

CREDIT OPINION

6 August 2025

Update



Send Your Feedback

RATINGS

Landesbank Baden-Wuerttemberg

Domicile	Stuttgart, Germany
Long Term CRR	Aa2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Aa2
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Aa2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Bernhard Held, CFA +49.69.70730.973
VP-Sr Credit Officer
bernhard.held@moodys.com

Alexander Hendricks, +49.69.70730.779
CFA
Associate Managing Director
alexander.hendricks@moodys.com

Carola Schuler +49.69.7073.0766
MD-Banking
carola.schuler@moodys.com

» Contacts continued on last page

Landesbank Baden-Wuerttemberg

Update to credit analysis

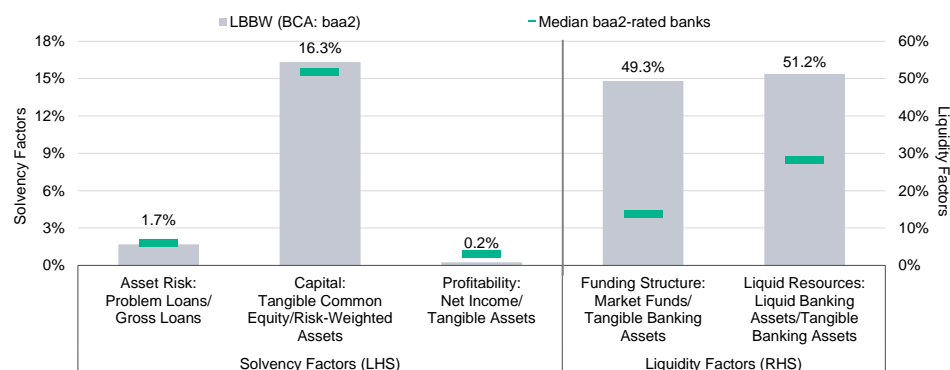
Summary

[Landesbank Baden-Wuerttemberg](#) (LBBW)'s Aa2 deposit and senior unsecured debt ratings reflect the bank's baa2 Baseline Credit Assessment (BCA), two notches of rating uplift from affiliate support because of its membership in Sparkassen-Finanzgruppe's (S-Finanzgruppe, Aa2 stable, a2¹) institutional protection scheme (IPS), three notches of rating uplift from our Advanced Loss Given Failure (LGF) analysis, which incorporates the relative loss severity of a liability class; plus a one-notch rating uplift resulting from government support, given its membership in systemically relevant S-Finanzgruppe.

LBBW's baa2 BCA reflects the still good, but from very strong levels slightly deteriorating credit quality amid the changed interest rate environment, which provides particular challenges for the bank's sizeable commercial real estate lending book. We acknowledge sufficient risk buffers in the form of LBBW's sound capitalization and improved, albeit still modest, profitability, and take into account LBBW's significant reliance on market funding, which is mitigated by the bank's access to savings banks' excess deposits and in case of need by a significant volume of liquid assets.

Exhibit 1

Rating Scorecard - Key financial ratios



Sources: Company filings and Moody's Ratings

Credit strengths

- » Low problem loan ratio, despite weakening asset quality in the real estate sector.
- » High coverage ratio and satisfactory capitalisation, which provide a substantial buffer against downside risks.
- » Sound liquidity balances and access to savings bank sector funding.

Credit challenges

- » Risk concentrations in cyclical sectors, primarily CRE, as well as substantial exposures to energy-intensive industries.
- » Subdued profitability and efficiency metrics in an international context.
- » Significant dependence on confidence-sensitive capital market funding.

Outlook

The stable outlook reflects the stable outlook of S-Finanzgruppe. The stable outlook further incorporates our expectation of a broadly unchanged liability structure.

Factors that could lead to an upgrade

- » An upgrade of LBBW's long-term ratings could be triggered by an improvement in the financial strength of S-Finanzgruppe.
- » LBBW's junior senior unsecured and subordinated ratings could also be upgraded if LBBW were to issue higher volumes of junior senior unsecured (in the case of junior senior debt only), subordinate or preferred shares liabilities than we currently expect.
- » An upgrade of LBBW's BCA could result from a sustained improvement in the bank's financial profile, in particular an improved business diversification and reduced sector concentration risks, higher capital ratios along with a further strengthening of the bank's earnings.

