

Breaking new ground

LB  BW

# Result as of 30 June 2025

LBBW delivers strong result



27.08.2025

**01 Executive Summary and KPIs**

02 Risk

03 Capital

04 Funding and Liquidity

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# Strong result in H1 2025



**In a challenging environment, LBBW achieves € 759m operating profit before tax<sup>1</sup>, above previous years level**



**Key performance indicators on track, CIR 59.2%<sup>1</sup>, RoE 9.3%<sup>1</sup> and CET 1 ratio at very comfortable level of 16.6% due to CRR III effects**



**Risk provisions of € -107 million below expectations while model adjustments of € 880 million remain unchanged**



**Integration Berlin Hyp on 1<sup>st</sup> August 2025 represents a significant milestone promoting the strategic goals growth & relevance**



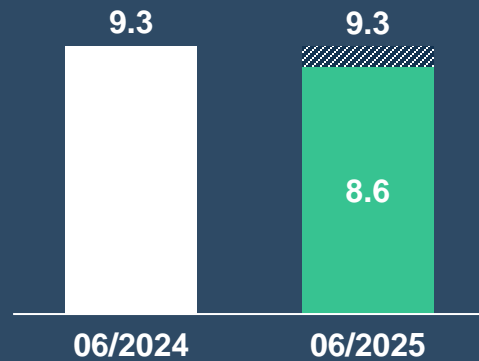
**After successful first half year, LBBW is again expecting profit before tax of over € 1 billion for 2025**

<sup>1</sup> Excluding integration expenses for Berlin Hyp, after taking into account the integration expenses profit before tax of € 705 million, CIR 61.8%, RoE 8.6%

# Key performance indicators on track

## Return on Equity

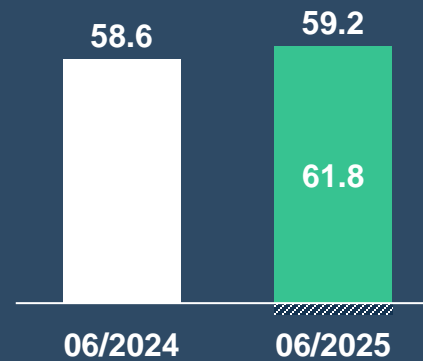
%



excl. Berlin Hyp integration costs

## Cost Income Ratio

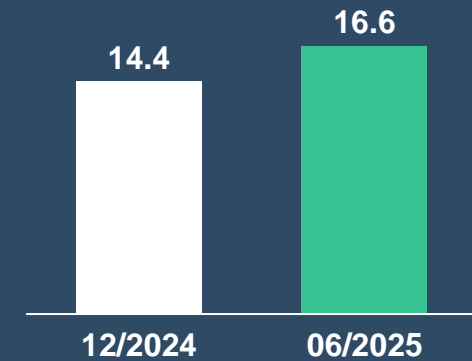
%



excl. Berlin Hyp integration costs

## CET1 Ratio

%



➤ RoE remains stable and on track

➤ CIR kept broadly stable while actively investing in the bank's growth and resilience

➤ Sound capitalization as a basis for further growth; adoption of CRR III (phase-in) leading to a significant increase

# As a Mittelstand-minded universal bank we support our clients with a local footprint and an international set-up



As a Mittelstand-minded universal bank and Germany's largest Landesbank, we are a reliable partner for corporate, private and institutional clients and savings banks with an international presence



Strong corporate bank, market leader for Schuldschein loans and ranked in the top 4 of the German league table for syndicated loans for 5 years



Germany's leading financing specialist for commercial real estate



Central capital markets bank for the Savings Banks Finance Group



We are the Savings Bank in Stuttgart with a public mandate and serve our retail clients & wealth management clients and local businesses as an omnichannel bank



# Driving growth and relevance through five strategic pillars

## Growth and relevance



### Sustainable transformation



- **First carbon capture and storage** deal financed in the UK
- First fully integrated **ESG strategy 2025+** supported by **Sustainable Finance Framework**
- **KPIs exceeded expectations** group-wide and increased sustainable finance volume



### Innovative solutions



- **Active contribution** to the **integration of Stablecoins** into banking services (ECB trials)
- **Advanced internal GenAI tool** resulted in a significant increase in usage within the first week
- **First nationwide forfeiting guarantee** through a receivables purchase



### Enhanced resilience



- **Resilience KPIs still on track:** CET1 ratio 16.6%, LCR 138.7%, NSFR 120.2%
- Continued investments in cyber security and IT-infrastructure
- Capital market funding expanded, deposit base increased
- CRR III capital management established



### Inspire employees



- **Youth Development Initiatives:** Girls' Day, Health Day and the VfB<sup>1</sup> Trainee Day
- VfB Stuttgart sponsorship – celebrating regional roots and attracting new talent
- New specialist career path implemented & active demographic management improved
- High employee satisfaction rate



### Social contribution



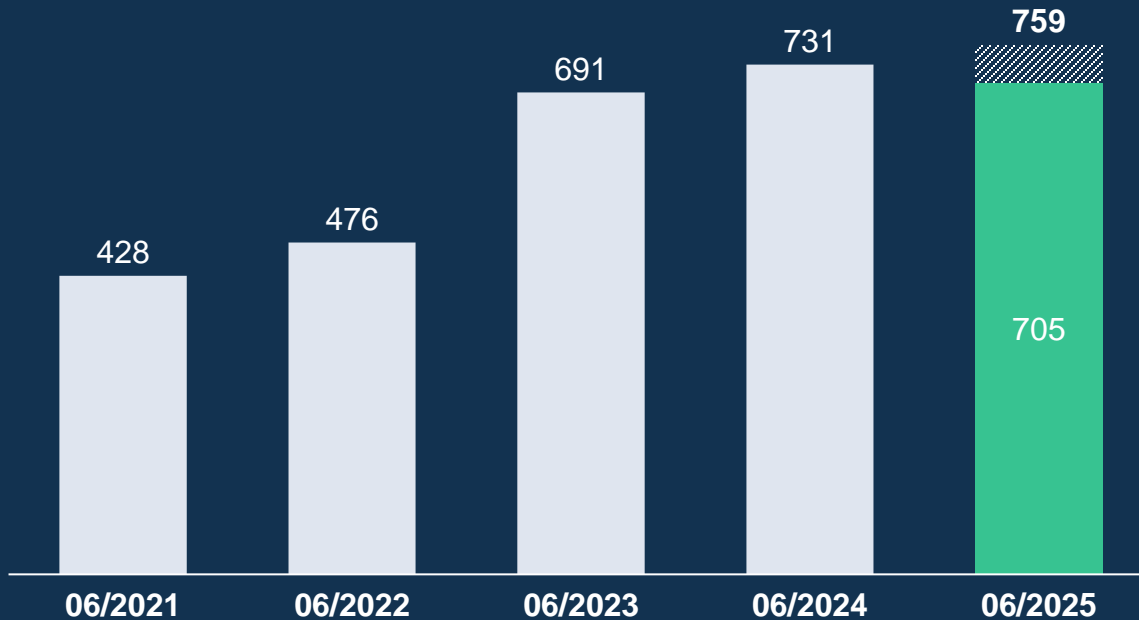
- **Over 3,800 hours corporate volunteering** (HY 25)
- € 5.4 billion total volume of **social financing** according to **Sustainable Finance Framework**

<sup>1</sup> Stuttgart's local football team

# Sustainably increased profits

## Profit before tax

million €



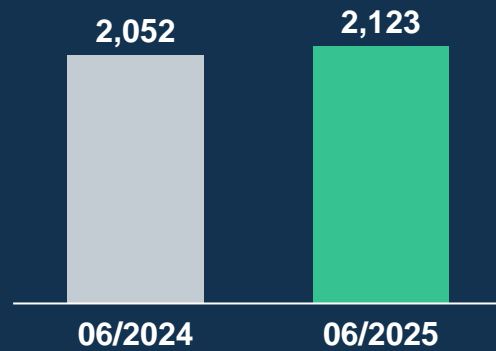
excl. Berlin Hyp integration costs

- Growth strategy successful
- Good profit momentum supporting long term sustainability
- Highlighting the strength and resilience of our well-balanced business model with contributions from all business areas
- Profit development as an enabler for important investments in future growth and higher resilience

# Robust result based on resilient income

## Income

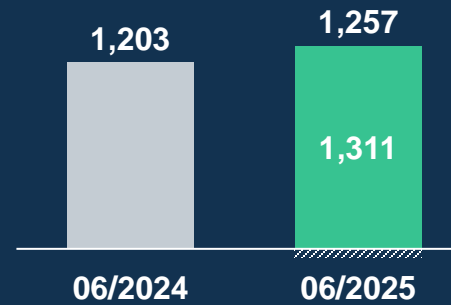
million €



- Earnings above previous year validating the strategic focus
- Growth strategies are strengthening the fee business

## Expenses

million €

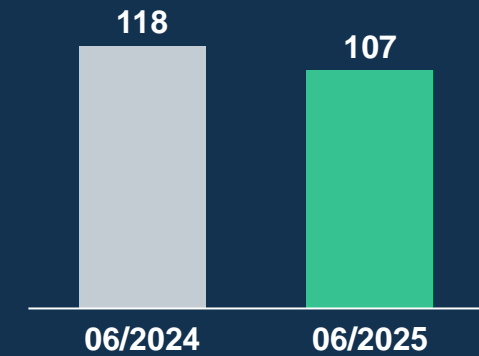


excl. Berlin Hyp integration costs

- Increase in wages and salaries
- Investments in IT and cyber security

## Risk Provisioning

million €



- Risk provisions stable
- Unchanged model adjustments of € 880 million strengthen resilience
- Risk costs as of 06/2025 at 13 bp<sup>1</sup>

<sup>1</sup> Risk costs as at 06/2024 at 15 bp



# All business areas delivered strong profit contributions

€ 352 million

Corporate Customers



- **#1 German bank** for level of service + ESG advisory & **#2 best SME bank** by Finance Awards
- **#4** in the German **syndicated loan market** by number of transactions
- Arranged a **record volume** of €8.45bn in the Euro corporate **bond market**

€ 205 million

Real Estate/  
Project Finance



- Berlin Hyp honoured for **excellence in European real estate** for the 17th time<sup>1</sup>
- **Transforming the economy** with €1.5bn wind farm financing and lead arranger for two Frankfurt data centers
- Lending volume in project finance +18% yoy

€ 142 million

Capital Markets  
Business



- **Best Distributor, Germany** award at the SRP Awards<sup>2</sup> for strong collaboration with savings banks and structuring expertise
- Effectively managed market volatilities on behalf of our customers
- Successfully launched the "**Sicher Leben**" fund, focusing on defense, digital, and physical security

€ 103 million

Private Customers/  
Savings Banks



- **Top** ranking for **foundation management** with uninterrupted **leadership** Fuchs Foundation Award<sup>3</sup>
- **Digitalization Milestones** with successful launch of **retail Voice Bot** enhancing customer experience combined with launch of "**Digital Asset Management – BW ON**"

<sup>1</sup> Real Estate Brand Award, <sup>2</sup> Structured Retail Products, <sup>3</sup> Fuchs Foundation Award

# Berlin Hyp integration promotes strategic goals growth & relevance

## Client benefits:

Leading CRE competence center with the ability to offer broad universal banking services, including the collaboration with the Savings Banks Finance Group

## Quality leadership:

Most profitable, innovative CRE financier in Germany with a dedicated digital ecosystem

## Synergies:

Transition from subsidiary since 2022 to fully integrated entity into LBBW – driving processes & structures optimization



**Growth  
and Relevance**



## LBBW leading CRE bank in Germany:

#1 CRE bank in Germany combined under the brand Berlin Hyp with robust € 62 billion portfolio and a key player in Europe

## Comprehensive market coverage:

Most relevant country coverage among German peers: Continental Europe, UK, US/CAN

## Strengthening organizational expertise:

Timely integration of Berlin Hyp's operation of ~ 500 professionals into LBBW as of 1<sup>st</sup> August 2025

# Strong basis for a successful FY 2025



expected trends<sup>1</sup>

Profit before tax



Return on equity



Cost income ratio



CET 1



LBBW expects profit before tax **to remain above € 1 billion** for 2025

Enhanced international set up to support key clients across all markets

Strategic investments with growth & IT focus – especially in Cyber & AI infrastructure

Full integration of Berlin Hyp in August with ~ 500 professionals with efficiency improvements of € 100 million p.a.

