

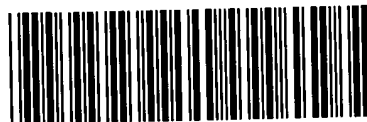
DON'T
STAPLE**OS AA01**Statement of details of parent law and other
information for an overseas company

Companies House

✓ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

✗ **What this form is for**
You cannot use this form
for an alteration of
with accounting.

TUESDAY



A04

AB1SW8KZ

12/04/2022

#199

COMPANIES HOUSE

please
house**Part 1 Corporate company name**Corporate name of
overseas company ①

LANDESBANK BADEN-WUERTTEMBERG

UK establishment
number

B R 0 0 0 2 7 3

→ **Filling in this form**Please complete in typescript or in
bold black capitals.All fields are mandatory unless
specified or indicated by *.① This is the name of the company in
its home state.**Part 2 Statement of details of parent law and other
information for an overseas company****A1****Legislation**Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

GERMAN COMMERCIAL CODE (HANDELSGESETZBUCH)

② This means the relevant rules or
legislation which regulates the
preparation of accounts.**A2****Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3**.☒ **Yes.** Please enter the name of the organisation or other
body which issued those principles below, and then go to **Section A3**.③ Please insert the name of the
appropriate accounting organisation
or body.Name of organisation
or body ③

GERMAN COMMERCIAL CODE (HANDELSGESETZBUCH)

OS AA01

Statement of details of parent law and other information for an overseas company

A3

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ No. Go to **Part 3 'Signature'**.

☒ Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

GERMAN INSTITUTE OF PUBLIC AUDITORS (IDW)

Part 3

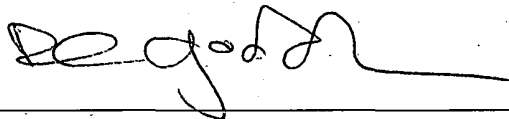
Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X



X

This form may be signed by:
Director, Secretary, Permanent representative.

OS AA01

Statement of details of parent law and other information for an overseas company



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	MICHAEL LOW
Company name	LANDESBANK BADEN-WUERTTEMBERG
Address	201 BISHOPSGATE
Post town	LONDON
County/Region	
Postcode	E C 2 M 3 U N
Country	
DX	
Telephone	



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



Important information

Please note that all this information will appear on the public record.



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Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

Annual financial statements 2019

This English copy of LBBW Annual financial statements 2019 are certified as true and accurate translation of the original documents prepared and published in German.

Signed: J. Govindia
Representative - LBBW London

01

**Combined management
report**

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Balance sheet
Income statement
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**Annual financial
statements**

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Responsibility statement
Independent Auditor's Report

Further information

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01

Combined management report

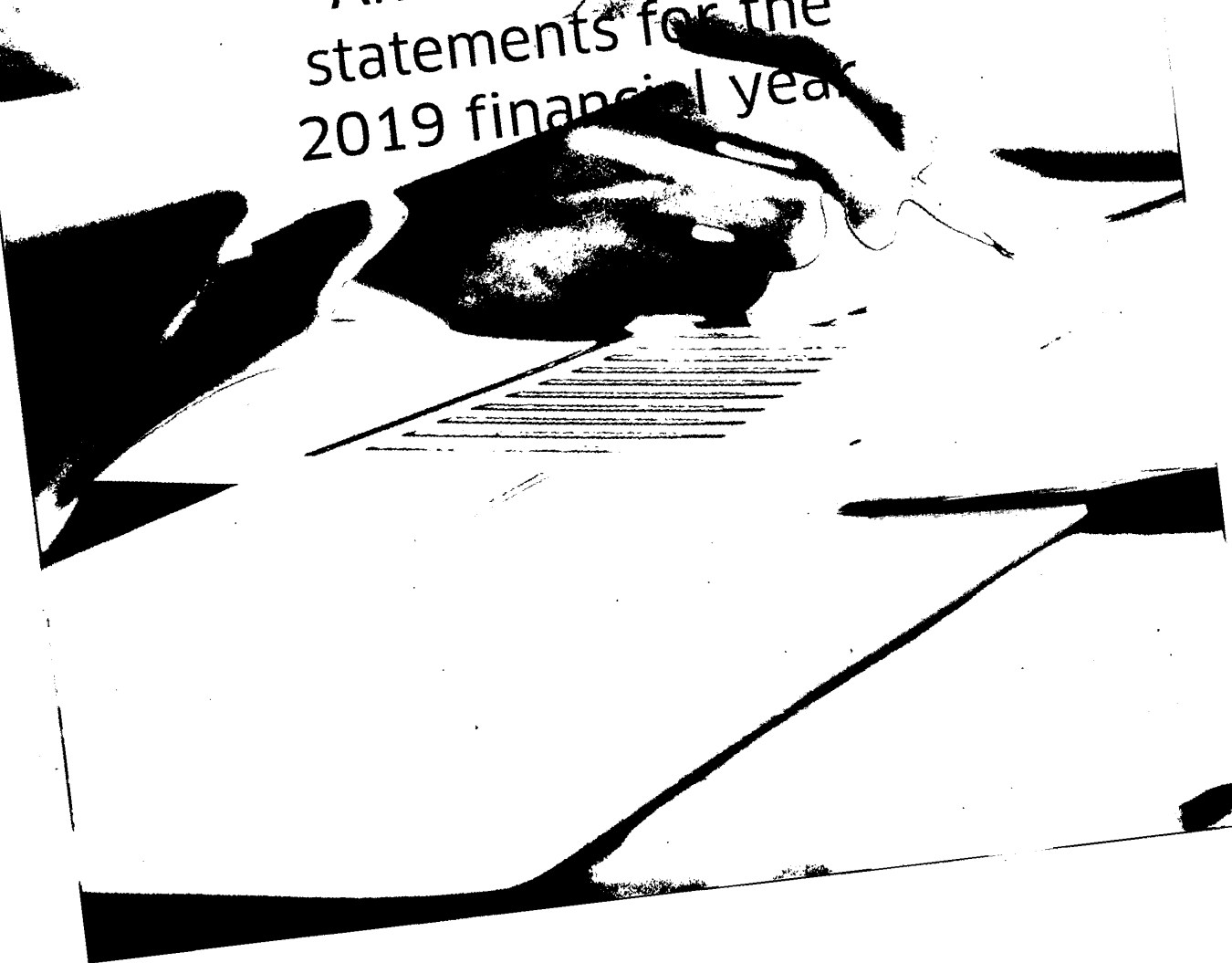
The management report of LBBW Bank and the consolidated financial report and combined management report 2019 of the Finanzgruppe LBBW German Corporate & Commercial Bank AG (section 268 (1) HGB and published in the 2019 annual report of LBBW.