Factors that could lead to a downgrade

- » LBBW's ratings would be downgraded following a downgrade of the Adjusted BCA, either as a result of a deterioration in the financial strength of S-Finanzgruppe or caused by a significantly weaker BCA of LBBW. Further, a shift in the liability structure towards non-bail-in-able instruments, such that it increases the loss severity for a respective debt class and results in reduced rating uplift from our Advanced LGF analysis could exert downwards ratings pressure.
- » LBBW's BCA could be downgraded in case of a sharp decline in its asset quality, particularly if CRE markets underperformance leads to a more pronounced problem loan formation than the rating agency currently anticipates. LBBW's BCA could also be downgraded in case of a concurrent decline in capitalization and profitability, and a deterioration of the bank's combined liquidity profile.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Landesbank Baden-Wuerttemberg (Consolidated Financials) [1]

	12-24 ²	12-23 ²	12-22 ²	12-21 ²	12-20 ²	CAGR/Avg. ³
Total Assets (EUR Billion)	344.0	320.1	308.7	267.4	254.9	7.8 ⁴
Total Assets (USD Billion)	356.2	353.6	329.5	303.0	311.9	3.4 ⁴
Tangible Common Equity (EUR Billion)	15.9	15.4	14.7	13.2	13.0	5.1 ⁴
Tangible Common Equity (USD Billion)	16.4	17.0	15.7	15.0	15.9	0.8 ⁴
Problem Loans / Gross Loans (%)	1.7	1.3	0.8	0.9	0.9	1.1 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	16.3	16.7	15.7	15.7	15.8	16.0 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	14.3	10.7	7.2	6.9	6.6	9.1 ⁵
Net Interest Margin (%)	0.8	0.9	0.8	0.7	0.7	0.8 ⁵
PPI / Average RWA (%)	1.7	1.8	2.4	1.0	1.0	1.6 ⁵
Net Income / Tangible Assets (%)	0.2	0.3	0.3	0.2	0.1	0.2 ⁵
Cost / Income Ratio (%)	60.4	59.9	52.4	71.0	69.6	62.7 ⁵
Market Funds / Tangible Banking Assets (%)	49.3	49.7	52.3	54.9	52.4	51.7 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	51.2	49.2	49.7	52.8	52.8	51.1 ⁵
Gross Loans / Due to Customers (%)	116.8	123.0	131.9	124.0	116.1	122.4 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.

Sources: Moody's Ratings and company filings

Profile

LBBW is a German universal bank, providing retail and commercial banking, leasing, factoring, asset management, real estate, capital market, and equity and project finance services, either directly or through its subsidiaries. As of December 2024, the group reported consolidated assets of €344 billion and employed 10,777 staff. The bank is designated an "other systemically important institution" (O-SII) by the German regulator BaFin, because of its relatively high interconnectedness and complexity.

The owners of LBBW (Träger) are the [Savings Bank Association \(Sparkassenverband\) of Baden-Wuerttemberg](#) (Aa3 stable²) with a stake of 40.5%, the [Land of Baden-Wuerttemberg](#) (25.0%; Aaa stable³), the state capital of Stuttgart (18.9%) and Landesbeteiligungen Baden-Wuerttemberg (15.6%), the latter also being an entity of the Land of Baden-Wuerttemberg.

For more information, please see LBBW's most recent [Issuer Profile](#), our [German Banking System Outlook](#) and our [Banking System Profile Germany](#).

Weighted Macro Profile of Strong (+)

We derive the Strong (+) Weighted Macro Profile of LBBW from its regional net exposures, which takes into consideration the gross market value of loans to customers and credit commitments, net of collateral, credit risk hedges and netting agreements. As of December 2024, [Germany](#) (Aaa stable⁴), which has a [Strong \(+\) Macro Profile](#), accounted for 68% of net exposures, while European net exposures outside of Germany represented 19%. North America and Asia-Pacific contributed a further 7% and 4% to net exposures, respectively, while other international exposures accounted for the remaining 3%.

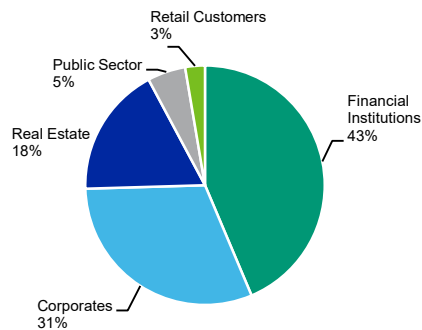
Detailed credit considerations

Solid asset risk profile, despite concentrations in higher-risk sectors and market risk

We assign a baa2 Asset Risk score, four notches below the a1 initial score. The assigned score primarily reflects LBBW's concentration in CRE lending, along with its exposure to cyclical corporate sectors. Additionally, the score accounts for the bank's market risk exposures arising from its capital markets business.