Robust portfolio in an challenging environment ensures resilience

<sup>1</sup> Trend versus year-end 2024

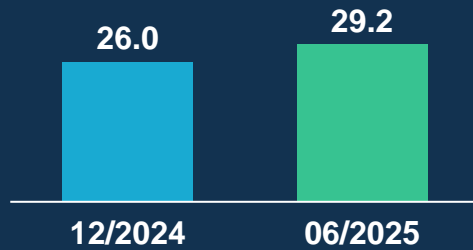
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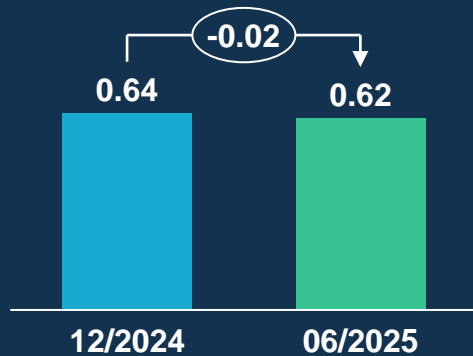
# Continuously high portfolio quality

## Ø-PD net exposure bp



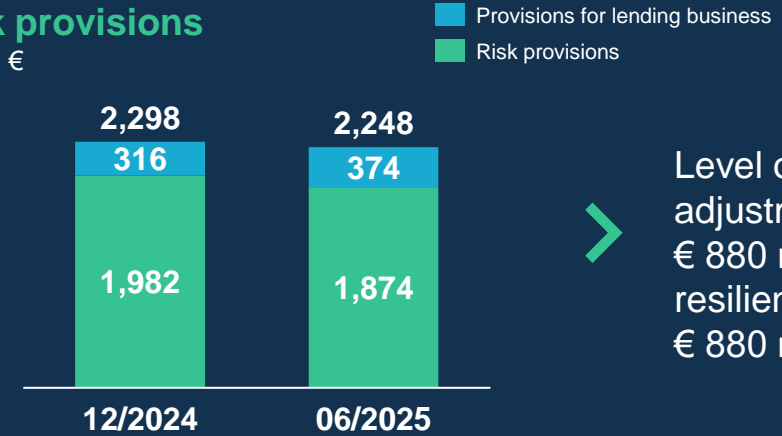
Ø-PD net exposure increased by 3.2 bp reaching a level of 29.2 bp mainly driven by the corporates sector

## NPE ratio %



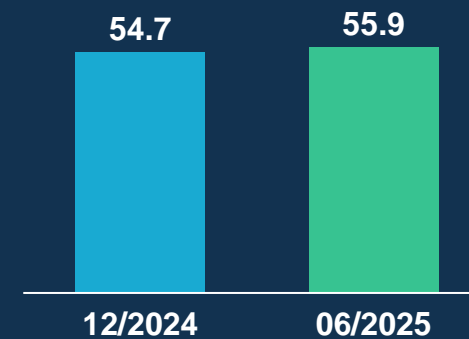
NPE ratio slightly decreased reaching a moderate level of 0.62%

## Risk provisions million €



Level of model adjustments of € 880 million strengthens resilience (12/2024: € 880 million)

## Coverage Ratio %



Adequate risk provisioning cover

Differences due to rounding

# Resilient corporate portfolio through broad diversification

## NPE ratio up only slightly, increase of Ø-PD

- Net exposure to corporates continues to remain at € 105 billion as at 06/2025 – slight reductions can be observed in most sectors, with the exceptions of the transport & logistics and the utilities and energy sectors
- Sector distribution in the corporate portfolio remains balanced (no sector > 16%)
- Ø- PD increased to 64 bp (12/2024: 54 bp) due to the ongoing economic challenges and uncertainty
- NPE ratio in the corporate portfolio remains at 0.9%

## Main sector Corporates

billion €

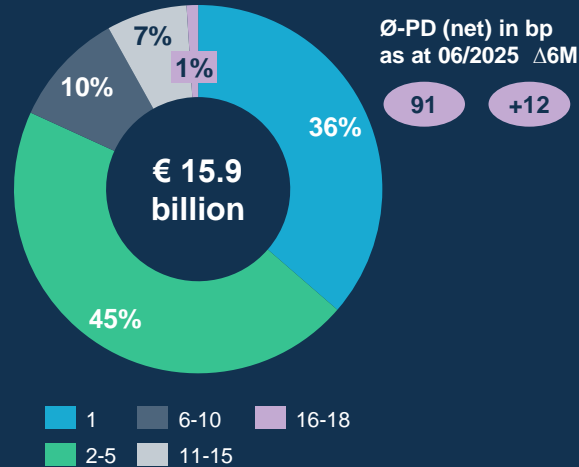
	Net exposure as at 06/2025	Delta 6 months	Ø-PD	NPE Ratio
	€ 105 billion	€ +0.4 billion	64 bp	0.9%
Automotive	10.4	-0.3	64 bp	2.8%
Construction	9.3	-0.2	70 bp	1.2%
Chemicals & commodities	7.3	-0.1	50 bp	0.5%
Retail & Consumer goods	15.9	-0.1	91 bp	1.4%
Industry	11.6	0.1	86 bp	0.4%
Pharmaceuticals & healthcare	5.6	-0.3	40 bp	0.2%
TM & electronics/IT	12.4	-0.9	84 bp	1.0%
Transport & logistics	8.2	0.6	35 bp	0.3%
Utilities & energy	14.6	1.1	38 bp	0.6%
Other	9.7	0.5	45 bp	0.3%

Differences due to rounding

# Business sectors (1/2)

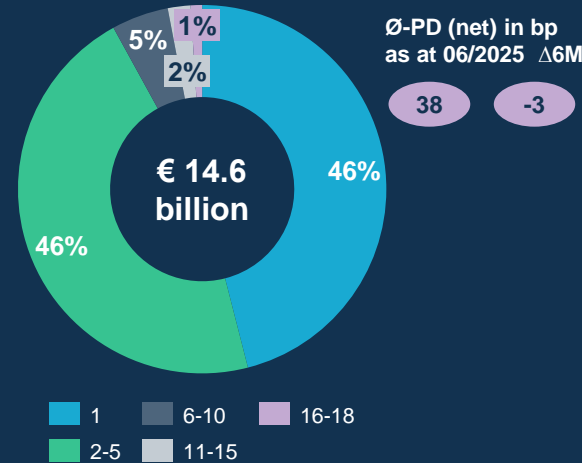
## Retail & consumer goods

Rating classes<sup>1</sup> 06/2025



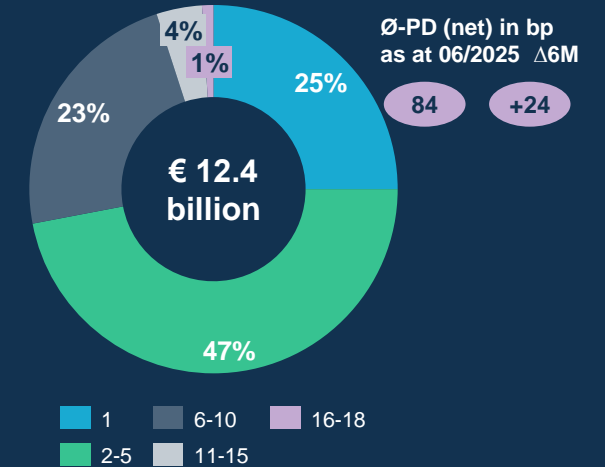
## Utilities & Energy

Rating classes<sup>1</sup> 06/2025



## TM & Electronics/IT

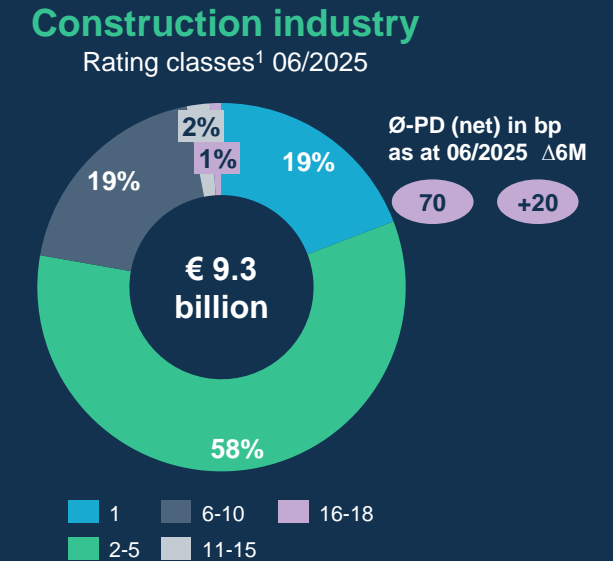
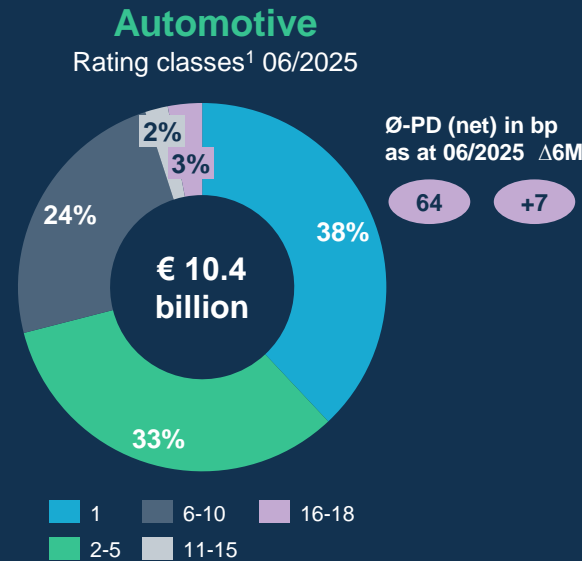
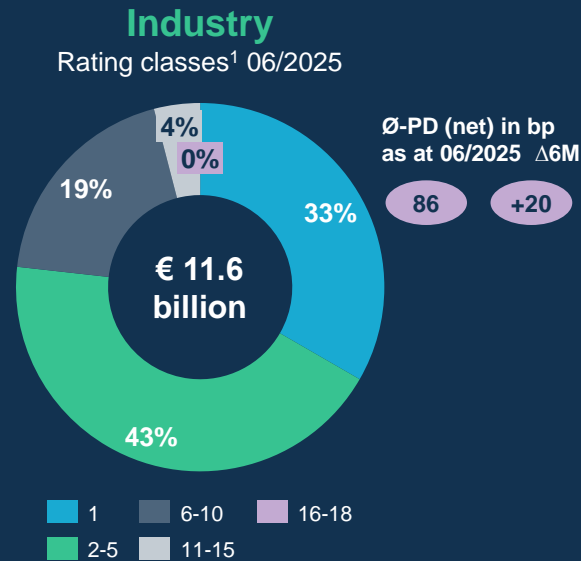
Rating classes<sup>1</sup> 06/2025



- **Retail & Consumer Goods:** Environment for consumption remains weak, while price sensitivity remains high. High competitive pressure in the food retail sector with the strategic importance of discounters. In the consumer goods sector, strong brands with cost efficient and process optimized structures are well positioned for positive development when the consumer climate recovers. Uncertainties remain with regard to geopolitical risks. Portfolio share of consumer goods (mainly food retail and production) remains dominant at 71%.
- **Utilities & Energy:** Dependence on imports of fossil fuels requires resilient repositioning without dependence on individual supplier countries. Security of supply in the area of conflict between climate targets and grid stability with major challenges for established suppliers, among others. Opportunities: Renewable energy expansion and rising demand for electricity as an ongoing megatrend. Sustainability is an important differentiating feature. There is also considerable growth potential in the area of low-CO<sub>2</sub> generation and energy storage systems. Portfolio share of renewable energies 35%.
- **TM & Electronics/IT:** Data volumes and demand for fast (fixed/mobile broadband) data transmission capacities are growing. EU regulation does not allow consolidation in the European market. Media usage behavior strengthens digital offerings. TV, like print, is under pressure in terms of advertising revenue, and the trend is towards online advertising. In IT, significant growth expected in the software segment. Cyber security is becoming increasingly important and AI is increasingly both an opportunity and a risk. A fragmented IT market promotes M&A and buy & build strategies. Portfolio share of project financing increased significantly to 24% (mainly fiber optic networks and data centers).

Differences due to rounding / <sup>1</sup> Investment grade: RC 1: PD 0.00% - 0.10%; RC 2-5: PD 0.10% - 0.48%; non-investment grade: RC 6-10: PD 0.48% - 3.63%; RC 11-15: PD 3.63% - <100%; Default: RC 16-18: PD 100%

# Business sectors (2/2)



- **Industry:** Very heterogeneous sector overall, generally highly dependent on exports. Opportunities through decarbonization of the economy in conjunction with investment incentives. Extensive state economic stimulus in China and subsidies for Chinese companies. Currently relatively weak economy in China. USA is an important export country, tariffs have an impact. Mechanical engineering still under pressure in 2025 after significant decline in production in 2024. The paper sector is suffering from sluggish consumption and overcapacity, and high energy prices can only be passed on to a limited extent. Packaging manufacturers are benefiting from the partial substitution of plastic and online retail.
- **Automotive:** German OEMs are coming under increasing pressure. Restructuring programs are necessary due to the loss of market share and sales volume in China and overcapacity in Europe. These are also a burden on suppliers. The pace of transformation in Europe and North America has slowed compared to the original plans. This will be problematic for suppliers who have made high upfront investments in BEV-relevant components, which are currently not being fully utilized. Software expertise is becoming a differentiating factor. Portfolio share (mainly German) OEMs 29%, suppliers 43%, rest 28%.
- **Construction industry:** Companies with regional and sectoral diversification are showing resilience in the weak German and European sector environment. The outlook for 2025 is still without any real growth impetus, with the exception of railroad and pipeline construction. This also affects sawmills and the timber industry. The cement industry in Germany is currently waiting for a political decision on CO<sub>2</sub> capture and storage. Investments for the decarbonization of production are on hold. Construction sector portfolio has highest granularity and highest proportion of secured lease financing compared to other sectors.

