CREDIT OPINION

31 August 2026

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.

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Landesbank Baden-Wuerttemberg

Update to credit analysis

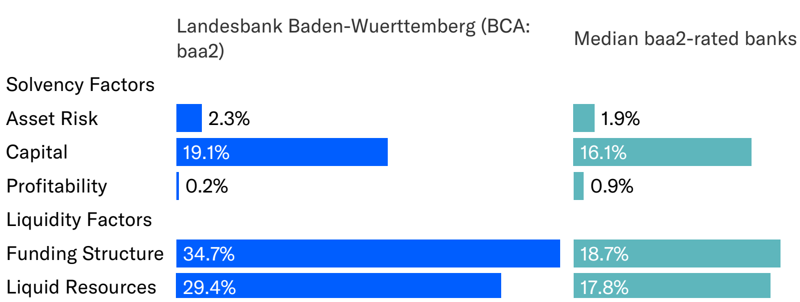
Summary

Landesbank Baden-Wuerttemberg (LBBW)'s Aa2 bank deposit and senior unsecured 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[1]) 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 capitalisation 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 despite still cyclically elevated loan loss provisioning needs, largely 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

» Sound liquidity buffers and additional access to ample excess liquidity in the savings banks sector

» Still low problem loan ratio, despite signs of asset quality weakening in real estate and selected corporate client sectors

Credit challenges

» Risk concentrations in cyclical sectors, primarily CRE, as well as substantial exposures to energy-intensive industries weigh on asset quality and profitability

» Subdued operational profitability and efficiency metrics with slow expected improvements over time

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.

Key indicators

Exhibit 2

Landesbank Baden-Wuerttemberg (Consolidated Financials) [1]

	12-25 [2]	12-24 [2]	12-23 [2]	12-22 [2]	12-21 [2]	CAGR/Avg. [3]
Total Assets (EUR Billion)	339.5	344.0	320.1	308.7	267.4	6.1 [4]
Total Assets (USD Billion)	398.7	356.2	353.6	329.5	303.0	7.1 [4]
Tangible Common Equity (EUR Billion)	16.5	15.9	15.4	14.7	13.2	5.7 [4]
Tangible Common Equity (USD Billion)	19.4	16.4	17.0	15.7	15.0	6.7 [4]
Problem Loans / Gross Loans (%)	2.3	1.7	1.3	0.8	0.9	1.4 [5]
Tangible Common Equity / Risk Weighted Assets (%)	19.1	16.3	16.7	15.7	15.7	16.7 [6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	18.9	14.3	10.7	7.2	6.9	11.6 [5]
Net Interest Margin (%)	0.8	0.8	0.9	0.8	0.7	0.8 [5]
PPI / Average RWA (%)	1.8	1.7	1.8	2.4	1.0	1.8 [6]
Net Income / Tangible Assets (%)	0.2	0.2	0.3	0.3	0.2	0.3 [5]
Cost / Income Ratio (%)	63.1	60.4	59.9	52.4	71.0	61.4 [5]
Gross Loans / Due to Customers (%)	122.1	116.8	123.0	131.9	124.0	123.6 [5]
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	29.4	29.7	--	--	--	--
Less-stable Funds (LCR) / Tangible Banking Assets (%)	34.7	34.1	--	--	--	--

[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 commercial banking services, leasing, factoring, asset management, real estate, capital market, and equity and project finance services, as well as retail banking either directly or through its subsidiaries. As of December 2025, the group reported consolidated assets of €339 billion and employed 10,821 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 negative[2]) with a stake of 40.5%, the Land of Baden-Wuerttemberg (25.0%; Aaa stable[3]), 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 and our German Banking System Outlook.

Recent developments

On 28 August, LBBW published its 1H26 results. The bank reported net income of €479 million, practically unchanged from 1H25 (€477 million).