LBBW's total CRE exposure exceeded four times its year-end 2024 TCE, representing a significant concentration for the bank, especially due to the decline in CRE asset quality since 2023. While European CRE exposures have coped well with the higher rates environment, LBBW's €4.8 billion US CRE portfolio has shown a noticeable deterioration since 2023. Beyond its CRE exposure, LBBW maintains a better-diversified, yet susceptible, €119.5 billion corporate exposure to cyclical German industries.

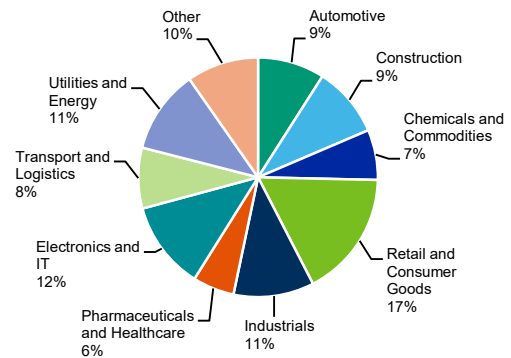
Exhibit 3

LBBW's exposure breakdown as of December 2024

May include rounding effects.

Source: Company filings and Moody's Ratings

Exhibit 4

Corporate exposures are diversified but contain risks from cyclical industries

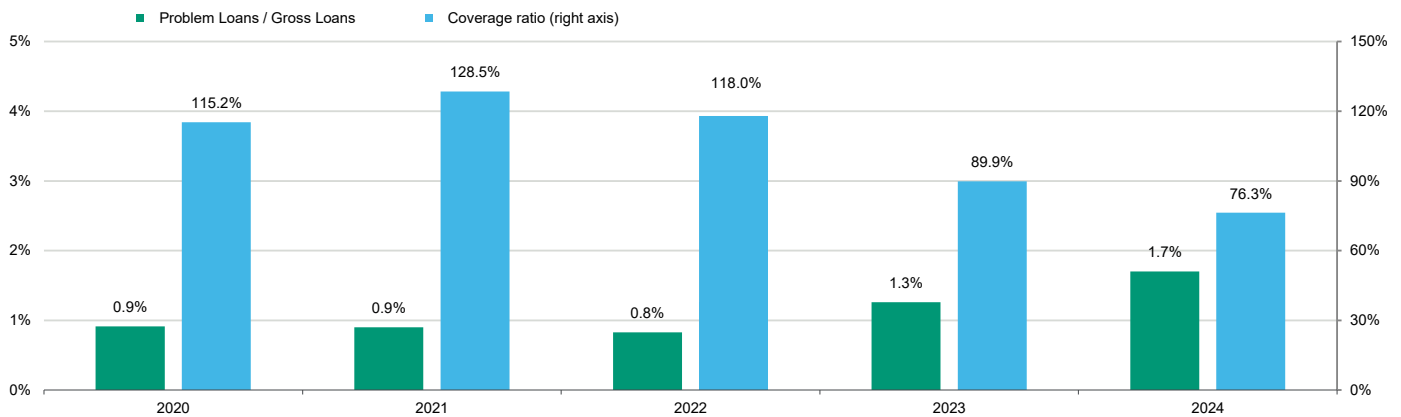
May include rounding effects.

Source: Company filings and Moody's Ratings

These exposures are affected by Germany's prolonged subdued economic environment, which has led to increased Stage 2 loan formation in 2024. Overall, LBBW's year-end 2024 problem loan ratio of 1.7% remains robust and has shown less susceptibility to German corporate and general CRE risks compared to its peers so far. The coverage ratio has declined to 76.3% but still remains a strong backstop to growing asset risks.

In addition to credit risks, we reflect LBBW's elevated market risk in our assigned asset risk score. At year-end 2024, LBBW's market risk RWA-to-TCE ratio stood at 32%—well above peers—highlighting its heightened sensitivity to market and price volatility, largely due to its sizable Capital Markets operations.

Exhibit 5

LBBW's problem loan ratio and coverage levels remain strong, but have weakened since 2022

Problem loan ratio in accordance with our definition. Coverage ratio = Loan loss reserves/problem loans.

Sources: Company filings and Moody's Ratings

LBBW's currently strong capital ratios face headwinds

Our assigned a3 Capital score is four notches below the aa2 initial score, reflecting our expectation of further negative rating migrations in LBBW's CRE and corporate loan book, longer-term headwinds stemming from the Basel III finalization, the bank's relatively weak leverage ratio and the limited resilience of the bank's capital buffers under severe stress scenarios.