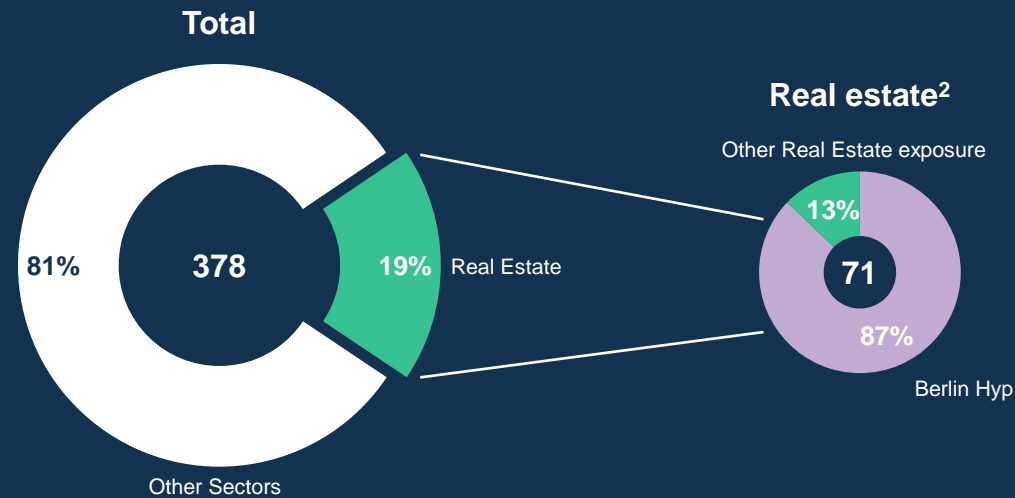
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# Institutional real estate business in the LBBW Group in established asset classes and core markets

Exposure<sup>1</sup> as at 06/2025

billion €



## Real estate exposure

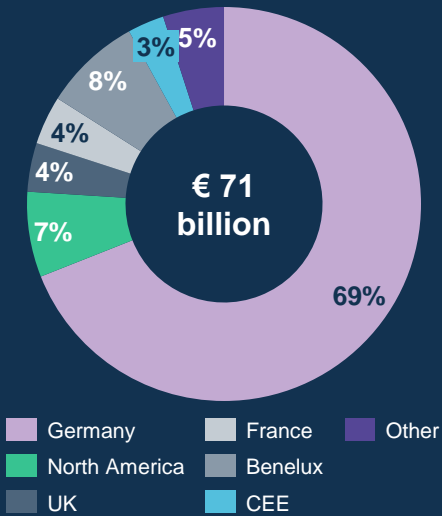
- Real estate accounts for 19% of the total exposure
- Real estate exposure at Berlin Hyp (part of the IPF segment<sup>3</sup>) with focus on established asset classes and core markets
- Underwriting standards: Ability to service debt, LTV, occupancy rate, ESG status, sponsor quality
- Other real estate commitments include wealth management clients and decentrally managed, small-volume regional business

Differences due to rounding / <sup>1</sup> In contrast to the net exposure, the exposure shows values before taking loan collateral into account / <sup>2</sup> Real estate exposure excluding private real estate financing of around € 6.6 billion

<sup>3</sup> Real Estate/Project Finance segment

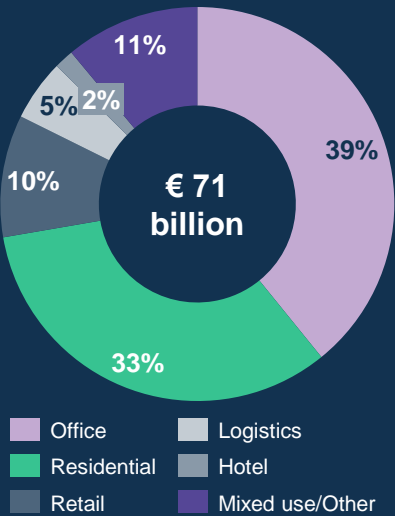
# Real Estate: Good diversification with a focus on core regions and asset classes as basis for a resilient portfolio

Portfolio by location



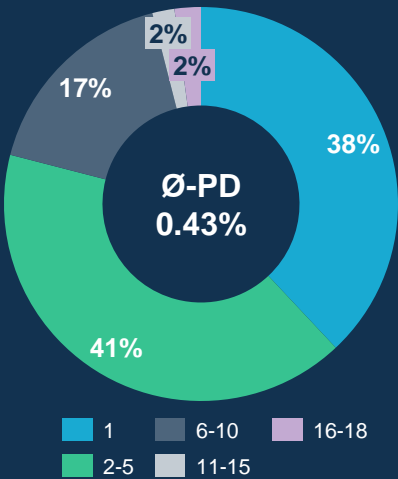
Focus on core market in Germany with approx. 2/3 of the exposure. Good diversification of international markets

Portfolio by asset class



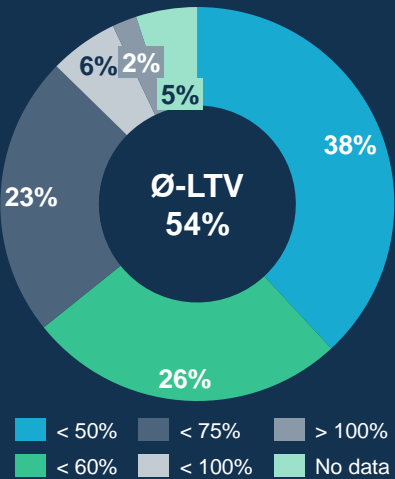
Approx. 80% of the exposure in the asset classes office/residential/retail

Portfolio by rating class<sup>1</sup>



Approx. 80% of the portfolio is rated investment grade (classes 1 to 5)

Portfolio by LTV

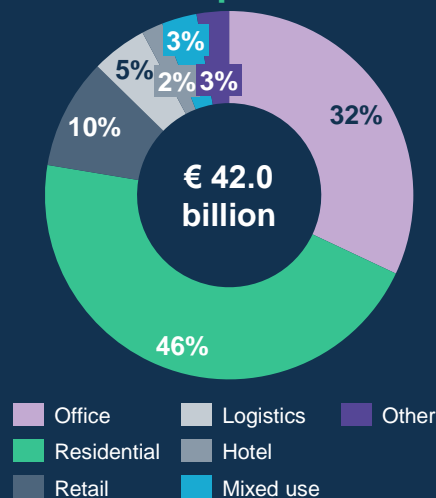


Moderate, stable LTV level (06/2024: 54%). Approx. 65% of the portfolio has an LTV < 60%

Differences due to rounding / <sup>1</sup> Investment grade: RC 1: PD 0.00% - 0.10%; RC 2-5: PD 0.10% - 0.48% Non-investment grade: RC 6-10: PD 0.48% - 3.63%; RC 11-15: PD 3.63% - <100%; Default: RC 16-18: PD 100%

# Real Estate division<sup>1</sup> – Germany: Good ratings and balanced portfolio distribution underline good portfolio quality

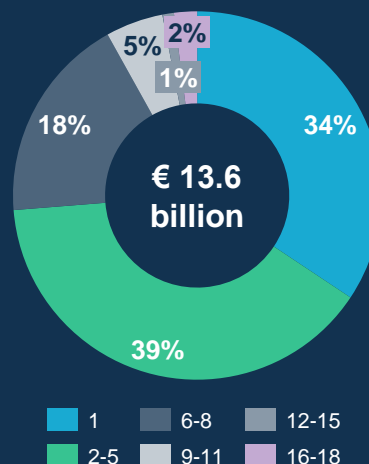
## Asset class residential and office dominate with 78% the German sub-portfolio



\* Hotel usually only with recourse or additional collateral

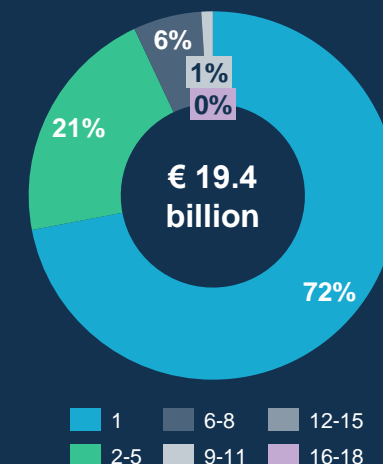
## Office Germany

73% in ratings 1-5;  
LTV at a very good 53%



## Residential Germany

93% investment grade ratings;  
LTV at a very good 48%



## Core asset class, residential and office in Germany show clear focus on quality

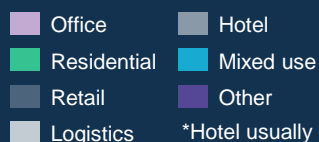
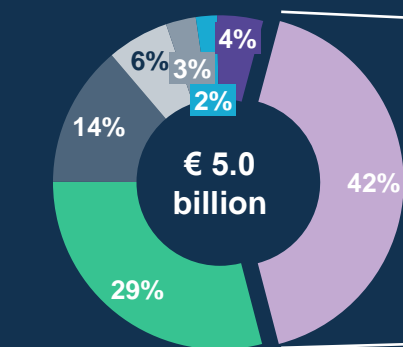
- Very good average LTV of 51% in the German sub-portfolio as the basis for a resilient portfolio
- Around 45% of the German office portfolio are green bond investments
- Vacancy rates of 5.3% in the German sub-portfolio, 3.2% in the residential portfolio and 8.1% in the office portfolio confirm the focus on buildings in good locations with continued stable demand
- The German residential sub-portfolio focuses on clients with historically low default rates (public housing associations, cooperatives and private investors)
- Selected properties in other asset classes, retail (focus on local suppliers) and attractive logistics properties complement and diversify the portfolio

<sup>1</sup> Excluding "Other real estate exposures" (mainly decentrally managed regional and private customer business)

# Real Estate division<sup>1</sup> – Sub-portfolios Benelux and North America each with 8% share

## Benelux:

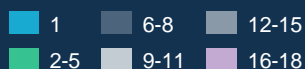
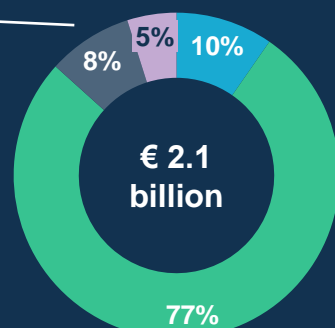
Office and residential dominate with 71% share, residential at 29%



\*Hotel usually only with recourse or additional collateral

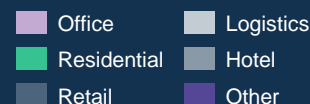
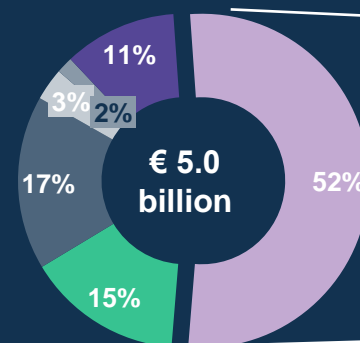
## Office Benelux

87% investment grade ratings; no assets in RC 9-15; LTV 53%



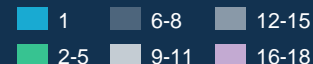
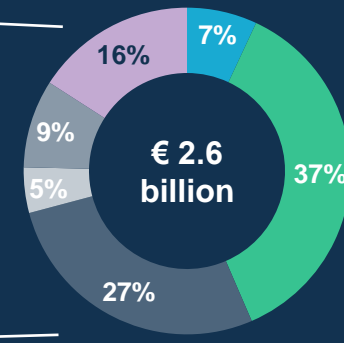
## North America:

Office dominates with 52% ahead of retail with 17%



## Office North America

44% investment grade ratings; LTV 60%



## Asset class, residential and office in Benelux show clear focus on quality

- Very good Ø-LTV of 52%<sup>2</sup>
- 53% of the Benelux portfolio excluding residential are green bond capable investments
- Vacancy rate of 4.5% (Office 6.1%) in line with market levels
- 2% of exposure in RC 16-18. The low default share relates to 2 office commitments

## North America portfolio stabilized through geographic diversification and other asset classes such as residential, retail and logistics

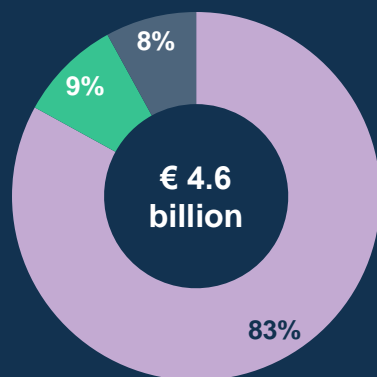
- Ø-LTV at 59%<sup>2</sup>
- Almost half of the buildings in the office portfolio are green bond capable (46%)
- Vacancy rate of 9.8% (Office 13%)<sup>2</sup> still moderate compared to the overall market in North America, especially the USA
- In North America currently 10% in default, of which 92% office

<sup>1</sup>Excluding "Other real estate exposures" (mainly decentrally managed regional and private customer business) / <sup>2</sup> Only for exposures in RC 1-15

# Real Estate division<sup>1</sup> – Project developments with a small portfolio share

## Regional distribution

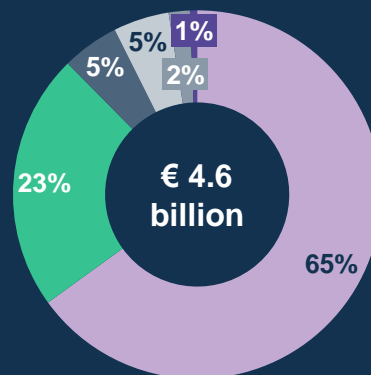
83% Germany



Germany  
North America  
Europe excluding Germany

## Asset class

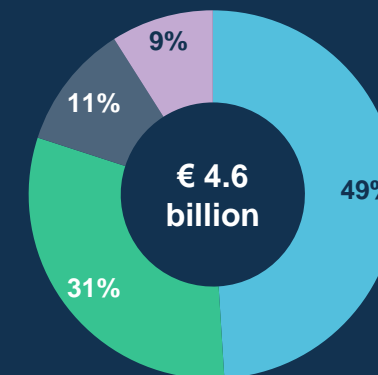
primarily Office with 65%, ahead of Residential 23%



Office  
Residential  
Retail  
Logistics  
Hotel  
Other

## Rating distribution

91% in good rating classes 1-8



1-5  
6-8  
9-15  
16-18

## Project developments with only 7.4% portfolio share in the Real Estate business division

- Project developments are only financed very selectively; the portfolio has been reduced by around 30% (€ 2 billion) since 2022
- 83% of project developments are located in Germany
- Office and residential use dominates sub-portfolio
- 80% of the project development portfolio is in rating classes 1-8. RC 16-18 includes around € 425 million, which corresponds to less than 0.7% of the exposure of the Real Estate business division
- Risks in the project development portfolio - as for the entire real estate portfolio - are covered by appropriate risk provisions

<sup>1</sup> Excluding "Other real estate exposures" (mainly decentrally managed regional and private customer business)

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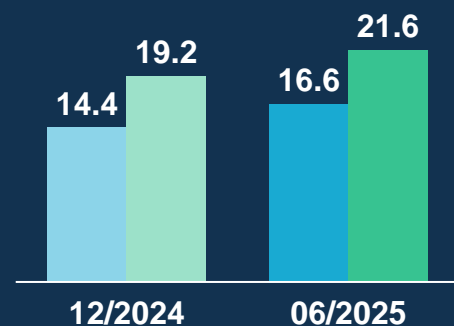




# Continued solid capitalization

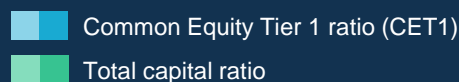
## Capital ratios

Phase-In, %



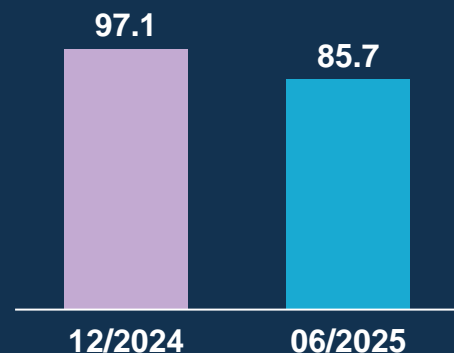
### CET1 ratio significantly improved

Higher CET1 due to profit retention and a positively developed revaluation reserve



