

**CREDIT OPINION**

25 February 2026

Update

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**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.

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# Landesbank Baden-Wuerttemberg

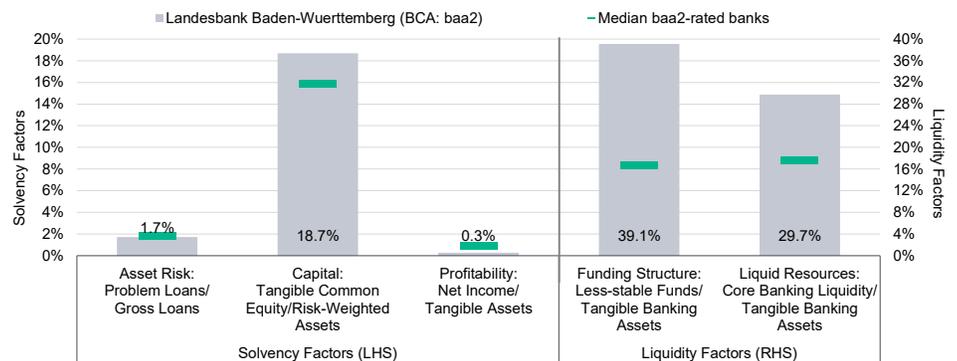
Update following rating affirmation

**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, a2<sup>1</sup>) 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 our expectation that LBBW's temporarily strengthened capitalization will soften over the next years, mainly as a result of tighter regulatory risk measurement requirements. At the same time, LBBW will benefit from improved operating results, which will remain dampened by still cyclically elevated loan loss provisioning needs, driven by a continued moderate increase in problem loans. The baa2 BCA further reflects the bank's sound liquidity buffers and moderate short-term funding risks. Access to ample excess liquidity in the savings banks sector partly mitigates the bank's stronger use of short-term non-deposit funding sources when compared with its peers.

Exhibit 1  
**Rating Scorecard - Key financial ratios**



Sources: Company filings and Moody's Ratings

## Credit strengths

- » Low problem loan ratio, despite signs of asset quality weakening in real estate and selected corporate client sectors
- » High coverage ratio and satisfactory capitalisation, which provide a substantial buffer against downside risks
- » Sound liquidity buffers and additional access to ample excess liquidity in the savings banks sector

## Credit challenges

- » Risk concentrations in cyclical sectors, primarily CRE, as well as substantial exposures to energy-intensive industries will weigh on asset quality and profitability
- » Subdued operational profitability and efficiency metrics with slow expected improvements over time
- » Satisfactory current capitalization will soften over the next coming years, mainly as a result of tighter regulatory risk measurement requirements

## Outlook

- » The stable outlook on LBBW's long-term deposit, issuer, and senior unsecured debt ratings 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, lifting the bank's Adjusted BCA. LBBW's junior senior unsecured and lower-ranking instruments could also be upgraded if the bank were to issue substantial additional volumes of equal- or lower-ranking instruments, such that it reduces the loss severity for the respective instrument classes.
- » An upgrade of LBBW's BCA could result from a sustained improvement in the bank's financial profile, in particular through reduced sector concentration risks, maintaining higher capital ratios in spite of the regulatory upward pressure on risk-weighted assets, along with an improvement of the bank's operational efficiency and overall earnings. However, an upgrade of LBBW's BCA would not result in an upgrade of its Adjusted BCA or its ratings.

## Factors that could lead to a downgrade

- » LBBW's long-term deposit and senior unsecured debt ratings would be downgraded following a downgrade of the bank's 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. Furthermore, 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 result in a downgrade.
- » LBBW's BCA could be downgraded in case the bank's liquidity or funding strength weakened from current levels or in case of a combined weakening of LBBW's capital buffers and asset risk beyond our expectations, particularly if these are also reflected in weaker profit generation.

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's.com> for the most updated credit rating action information and rating history.