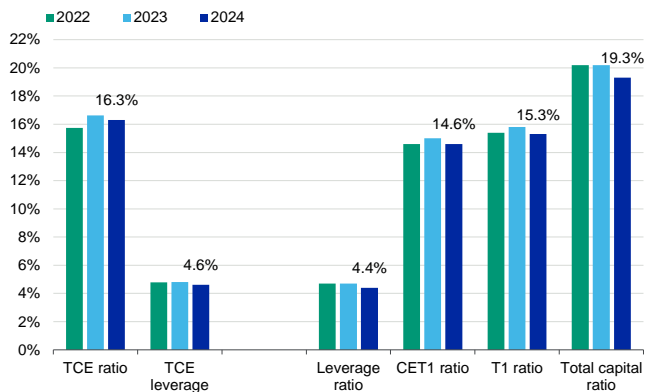
At year-end 2024, LBBW's tangible common equity to risk-weighted assets (TCE/RWA) ratio reached 16.3%, which was broadly comparable to that of its German peers. However, its CET1 capital ratio was somewhat weaker at 14.6%. The gap between LBBW's TCE and regulatory capital primarily arises from differences in profit recognition timing and the full inclusion of cumulative other comprehensive income effects.

LBBW applies the internal ratings-based approach for most of its RWA calculations. As per the EBA stress test results, which quantifies LBBW's fully-loaded CET1 capital ratio as 12.6%, the bank will initially benefit from the effects of the finalization of Basel III (it increased to 16.6% as of March and June 2025), yet over time, its RWA will increase as a result of the output floor which will by 2033 require RWA calculated with internal models to be at least 72.5% of the level banks would have achieved under the standardized approach. Our a3 assigned score also considers that LBBW was the only bank in this year's EBA stress test to fall below the 3% Tier1 leverage ratio requirement under the adverse scenario.

LBBW's Pillar 2 Requirement, set by the ECB, of 1.85% for 2025 (improved from 1.87% in 2024), which reflects the regulator's view of the bank's sound risk profile and governance, is lower than for most German peers and lower than the average of the ECB-supervised institutions. Because EBA stress test result will be considered in next year's Pillar 2 Guidance (P2G) setting, we see a risk of this add-on being raised.

Exhibit 6

LBBW's strong risk-weighted capital ratios coincide with elevated leverage, a result of low risk-weighted asset density.

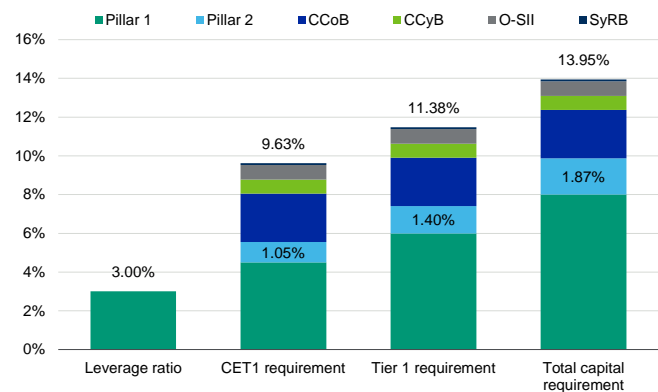


TCE = Tangible common equity (our calculation); CET1 = Common Equity Tier 1; T1 = Tier 1; TCE leverage ratio compares TCE to tangible assets.

Sources: Company filings and Moody's Ratings

Exhibit 7

LBBW's regulatory capital requirements as of December 2024



Pillar 1 = Pillar 1 requirement; Pillar 2 = Pillar 2 requirement; CCoB = capital conservation buffer; CCyB = countercyclical capital buffer; O-SII = other systemically important institutions buffer; SyRB = systemic risk buffer.