## RWA

Phase-In, billion €



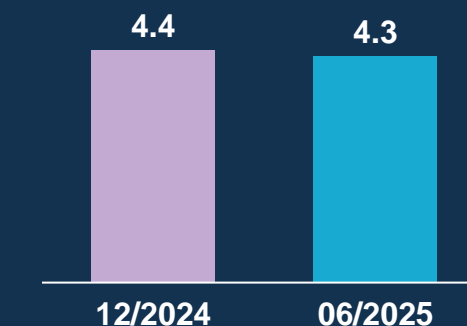
### Sharp decline in RWA

First time application of CRR III leads to lower RWA

Differences due to rounding

## Leverage ratio

Phase-In, %

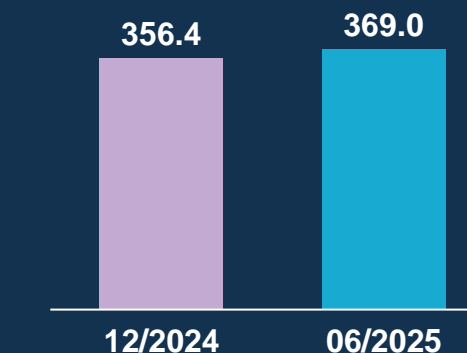


### Leverage ratio fell slightly

Mainly due to increased exposure to repos

## Total assets

billion €



### Balance sheet total increased

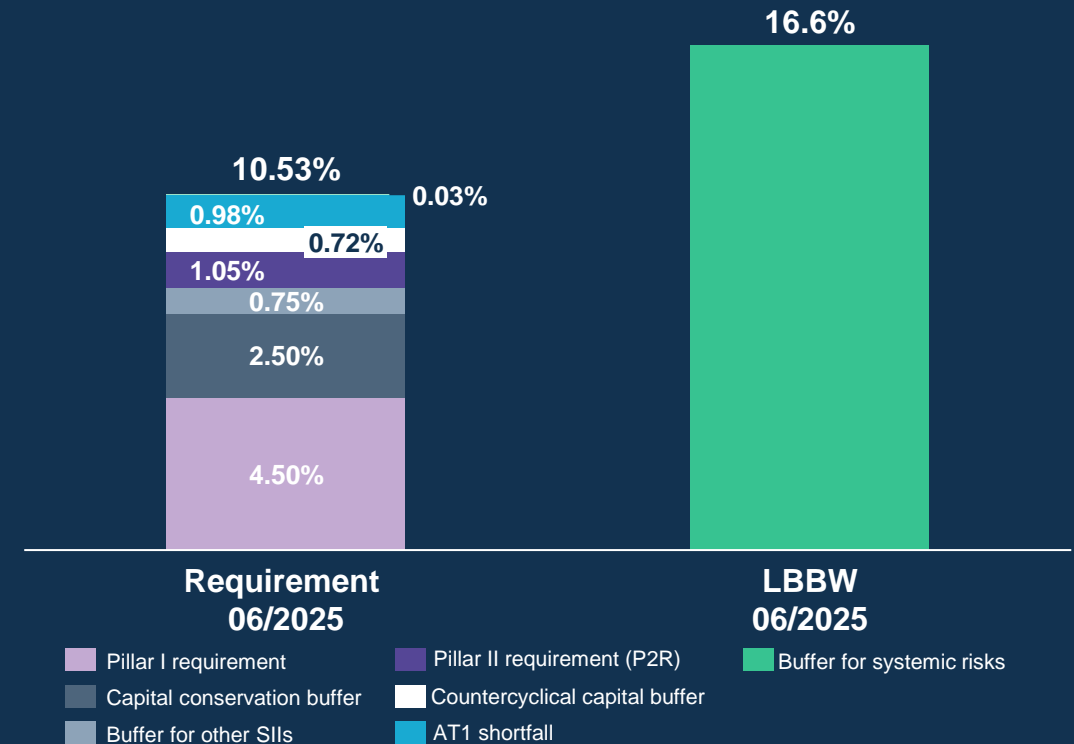
Total assets increased by € 12.7 billion in line with LBBW's basic strategic focus on growth and relevance

# Regulatory capital requirements still clearly exceeded

## LBBW continues to significantly exceed CET1 capitalization requirements

- CET1 requirement of 10.53% as at 06/2025 clearly exceeded - also taking into account the Pillar II recommendation (P2G), which exceeds the mandatory requirement
- Pillar II requirement (P2R) in total: 1.87%

## Common equity tier 1 ratio (CET1 ratio) Phase-In



<sup>1</sup>The capital buffer and the current AT1 shortfall must be held from common equity tier 1 capital. In addition, the ECB supervisory authority expects further common equity tier 1 capital to be held available in subsequent years for sustainable capital management.



# LBBW continues to exceed regulatory MREL requirements

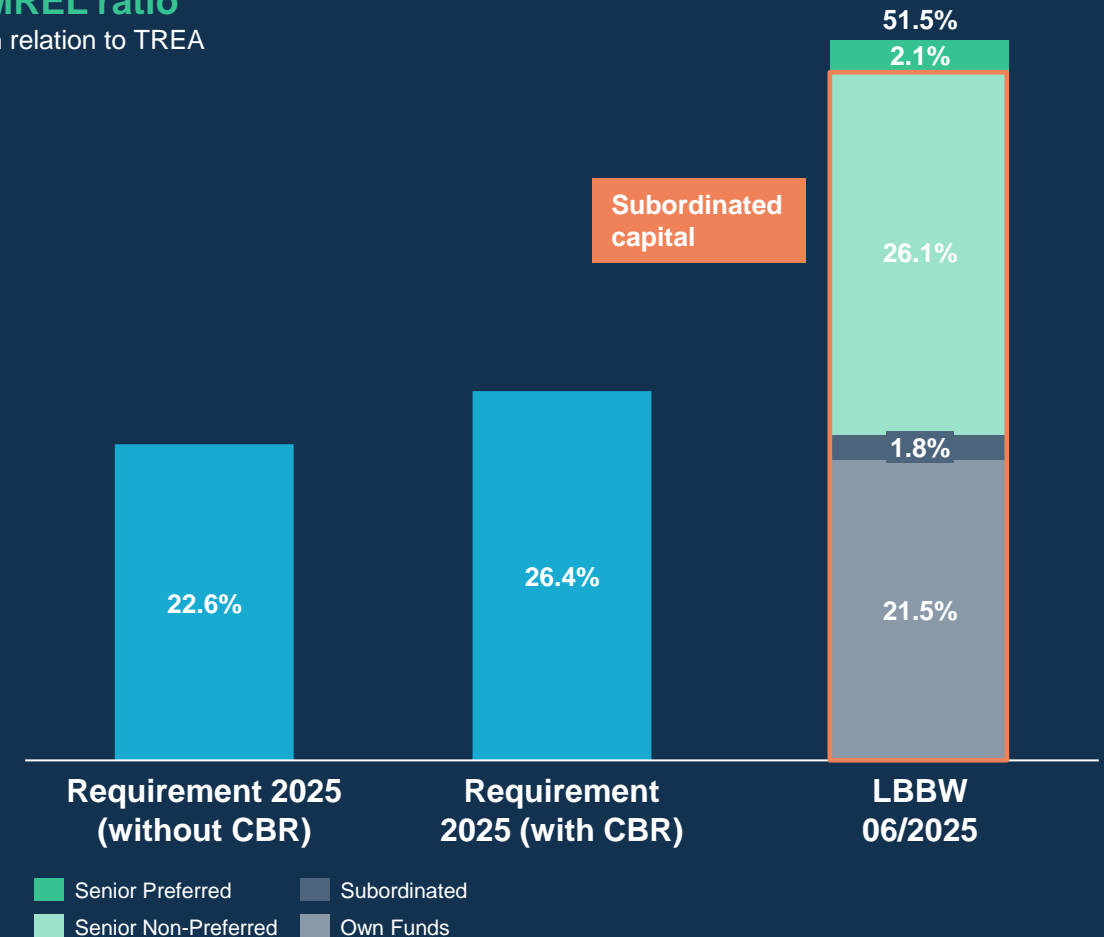
## LBBW continues to significantly exceed MREL requirement

- MREL-eligible liabilities in the amount of € 44.1 billion
- 95.88% of all MREL-eligible liabilities are subordinated liabilities
- Subordinated liabilities account for 49.36% of total RWA
- **LRE requirement of 8.72%** was comfortably exceeded at 12.62% as at 06/2025

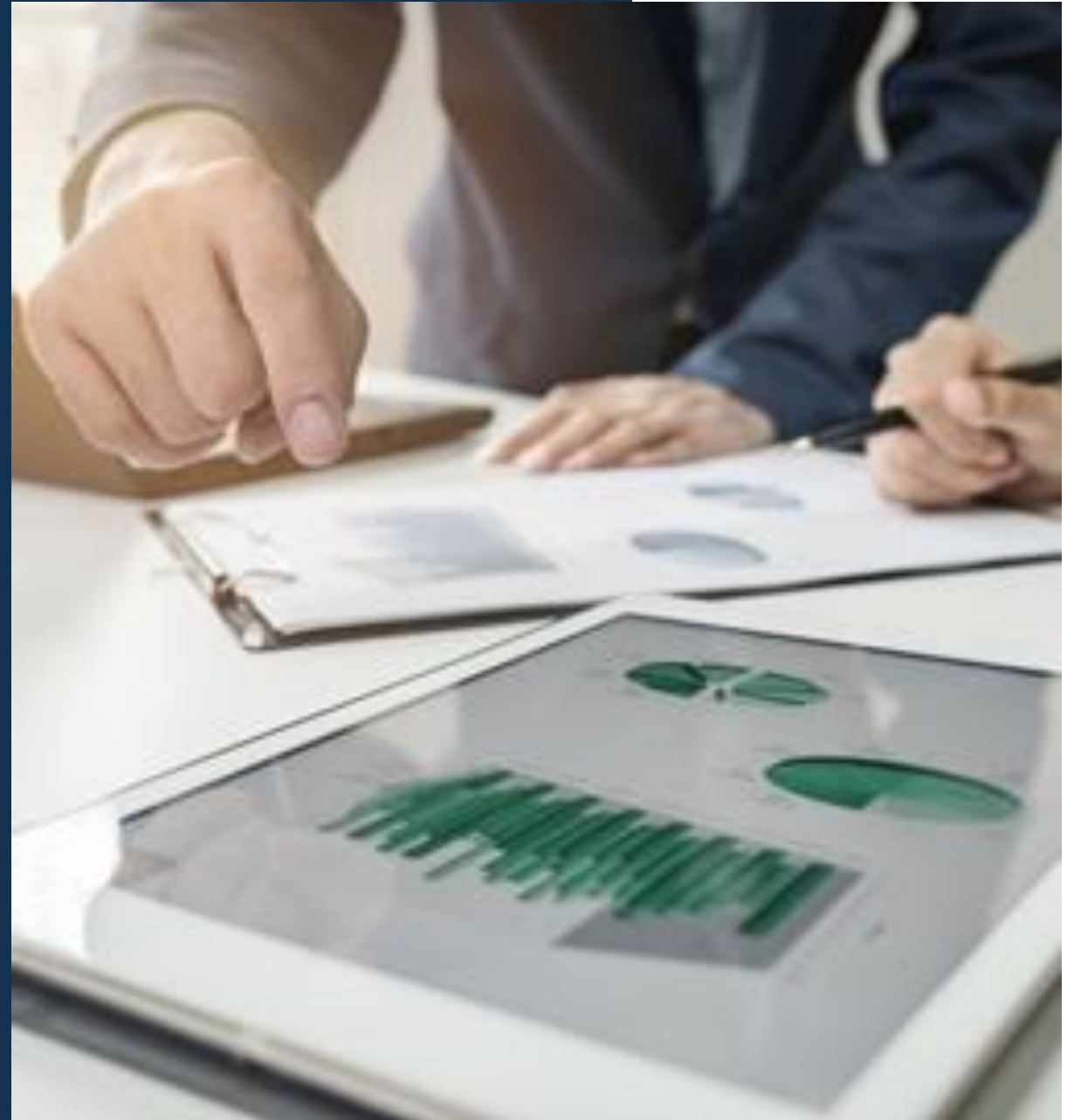
Differences due to rounding

## MREL ratio

in relation to TREA



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# LBBW balance sheet with broad refinancing structure from stable refinancing sources

## Stable refinancing sources

- Most of LBBW's funding comes from stable refinancing sources<sup>1</sup>
- Securities portfolio consists mainly of "high quality liquid assets" (HQLA)
- Short-term money market loans and trading mainly customer-related