## Key indicators

Exhibit 2

### Landesbank Baden-Wuerttemberg (Consolidated Financials) [1]

	06-25 <sup>2</sup>	12-24 <sup>2</sup>	12-23 <sup>2</sup>	12-22 <sup>2</sup>	12-21 <sup>2</sup>	CAGR/Avg. <sup>3</sup>
Total Assets (EUR Billion)	356.6	344.0	320.1	308.7	267.4	8.6 <sup>4</sup>
Total Assets (USD Billion)	418.6	356.2	353.6	329.5	303.0	9.7 <sup>4</sup>
Tangible Common Equity (EUR Billion)	16.0	15.9	15.4	14.7	13.2	5.5 <sup>4</sup>
Tangible Common Equity (USD Billion)	18.8	16.4	17.0	15.7	15.0	6.6 <sup>4</sup>
Problem Loans / Gross Loans (%)	1.7	1.7	1.3	0.8	0.9	1.3 <sup>5</sup>
Tangible Common Equity / Risk Weighted Assets (%)	18.7	16.3	16.7	15.7	15.7	16.6 <sup>6</sup>
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	14.5	14.3	10.7	7.2	6.9	10.7 <sup>5</sup>
Net Interest Margin (%)	0.7	0.8	0.9	0.8	0.7	0.8 <sup>5</sup>
PPI / Average RWA (%)	1.8	1.7	1.8	2.4	1.0	1.7 <sup>6</sup>
Net Income / Tangible Assets (%)	0.3	0.2	0.3	0.3	0.2	0.3 <sup>5</sup>
Cost / Income Ratio (%)	62.3	60.4	59.9	52.4	71.0	61.2 <sup>5</sup>
Gross Loans / Due to Customers (%)	119.8	116.8	123.0	131.9	124.0	123.1 <sup>5</sup>
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	29.5	29.7	--	--	--	29.6 <sup>5</sup>
Less-stable Funds (LCR) / Tangible Banking Assets (%)	42.5	39.1	--	--	--	40.8 <sup>5</sup>

[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.

Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities. 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 June 2025, the group reported consolidated assets of €357 billion and employed 10,787 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 stable<sup>2</sup>) with a stake of 40.5%, the [Land of Baden-Wuerttemberg](#) (25.0%; Aaa stable<sup>3</sup>), the state capital of Stuttgart (18.9%) and Landesbeteiligungen Baden-Wuerttemberg (15.5%), 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 30 June 2025, [Germany](#) (Aaa stable<sup>4</sup>), which has a [Strong \(+\) Macro Profile](#), accounted for 66% of net exposures, while European net exposures outside of Germany represented 19%. North America and Asia-Pacific contributed a further 9% and 3% to net exposures, respectively, while other international exposures accounted for the remaining 3%.

## Detailed credit considerations

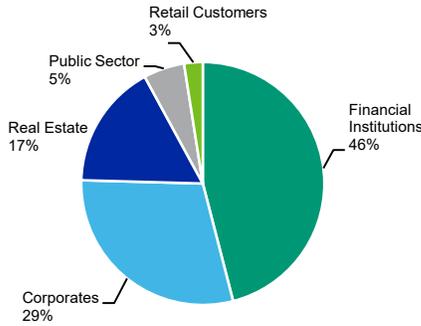
### Solid asset risk profile, despite concentrations in higher-risk sectors and market risk

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 remained at four times its TCE as of 30 June 2025, representing a significant concentration for the bank, in particular because of the decline in CRE asset quality since 2023. While European CRE exposures have coped well with the higher interest-rate environment, LBBW's €5.0 billion North American CRE portfolio has shown a noticeable deterioration since 2023. Beyond its CRE exposure, LBBW maintains a fairly diversified €120 billion corporate exposure to somewhat cyclical German industries, exposing

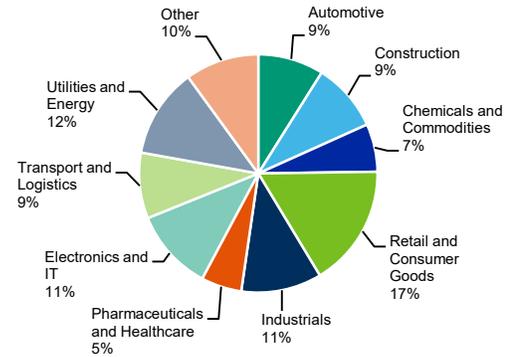
it to macroeconomic volatility. These exposures are affected by Germany's prolonged subdued macroeconomic environment, which has led to increased Stage 2 loan formation in H1 2025.