Sources: Company filings and Moody's Ratings

Profitability will moderate around its current levels

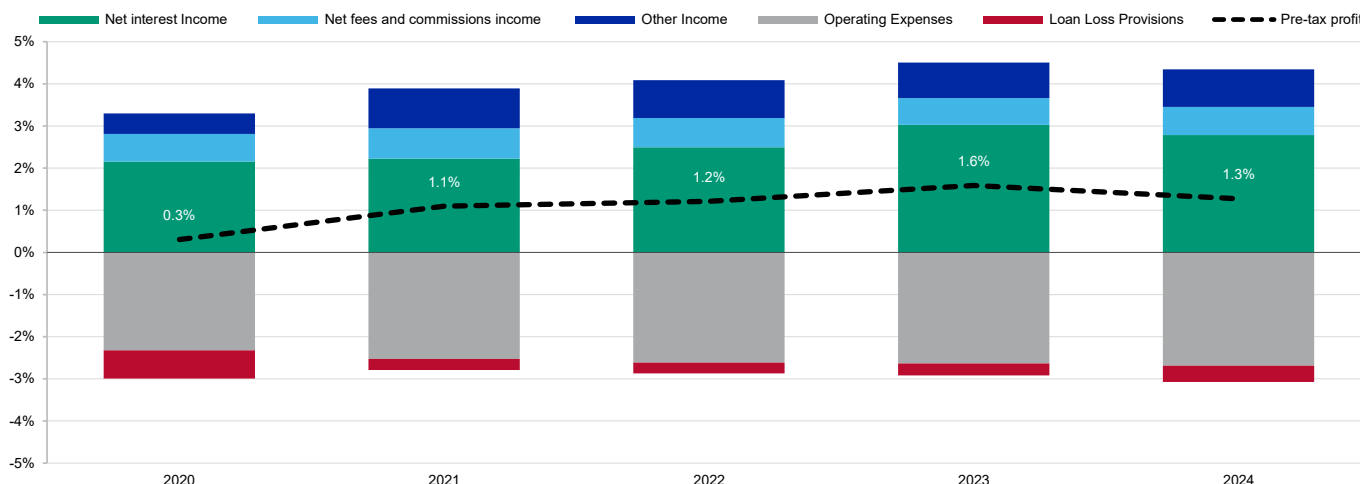
We assign a ba3 profitability score, one notch above the initial score of b1. The assigned score reflects our expectation that continued loan loss provisions will pressure LBBW's earnings but also offsetting efficiency gains from the completion of the Berlin Hyp integration. Overall, these factors will move LBBW's profitability score within the ba2-b1 range.

In 2024, net interest income declined slightly as interest rates moderated. Going forward, we expect LBBW's net interest income to decelerate moderately but remain above 2021 levels. At the same time, loan loss provisions rose to €363 million, up from €264 million in 2023, reflecting weakening asset quality. As a result, LBBW's adjusted pre-tax income fell to €1.2 billion in 2024, down from €1.5 billion in 2023—an overall moderating trend we expect to continue.

LBBW's expenses have been somewhat inflated due to the ongoing Berlin Hyp integration, affecting costs in 2024 and 2025. Going forward expected efficiency gains from the integration will somewhat mitigate the impact of declining interest income and sustained provisioning needs. The bank's reported 2024 cost-to-income ratio remained stable at a moderately weak level of 60%.

Compared to its German peers, LBBW's earnings generation relative to its risk-weighted assets is somewhat weaker. However, its cost base remains well contained—even amid the ongoing integration of Berlin Hyp. Despite the recent increase, also the bank's loan loss provisioning needs remain more moderate relative to its size than those of most peers.

Exhibit 8

LBBW's profitability weakened in 2024

Data in % of average risk weighted assets (RWA). Reported revenues, expenses and RWA are subject to standard⁵ and non-standard adjustments. In particular LBBW's 2022 "other income" includes significant expenses related to its defined benefit pension plans that are not included in reported profit and loss accounts.

Sources: Company filings and Moody's Ratings

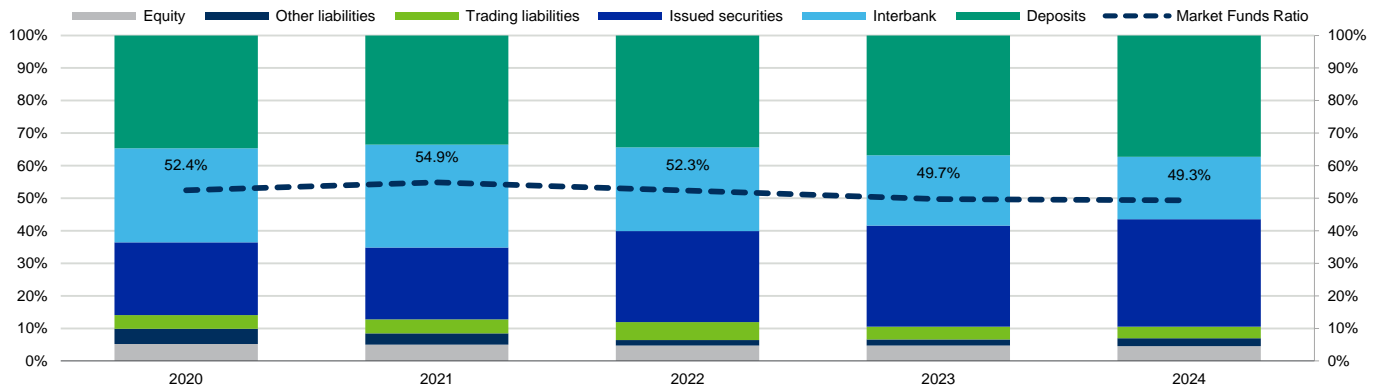
Funding profile supported by access to savings bank sector funding

We assign a ba2 Funding Structure score, which is two notches above the b1 initial score. The upward adjustment reflects that LBBW's market funds ratio includes development bank funding and intra-sector funding, both of which are less susceptible to shifts in market confidence.