Operating revenue of €2.1 billion came in slightly below the first six months of the previous year, mainly due to an uptick in valuation losses in LBBW's real estate segment, but all segments continued to deliver solid triple digit € million pre-tax result contributions. At the same time, moderately higher loan loss provisions (€121 million, equivalent for 15 bp cost of risk) mainly came from LBBW's corporate customers, although real estate and infrastructure finance still account for the majority of new provisions. Operating costs were well-controlled and benefitted from the completion of the integration of Berlin Hyp. In light of its €0.7 billion reported pre-tax result for 1H26, LBBW guides towards a 2026 full-year pre-tax profit in excess of €1.1 billion.

Stage 3 gross exposure came down slightly to €3.6 billion from €3.8 billion as of year-end 2025, covered by a total of €2.3 billion in loan loss allowances, with the narrower stage 3 coverage ratio standing at an unchanged 30% and model adjustments remaining at close to €0.8 billion.

LBBW's regulatory capital ratio came down from December 2025 as a result of RWA growth (to €91.7 billion from €86.7 billion) which was driven by portfolio growth as well as by some adverse corporate rating migration and market RWA growth following high market volatility. LBBW's transitional Common Equity Tier 1 (CET1) capital ratio accordingly declined to 16.1% from 16.9% as of year-end 2025 and its regulatory leverage ratio stood at 4.5% (year-end 2025: 4.7%).

LBBW's point-in-time regulatory liquidity reserve stood at €80.8 billion as of 30 June 2026, significantly below the twelve month-end averages the bank uses for the regulatory reporting of its Liquidity Coverage Ratio (LCR) ratio. Point-in-time LCR stood at 139% as of 30 June and its Net Stable Funding Ratio (NSFR) stood at 113%.

Detailed credit considerations

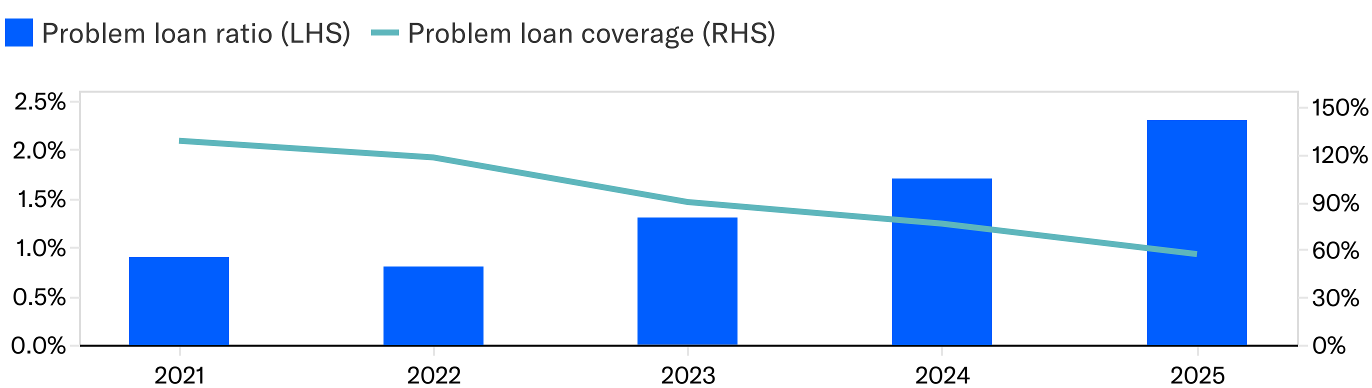
Solid asset risk profile, despite concentrations in higher-risk sectors and market risk

We assign a baa2 Asset Risk score that reflects our Problem loans to Gross Loans ratio of 2.3%, which we consider to be 'Strong', and is adjusted down from the a2 initial score for the bank's concentration in commercial real estate (CRE) lending, its exposure to cyclical corporate sectors, and market risk arising from its capital markets activities.

