risk management (including in the supply chain) and implementing the reporting and documenting requirements pursuant to the LkSG. The human rights officer reports to the Board of Managing Directors and is the central point of contact for the Federal Office for Economic Affairs and Export Control (BAFA). The human rights officer also provides support during updates to the policy statement and reviews whistleblowing.

When it comes to project finance, LBBW pays particular attention to the protection of indigenous peoples and their cultural heritage. If transactions are likely to have an impact on indigenous peoples, specific requirements are applied with regard to factors such as respect for human rights, ecological impacts on the region affected and the consideration of land rights. If resettlements are unavoidable, LBBW expects our customer companies to act in compliance with national laws and regulations and – where applicable – Performance Standard PS 5 (“Land Acquisition and Involuntary Resettlement”) of the International Finance Corporation (IFC). In the case of project finance in which LBBW identifies potential impacts on indigenous peoples, it expects its customer companies to act in accordance with the objectives and requirements of IFC Performance Standard PS 7 (“Indigenous Peoples”). If the resettlement of communities is unavoidable as part of a financing project, it is first necessary to obtain free, prior and informed consent (FPIC) from the groups in question and to involve them actively in decision-making and implementation processes.

Tools for the identification, measurement and management of environmental risks

(Article 449a CRR table 1 row n)

In addition to evaluating individual credit exposures using the ESG checklist and the rating procedure (see table 1 row l), LBBW employs various methods and tools to systematically assess ESG risks in relation to portfolios and to determine the impacts on relevant divisions and segments. Financed emission accounting, the physical risk tool and ESG stress testing are solutions that LBBW has developed in-house and that are constantly being expanded and fleshed out in detail in line with the market standards that are still in the process of development.

Transition risks are material factors that influence LBBW's credit risk. A wide range of measures can help mitigate transition risks. For example, investments can prepare a company for expected changes in the general environment. A core element for estimating transition risks is the emission intensity of the respective transaction. To calculate the greenhouse gas footprint, LBBW uses the published scope 1, scope 2 and scope 3 greenhouse gas emissions wherever possible. If no data is available for individual customers, aggregate sector data based on EUROSTAT is used. This sector data is determined in an external report prepared by the consultancy firm MACS Energy & Water GmbH, which specializes in sustainability in the finance sector. In the "commercial real estate" and "mortgages" asset classes, the relevant property information is either obtained from the energy certificates of the properties or approximated based on specific property information, thus allowing the GHG emissions of the properties to be determined. For the "project finance" asset class, project-specific information is applied using the physical activity method where possible. If this information is not available, corresponding sector data continues to be used for project finance.

Using the financed carbon accounting method that is applied, the financed share of the reported or estimated scope 1, scope 2 and scope 3 greenhouse gas emissions is calculated for each transaction (defined as scope 3.1, 3.2 and 3.3 for LBBW, with scope 3.X describing the consideration of LBBW's scope 3 (financed emissions) relative to the underlying scopes 1, 2 and 3 of its customers). The calculation method is based on the standard of the Partnership for Carbon Accounting Framework (PCAF). LBBW is working to further improve the methodology it applies based on PCAF and aims to expand the coverage by including published emissions. The financed emissions that are calculated and their development compared with the targets are monitored in detail in the reports described in the section on Article 449a CRR table 1 row h. The figures calculated are regularly published by LBBW.

The financed emissions (scopes 3.1 and 3.2) to be published in accordance with Article 449a of the Capital Requirements Regulation (CRR) relate to the sub-portfolio of the credit exposures in the banking book to corporate customers (excluding derivatives and line agreements in particular). A breakdown of the financed emissions calculated in this way by sector can be found in Template 1: "Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity".

The GHG Protocol defines a total of 15 sub-categories for scope 3.3. In accordance with the PCAF standard, LBBW does not report any financed emissions for scope 3.3 for the "commercial real estate" and "mortgages" asset classes. The coverage with individual customer data is still low for the 15 sub-categories as far as credit exposures to corporate customers are concerned. Accordingly, the estimation of the scope 3 emission intensity for each NACE sector and sub-category is subject to heightened uncertainty. MACS Energy & Water GmbH counteracts this by taking additional sector-specific headline indicators into consideration.

Drawing on the World Bank hazard maps, LBBW developed the physical risk tool to analyze the impact of chronic and acute physical climate risks on credit risk. Depending on the characteristics of the exposure being assessed, a local, regional or sectoral approach is applied. For real estate, the impact of individual physical risk drivers (including flooding) on the status quo is assessed for individual locations using a four-point scale. Companies with a regional focus are assessed using aggregated hazard maps for the region in which the company headquarters are located. Major international companies often have a large number of regionally diversified production sites. Physical risks at these companies are therefore measured on a sectoral basis using the Sustainability Accounting Standard Board (SASB) Materiality Map and the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC AR5). An impact from flooding risk is the most commonly observed factor. In particular, this affects assets in the portfolios for companies and collateral in Germany.

A breakdown of the portfolios affected by high physical risks by region is presented in the disclosure report as at 30 June 2025 in Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk.

LBBW uses climate risk stress tests as a key tool to quantify the potential impact of climate and environmental risks on the Bank's portfolio and to investigate any potential effects on capital adequacy, i.e. whether equity is adequate in proportion to the risks. Given the long-term nature of these risks, the tests serve primarily as an early warning and a way of identifying the need to take action. This means that further analyses can be carried out in good time or long-term countermeasures prepared.

As part of its Group-wide stress testing program, LBBW has regularly carried out extensive climate risk stress tests since 2021 and discusses the results in the Risk Committee and the Board of Managing Directors. In line with the results of the Group risk inventory, the climate risk stress test covers all climate-related transition and physical risks that are considered material. The scenarios in the internal LBBW climate risk stress tests are designed by Risk Controlling using science-based climate risk scenarios and risk analyses. The scenarios are parameterized and calculated for various horizons (long-term horizons over 20 years).