LBBW's funding structure benefits from the bank's strong covered bond franchise and from stable funding inflows from excess liquidity deposits as well as bond investments from the savings banks network. Given LBBW's role as a central institution for the savings banks in several German states, we do not consider these funds to be confidence-sensitive, unlike other external interbank funds. In addition, LBBW channels matched and less confidence-sensitive funding from development banks. These funds are captured in our initial score and thus inflate LBBW's actual confidence-sensitive funding.⁶ However, LBBW still relies more than most of its peers on confidence-sensitive funding sources, including external interbank and money market funding, bonds, promissory notes, and institutional client deposits. At the same time, the bank's strong covered bond franchise

LBBW's December 2024 regulatory Net Stable Funding Ratio of 113.9% was low in the context of its peers, but still had a satisfactory buffer to the 100% minimum requirement. The bank's available stable funds accounted for only about half of its total assets, which reflects the dominant role of short-term wholesale funding and limited role of retail deposits.

Exhibit 9

LBBW's funding structure relies to a significant extent on interbank lines and debt issuance

Market funding ratio = Market funds/tangible banking assets.

Sources: Company filings and Moody's Ratings

Ample liquidity is a strong mitigant for market funding risks

We assign an a2 Liquid Resources score, three notches below the aa2 initial score. The downward adjustment mainly reflects high asset encumbrance which is only somewhat offset by LBBW's overcollateralised covered bond programs, which the bank could use to source additional liquidity.

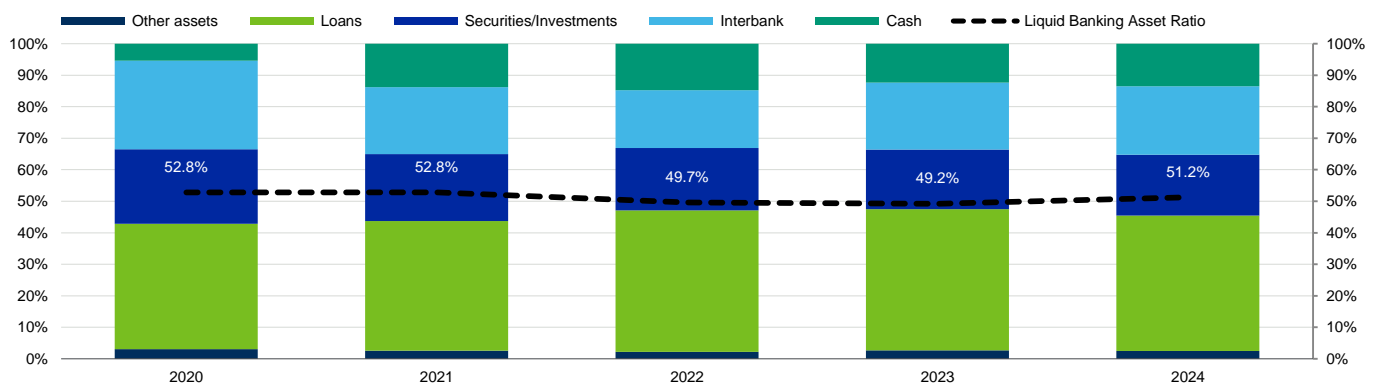
LBBW maintains a sound liquidity position, with a Liquidity Coverage Ratio (LCR) of 149.0% as of December 2024 (compared to 150.5% at year-end 2023) and a liquid banking assets-to-tangible banking assets ratio of 51.2%. Both ratios indicate the bank's flexibility to navigate adverse market environments.

Our weaker assigned score reflects LBBW's high volume of encumbered assets, primarily linked to the bank's derivatives, repo transactions, and pass-through lending operations. This encumbrance is somewhat counterbalanced by LBBW's ability to generate additional contingent liquidity through the issuance of covered bonds under its active programs.

Exhibit 10

LBBW has ample access to liquidity from sector funds, liquid securities and cash resources

The liquid banking assets ratio remained stable since 2022



Liquid banking assets ratio = Liquid banking assets/tangible banking assets.