LBBW's total CRE exposure accounts for around four times its Tangible Common Equity (TCE), representing a significant concentration for the bank, in particular because of the decline in CRE asset quality since 2023. Particularly LBBW's €4.8 billion North American CRE portfolio has shown a noticeable deterioration since 2023. Within an environment of higher rates, sluggish domestic growth and continued high geopolitical uncertainty, transfers into lower stages under IFRS9, signaling a weaker creditworthiness of borrowers, gathered pace in 2025. Whereas CRE remains the largest single industry in Stage 2 and 3 loans, Stage 3 increases in 2025 were mainly attributable to specific corporate subsectors such as retail and consumer goods or fibre optics.

The overall stability of LBBW's lending book, however, benefits from a good degree of sector diversification and LBBW has set aside sound levels of loan loss reserves against its Stage 2 and 3 loans. The large contribution of collateralised loans (mainly in CRE) which typically require lower provisioning levels than unsecured loans has nevertheless led to a gradual decline in loan loss reserve coverage. In addition to credit risks, we reflect LBBW's exposure to market risk in our assigned asset risk score.

Exhibit 3
Historically high coverage levels have come down as problem loans have risen



Note: Problem loan coverage: loan loss reserves % problem loans.
Source: Moody's Ratings

LBBW's currently strong capital ratios face headwinds

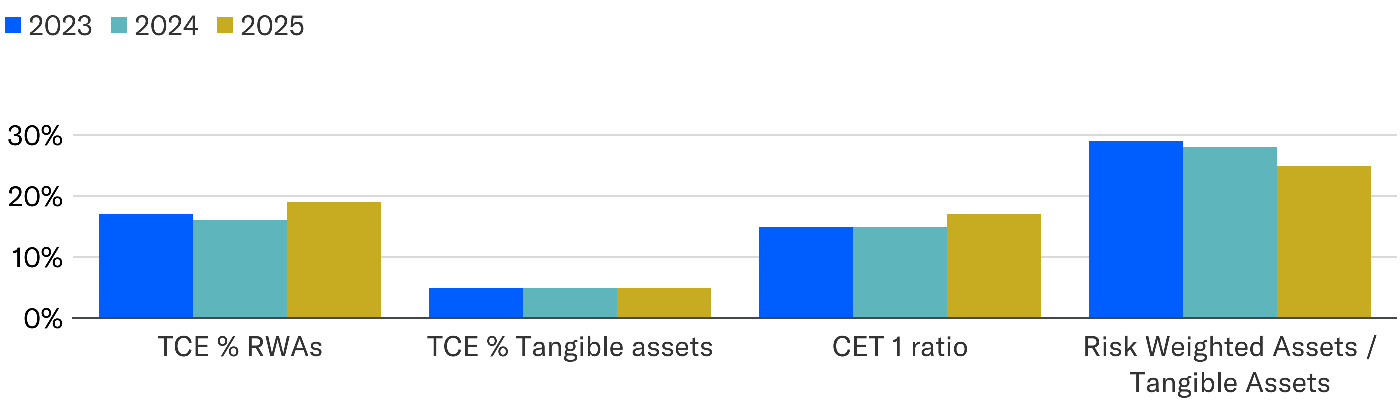
We assign a baa1 Capital score, reflective of our TCE to Risk Weighted Assets (RWA) ratio of 19.1%, which we consider to be 'Strong', and is adjusted for the bank's materially lower fully-loaded capitalization compared with its current transitional position, its use of internal ratings-based (IRB) models for risk-weight calculations, and the limited resilience of capital buffers under severe stress scenarios.

As of 31 December 2025, LBBW's TCE/RWA ratio was broadly comparable to that of its German peer. However, its CET1 capital ratio was somewhat weaker than the TCE ratio at 17.1% at year-end 2025, 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 IRB 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[4].

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 3.0% Tier 1 leverage ratio threshold in the adverse scenario—was rather considered in the calibration of the bank's undisclosed 2026 Pillar 2 Guidance (P2G).