Transition climate risk scenarios are based on scenarios from the Network for Greening the Financial System (NGFS). The scenarios, especially in the long-term analysis, are derived among other things with the aim of testing LBBW's strategic portfolio focus under adverse conditions (e.g. faced with an unfavorable sharp rise in the carbon price). A baseline climate risk scenario has been developed internally at LBBW for this purpose. This links an NGFS transition risk scenario with components that make up LBBW's strategic portfolio focus. The current baseline climate risk scenario therefore also benefits from LBBW's established sector paths for greenhouse gas emissions in various industrial sectors.

Physical climate risk scenarios are also designed on the basis of the latest scientific findings. Realistic scenarios have consequently been defined that test the resilience of the Bank's portfolio against once-in-a-century flooding (coastal/inland floods or flooding of the Rhine). Flood maps from the World Bank and the Joint Research Centre Data Catalogue of the European Commission (JRC) are used for this purpose.

LBBW's climate risk stress tests are bottom-up stress tests with a focus on credit risks, especially in the Bank's corporate customer and real estate portfolio. Greenhouse gas emission intensity and real estate locations are used as data inputs for calculations at individual customer level. Depending on whether the scenario focuses on transition or physical risks, the methodological assumptions center on company profits or real estate market values. Transition risks modeled in the climate risk stress tests in the form of a rise in carbon prices impact companies' operating income and expenses and real estate market values. Flooding risks result in damage to buildings, and hence also changes in real estate market values. Declining operating earnings and real estate market values translate into default rates and loss rates, and the impact of these stress effects on the Bank's relevant KPIs such as RWA (risk-weighted assets) and allowances for losses on loans and securities is analyzed.

A climate risk stress test is being calculated in 2025 as part of the regular update and revision of the climate risk stress test. In addition to transition and flooding risks, this encompasses the new material risk types of heat/drought and torrential rain. The revised climate risk stress test also incorporates new requirements such as the Guideline on ESG Risk Management (EBA/GL/2025/01) and draws on current market developments and NGFS scenarios.

Tools for the identification, measurement and management of social risks

(Article 449a CRR table 2 row k)

With regard to staff risks, a number of staff KPIs relevant for controlling are used as indicators for measuring performance. These include length of service, the proportion of women in the workforce and in management, turnover, recruitment KPIs and data from HR.Insights. These indicators are regularly evaluated and discussed by the Board of Managing Directors and provide relevant insights into the progress status or a basis for strategic stimuli.

The relevant non-financial staff risks are to be minimized by establishing an appropriate risk monitoring and management concept.

The risks are measured in periodic evaluations and analyses and in company-wide comparisons of key staff indicators such as turnover rates and absences or data on staff development measures.

Results of the risk tools implemented and the estimated impact of environmental risk on the capital and liquidity risk profile

(Article 449a CRR table 1 row o)

As already described in the section on article 449a CRR table 1 row j, the starting point for risk management is the risk inventory, which determines the material risks for the Group. Material risks are taken into account in principle in the ICAAP and ILAAP.

As the impacts of ESG risks on liquidity risks are not currently considered to be material for LBBW, the analyses and calculations focus on the impact of ESG risks on capital.

Moreover, no social or governance risks are taken into account in the stress test alongside the climate and environmental risks, as the ESG risk inventory has not identified any materiality for credit risk. LBBW's stress testing framework defines ESG scenarios as a separate scenario class in order to ensure that climate and environmental risks are taken into account to an appropriate extent in LBBW's internal stress test. In connection with the results of the ESG risk inventory, the focus is on transition and physical climate and environmental risks. Material ESG risks are taken into account in the normative and economic ICAAP via three dimensions:

- Short term (1 year): ESG-relevant developments that can already be identified are taken into account using the rating or the 1-year PD
- Medium term (1 to 5 years): ESG risks are taken into account through economic planning, including corresponding scenarios
- Long term (> 5 years): ESG risks are analyzed in the course of climate risk stress testing

In the area of capital risks, the ESG risk inventory currently classifies the impacts of climate and environmental risks on the Bank's credit portfolio as material, whereas the impacts of social and governance risks are classified as not material. In line with this classification, the focus of LBBW's ESG stress tests is currently on climate and environmental risks. For example, the results of the current climate risk stress tests indicate that the impact of climate risks on LBBW will turn out to be moderate and can be comfortably absorbed in capital ratios and loan loss allowances. In the short to medium-term perspective, this is due, among other things, to the good diversification of LBBW's portfolio and its broad focus as a medium-sized universal bank. In the long-term perspective, the climate risk stress tests also show that the customer transformation that is supported by LBBW can additionally protect the Bank against carbon price risks in the long term. The results of the flood scenarios show that LBBW's flooding risk is low overall, appears to be well diversified and, in view of its risk management, can be addressed primarily at the level of individual exposures.

Availability and quality of data for environmental risk management

(Article 449a CRR table 1 row p)

Data availability and quality and the fact that there is still not a fully developed market standard governing all aspects of ESG risk and measurement continue to pose challenges. Despite making increasingly extensive use of external data providers and intensifying the use of specific customer data where available, LBBW will continue to be dependent on estimates, models that are still undergoing development and approximations in many areas over the years ahead. Accordingly, fluctuations in results and changes in estimates over time cannot be ruled out.

In view of the increased use of information about sustainability aspects within the Bank and to facilitate efficient data management in accordance with the current standards, LBBW has developed a centralized ESG database, known as the ESG core, as a single point of truth. The ESG core is the leading system for ESG data. This is true for existing ESG data and ESG data from external providers as well as for data on ESG results. The ESG core bundles the core functions that are required in this context, including archiving. To monitor data quality, the data in the ESG core is integrated into LBBW's existing central data quality framework. The relevant data controller is responsible for data quality and for establishing monitoring activities.