Exhibit 3  
LBBW's exposure breakdown



May include rounding effects. Data as of 30 June 2025  
Sources: Company filings and Moody's Ratings

Exhibit 4  
Corporate exposures are diversified but contain risks from cyclical industries

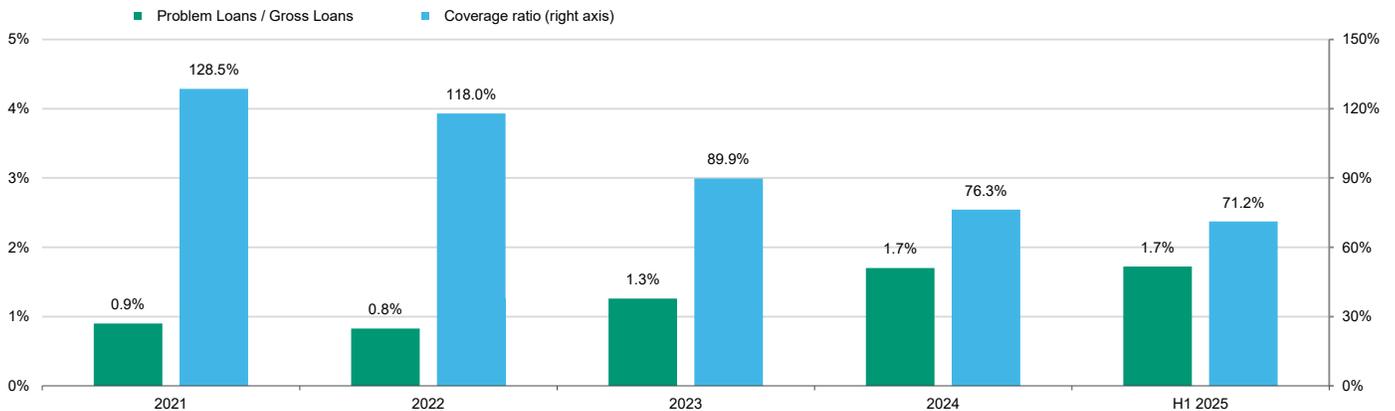


May include rounding effects. Data as of 30 June 2025  
Sources: Company filings and Moody's Ratings

As of 30 June 2025, LBBW's 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 71.2% but still remains a strong backstop to growing asset risks, supported by an average portfolio loan-to-value ratio of 54% for LBBW's commercial real estate exposures.

In addition to credit risks, we reflect LBBW's elevated market risk in our assigned asset risk score. Trading and fair value income derived from LBBW's capital market segment contributes strongly to the bank's overall pre-tax profit which implies heightened sensitivity to market and price volatility.

Exhibit 5  
LBBW's problem loan ratio and coverage levels remain strong



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 baa2 Capital score is five notches below the aa3 initial score, reflecting that the bank's capitalisation on a fully-loaded basis is materially lower than on a transitional basis. In addition, we reflect LBBW's use of internal ratings-based models for risk-weight calculations in the assigned score. The baa2 assigned score also reflects the limited resilience of the bank's capital buffers under severe stress scenarios.

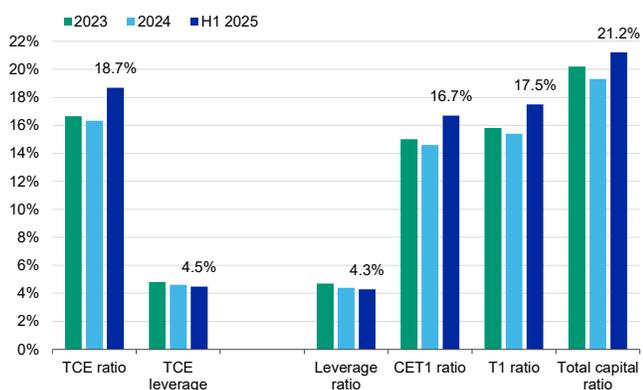
As of 30 June 2025, LBBW's tangible common equity to risk-weighted assets (TCE/RWA) ratio reached 18.7%, which was broadly comparable to that of its German peers. However, its CET1 capital ratio was somewhat weaker at 16.6%, reflective of differences in profit recognition timing and regulatory deductions as well as the full inclusion of cumulative other comprehensive income effects within CET1 capital.