Exhibit 4
LBBW's strong risk-weighted capital ratios coincide with elevated leverage, a result of low risk-weighted asset density



Notes: TCE: Tangible Common Equity/Risk weighted assets and is calculated as ((Tangible common equity – Deferred tax assets) + minimum (Deferred tax assets, 11.1% * (Tangible common equity – Deferred tax assets))) / Risk-weighted assets TCE/Tangible assets or Nominal leverage: tangible common equity % of tangible assets. Tangible assets = Total assets minus goodwill and other intangible assets Common Equity Tier 1 (CET1) ratio is reported regulatory capital ratio
Source: Moody's Ratings

Profitability remains a key scorecard weakness

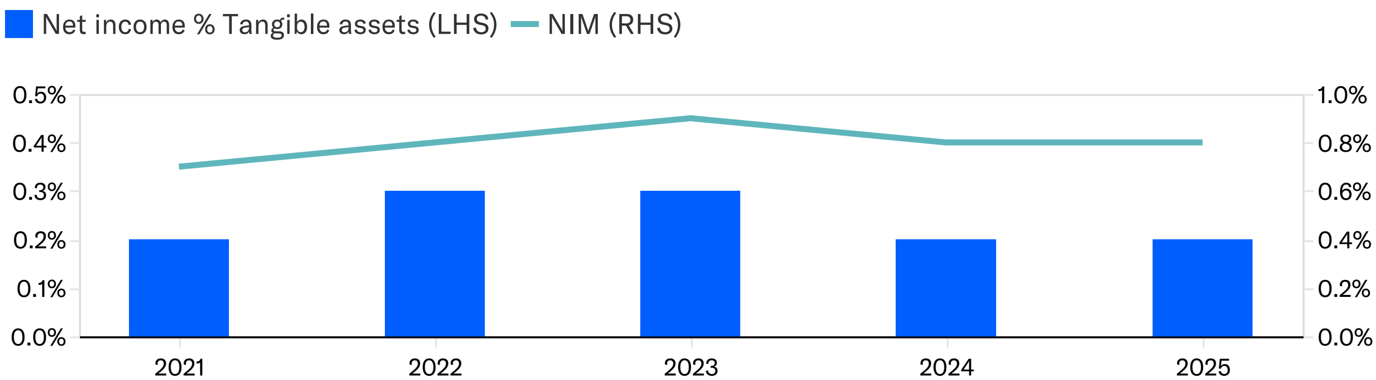
We assign a ba3 score for profitability that incorporates our Net Income to Tangible Assets ratio of 0.2%, which LBBW seeks to improve through selective business growth in a subdued operating environment. The ba3 score reflects our expectation that LBBW will maintain its net income around 25 bp of its tangible assets.

A subdued operational environment has limited investment activity in LBBW's home market and constrained growth opportunities in its core corporate and real estate/project finance franchises. 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 63.1% in 2025, up from 60.4% the year prior, 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 2025. However, any relief is likely to be limited over the next 12–18 months.

Exhibit 5
LBBW's profitability remained largely stable over the last years, despite elevated risk charges