Limits / exclusion criteria for funding to prevent social and environmental risk

(Article 449a CRR table 1 row q, table 2 row l)

As discussed in the sections on table 1 rows a and b, LBBW has defined quantitative goals and qualitative principles for its ESG risk tolerance in its risk appetite statement that are consistent with the business strategy of sustainable transformation by design.

A target for emission intensity at Group and segment level is defined annually as a key risk indicator. Sector targets for 2030 are also defined for the most energy-intensive sectors.

General qualitative guidelines have additionally been defined to account for ESG risks. These provide a framework for all activities in the LBBW Group and are set out in more specific detail in the form of requirements and exclusions.

The exclusion criteria are clustered in ESG categories (environment, social and governance). The lending rules for reputational and sustainability risks are regularly supplemented by additional guidelines or existing guidelines are revised.

LBBW currently defines the following exclusions for environmental, social and governance criteria:

- LBBW excludes companies that produce cluster munitions and/or anti-personnel mines.
- Furthermore, LBBW does not provide general corporate finance to companies involved in the production of biological or chemical weapons.
- LBBW does not support financing related to pornography, controversial forms of gambling or uranium mining without sufficient environmental and safety standards.
- LBBW is also withdrawing from business with the coal industry and no longer lends to companies that build new coal-fired power plants or coal mines or that intend to increase their capacities in these areas.

- Moreover, clear thresholds have been set for energy suppliers regarding the share of energy or revenue generated by coal. In addition, lending guidelines are in place for agriculture and forestry that regulate how we deal with the commodities palm oil, soya, cotton and logging as well as for oil and gas, fishing and aquaculture and cattle farming in South America.

The detailed exclusions and ESG criteria are updated in LBBW's sustainability regulations on an ad hoc basis throughout the year.

Additional review processes are triggered if increased risks are identified using the ESG checklist (table 1 row d and table 2 row c).

16.2 Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (EUR million)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (EUR million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: percentage derived from company-specific reporting**					Average weighted maturity
Sector/subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks**	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which scope 3 financed emissions		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	
1 Exposures towards sectors that highly contribute to climate change*	92,405	7,186	32,286	2,300	- 1,290	- 515	- 719	69,336,584	63,568,828	5.12%	62,177	16,120	7,284	6,824	5.87
2 A – Agriculture, forestry and fishing	130		22	4	- 2	- 1	- 2	522,939	413,260		78	47	4	0	4.62
3 B – Mining and quarrying	649	568	591	7	- 4	- 3	- 0	2,980,053	2,488,088	1.75%	583	63		3	3.61
4 B.05 – Mining of coal and lignite	7	7		7	- 0		- 0	48,760	42,771		2	4			4.15
5 B.06 – Extraction of crude petroleum and natural gas	40	40	40		- 0			158,044	143,335	9.29%	40				3.33
6 B.07 – Mining of metal ores	0		0		- 0	- 0		16	13		0				1.83
7 B.08 – Other mining and quarrying	78		30	0	- 1	- 0	- 0	377,059	311,940		52	23		3	4.59
8 B.09 – Mining support service activities	523	521	521		- 3	- 3		2,396,174	1,990,029	1.45%	488	35			3.48
9 C – Manufacturing	17,655	477	6,797	699	- 396	- 163	- 217	39,003,300	37,166,057	8.70%	14,399	2,799	383	73	2.71
10 C.10 – Manufacture of food products	1,855		254	14	- 8	- 2	- 3	2,481,387	2,368,455	3.13%	1,485	305	64		2.82
11 C.11 – Manufacture of beverages	323		83	70	- 5	- 0	- 5	182,657	162,526		248	75			2.83
12 C.12 – Manufacture of tobacco products	9	1	1		- 0	- 0		2,423	1,857		9	0			3.23
13 C.13 – Manufacture of textiles	417		248	15	- 4	- 3	- 1	1,016,261	996,158		184	220	13		5.25
14 C.14 – Manufacture of wearing apparel	79		57	1	- 2	- 1	- 1	18,188	14,712	1.20%	46	33			4.35
15 C.15 – Manufacture of leather and related products	79		6	0	- 0	- 0	- 0	39,266	35,451		79	0			2.30
16 C.16 – Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	748		428	4	- 10	- 7	- 3	1,508,245	1,427,676	15.61%	359	385	4		5.02
17 C.17 – Manufacture of paper and paper products	423		213	33	- 11	- 2	- 9	413,517	263,333	1.59%	300	108	15		3.24
18 C.18 – Printing and reproduction of recorded media	178		30	4	- 2	- 0	- 2	394,041	386,147		140	38		0	3.06