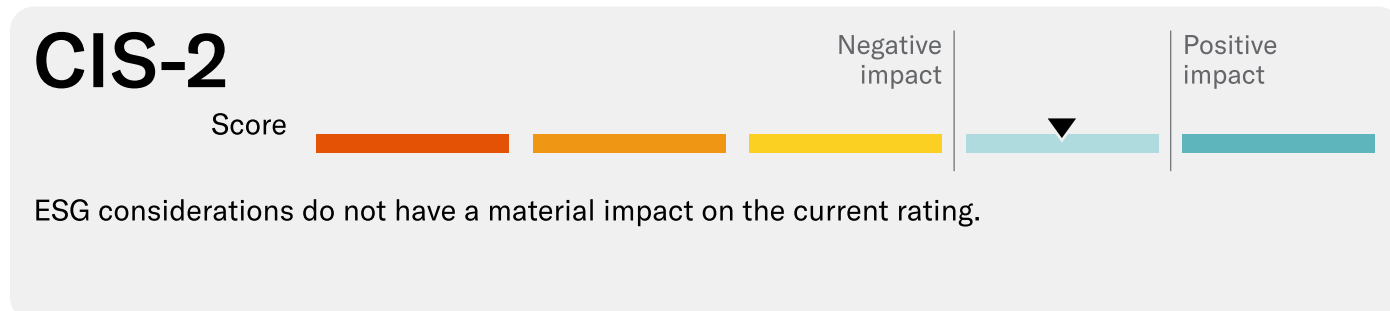
Sources: Company filings and Moody's Ratings

ESG considerations

Landesbank Baden-Wuerttemberg's ESG credit impact score is CIS-2

Exhibit 11

ESG credit impact score



Source: Moody's Ratings

LBBW's **CIS-2** indicates that ESG considerations have no material impact on the current ratings. This reflects the mitigating rating impact of affiliate support from Sparkassen-Finanzgruppe (S-Finanzgruppe) over LBBW's ESG risk profile. Environmental and social factors have had a limited impact on the bank's credit profile to date. The bank's corporate governance risks mainly stem from the bank's subdued operational efficiency and concentration risks in its loan book, which are inherent to its business profile.

Exhibit 12

ESG issuer profile scores



Source: Moody's Ratings

Environmental

LBBW faces moderate exposure to environmental risks primarily because of its exposure to carbon transition risk as a large, mostly regional banking group. In line with its peers, LBBW is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. Carbon transition risks relate from LBBW's credit exposure to CO₂-intensive sectors, e.g. automotive and energy. In response, LBBW is actively engaging in optimising its loan portfolio towards a targeted reduction of clients' carbon intensity, especially through the definition of science-based, sector specific CO₂-reduction paths shared with clients. While accompanying its clients on the way to sustainable business models along this CO₂-reduction path, LBBW tracks and discloses overall financed emissions.

Social

LBBW faces moderate social risks mainly related to customer relations as well as to demographic and societal trends. The bank's developed policies and procedures mitigate conduct risk associated with the distribution of financial products such as regulatory and reputational risks, as well as exposure to litigation. Continued investments in technology and the bank's long track record of handling sensitive customer data, as well as appropriate culture and governance that ensure adherence to regulatory standards, help to manage high cyber and personal data risks. LBBW operates mostly in Germany, which faces challenges from adverse demographic trends affecting long-term economic growth prospects and impacting the demand for certain banking products. Product diversity as well as an ability to adapt to consumer preferences, regulatory changes and societal trends such as digitization are key to address these risks.

Governance

LBBW's governance risks are moderate, reflecting higher concentration risk appetite inherent in its business model as a universal bank with a strategic focus on commercial real estate. Its strategy, risk management function and organisational structure are in line with industry practices. The bank's subdued profitability remains a concern because it provides only a limited buffer against adverse developments and limits the bank's capital generation capacity and, hence, growth prospects. Finally, as a public-sector bank, LBBW is owned by the federal state of Baden-Württemberg (40.5%) and the state capital of Stuttgart (18.9%), which is reflected in the composition of its board of directors, which also includes representatives from S-Finanzgruppe's regional savings bank association, the Sparkassenverband Baden-Württemberg, which owns the remaining 40.5%. Germany's developed institutional framework mitigates associated governance risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

LBBW benefits from cross-sector support from S-Finanzgruppe. Cross-sector support reduces the probability of default because the support would be available to stabilise a distressed member bank and not just to compensate for losses in resolution. The very high support assumption assigned to LBBW and to the other Landesbanks reflects their cross-liability scheme membership, but only partial ownership by S-Finanzgruppe members. Cross-sector support for LBBW provides a two-notch rating uplift from the baa2 BCA, resulting in an a3 Adjusted BCA.

Loss Given Failure (LGF) analysis

LBBW is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider an Operational Resolution Regime. Thus, we apply our Advanced LGF analysis, using our standard assumptions.