LBBW applies the internal ratings-based approach for the majority of its RWA calculations. As a result, the benefits of the initial phase-in of the final Basel III framework will unwind over time as the Basel III output floor is progressively introduced and other settings become more conservative, including the treatment of residential mortgages and unrated corporate exposures<sup>5</sup>.

LBBW's Pillar 2 Requirement for 2026 remains unchanged at 1.87%, and is below that of most German peers and the average among ECB-supervised institutions. However, the 2025 EBA stress test—under which LBBW was the only participating bank to fall below the 3% Tier 1 leverage ratio threshold in the adverse scenario—will feed into the calibration of the 2026 Pillar 2 Guidance (P2G). As a result, there is some risk that the P2G add-on will be increased.

Exhibit 6

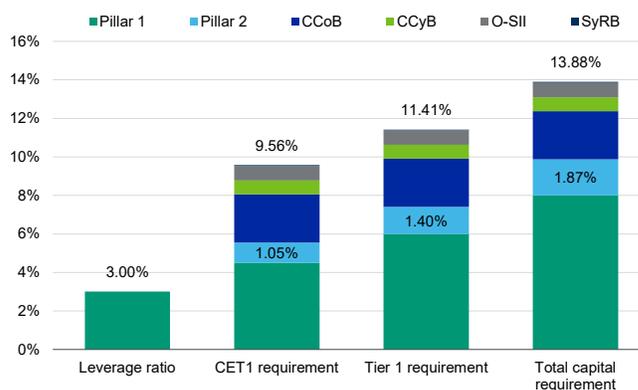
#### LBBW's strong risk-weighted capital ratios coincide with elevated leverage, a result of low risk-weighted asset density.



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 30 September 2025



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 remains a key scorecard weakness

We assign a ba3 profitability score, one notch below the initial ba2 score. This reflects LBBW's selective business growth in a subdued German operating environment, elevated operating expenses, and sticky—albeit moderating—loan loss provisioning needs. LBBW's profitability will remain at a moderate level, broadly consistent with year-end 2024, as reflected in a net income to tangible assets ratio of around 25 basis points.

LBBW's reported data as of 30 June 2025 indicate that the bank is likely to generate only selective loan growth, reflecting limited investment activity and constrained growth opportunities in its core corporate and real estate/project finance franchises, amid a subdued operating environment in Germany. As a result, earnings will remain broadly stable but not materially improve.

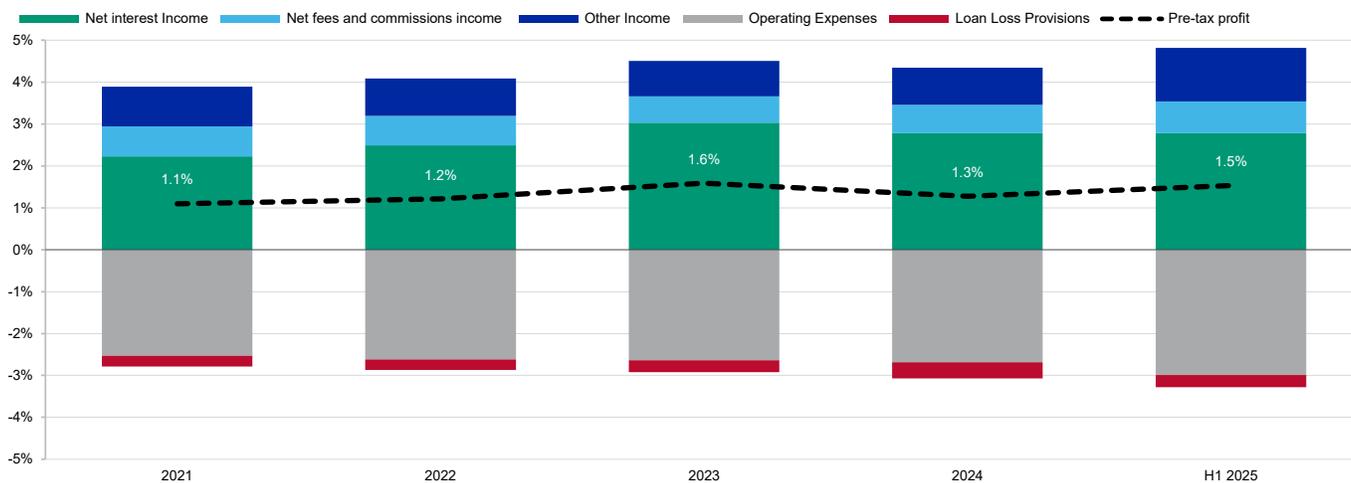
At the same time, the bank's cost base will remain elevated, driven by higher wage costs and ongoing IT and cybersecurity investments. Combined with only moderate revenue momentum, this has resulted in a cost-to-income ratio of 62% as of 30 June 2025, among the