	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (EUR million)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (EUR million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)							
Sector/subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks**	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures	Of which scope 3 financed emissions	GHG emissions: percentage derived from company-specific reporting***		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity
19	C.19 – Manufacture of coke and refined petroleum products	177	1	169	– 1	– 1		634,947	530,361	25.29%	174	3			0.36
20	C.20 – Manufacture of chemicals and chemical products	756	117	376	– 21	– 7	– 13	1,452,181	1,207,843	11.01%	510	168	78		4.12
21	C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations	627	44	58	– 2	– 1		64,366	58,369	5.02%	606	14	7	1	1.97
22	C.22 – Manufacture of rubber products	1,093		445	– 20	– 5	– 14	4,689,578	4,569,780	1.23%	788	256	49		3.56
23	C.23 – Manufacture of other non-metallic mineral products	910		180	– 4	– 2	– 1	1,018,539	621,415	16.14%	785	125			2.41
24	C.24 – Manufacture of basic metals	673		426	– 30	– 24	– 5	1,224,068	898,823	21.43%	524	130		19	3.52
25	C.25 – Manufacture of fabricated metal products, except machinery and equipment	1,137	32	836	– 60	– 35	– 23	2,809,675	2,749,829		937	174	25		2.70
26	C.26 – Manufacture of computer, electronic and optical products	811	10	269	– 14	– 6	– 7	2,351,077	2,336,760	19.15%	712	77	21		2.50
27	C.27 – Manufacture of electrical equipment	806	1	352	– 9	– 6	– 3	2,786,647	2,773,253	4.04%	634	109	16	46	3.78
28	C.28 – Manufacture of machinery and equipment	1,978	14	1,209	– 76	– 40	– 33	9,629,367	9,595,236	9.37%	1,711	201	64	2	2.23
29	C.29 – Manufacture of motor vehicles, trailers and semi-trailers	2,668	257	730	– 91	– 16	– 73	4,519,085	4,425,982	18.70%	2,450	206	7	5	1.41
30	C.30 – Manufacture of other transport equipment	558		238	– 2	– 1	– 1	1,427,750	1,420,470	0.10%	518	33	7		1.06
31	C.31 – Manufacture of furniture	144	2	54	– 3	– 2	– 2	70,152	68,379		109	35			2.92
32	C.32 – Other manufacturing	1,153		108	– 19	– 1	– 18	153,893	138,073	1.47%	1,056	85	12		2.46
33	C.33 – Repair and installation of machinery and equipment	54		28	– 1	– 1	– 0	115,992	115,170		36	18		0	4.26
34	D – Electricity, gas, steam and air conditioning supply	5,774	5,767	950	– 29	– 27	– 1	3,357,180	2,156,854	10.49%	1,660	1,254	2,560	301	10.12
35	D.35.1 – Electric power generation, transmission and distribution	5,566	5,560	866	– 22	– 20	– 0	3,203,961	2,069,379	10.89%	1,603	1,199	2,463	301	10.18
36	D.35.11 – Production of electricity	4,367	4,366	743	– 21	– 19	– 0	2,174,184	1,333,581	7.18%	1,233	891	2,028	215	9.90
37	D.35.2 – Manufacture of gas; distribution of gaseous fuels through mains	66	66	16	– 0	– 0		69,929	40,956		14	24	28		8.89
38	D.35.3 – Steam and air conditioning supply	142	141	68	– 7	– 7	– 1	83,290	46,519		43	31	69		8.28

	a	b	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount (EUR million)				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (EUR million)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: percentage derived from company-specific reporting***					Average weighted maturity
Sector/subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks**	Of which stage 2 exposures	Of which non-performing exposures		Of which stage 2 exposures	Of which non-performing exposures		Of which scope 3 financed emissions		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	
39 E – Water supply; sewerage, waste management and remediation activities	3,102		255	3	– 5	– 4	– 1	1,896,259	1,691,116	0.04%	841	648	647	965	13.70
40 F – Construction	3,003		1,147	191	– 60	– 15	– 41	1,160,503	1,049,901	10.17%	2,408	258	241	97	3.94
41 F.41 – Construction of buildings	1,769		946	152	– 43	– 13	– 28	730,608	653,471	6.57%	1,466	100	179	24	3.41
42 F.42 – Civil engineering	472		86	12	– 7	– 1	– 5	138,033	124,556	0.00%	320	63	58	31	6.23
43 F.43 – Specialized construction activities	761		116	27	– 11	– 2	– 8	291,861	271,874	24.84%	622	94	4	42	3.77
44 G – Wholesale and retail trade; repair of motor vehicles and motorcycles	7,173	354	2,158	190	– 177	– 25	– 146	12,375,010	12,077,538	5.82%	6,222	691	259	2	2.31
45 H – Transportation and storage	4,404		299	58	– 24	– 9	– 11	5,119,814	4,487,289	39.90%	2,191	1,629	157	427	6.90
46 H.49 – Land transport and transport via pipelines	1,509		117	4	– 6	– 3	– 2	340,865	246,295	40.44%	522	605	91	291	9.57
47 H.50 – Water transport	145		50		– 4	– 3		191,472	103,022		5	80		60	18.35
48 H.51 – Air transport	420		29	44	– 0	– 0		969,738	636,344	37.46%	232	188			4.51
49 H.52 – Warehousing and support activities for transportation	1,934		103	10	– 13	– 3	– 8	3,119,445	3,043,440	37.28%	1,168	623	66	77	5.35
50 H.53 – Postal and courier activities	396		1	0	– 0	– 0	– 0	498,293	458,188	67.84%	264	132			2.59
51 I – Accommodation and food service activities	134		47	1	– 1	– 1	– 0	73,358	68,647		74	57	2	0	4.76
52 L – Real estate activities	50,382	20	20,019	1,119	– 592	– 268	– 301	2,848,168	1,970,078	0.20%	33,720	8,674	3,031	4,956	6.57
53 Exposures towards sectors other than those that highly contribute to climate change*	136,079	26	6,905	454	– 519	– 273	– 183				91,211	21,578	13,151	10,138	5.62
54 K – Financial and insurance activities	116,724	5	1,902	255	– 173	– 76	– 62				76,831	18,217	12,036	9,640	5.87
55 Exposures to other sectors (NACE codes J, M – U)	19,355	21	5,003	199	– 346	– 196	– 120				14,380	3,361	1,116	498	4.12
56 TOTAL	228,484	7,213	39,191	2,754	– 1,809	– 788	– 901	69,336,584	63,568,828	2.07%	153,389	37,698	20,436	16,961	5.72

* In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – Climate Benchmarks Regulation – Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

** Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12 (1) points (d) to (g) and Article 12 (2) of Regulation (EU) 2020/1818

*** GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting

Figure 49: Template 1: Banking book – Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

Gross carrying amounts are reported in the maturity column (years) in EUR million. Following the issuance of a no-action letter by the EBA on 5 August 2025, the exposures considered to be environmentally sustainable in accordance with the climate change mitigation (CCM) classification (column C) are not disclosed in the report on the first half of the year.