Our LGF analysis indicates that LBBW's deposit and senior unsecured debt are likely to face extremely low loss-given-failure, resulting in a three-notch uplift from the bank's Adjusted BCA.

Government support

For member banks of S-Finanzgruppe we generally assume a moderate likelihood of government support for instruments ranking above junior senior unsecured, given the importance of the sector for financial system stability in Germany, resulting in one notch notch of uplift.

Methodology and scorecard

Methodology

The principal methodology we used in rating LBBW is our Banks Methodology.

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by unadjusted accounting data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 13

Rating Factors

Macro Factors							
Weighted Macro Profile		Strong +	100%				
Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2	
Solvency							
Asset Risk							
Problem Loans / Gross Loans	1.7%	a1	↓	baa2	Sector concentration	Market risk	
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	16.3%	aa2	↓	a3	Stress capital resilience	Nominal leverage	
Profitability							
Net Income / Tangible Assets	0.2%	b1	↔	ba3	Earnings quality	Expected trend	
Combined Solvency Score		a2		baa2			
Liquidity							
Funding Structure							
Market Funds / Tangible Banking Assets	49.3%	b1	↔	ba2	Market funding quality	Extent of market funding reliance	
Liquid Resources							
Liquid Banking Assets / Tangible Banking Assets	51.2%	aa2	↔	a2	Asset encumbrance	Additional liquidity resources	
Combined Liquidity Score		baa2		baa2			
Financial Profile		a3		baa2			
Qualitative Adjustments				Adjustment			
Business Diversification				0			
Opacity and Complexity				0			
Corporate Behavior				0			
Total Qualitative Adjustments				0			
Sovereign or Affiliate constraint				A2			
BCA Scorecard-indicated Outcome - Range				baa1 - baa3			
Assigned BCA				baa2			
Affiliate Support notching				2			
Adjusted BCA				a3			

Balance Sheet is not applicable.

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub- ordination	Instrument volume + subordination	Sub- ordination	De Jure	De Facto				
Counterparty Risk Rating	-	-	-	-	-	-	-	3	0	aa3
Counterparty Risk Assessment	-	-	-	-	-	-	-	3	0	aa3 (cr)
Deposits	-	-	-	-	-	-	-	3	0	aa3
Senior unsecured bank debt	-	-	-	-	-	-	-	3	0	aa3
Junior senior unsecured bank debt	-	-	-	-	-	-	-	1	0	a2
Dated subordinated bank debt	-	-	-	-	-	-	-	-1	0	baa1
Non-cumulative bank preference shares	-	-	-	-	-	-	-	-1	-2	baa3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	1	Aa2	Aa2
Counterparty Risk Assessment	3	0	aa3 (cr)	1	Aa2(cr)	
Deposits	3	0	aa3	1	Aa2	Aa2
Senior unsecured bank debt	3	0	aa3	1	Aa2	Aa2
Junior senior unsecured bank debt	1	0	a2	0	A2	A2
Dated subordinated bank debt	-1	0	baa1	0	Baa1	Baa1
Non-cumulative bank preference shares	-1	-2	baa3	0	Baa3 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Ratings

Ratings

Exhibit 14

Category	Moody's Rating
LANDESBANK BADEN-WUERTTEMBERG	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa2/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	Aa2
Senior Unsecured	Aa2
Junior Senior Unsecured	A2
Junior Senior Unsecured MTN	(P)A2
Subordinate	Baa1
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term -Dom Curr	(P)P-1

Source: Moody's Ratings

Endnotes

- The ratings shown are S-Finanzgruppe's corporate family ratings, outlook and BCA.
- The rating shown is the Sparkassenverband Baden-Wuerttemberg's issuer rating and outlook.
- The rating shown is the Land of Baden-Wuerttemberg's issuer rating and outlook.
- The rating shown is the German government's issuer rating and outlook.
- Please refer to our cross-sector methodology for [Financial Statement Adjustments in the Analysis of Financial Institutions](#).
- As of 31 December 2024, LBBW had sourced €35.5 billion of development bank loans from [Kreditanstalt of Wiederaufbau](#) (backed senior unsecured: Aaa stable), [L-Bank](#) (backed senior unsecured: Aaa stable), and other German development banks, which LBBW mostly passes on to the savings banks in Baden-Wuerttemberg, Rhineland-Palatinate and Saxony, but also directly to its own customers. Because the funding from development banks will be

available to LBBW irrespective of market conditions, given the development banks' status as quasi sovereign or sub-sovereign prime issuers in the capital markets, we do not deem development bank funding to represent confidence-sensitive market funding.

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

Contacts

Ibrahim Kara
Sr Ratings Associate

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454