Notes: NIM: net interest margin
Source: Moody's Ratings

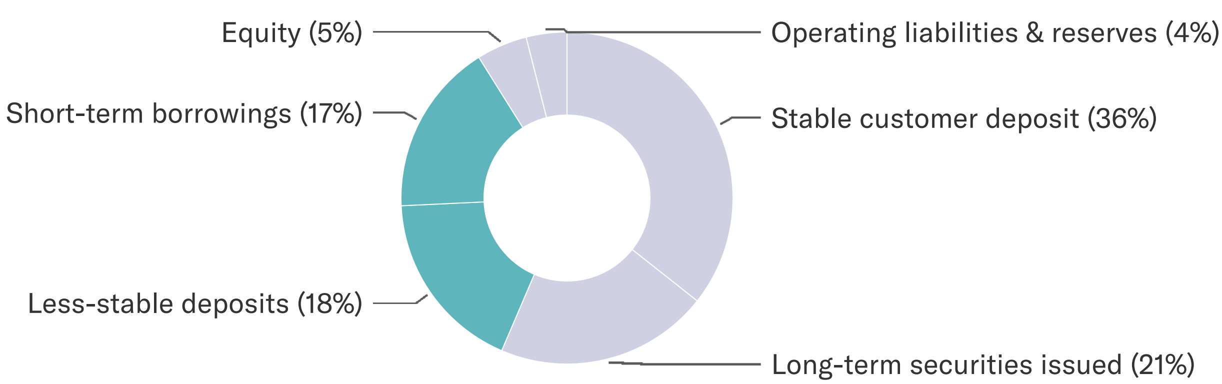
Funding stability supported by savings bank network integration

We assign a baa2 Funding Structure score that reflects our Less-stable Funds to Tangible Banking Assets ratio of 34.7% and is adjusted for short-term maturities of deposits beyond the 30-day LCR horizon.

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.[5]

LBBW's regulatory NSFR of 115.0% as of 31 December 2025 was low in the context of its peers, reflecting the limited role of retail deposits.

Exhibit 6
Funding Structure Benefits from Stable Savings Bank and Development Bank Funding



Notes: Less-stable funds comprise short-term borrowings and less-stable deposits. Short-term borrowings include all short-term wholesale borrowings, including the portion of long-term debt that matures in less than one year. For banks that report LCR, we calculate Less-stable deposits as follows: the sum of weighted deposit outflow components as reported in the bank's LCR disclosure.
Source: Moody's Ratings

Strong liquidity reserves are a key scorecard strength

We assign an a3 score Liquid Resources score that reflects our Core Banking Liquidity to Tangible Banking Assets ratio of 29.4%, which to some degree benefits from the bank's relatively low TBAs as per their point-in-time measurement, compared with the average data point used to arrive at the High Quality Liquid Assets (HQLA)-numerator. To account for this asymmetry, we reduce the assigned score by one notch.

LBBW maintains a sound liquidity position, with a weighted average LCR of 136.0% as of 31 December 2025 (compared with 133.1% at year-end 2024 and 135.4% as of March 2026). HQLA declined moderately to an average value[6] of €99.9 billion (31 December 2024: €102.2 billion) and to €95.0 billion per March 2026.

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.

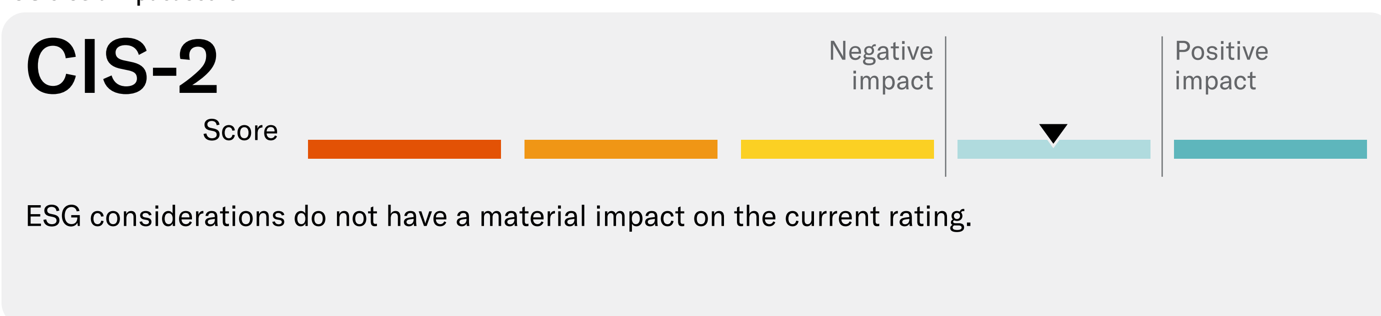
Weighted Macro Profile of Strong +

We assign a Strong (+) Macro Profile to LBBW, reflecting its geographical concentration in Germany (62%), with additional exposures to Europe outside Germany (22%), North America (9%), Asia-Pacific (4%), and other international markets (3%). This distribution anchors the bank's operating environment predominantly in a highly rated and stable economy, while maintaining some diversification across other developed regions.