The Financed Carbon Accounting tool developed by LBBW is used to calculate the emissions of greenhouse gases (GHG) financed by LBBW for the entire credit portfolio. The Carbon Accounting tool determines the financed emissions in tons of CO₂ equivalents that are attributable to LBBW based on the Partnership for Carbon Accounting Financials (PCAF) method for each transaction. Where possible, the calculation is based on published data. For real estate financing, the basis is provided by the energy performance certificate of the financed property. In the case of project finance, project-specific information is applied (physical activity method). In the case of corporate finance, published data is either obtained from external providers or determined internally on the basis of company publications. Where no published data is available, sector intensity is used to estimate GHG emissions per financing volume. This intensity for scope 1 and scope 2 is based on aggregate sector data from EUROSTAT and is made available to LBBW by the consulting firm MACS Energy & Water GmbH. For scope 3, the GHG Protocol defines a total of 15 categories where coverage with individual data is still low. Accordingly, estimates of the scope 3 emission intensity for each NACE sector and sub-category are subject to heightened uncertainty. MACS Energy & Water GmbH counteracts this by taking additional sector-specific headline indicators into consideration. The estimated scope 3 intensities for all NACE sectors are thus currently subject to a high degree of uncertainty. Despite the gradual improvements in the available data, we continue to expect sharp fluctuations in the estimated figures for some time. The sector intensities provided by MACS were last updated on 31 December 2024.

16.3 Banking book – Indicators of potential climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Total gross carrying amount (in EUR million)															
	Level of energy efficiency (EP score in kWh/m ² of collateral)							Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
Counterparty sector		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which estimated*
1 Total EU area	61,590	23,269	23,810	5,650	1,158	814	424	13,873	4,952	6,040	6,342	4,248	3,241	1,836	21,058	59.62%
2 Of which Loans collateralized by commercial immovable property	43,598	15,310	17,834	3,880	1,020	780	423	11,695	3,084	4,082	4,124	3,039	2,541	1,489	13,544	53.77%
3 Of which Loans collateralized by residential immovable property	17,992	7,960	5,976	1,771	137	34	1	2,178	1,868	1,958	2,218	1,209	700	347	7,514	70.17%
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties																
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	12,935	6,384	4,321	1,965	37	46	183								12,555	100.00%
6 Total non-EU area	6,640	950	906	406	404	392	512	498	128	208	567	131	97	232	4,779	2.06%
7 Of which Loans collateralized by commercial immovable property	6,131	899	789	392	404	392	470	413	120	200	491	121	26	232	4,528	1.07%
8 Of which Loans collateralized by residential immovable property	509	51	117	14	1		42	85	8	8	76	10	71		251	20.00%
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties																
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	105	75	17	14											98	100.00%

* Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated

Figure 50: Template 2: Banking book – Indicators of potential climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral

Template 2 is used to disclose aggregate information on the energy efficiency of properties from loans collateralized by immovable property. The gross carrying amount (in EUR million) of the loan exposures is divided into ranges of energy efficiency levels of various energy performance scores, reported in kWh/m², and into energy performance certificates (EPC), reported under the labels A to G.

The table distinguishes between commercial and residential immovable property and between the location of the property by EU area and non-EU area. It is also indicated whether the data on the energy efficiency level is actual or estimated. Values are classified as estimated if an energy performance certificate is not available. An internal model that uses information from external real estate databases has been developed for these properties. Changes between the energy performance buckets result from an increased amount of real data in the area of commercial real estate. Collateral obtained by taking possession, both for commercial and residential immovable property, is not present as at the reporting date.

16.4 Banking book – Indicators of potential climate change transition risk: Alignment metrics

This template presents the adjustment of LBBW's portfolio to the Net Zero Emissions by 2050 climate scenario developed by the International Energy Agency (IEA). This scenario is based on the assumption of specific greenhouse gas budgets and outlines changes necessary in energy requirements and in energy technologies by 2030. The results are broken down by key sector.

The measurement of the difference from the targets for 2030 serves to transparently illustrate the progress LBBW is making on the path to these targets and to ensure the steering of the transformation in the most important sectors.

LBBW's strategic goal is to decarbonize its credit and investment portfolio in terms of "financed emissions" and achieve net zero by 2050 at the latest. To this end, sectors that generate especially large quantities of greenhouse gases have been identified within the portfolio and specific reduction targets for these sectors by 2030 have been set. The electricity generation, automotive manufacturing and aviation sectors and the cement, steel and chemicals industries are considered to be especially carbon-intensive.

These sectors are managed using a physical intensity (alignment metric) that maps the ratio of production output to greenhouse gas emissions. The calculation of physical carbon intensity is based on company-specific emissions and production data. If data from companies is not available, estimates are used that are based either on in-house calculations or on various public sources.

The following specifications apply for the sectors presented in the report:

- The target is based on a linear interpolation between the current reference year and the target year 2030.
- Because of the diverse range of products and the limited availability of comparable production data, economic intensity (CO₂ per EUR million of revenue) is selected as the measurement standard in the chemicals sector, which prevents a direct comparison with the IEA scenario. It is therefore not possible to specify the distance to IEA NZE2050.
- No alignment metrics have been defined for the oil and gas sector, as LBBW does not engage in the financing of certain companies on account of specific lending guidelines.
- An alignment metric for the shipping sector has not been determined, as LBBW does not offer ship financing.
- Carbon-intensive sectors are identified in this template specifically by NACE sector in order to guarantee consistency of the gross carrying amounts with Template 1. Deviations in the alignment metrics compared to other publications may arise as a result.