## Structural liquidity surplus

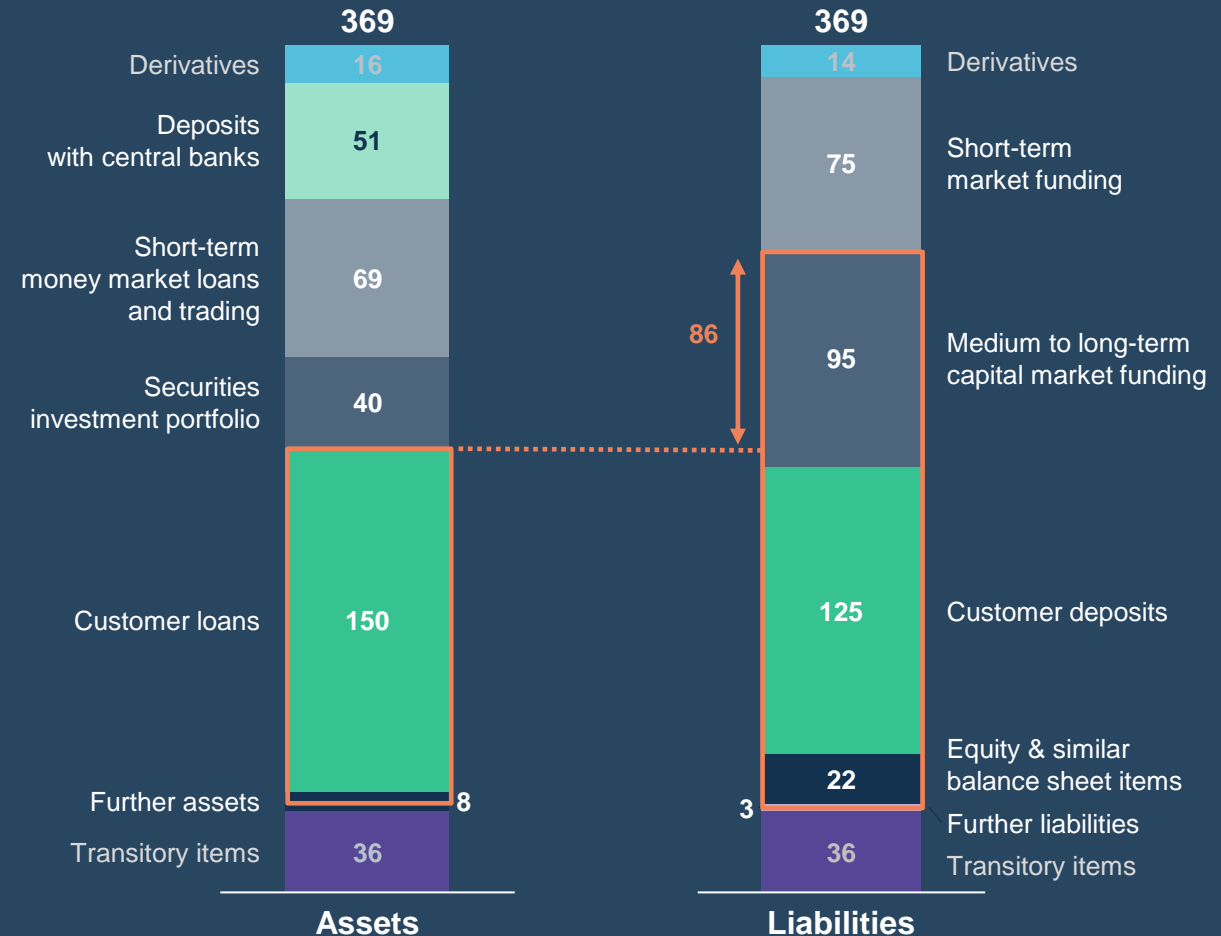
- Stable or medium to long-term liabilities exceed medium to long-term assets by € 86 billion

Differences due to rounding

<sup>1</sup> Equity, customer deposits, medium to long-term capital market funding and other liabilities

## Balance sheet 06/2025

billion €

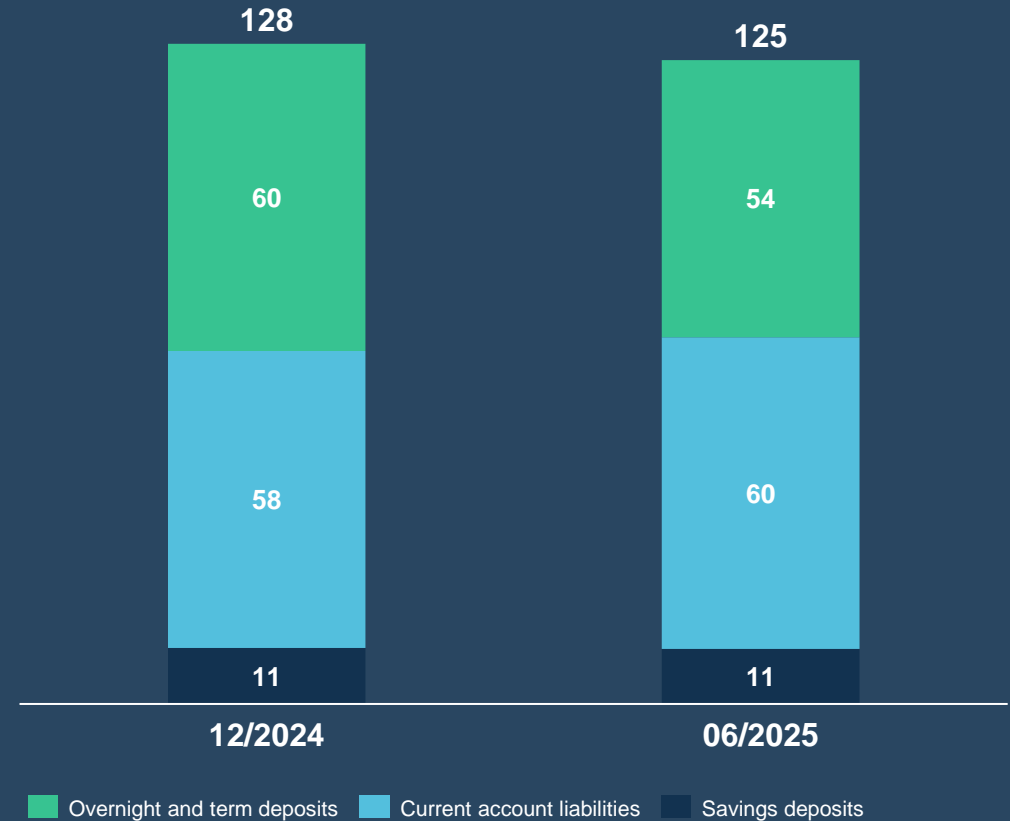


# LBBW with stable and diversified customer deposits

## Customer deposits are a key source of refinancing

- Increase in current account liabilities of € 2.8 billion partially offsets decline in overnight and term deposits
- Savings deposits stable with € 10.7 billion

Deposits<sup>1</sup>  
billion €

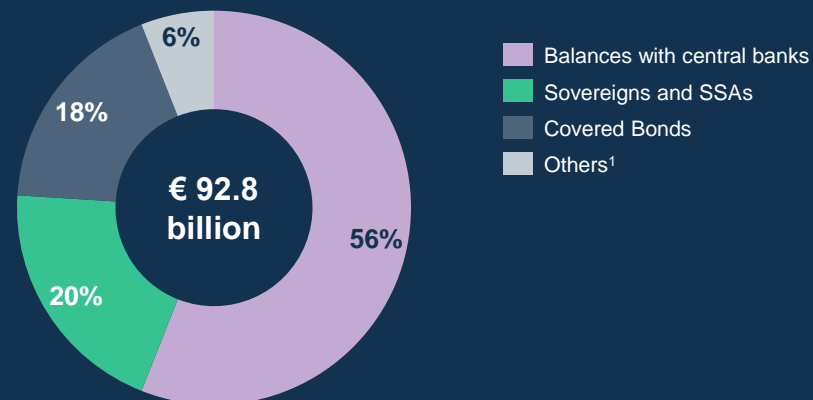


Differences due to rounding / <sup>1</sup> In addition, deposits from financials

# LBBW's high and diversified liquidity reserve

## Regulatory liquidity reserve 06/2025

%

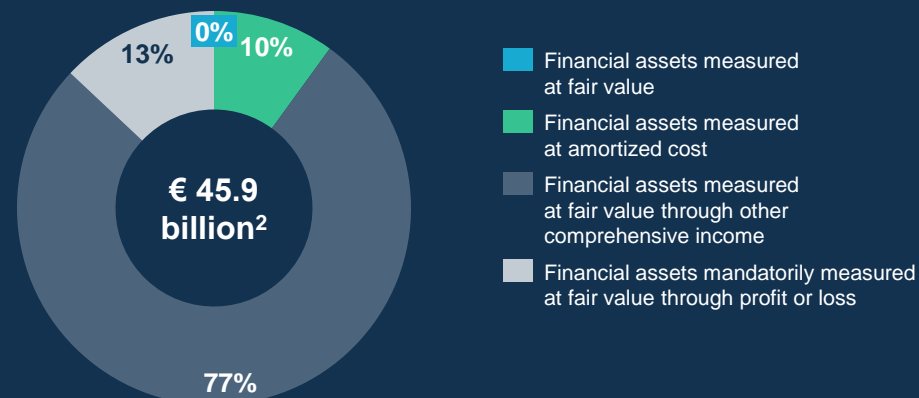


**LCR at 138.7%; NSFR at 120.2%**

- Regulatory requirements fulfilled
- Liquidity reserve characterized by central bank balances and diversified securities holdings

## Securities portfolio 06/2025

%



**Portfolio hedged against interest rate changes - valuation changes recognized directly in equity or already in the income statement**

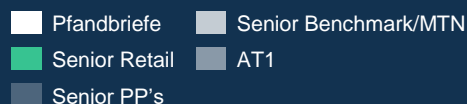
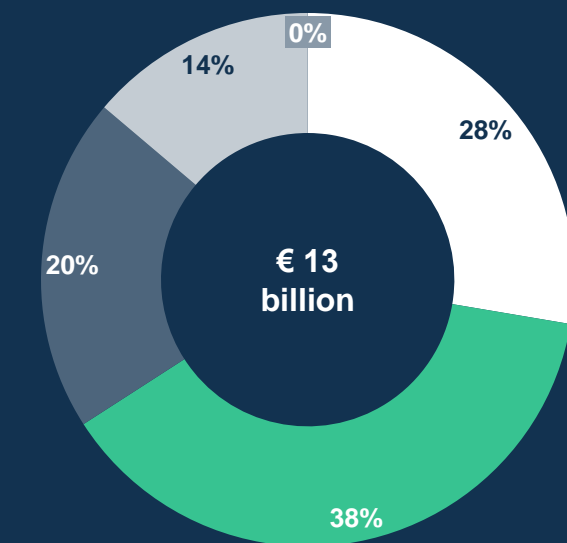
- Fixed-interest securities in the banking book hedged against interest rate changes with interest rate swaps, i.e. valuation changes exclusively credit spread-induced
- For the majority of securities in the banking book, valuation results from changes in credit spreads are recognized directly in retained earnings (06/2025: + € 124 million)
- Assuming that there are no permanent impairments, the valuation result will decrease until maturity

Differences due to rounding / ¹ other HQLA securities / ² of which € 39.7 billion in the banking book

# LBBW with stable funding sources

## New issues<sup>1</sup> 06/2025 by product

%



## LBBW Group with diversified funding mix

- LBBW uses a broadly diversified product range to address a large number of different investors in Germany and abroad

## Pfandbriefe

- Mostly issued in benchmark format in EUR and USD and widely placed with investors in Germany and abroad

## Senior Preferred and Non-Preferred

- Senior PPs were placed with savings banks and other domestic investors
- Retail customers play an important role in Senior Funding
- Benchmark issues/MTN in non-EUR currencies (AUD, CHF, USD) to appeal to international investors
- Senior preferred around € 3.4 billion, senior non-preferred around € 6.3 billion



Differences due to rounding

<sup>1</sup>Funding raised on the capital market; FX rates as at 30 June 2025; original maturities > 1 year / senior: Senior preferred and senior non-preferred / Retail: Bonds for private customers and savings certificates / PP/MTN: Private placements and medium-term notes

# Good ratings confirm LBBW's stability and creditworthiness



Long-term Issuer Rating	Aa2, stable
Senior Unsecured Bank Debt	Aa2, stable
Junior Senior Unsecured Bank Debt	A2
Subordinate Rating	Baa1
Short-term Ratings	P-1
Öffentliche Pfandbriefe	Aaa
Hypothekenpfandbriefe	Aaa

Long-term Issuer Default Rating	A+, stable
Long-term Senior Preferred Debt Rating	AA-
Long-term Senior Non-Preferred Debt Rating	A+
Non-guaranteed Tier 2 Subordinated Debt Rating	A-
Short-term Issuer Default Rating	F1+
Öffentliche Pfandbriefe	-
Hypothekenpfandbriefe	-

Long-term Issuer Rating	A (high), stable
Long-term Senior Debt	A (high), stable
Senior Non-Preferred Debt	A, stabil
Subordinated Debt	A (low), stabil
Short-term Ratings	R-1 (middle), stable
Öffentliche Pfandbriefe	-
Hypothekenpfandbriefe	-



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# ESG Strategy

## Sustainable Financing essential to our Net Zero Target

LBBW's ESG-Strategy 2025<sup>+</sup>: Guided by **three strategic priorities**, we balance **environmental** and **social responsibility** with **financial performance** to support our **clients** and **society** in achieving **long-term sustainability goals**

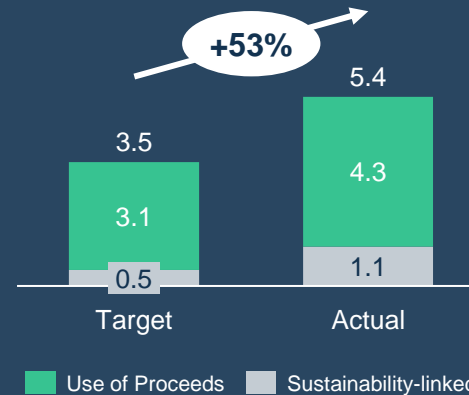
### Strategic ESG Priorities

1. **Responsibility:** Achieving climate-neutral business portfolio by 2050 at the latest
2. **Transformation:** Supporting customers in their sustainable transformation
3. **Stability:** Promoting stability through targeted management of ESG risks



### Sustainable Finance

billion € (new business)



LBBW defines sustainable finance as financing that supports ecological or social sustainability objectives or complies with the EU taxonomy. This includes use-of-proceeds financing<sup>1</sup>, as well as ESG-linked financing with corporate-level KPIs<sup>2</sup>