weakest compared within the Landesbank and large German banks peer group. Following the completion of the Berlin Hyp integration, operational efficiency should somewhat improve, with the cost-to-income likely to move closer to or even below 60% over time.

In addition, elevated risk provisioning weighed on earnings capacity, particularly in 2024. While provisioning needs will likely remain at an above-average level, we expect some moderation going forward, in line with lower risk provisioning charges observed in the first half of 2025. However, any relief is likely to be limited over the next 12–18 months.

Exhibit 8

### LBBW's profitability remained largely stable over the last years, despite elevated risk charges



Data in % of average risk weighted assets (RWA). Reported revenues, expenses and RWA are subject to standard<sup>6</sup> 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 stability supported by savings bank network integration

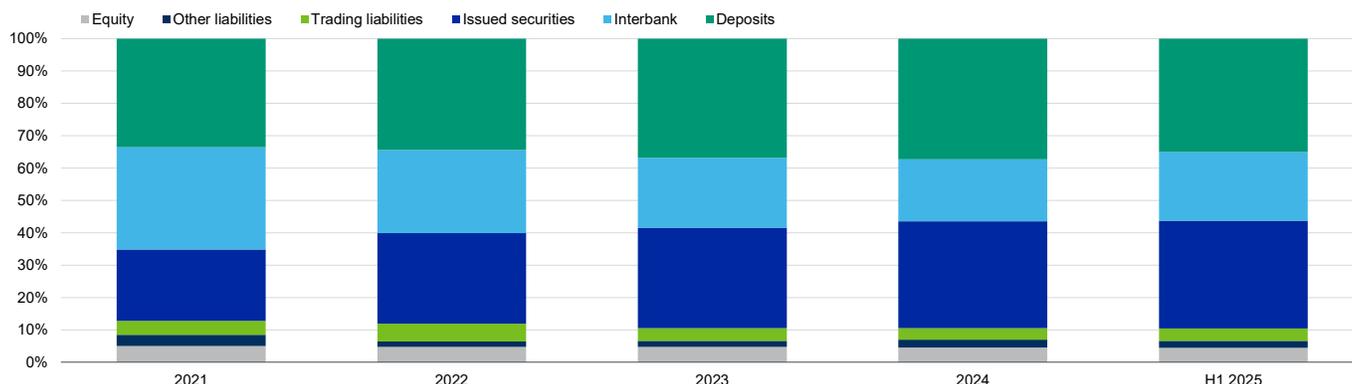
We assign a baa2 Funding Structure score, in-line with the initial score. The baa2 assigned score considers that pass-through funding obtained from development banks does not give rise to refinancing risks, but it also incorporates additional short-term debt and term deposit maturities not captured in our initial score.

LBBW funds a significant part of its assets through short-term liabilities, including external interbank and money market funding, bonds, promissory notes, and institutional client deposits. 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 generated 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. Similarly, LBBW also channels matched funding from German development banks. These funds are captured in our initial score, but do not constitute confidence-sensitive funding owing to the linkage to pass-through loans from the developments banks.<sup>7</sup>

LBBW's regulatory Net Stable Funding Ratio (NSFR) of 113.5% as of 31 December 2024 was low in the context of its peers, but during the first half of 2025, the bank achieved both an improvement in the numerator, mainly through shifting some of its sizable short-term market funding into longer maturity bands, and of the denominator, through shorter remaining asset maturities. These developments helped the bank improve its reported NSFR to 120.4% as of 30 June 2025.