	a	b	c	d	e	f	g
	Sector	NACE sectors (a minima)	Portfolio gross carrying amount (EUR million)	Alignment metric	Year of reference	Distance to IEA NZE2050 in %*	Target (year of reference + 3 years)
1	Power	D35	5,774	kgCO ₂ /MWh	188	0.92%	141
2	Power	D35.1	5,566	kgCO ₂ /MWh	183	-1.49%	141
3	Power	D35.11	4,367	kgCO ₂ /MWh	141	-24.00%	141
4	Automotive	C29	2,668	gCO ₂ /km	148	72.81%	118
5	Automotive	C29.1	1,150	gCO ₂ /km	149	73.90%	118
6	Aviation	H51.1	391	gCO ₂ /passenger km	81	-5.16%	72
7	Cement, clinker and lime production	C23.5	58	kgCO ₂ /t cement	542	20.88%	499
8	Cement, clinker and lime production	C23.51	57	kgCO ₂ /t cement	541	20.75%	499
9	Iron and steel, coke, and metal ore production	C24	673	kgCO ₂ /t steel	1,346	25.43%	1,133
10	Iron and steel, coke, and metal ore production	C24.1	307	kgCO ₂ /t steel	1,247	16.12%	1,133
11	Chemicals	C20	756	tCO ₂ /EUR million of revenue	2,427		2,403

* Point in Time (PiT) distance to 2030 NZE2050 scenario in % (for each metric)

Figure 51: Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics

In addition to the sectors specified in the report, LBBW also monitors and steers the transformation in the area of commercial real estate and automotive suppliers. Reduction targets for 2030 have been set for both of these sectors. Physical intensity (CO₂ per square meter) is recorded for commercial real estate. For suppliers in the automotive industry, the proportion of revenue generated by parts for combustion engines is monitored. This strengthens the resilience of the portfolio, as the dependence on conventional drive technologies is reduced.

The template is completed in accordance with the NACE sector logic. Real estate financing cannot be assigned an NACE code. Instead, the financed property (commercial real estate) is the key factor regardless of the NACE sector. In order to maintain consistency with Template 1, commercial real estate has therefore not been included in the table. Limiting it to NACE sector L would produce a disproportionately low intensity that would then not be material.

A direct comparison with IEA NZE2050 is also not possible for automotive suppliers, as no benchmark value for the share of sales generated from combustion components is available in the scenario. The alignment of the automotive sector is covered by automotive manufacturers, and automotive suppliers are therefore also not included in the table.

16.5 Banking book – Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

a		b		d	e
Gross carrying amount EUR million (aggregate)		Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*		Weighted average maturity in years	Number of top 20 polluting firms included
1	42		0.02%	3.28	5

* For counterparties among the top 20 carbon emitting companies in the world

Figure 52: Template 4: Banking book – Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

Template 4 shows the aggregated exposures to the 20 companies with the highest emissions in the world.

The companies with the highest carbon emissions are defined on the basis of the currently available list of the top 20 polluters from the Carbon Majors Database published as part of the Carbon Majors Report (Carbon Majors 2022 data set released in April 2024).

The Carbon Majors list of the top 20 polluters also includes countries as carbon producers, especially in the coal sector, in cases where there are no investor companies or state-owned companies or these play a minor role in the respective country. As the template refers explicitly to companies, however, the countries named in the Carbon Majors Report are not included.

Following the issuance of a no-action letter by the EBA on 5 August 2025, the exposures considered to be environmentally sustainable in accordance with the climate change mitigation (CCM) classification (column C) are not disclosed in the report on the first half of the year.

16.6 Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk

a		b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount (EUR million)													
		of which exposures sensitive to impact from climate change physical events													
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
			<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity							Of which stage 2 exposures	Of which non-performing exposures
Germany															
1	A – Agriculture, forestry and fishing	126	25	23	3		4.77	39	5	7	5	2	– 1	– 0	– 1
2	B – Mining and quarrying	76	7	2			2.74		7	1	1		– 0	– 0	
3	C – Manufacturing	11,469	951	249	22	1	2.70	1,049	148	25	245	13	– 8	– 1	– 6
4	D – Electricity, gas, steam and air conditioning supply	3,180	175	75	311	111	14.98		532	141	0		– 0	– 0	
5	E – Water supply; sewerage, waste management and remediation activities	3,087	117	104	161	171	14.43	105	432	16	35	0	– 0	– 0	– 0
6	F – Construction	2,322	110	9	12	27	6.59		145	12	9	1	– 1	– 0	– 1
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	5,581	412	52			2.01	279	169	15	190	10	– 5	– 3	– 2
8	H – Transportation and storage	2,920	75	11	9	21	7.24	12	87	17	5	1	– 1	– 0	– 0
9	L – Real estate activities	32,961	1,229	382	91	189	6.56	15	1,802	73	534	0	– 6	– 5	– 0
10	Loans collateralized by residential immovable property	16,409	299	179	49	71	7.49	8	588	3	161	1	– 1	– 0	– 0
11	Loans collateralized by commercial immovable property	31,890	1,190	399	87	67	5.08	93	1,560	89	553	12	– 12	– 5	– 6
12	Reposessed collaterals														
13	Other relevant sectors (breakdown below where relevant)														

Figure 53: Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk – Germany

a		b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount (EUR million)													
		of which exposures sensitive to impact from climate change physical events													
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity									
European Union (excluding Germany)															
1	A – Agriculture, forestry and fishing	0	0			0.04	0						– 0		
2	B – Mining and quarrying														
3	C – Manufacturing	2,328	107			1.03	80	24	3	1	0	– 0	– 0	– 0	
4	D – Electricity, gas, steam and air conditioning supply	1,397	26	23	172	57		24	254	2		– 0	– 0		
5	E – Water supply; sewerage, waste management and remediation activities	0													
6	F – Construction	278	0		22	14.84		0	22			– 0			
7	G – Wholesale and retail trade; repair of motor vehicles and motorcycles	589	156			0.44	154	2	0	140	0	– 0	– 0	– 0	
8	H – Transportation and storage	896	0			0.06		0		0		– 0	– 0		
9	L – Real estate activities	10,330	1,627	168		73	3.94	141	441	1,287	741	– 20	– 18		
10	Loans collateralized by residential immovable property	1,594	435	95		3.11	4	90	436	147		– 13	– 13		
11	Loans collateralized by commercial immovable property	11,605	1,724	143		73	4.01	223	389	1,328	916	– 12	– 11		
12	Reposessed collaterals														
13	Other relevant sectors (breakdown below where relevant)														