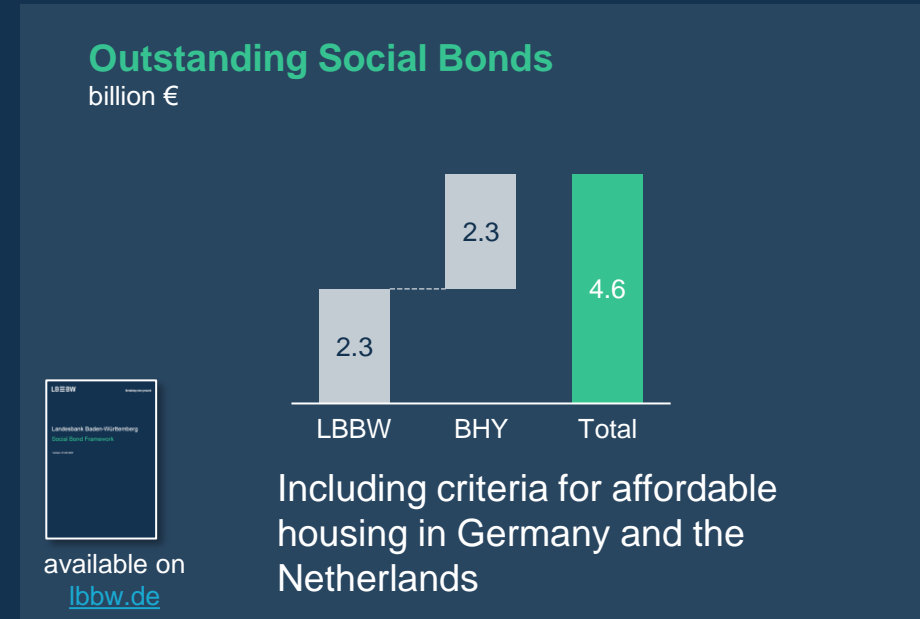
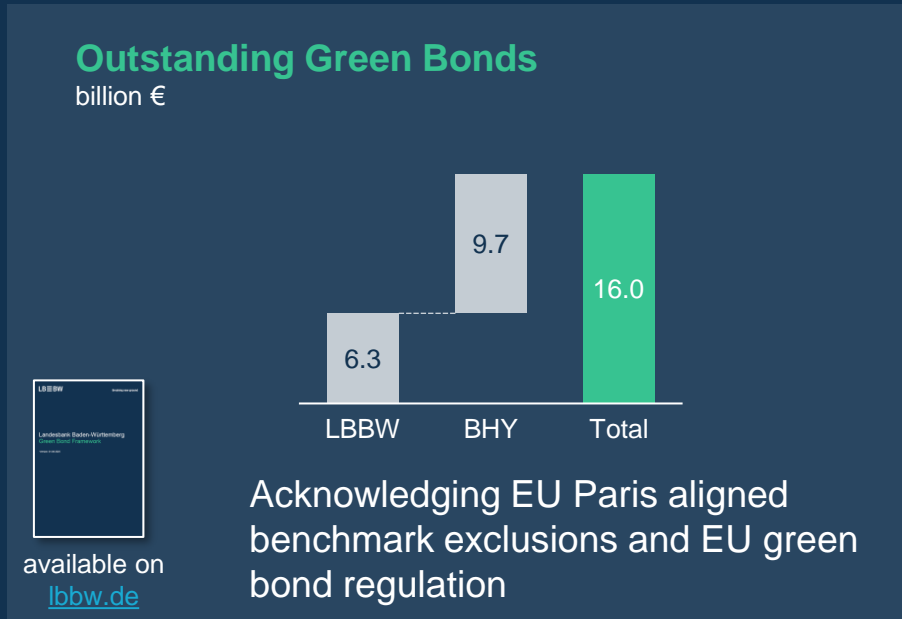


We are on track for our 2025 **target** of **€ 7.1 billion** of new sustainable financing

# ESG Bond Program

## Integration of Berlin Hyp doubles Social Bond Volume

**LBBW's ESG Bond Program:** Building on the frameworks of LBBW and Berlin Hyp, we have updated our Green and Social Bond Frameworks, combining the strengths of both. **ESG bonds** are key to channeling capital into **sustainable projects**. As a trusted issuer, LBBW supports investors in **contributing to global sustainability goals** while driving the **transition to a greener economy**



We continue to hold a strong position in the ESG bond market, supported by **transparency, reliable frameworks**, and consistent **issuance activity**

# ESG Ratings

## Effective Sustainable Governance

ISS ESG

**C+**  
"Prime"

Scale A+ to D-

(As at 03/2025)

MSCI

**A**  
"average"

Scale AAA to CCC

(As at 01/2025)

SUSTAINALYTICS  
a Morningstar company

**16.6**  
"low risk"

Scale 0 to 100  
insignificant to serious

(As at 01/2025)

Sustainable  
Fitch

**65**  
"good"

Scale 100 to 0  
excellent to weak

(As at 02/2025)

Current ratings at: [www.lbbw.de/sustainability](http://www.lbbw.de/sustainability)

The ratings we publish are publicly available information. The presentation serves only as an additional service. Explanations regarding the significance of a rating must be obtained exclusively from the relevant agency. LBBW does not endorse this information. Nor should they be construed as a recommendation to buy LBBW securities. LBBW assumes no liability for the completeness, timeliness, accuracy and selection of the information. Further information on the methodologies of the ESG rating agencies can be found at: [ISS ESG Ratings & Rankings | ESG Corporate Rating \(issgovernance.com\)](#); [Ratings - MSCI](#); [Company ESG Risk Ratings and scores - Sustainalytics](#); [ESG Investing: ESG](#); [ESG Ratings, Data & Analysis: Sustainable Fitch](#);

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# LBBW: A brief overview



As a mittelstand-minded universal bank and Germany’s largest Landesbank, we are a reliable partner for companies, private customers, institutional clients and savings banks



80 locations in Germany and 16 worldwide  
(06/2025)



10,787 (06/2025)  
employees



€ 369bn  
total assets at 30/06/2025



Our brands and Group subsidiaries complement our broad product range

BW≡BANK

Berlin Hyp

Süd≡Leasing

Süd≡Factoring

SüdBG

LB≡BW Asset Management

LB≡BW Immobilien

MMV  Bank

# LBBW's owners provide solid foundations



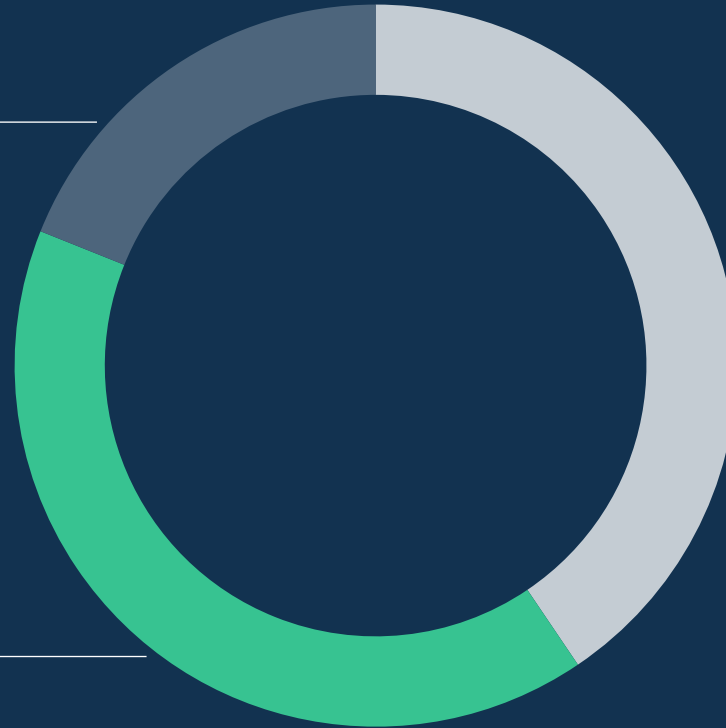
City of Stuttgart

**18.93 %**



State of Baden-Württemberg\*

**40.53 %**



Sparkassenverband  
Baden-Württemberg

Baden-Württemberg  
Savings Bank Association

**40.53 %**

Figures rounded / \* The State of Baden-Württemberg has a direct stake of 24.988% and, through Landesbeteiligungen Baden-Württemberg GmbH, an indirect stake of 15.546% in LBBW

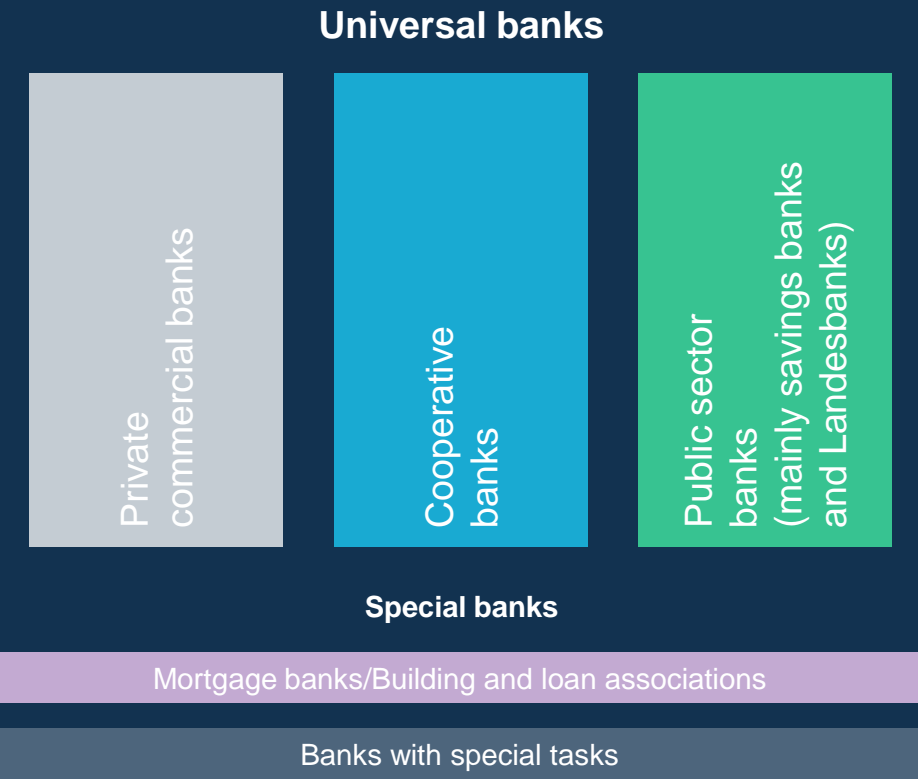
# We have a global presence for our customers



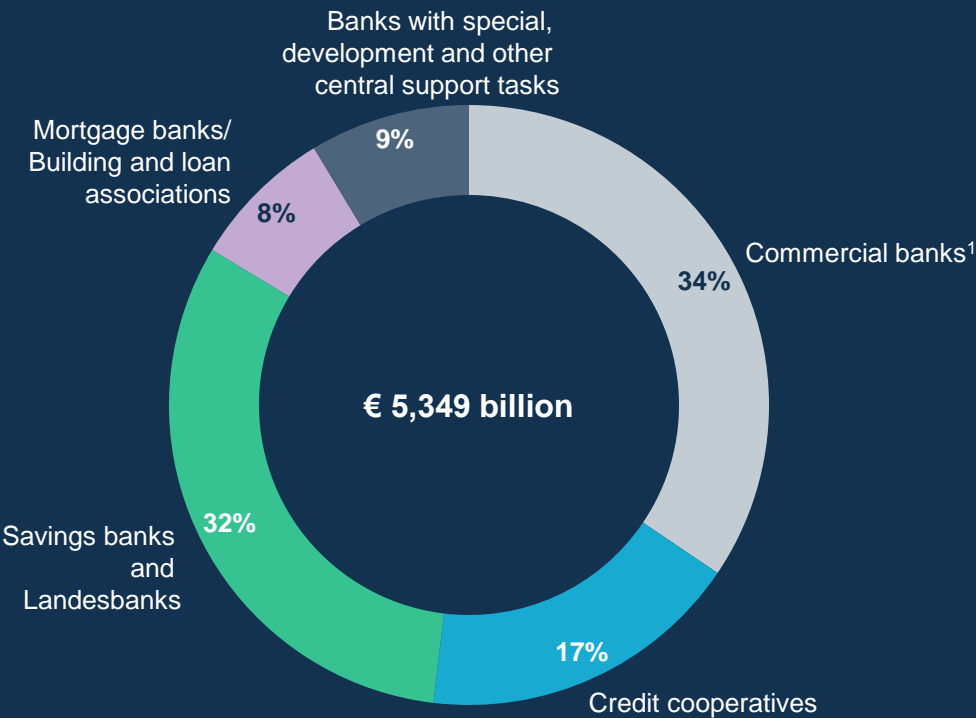


# German banking sector consists of three essential pillars

## 3 pillars of the German banking sector



## Breakdown of lending to non-banks by banking groups



Source: Deutsche Bundesbank Banking Statistics 28 July 2025, figures as at 30 June 2025 / Differences due to rounding

<sup>1</sup> Consists of big banks, regional banks and other commercial banks, branches of foreign banks

# The Savings Banks Finance Group at a glance



**343 Savings Banks**

**490 Member institutions**

**5 Landesbank Groups**

**8 Public direct insurer groups**

**Further companies**

**5 Landesbausparkassen**

**14,560 branches  
at home and abroad**

**287,400 employees**

**Business volume:  
€ 3,420 billion**



**Locally rooted business model**



**Close cooperation among its affiliated institutions**



**Strong within the Group**



**LBBW is a member of the Institutional Protection Scheme (IPS)**

# Baden-Württemberg as LBBW's core region is an important German economic hub



Leading business location in Germany and Europe with renowned companies with a global reputation



State of hidden champions: Medium-sized companies often being the global market leaders in their product segments



Innovation hub: Baden Württemberg accounts for 39% of Germany's patent applications<sup>1</sup>



Low unemployment rate of 4.5%<sup>2</sup>

# All customer segments with earnings contributions well into the triple-digit millions

Group				Corporate Customers			Real Estate/ Project Finance			Capital Markets Business			Private Customers/ Savings Banks			Corporate Items/ Reconciliation/Consolidation		
06/24	Δ %	06/25	€ mln	06/24	Δ %	06/25	06/24	Δ %	06/25	06/24	Δ %	06/25	06/24	Δ %	06/25	06/24	Δ %	06/25
1,295	-1	1,281	Net interest income	549	14	626	479	5	504	10	-	-29	237	-3	230	20	-	-49
320	9	349	Net fee and commission income	111	2	113	4	75	7	64	9	70	142	14	161	0	>100	-2
248	36	336	Net gains/losses on remeasurement and disposal	-12	>100	-28	-103	-10	-93	350	19	415	-6	1	-6	18	>100	48
71	-29	50	Other operating income/expenses	11	12	13	47	-45	26	13	-35	9	-1	>100	-3	1	>100	6
<b>1,934</b>	<b>4</b>	<b>2,016</b>	<b>Total operating income/expenses</b>	<b>660</b>	<b>10</b>	<b>723</b>	<b>426</b>	<b>4</b>	<b>443</b>	<b>437</b>	<b>6</b>	<b>464</b>	<b>373</b>	<b>3</b>	<b>383</b>	<b>39</b>	<b>-91</b>	<b>3</b>
2,052	3	2,123	of which income	670	11	746	533	1	538	436	6	463	379	3	390	34	-	-14
-118	-10	-107	of which allowances for losses on loans and securities	-10	>100	-23	-106	-10	-95	1	68	1	-7	6	-7	4	>100	17
<b>-1,203</b>	<b>9</b>	<b>-1,311</b>	<b>Expenses</b>	<b>-355</b>	<b>4</b>	<b>-371</b>	<b>-229</b>	<b>4</b>	<b>-238</b>	<b>-294</b>	<b>10</b>	<b>-322</b>	<b>-268</b>	<b>4</b>	<b>-280</b>	<b>-58</b>	<b>74</b>	<b>-100</b>
-1,148	6	-1,220	of which administrative expenses	-346	5	-362	-223	3	-230	-279	9	-304	-262	6	-278	-38	23	-46
-52	47	-77	of which expenses for bank levy, deposit and institution protection system	-9	-4	-9	-4	>100	-11	-14	26	-18	-6	-64	-2	-20	92	-38
-3	>100	-14	of which net income/expenses from restructuring	0	-	0	-2	-	2	0	-13	0	0	-	0	0	>100	-16
<b>731</b>	<b>-4</b>	<b>705</b>	<b>Consolidated profit/loss before tax</b>	<b>305</b>	<b>16</b>	<b>352</b>	<b>197</b>	<b>4</b>	<b>205</b>	<b>143</b>	<b>-1</b>	<b>142</b>	<b>105</b>	<b>-2</b>	<b>103</b>	<b>-19</b>	<b>&gt;100</b>	<b>-97</b>