Exhibit 9

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



Sources: Company filings and Moody's Ratings

**Strong liquidity reserves are a key scorecard strength**

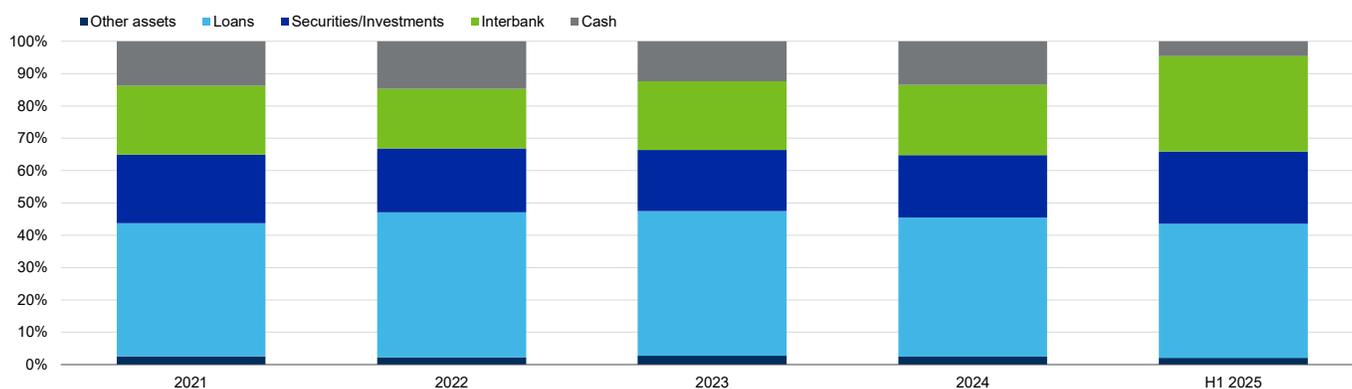
We assign an a3 Liquid Resources score to LBBW, one notch below the a2 initial score. The downward adjustment mainly reflects our assessment that matching a point-in-time denominator (total assets) with a higher average value for the numerator (HQLA) than the point-in-time HQLA value in the case of LBBW results in an initial score and ratio that represents a too positive assessment of liquidity buffers available over the course of the year.

LBBW maintains a sound liquidity position, with a weighted average Liquidity Coverage Ratio (LCR) of 132.7% as of 30 June 2025 (compared to 133.1% at year-end 2024). High quality liquid assets (HQLA) improved to an average value<sup>8</sup> of €105.2 billion (31 December 2024: €102.2 billion).

In addition to HQLA, LBBW benefits from additional counterbalancing capacity derived from central bank repo-eligible assets as well as issuance leeway under its covered bond issuance programs. As of 30 September 2025, and based on an outstanding issuance of €29.3 billion, the overcollateralisation of LBBW's mortgage cover pool was 18.8% on an unstressed net present value basis. For the public sector cover pool, and based on an outstanding issuance of €11.0 billion, overcollateralisation was 28.9% as of the same date.

Exhibit 10

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



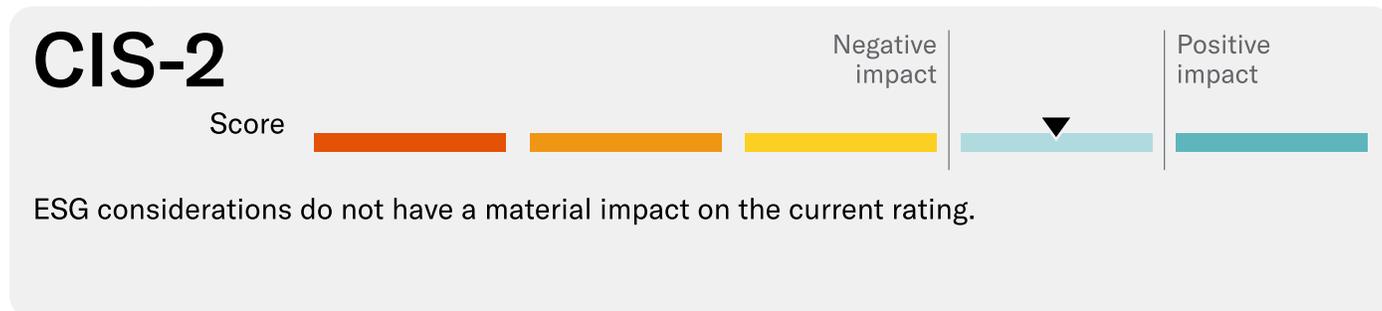
From June 2025, deposits at central banks are no longer reallocated between interbank assets and cash, resulting in higher interbank assets, lower cash, and a different chart composition for H1 2025 compared with prior years.