ESG considerations

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

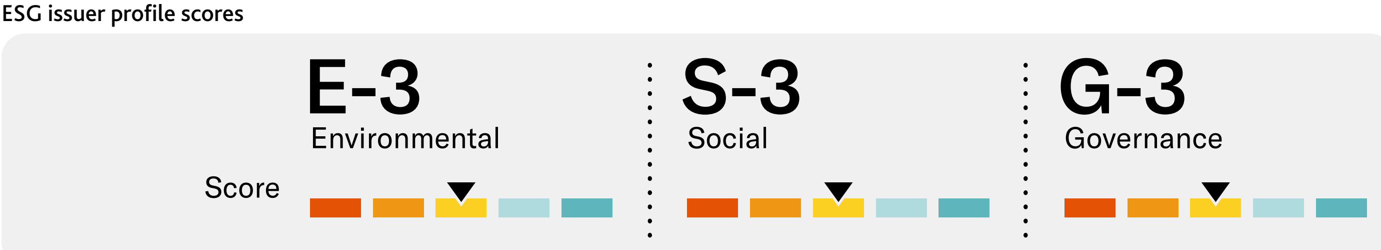
Exhibit 7
ESG credit impact score



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 8
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

We expect a Very High level of support from LBBW's S-Finanzgruppe network, based on the bank's systemic importance within the group and its membership in the cross-liability scheme. Cross-sector support reduces the probability of default because it would be available to stabilise a distressed member bank rather than only to compensate for losses in resolution, despite the group's only partial ownership structure. This leads to a two-notch uplift to arrive at LBBW's 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. Therefore, we apply our Advanced LGF analysis, using our standard assumptions. Our Advanced LGF analysis reflects that full depositor preference over senior debt creditors will be implemented in the EU by early 2028.

We consider that LBBW's junior deposits and senior unsecured debt are exposed to an extremely low loss severity in case of failure, yielding three notches of uplift from the bank's a3 Adjusted BCA.

Government support

We incorporate a Moderate probability of government support for the member banks of S-Finanzgruppe's senior unsecured debt and deposits, which results in one notch of uplift. This reflects our view of the importance of the S-Finanzgruppe sector for financial system stability in Germany and the financial stability risks that could arise in the event of a member bank's failure.

Methodology and scorecard

Methodology

We used our Banks Methodology in rating LBBW.

Rating methodology and scorecard factors

Exhibit 9

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		2.3%	a2	↔	baa2	Sector concentration	Market risk
Capital							
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)		19.1%	aa3	↓↓	baa1	Recognition of risk-weighted assets	Stress capital resilience
Profitability							
Net Income / Tangible Assets		0.2%	b1	↔	ba3	Expected Trend	
Combined Solvency Score			a3		baa3		
Liquidity							
Funding Structure							
Less-stable Funds / Tangible Banking Assets		34.7%	baa1	↓	baa2	Market funding quality	Deposit quality
Liquid Resources							
Core Banking Liquidity / Tangible Banking Assets		29.4%	a2	↔	a3	Expected trend	
Combined Liquidity Score			a3		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 10

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

1 The ratings shown are S-Finanzgruppe's corporate family ratings, outlook and BCA.

2 The rating shown is the Sparkassenverband Baden-Wuerttemberg's issuer rating and outlook.

3 The rating shown is the Land of Baden-Wuerttemberg's issuer rating and outlook.

4 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

5 As of 31 December 2025, LBBW had sourced €34.9 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.

6 The value represents the average of the last twelve month-end data points.

REPORT NUMBER 1489404

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