Figure 54: Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk – European Union (excluding Germany)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount (EUR million)													
		of which exposures sensitive to impact from climate change physical events													
		Breakdown by maturity bucket						of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 years <= 10 years	> 10 years <= 20 years	> 20 years	Average weighted maturity								Of which stage 2 exposures	Of which non-performing exposures
Rest of the world															
1 A – Agriculture, forestry and fishing	4	4				2.64	4	0		4			– 0	– 0	
2 B – Mining and quarrying	572														
3 C – Manufacturing	3,858	366	175	13		3.15	255	299	0	248	77		– 9	– 2	– 5
4 D – Electricity, gas, steam and air conditioning supply	1,198	33	83			7.09		115		93			– 0	– 0	
5 E – Water supply; sewerage, waste management and remediation activities	15	1				2.33		1			1		– 0		– 0
6 F – Construction	402	64	0			2.00	2	62		60	3		– 0	– 0	– 0
7 G – Wholesale and retail trade; repair of motor vehicles and motorcycles	1,003	98	8			0.51	10	97	0	9	0		– 0	– 0	– 0
8 H – Transportation and storage	588	1	0			4.68		1		1			– 0	– 0	
9 L – Real estate activities	7,091	121	7			0.91		128					– 0		
10 Loans collateralized by residential immovable property	498	0	0	0	1	18.71		1		0			– 0	– 0	
11 Loans collateralized by commercial immovable property	6,235	8	7			4.16		14					– 0		
12 Repossessed collaterals															
13 Other relevant sectors (breakdown below where relevant)															

Figure 55: Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk – Rest of the world

The three tables present the gross carrying amounts for the regions of Germany, the European Union (excluding Germany) and the rest of the world that are subject to a high impact from physical risks from a qualitative perspective according to the physical risk tool developed by LBBW. Three different approaches are taken:

- location-based valuation of real estate collateral;
- regional valuation of companies with a regional focus; and
- sector valuation for geographically diversified companies.

The acute climate risks of inland and coastal flooding, torrential rain, forest fires, landslides and tropical cyclones and the chronic climate risks of drought, heat and rising sea levels are considered in all approaches. If the impact is high for at least one of these risk aspects, the related gross carrying amounts in the table are classified as highly impacted. The individual approaches are described in more detail below.

Location-based valuation of real estate collateral

Real estate is affected only by physical risks at its location. Accordingly, real estate collateral is valued using highly accurate access to hazard maps. To this end, LBBW uses publicly available hazard maps from the World Bank and the European Joint Research Centre that depict a potentially catastrophic event for each of the selected risk types (e.g. a once-in-a-century event). LBBW converts the hazard values obtained into a qualitative assessment of high impact.

Regional valuation of companies with a regional focus

LBBW initially classifies its customers on the basis of their regional dependency. This ideally takes place using granular information from the rating systems. If this is unavailable, company size is used as an approximation. In the case of the companies with a regional focus that are identified in this manner, it is assumed that the production sites, supply chains and customer groups are located predominantly in a single region and hence the physical risk of the company can also be assessed using this region. For this purpose, the companies are first located in the appropriate region on the basis of their headquarters. The European Union's NUTS 3 classification is used for Europe, counties are used in the US, and the highest sub-national units are used for the rest of the world. The second stage involves estimating the impact of physical risks for all of these regions. A region is considered highly impacted if at least 10% of its area is highly impacted based on a very precise query.

Sector valuation for geographically diversified companies

Companies without a strong regional dependency are assumed to be geographically diversified. As production sites, supply chains and customers are distributed across many locations, these companies are not fundamentally affected by acute climate risks, which always relate to a clearly defined region. By contrast, they can be highly impacted by chronic climate risks as these can create systematic problems for certain sectors. Accordingly, geographically diversified companies are assessed based on their sector. The Materiality Map of the Sustainability Accounting Standards Board (SASB) and the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC Ar5) are used as the basis for assessing individual sectors.

Following the issuance of a no-action letter by the EBA on 5 August 2025, ESG templates 6-10 of Commission Implementing Regulation (EU) 2024/3172 are not disclosed in the report on the first half of the year.

17 Disclosure of minimum requirement for own funds and eligible liabilities (MREL) (Article 45i (6) BRRD)

Since 30 June 2024, the regulatory disclosure of the minimum requirements for own funds and eligible liabilities (MREL) has been presented in accordance with Regulation (EU) No 575/2013 and Directive 2014/59/EU (Bank Recovery and Resolution Directive, BRRD). The MREL disclosure is based on the MREL report and provides an overview of the MREL ratios and their components.

As the TLAC disclosure requirements are not relevant for LBBW, the MREL disclosure requirements that have been in force since 1 January 2024 apply. For LBBW as a “top tier bank” (i.e. not a G-SII), this means that only the MREL requirements apply and the TLAC requirements do not. Consequently, the templates *EU iLAC: Internal loss absorbing capacity: internal MREL* and, where applicable, *requirement for own funds and eligible liabilities for non-EU G-SIIs*, *EU TLAC 2: Creditor ranking – Entity that is not a resolution entity* and *EU TLAC3a: Creditor ranking – Resolution entity* are not disclosed.

As LBBW’s resolution group is identical to the scope of prudential consolidation, this does not give rise to any differences.