06/24	Δ p.p.	06/25	%	06/24	Δ p.p.	06/25	06/24	Δ p.p.	06/25	06/24	Δ p.p.	06/25	06/24	Δ p.p.	06/25	06/24	Δ p.p.	06/25
9.3	-0.7	8.6	RoE	12.2	2.3	14.6	11.5	2.9	14.4	12.6	-1.2	11.4	18.5	-0.6	17.9			
58.6	3.2	61.8	CIR	53.0	-3.3	49.7	43.0	1.3	44.3	67.4	2.3	69.7	70.6	1.2	71.8			

06/24	Δ %	06/25	€ bn	06/24	Δ %	06/25	06/24	Δ %	06/25	06/24	Δ %	06/25	06/24	Δ %	06/25	06/24	Δ %	06/25
360.4	2	369.0	Total assets	71.4	3	73.8	70.0	1	71.0	181.3	3	186.3	42.6	1	43.2	-4.8	10	-5.3
94.1	-9	85.7	RWA	38.0	-8	34.9	26.2	-22	20.4	17.5	0	17.5	8.6	-3	8.4	3.8	20	4.5

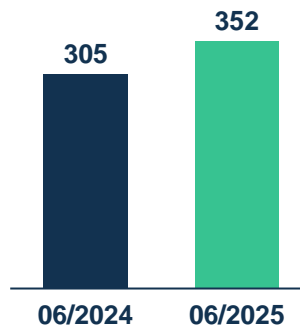
Differences due to rounding / PY incl. adjustments

# Corporate Customers

## Growth momentum continues in a difficult business environment

### Profit before tax

million €



€ mln	06/24	Δ %	06/25
<b>Total operating income/expenses</b>	<b>660</b>	<b>10%</b>	<b>723</b>
of which income	670	11%	746
of which allowances for losses on loans and securities	-10	>100	-23
<b>Expenses</b>	<b>-355</b>	<b>4%</b>	<b>-371</b>
of which administrative expenses	-346	5%	-362
<b>Consolidated profit/loss before tax</b>	<b>305</b>	<b>16%</b>	<b>352</b>
<b>RoE</b>	<b>12.2%</b>	2.3 p.p.	<b>14.6%</b>
<b>CIR</b>	<b>53.0%</b>	-3.3 p.p.	<b>49.7%</b>

### Broad earnings growth

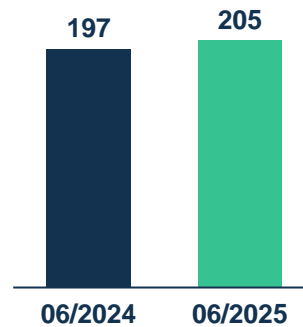
- Increased income from the expansion of the financing volume, but noticeable reluctance to invest
- Successful business with hedging products, cash management and corporate finance
- Increased focus on supporting customer in international markets
- Risk provisioning at a low level and below expectations despite tougher conditions, while portfolio quality remains good
- Strategic investments and price effects lead to rising expenses

# Real Estate/Project Finance

## Increase in earnings despite challenging market situation

### Profit before tax

million €



€ mln	06/24	Δ %	06/25
<b>Total operating income/expenses</b>	<b>426</b>	<b>4%</b>	<b>443</b>
of which income	533	1%	538
of which allowances for losses on loans and securities	-106	-10%	-95
<b>Expenses</b>	<b>-229</b>	<b>4%</b>	<b>-238</b>
of which administrative expenses	-223	3%	-230
<b>Consolidated profit/loss before tax</b>	<b>197</b>	<b>4%</b>	<b>205</b>
<b>RoE</b>	<b>11.5%</b>	2.9 p.p.	<b>14.4%</b>
<b>CIR</b>	<b>43.0%</b>	1.3 p.p.	<b>44.3%</b>

### Successful new business

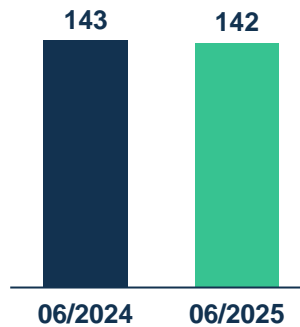
- Stable earnings performances in a persistently difficult market environment
- Increase new business in real estate financing leading to a further improvement in margins
- Project financing with expansion of the financing volume with a focus on renewable energies and digital infrastructure projects
- Risk provisioning characterized by individual cases in real estate and project finance
- Increase in administrative expenses due to the integration of Berlin Hyp

# Capital Markets Business

## Successful development of the financial markets business

### Profit before tax

million €



€ mln	06/24	Δ %	06/25
<b>Total operating income/expenses</b>	<b>437</b>	<b>6%</b>	<b>464</b>
of which income	436	6%	463
of which allowances for losses on loans and securities	1	68%	1
<b>Expenses</b>	<b>-294</b>	<b>10%</b>	<b>-322</b>
of which administrative expenses	-279	9%	-304
<b>Consolidated profit/loss before tax</b>	<b>143</b>	<b>-1%</b>	<b>142</b>
<b>RoE</b>	<b>12.6%</b>	<b>-1.2 p.p.</b>	<b>11.4%</b>
<b>CIR</b>	<b>67.4%</b>	<b>2.3 p.p.</b>	<b>69.7%</b>

### Stable earnings performance

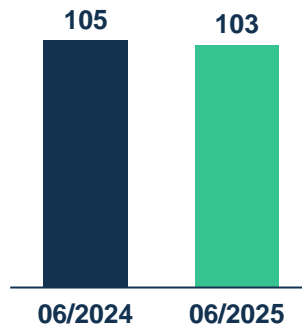
- Strong certificate and credit markets business as well as pleasing development in primary market issues
- Expansion of good positioning as a capital market house for the savings banks and with institutional customers
- Market driven contrary development in money market business
- Increase in expenses characterized by investments in growth areas

# Private Customers/Savings Banks

## Stable result with falling deposit margins

### Profit before tax

million €



€ mln	06/24	Δ %	06/25
<b>Total operating income/expenses</b>	<b>373</b>	<b>3%</b>	<b>383</b>
of which income	379	3%	390
of which allowances for losses on loans and securities	-7	6%	-7
<b>Expenses</b>	<b>-268</b>	<b>4%</b>	<b>-280</b>
of which administrative expenses	-262	6%	-278
<b>Consolidated profit/loss before tax</b>	<b>105</b>	<b>-2%</b>	<b>103</b>
<b>RoE</b>	<b>18.5%</b>	<b>-0.6 p.p.</b>	<b>17.9%</b>
<b>CIR</b>	<b>70.6%</b>	<b>1.2 p.p.</b>	<b>71.8%</b>

### Deposit volume increased

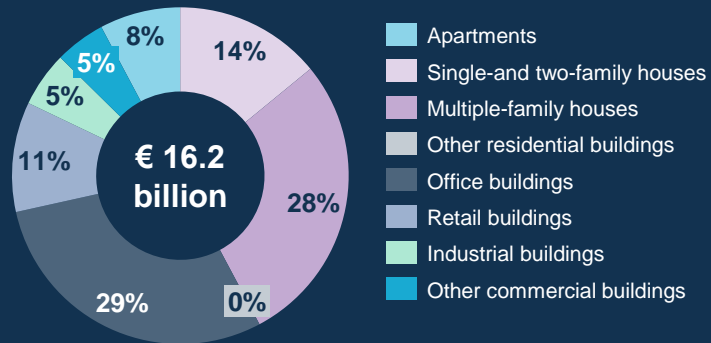
- Increase in commission income from asset management and securities business
- Successful expansion of deposit volumes yoy, but declining income due to low interest rates
- Residential mortgage business picks up in line with market trend
- Wealth management consolidates its position as a substantial pillar of the business model with a further increase in income
- Rising administrative expense driven by tariff increases



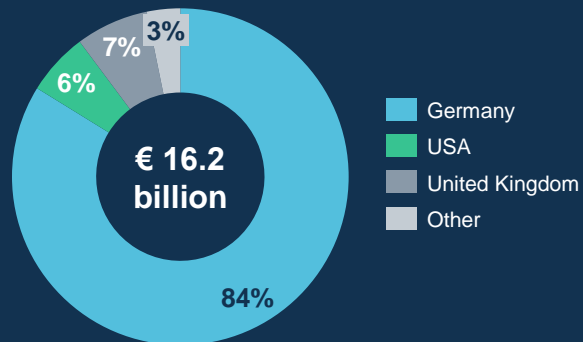
# Mortgage cover assets LBBW (Bank)

## Allocation of loans

### Breakdown by loan type<sup>1</sup> 06/2025



### Breakdown by country<sup>1</sup> 06/2025



#### Residential cover assets

- Almost exclusively in Germany
- Apartments, single-family and two-family houses, apartment buildings

#### Commercial cover assets

- Focus on the core markets of Germany, USA, UK and open-ended real estate funds, Canada and France
- Office buildings, commercial buildings, industrial buildings and other commercial buildings

#### Further cover values

- Further cover assets of around € 574 million as at 30 June 2025
- Mainly SSAs

Differences due to rounding / <sup>1</sup> Without further cover values. Further information on the mortgage cover assets can be found in the publication pursuant to section 28 (1) sentence 1 nos. 1, 3 PfandBG: [Pfandbriefe of LBBW](#)

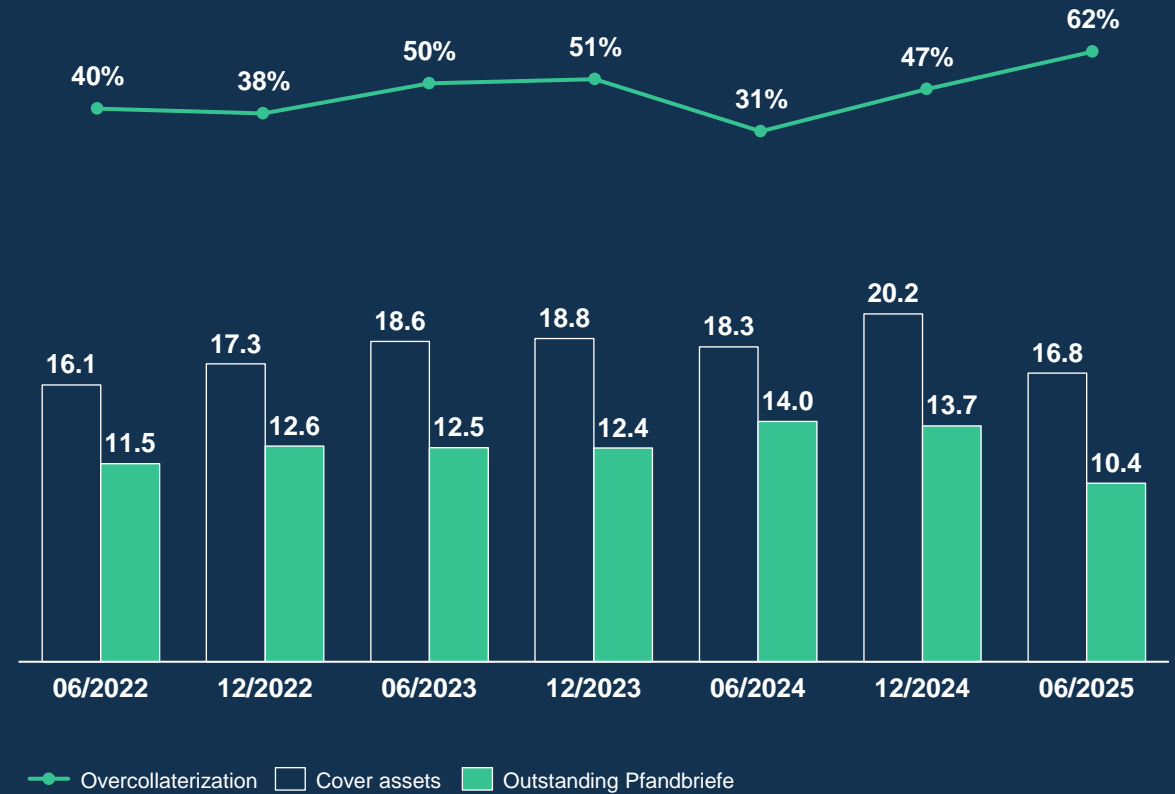
# Mortgage Pfandbriefe and cover pool LBBW (Bank)

## Cover assets

- Stable overcollateralization
- Aaa rating from Moody's
- Average elapsed term since the loan was granted - Seasoning 5.9 years
- Share of fixed-interest cover assets: 83.7%
- Share of fixed-interest Pfandbriefe: 99.1%
- The Pfandbrief Act requires that real estate financing may only be used as cover up to a lending limit of 60% of the mortgage lending value
- As a rule, the mortgage lending value is well below the market value - even in the event of a sustained downturn in the real estate market