Sources: Company filings and Moody's Ratings

## ESG considerations

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

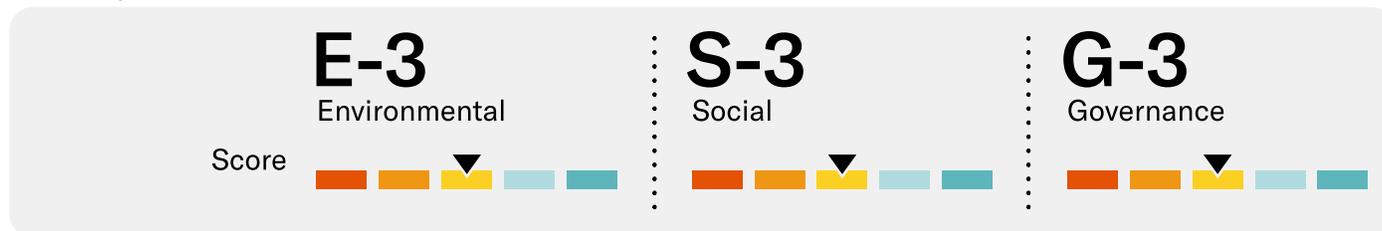
Exhibit 11  
ESG credit impact score



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 CO<sub>2</sub>-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 CO<sub>2</sub>-reduction paths shared with clients. While accompanying its clients on the way to sustainable business models along this CO<sub>2</sub>-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

### Landesbank Baden-Wuerttemberg

<b>Macro Factors</b>							
<b>Weighted Macro Profile</b>		<b>Strong +</b>	<b>100%</b>				
<b>Factor</b>	<b>Historic Ratio</b>	<b>Initial Score</b>	<b>Expected Trend</b>	<b>Assigned Score</b>	<b>Key driver #1</b>	<b>Key driver #2</b>	
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)	18.7%	aa3	↓↓	baa2	Recognition of risk-weighted assets	Stress capital resilience	
Profitability							
Net Income / Tangible Assets	0.3%	ba2	↔	ba3	Expected Trend		
Combined Solvency Score		a2		baa3			
Liquidity							
Funding Structure							
Less-stable Funds / Tangible Banking Assets	39.1%	baa2	↔	baa2	Market funding quality	Deposit quality	
Liquid Resources							
Core Banking Liquidity / Tangible Banking Assets	29.7%	a2	↔	a3	Expected trend		
Combined Liquidity Score		baa1		baa1			
Financial Profile		a3		baa2			
Qualitative Adjustments				Adjustment			
Business and Geographic Diversification				0			
Complexity and Opacity				0			
Strategy, Risk Appetite and Governance				0			
Total Qualitative Adjustments				0			
Sovereign or Affiliate constraint				-			
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	3	3	3	0	aa3
Counterparty Risk Assessment	-	-	-	-	3	3	3	3	0	aa3 (cr)
Deposits	-	-	-	-	3	3	3	3	0	aa3
Senior unsecured bank debt	-	-	-	-	3	3	3	3	0	aa3
Junior senior unsecured bank debt	-	-	-	-	1	1	1	1	0	a2
Dated subordinated bank debt	-	-	-	-	-1	-1	-1	-1	0	baa1
Non-cumulative bank preference shares	-	-	-	-	-1	-1	-1	-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
<b>LANDESBANK BADEN-WUERTTENBERG</b>	
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.
- According to the 2025 EBA stress test, the bank's fully loaded, restated CET1 ratio stood at 12.6% at year-end 2024, meaningfully below the phased-in CET1 ratio of 14.6%. By 2033, RWAs calculated using internal models will be required to amount to at least 72.5% of RWAs under the standardized approach, which will exert pressure on capital ratios
- Please refer to our cross-sector methodology for [Financial Statement Adjustments in the Analysis of Financial Institutions](#).

<sup>7</sup> 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 funding.

<sup>8</sup> The value represents the average of the last twelve month-end data points.

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