17.1 Key metrics – MREL

In accordance with Article 10 (2) of Commission Implementing Regulation (EU) 2021/763, LBBW discloses column a of template EU KM2 as required by points (a) and (c) of Article 45i (3) of Directive 2014/59/EU. Columns b to f of template EU KM2 are not disclosed, as LBBW is not a G-SRI or part of a G-SRI.

		a
		Minimum requirement for own funds and eligible liabilities (MREL)
EUR million		30/06/2025
Own funds and eligible liabilities, ratios and components		
1	Own funds and eligible liabilities	44,113
EU-1a	Of which own funds and subordinated liabilities	42,296
2	Total risk exposure amount of the resolution group (TREA)	85,694
3	Own funds and eligible liabilities as a percentage of the TREA	51.48%
EU-3a	Of which own funds and subordinated liabilities	49.36%
4	Total exposure measure (TEM) of the resolution group	349,432
5	Own funds and eligible liabilities as percentage of the TEM	12.62%
EU-5a	Of which own funds or subordinated liabilities	12.10%
6a	Does the subordination exemption in Article 72b (4) of Regulation (EU) No 575/2013 apply? (5% exemption)	
6b	Aggregate amount of permitted non-subordinated eligible liabilities instruments if the subordination discretion in accordance with Article 72b (3) of Regulation (EU) No 575/2013 is applied (max 3.5% exemption)	
6c	If a capped subordination exemption applies in accordance with Article 72b (3) of Regulation (EU) No 575/2013, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognized under row 1, divided by funding issued that ranks pari passu with excluded liabilities and that would be recognized under row 1 if no cap was applied (%)	
Minimum requirement for own funds and eligible liabilities (MREL)		
EU-7	MREL expressed as a percentage of the TREA	26.66%
EU-8	Of which to be met with own funds or subordinated liabilities	26.66%
EU-9	MREL expressed as a percentage of the TEM	8.72%
EU-10	Of which to be met with own funds or subordinated liabilities	8.09%

Figure 56: EU KM2: Key metrics – MREL and, where applicable, G-SII requirement for own funds and eligible liabilities

The subordinated MREL ratio based on the total risk exposure amount (TREA) was 49.36% as at 30 June 2025 and hence was significantly higher than the regulatory minimum requirement for 2025, which is 26.66% including the capital buffer requirement (combined buffer requirement).

The subordinated MREL ratio based on the total exposure measure (TEM) amounted to 12.10% as at 30 June 2025 and was therefore also significantly higher than the subordinated MREL minimum requirement of 8.09% of the TEM.

Attestation by the Board of Managing Directors pursuant to Article 431 CRR

With approval granted by the responsible member of the Board of Managing Directors, Stefanie Münz, it is hereby attested that this disclosure has been made in accordance with the formal policies adopted by Landesbank Baden-Württemberg and its internal processes, systems and controls.

List of abbreviations

ABCP	Asset-backed commercial paper
AGG	Allgemeines Gleichbehandlungsgesetz (German General Anti-Discrimination Act)
ASF	Available stable funding
AT1	Additional Tier 1 capital
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory)
BCBS	Basel Committee on Banking Supervision
BRRD	Bank Recovery and Resolution Directive establishing a framework for the recovery and
BTAR	Banking book taxonomy alignment ratio
CCA	Climate change adaptation
CCF	Credit conversion factor
CCP	Central counterparty
CCM	Climate change mitigation
CCR	Counterparty credit risk
CDS	Credit default swap
CET1	Common Equity Tier 1
CLN	Credit linked note
COREP	Common Reporting (Framework)
CO2e	CO2 equivalents
CR	Credit risk
CRD	Capital Requirements Directive
CRM	Credit risk mitigation
CRR	Capital Requirements Regulation
CSD	Central securities depository
CVA	Credit valuation adjustment
DSGV	Deutscher Sparkassen- und Giroverband (German Savings Banks Association)
EAD	Exposure at default
EBA	European Banking Authority
EEPE	Effective expected positive exposure
EIF	European Investment Fund
EL	Expected loss
EPC	Energy performance certificate
EPS	Energy performance score
ERBA	External ratings-based approach
ESG	Environmental, social and governance
EEA	European Economic Area
FBE	Forborne exposure
FCP	Funded credit protection
FINREP	Financial reporting
FX	Foreign exchange

GAR	Green asset ratio
GL	Guideline
HLBA	Historical look-back approach
IAA	Internal assessment approach
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILO	Labor standards of the International Labour Organization
IMA	Internal model approach
IMM	Internal model method
IRBA	Internal ratings-based approach
IRC	Incremental default and migration risk charge
SME	Small and medium-sized enterprises
KPI	Key performance indicators
CRSA	Credit risk standardized approach
KWG	Kreditwesengesetz (German Banking Act)
LCR	Liquidity coverage ratio
LGD	Loss given default
LkSG	Lieferkettensorgfaltspflichtengesetz (German Supply Chain Act)
MACS	MACS Energy & Water GmbH (ESG consultancy firm)
MREL	Minimum requirement for own funds and eligible liabilities
MTN	Medium term notes
NACE	Nomenclature Générale des Activités Économiques (Statistical Classification of Economic
NFRD	Non-Financial Reporting Directive
NGFS	Networks for Greening the Financial System
NII	Net interest income
NMD	Non-maturity deposits
NPL	Non-performing loans
NSFR	Net stable funding ratio
O-SII	Other systemically important institutions
OTC	Over the counter
P/L	Profit and loss
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of default
PFE	Potential future exposure
RC	Replacement cost
RSF	Required stable funding
RWA	Risk-weighted assets
RWEA	Risk-weighted exposure amount
SA-CCR	Standardized approach for counterparty credit risk
SASB	Sustainability Accounting Standards Board
SFT	Securities financing transaction
SREP	Supervisory review and evaluation process

SRT	Significant risk transfer
STS	Simple, transparent and standardized securitizations
sVaR	Stressed value-at-risk
sVaRavg	Average stressed value-at-risk
T1/T2	Tier 1 capital/Tier 2 capital
TC	Total capital
GHG	Greenhouse gas emissions
TLTRO	Targeted longer-term refinancing operations
VaR	Value-at-risk
VdP	Verband deutscher Pfandbriefbanken (Association of German Pfandbrief Banks)
VÖB	Bundesverband Öffentlicher Banken Deutschlands (Association of German Public Banks)
CCP	Central counterparty

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