## Mortgage cover pool 06/2025

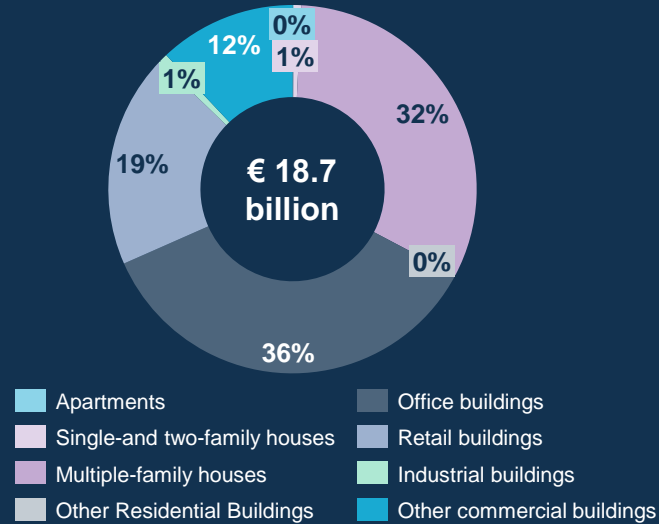
billion €



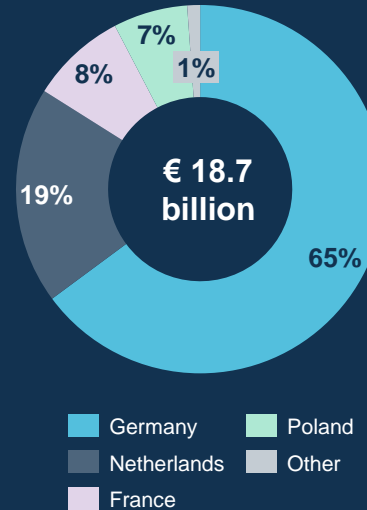
Further information on the mortgage cover assets can be found in the publication pursuant to section 28 (1) sentence 1 nos. 1, 3 PfandBG: [Pfandbriefe of LBBW](#)

# Mortgage Pfandbriefe Berlin Hyp AG

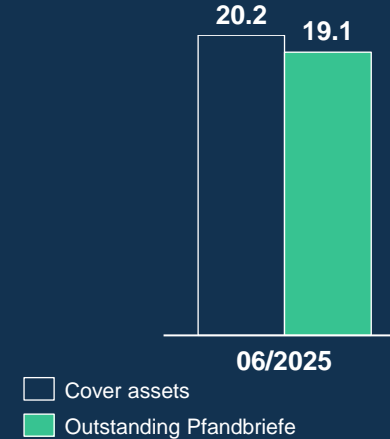
Breakdown by loan type<sup>1</sup> 06/2025



Breakdown by country<sup>1</sup> 06/2025



Mortgage cover pool  
billion €



## Diversified asset mix

- Portfolio diversified across different asset classes including multi-family, offices and retail buildings
- Further cover assets of around € 1.5 billion as at 30 June 2025

## Lending in strong European regions

- Focus on Germany with almost 2/3 of the portfolio
- Further assets in strong European regions

## Active Asset and Liability management

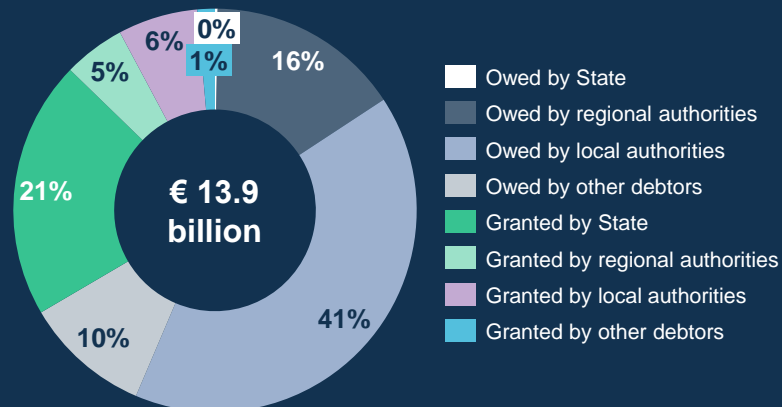
- Managed portfolio with sufficient overcollateralization
- Average elapsed term since the loan was granted - Seasoning 5.0 years
- Share of fixed-interest cover assets: 76.2%
- Share of fixed-interest Pfandbriefe: 97.3%

Differences due to rounding / <sup>1</sup> Without further cover values. Further information on the mortgage cover assets can be found in the publication pursuant to section 28 (1) sentence 1 nos. 1, 3 PfandBG: [Pfandbriefe of LBBW](#)

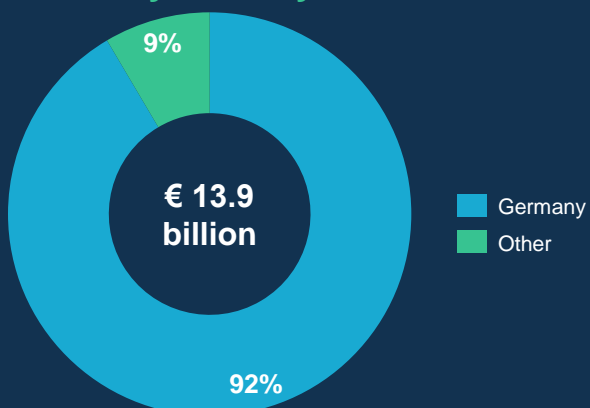
# Public cover assets LBBW (Bank)

## Breakdown of loans

### Breakdown by loan type<sup>1</sup> 06/2025



### Breakdown by country<sup>1</sup> 06/2025



#### States

- Mainly export financing guaranteed by Euler Hermes and other export credit insurers

#### Regional authorities

- German federal states (owed)
- Regional rail transport (granted)

#### Local authorities

- Mainly German cities, municipalities and districts (owed) or public and municipal utilities in private legal form (granted)
- Municipal loan as anchor product
- Public sector portfolio as a basis for social bonds

#### Other

- Special-purpose associations, municipal utilities and other public-sector companies (e.g. university hospitals) in public legal form and development banks

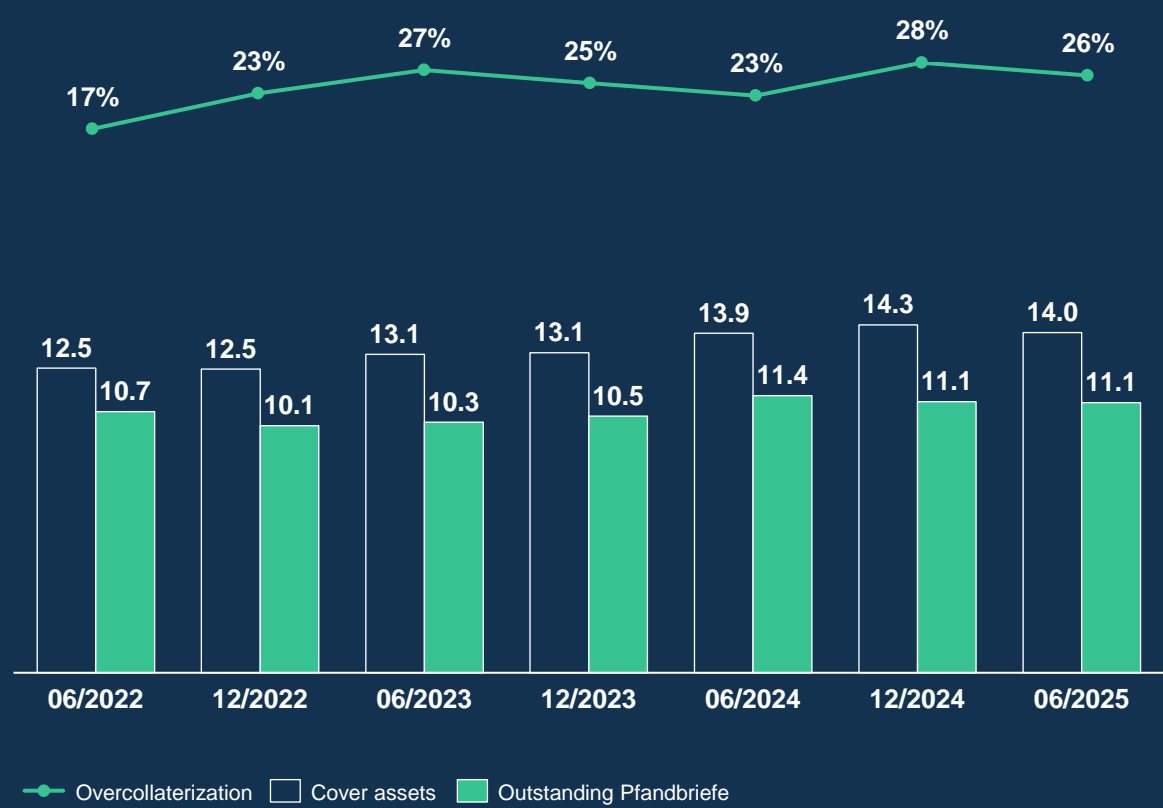
# Public Pfandbriefe and cover pool LBBW (Bank)

## Cover assets

- > 91.5% of the receivables relate to Germany
- > High overcollateralization
- > Aaa rating from Moody's
- > Share of fixed-interest cover assets: 76.1%
- > Share of fixed-interest Pfandbriefe: 95.8%

## Public cover pool 06/2025

billion €



Differences due to rounding

Further information on the public cover assets can be found in the publication pursuant to section 28 (1) sentence 1 nos. 1, 3 PfandBG: [Pfandbriefe of LBBW](#)

# Glossary

<b>CET1 / AT1 / T2</b>	CET1: Common Equity Tier 1 Capital; AT1: Additional Tier 1 capital; T2: Supplementary capital (Tier 2 capital)
<b>CIR</b>	Cost Income Ratio Group/segments: Expenses / Income
<b>Coverage Ratio</b>	Accumulated impairment stage 3 + POCI (in default) / Non-performing exposure related to Net exposure (IFRS 9)
<b>Debt Yield</b>	Net operating income / mortgage loan amount
<b>Expenses</b>	Administrative expenses + Expenses for bank levy and deposit guarantee system + Net income/expenses from restructuring
<b>Exposure</b>	Drawdown plus free external credit lines less capital market-related collateral (collateral, netting, etc.)
<b>Gross Exposure</b>	Drawdown plus unutilized external credit lines
<b>Income</b>	Net interest income + net fee and commission income + net gains/losses on remeasurement and disposal before allowances for losses on loans and securities + other operating income/expenses
<b>LCR</b>	Liquidity Coverage Ratio; HQLA: High Quality Liquid Assets
<b>LTV</b>	Loan-to-Value: Ratio of the outstanding loan amount to the market value of the mortgaged properties
<b>MREL</b>	Minimum Requirement for own funds and Eligible Liabilities; TREA: Total Risk Exposure Amount; LRE: Leverage Ratio Exposure measure; CBR: Capital Buffer Requirement
<b>Net Exposure</b>	Drawdown plus unutilized external credit lines less capital market-related collateral (collateral, netting, etc.) less loan collaterals
<b>Net Exposure (IFRS 9) / Gross Exposure (IFRS 9)</b>	Net exposure/Gross exposure only related to financial instruments under the scope of application of the impairment rules of IFRS 9
<b>NPE Ratio</b>	Non-performing exposure related to Net exposure (IFRS 9) / Net exposure (IFRS 9)
<b>NSFR</b>	Net stable funding ratio
<b>Ø-PD</b>	Average probability of default (probability of default)
<b>P2G</b>	Pillar 2 Guidance / In addition, the ECB supervisory authority expects further Common Equity Tier 1 capital to be held in the following years as part of a Pillar II recommendation for sustainable capital management
<b>P2R</b>	Pillar 2 Requirement / Additional capital requirement determined by the competent supervisory authority for each individual institution for risks that are not already covered by the generally applicable regulatory requirements (CRR, Pillar 1)
<b>Phase-In / Fully Loaded</b>	Phase-In: Taking into account the transitional provisions of the CRR Fully Loaded: Without taking into account the transitional provisions of the CRR
<b>Rating Classes</b>	Investment grade: RC 1: PD 0.00% - 0.10%; RC 2-5: PD 0.10% - 0.48% Non-investment grade: RC 6-10: PD 0.48% - 3.63%; RC 11-15: PD 3.63% - 100%; Default: RC 16-18: PD 100% Rating waiver or not-rated: Miscellaneous
<b>Rating Classes</b>	Investment grade: RC 1: PD 0.00% - 0.10%; RC 2-5: PD 0.10% - 0.48% Non-investment grade: RC 6-8: PD 0.48% - 1.61%; RC 9-11: PD 1.61% - 3.63%; RC 11-15: PD 3.63% - <100%; Default: RC 16-18: PD 100% Rating waiver or not-rated: Miscellaneous
<b>Risk Costs (balance sheet)</b>	(Annualized) risk provisions / average net carrying amount of loans and advances to customers on the basis of quarterly averages
<b>Risk Costs (net exposure)</b>	(Annualized) risk provisioning / average net exposure (IFRS 9)
<b>RoE</b>	Return on equity Group: (Annualized) consolidated net income p.a. / Average balance sheet equity adjusted for retained earnings for the current reporting period Segments: (Annualized) earnings per share / Average equity tied up in the current reporting period
<b>RWA</b>	Risk weighted assets
<b>Share of impaired loans</b>	Determined on the basis of FinRep; portfolio of risk provisions and negative fair value changes due to credit risks for non-performing loans / credit volume
<b>SREP</b>	Supervisory Review and Evaluation Process
<b>SREP Ratio</b>	Capital ratio requirement of the ECB based on the Supervisory Review and Evaluation Process (SREP): This ratio takes into account the Pillar I minimum requirement, the Pillar II requirement (Pillar 2 Requirement (P2R)), the Common Equity Tier 1 capital to be held as a capital conservation buffer in accordance with Section 10c KWG and the Common Equity Tier 1 capital to be held as a capital buffer for other systemically important institutions in accordance with Section 10g KWG; in addition, a countercyclical capital buffer must be held in accordance with Section 10d KWG, if applicable. existing shortfalls from the respective other capital classes and the ECB's Pillar II recommendation (Pillar 2 Guidance (P2G))

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