The annual financial statements and the LBBW management report combined with the consolidated management report for the 2019 financial year will be submitted to and published by the board of the German Bank of Capital (Bundestagsbank).

The annual financial statements of LBBW Bank and the annual report of LBBW are also available online at www.lbbw.de.

02

Annual financial
statements for the
2019 financial year



Balance sheet

as at 31 December 2019

Assets

EUR million	Explanation in the Notes (chapter)		31/12/2019	31/12/2018
Cash and cash equivalents				
a) Cash			144	167
b) Balances with central banks			18,174	24,544
including: with Deutsche Bundesbank		16,160		24,416
			18,317	24,712
Loans and advances to banks	2, 3, 4, 5, 36			
a) Mortgage loans			564	530
b) Public-sector loans			31,956	27,644
c) Other receivables			20,490	16,602
of which: payable on demand		4,092		4,548
of which: collateralized by securities		11,392		7,673
			53,010	44,776
Loans and advances to customers	2, 3, 4, 5, 36			
a) Mortgage loans			31,241	32,287
b) Public-sector loans			14,447	15,382
c) Other receivables			64,487	62,065
of which: collateralized by securities		7,410		11,944
			110,175	109,734
Debentures and other fixed-income securities	2, 3, 4, 5, 7, 36			
a) Money market instruments				
aa) issued by public-sector borrowers		295		342
of which: eligible as collateral with Deutsche Bundesbank		0		0
ab) issued by other borrowers		1,352		621
of which: eligible as collateral with Deutsche Bundesbank		160		0
			1,647	963
b) Bonds and debentures				
ba) issued by public-sector borrowers		3,113		4,908
of which: eligible as collateral with Deutsche Bundesbank		2,850		3,894
bb) issued by other borrowers		21,003		14,807
of which: eligible as collateral with Deutsche Bundesbank		19,232		12,773
			24,116	19,715
c) own debentures			172	328
Nominal amount		170		321
			25,935	21,006

Differences in the amount of +/- one unit in the balance sheet, income statement and the Notes are due to rounding.

Assets

EUR million	Explanation in the Notes (chapter)			31/12/2019	31/12/2018
Equities and other non-fixed-income securities	2, 5, 7			200	164
Trading portfolio	2, 5, 9			27,172	20,453
Equity investments	2, 7, 12			592	625
of which: in banks		399			432
Shares in affiliates	2, 7, 12			1,627	1,639
of which: in banks		329			329
of which: in financial services companies		381			400
Trust assets	13			289	356
of which: trust loans		288			355
Intangible assets	2, 12				
a) Internally generated industrial property rights and similar rights and assets			49		33
b) Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets			113		150
d) Advances paid			6		16
				169	199
Property and equipment	2, 12			792	831
Other assets	14			2,398	2,122
Deferred items	15				
a) From issuing and lending business			888		715
b) Other			1,777		1,673
				2,665	2,388
Total assets				243,342	229,005

Differences in the amount of +/- one unit in the balance sheet, income statement and the Notes are due to rounding.

Equity and liabilities

EUR million	Explanation in the Notes (chapter)		31/12/2019	31/12/2018
Deposits from banks	2, 16, 17, 18, 35			
a) Mortgage-backed registered covered bonds issued		138		229
b) Public-sector registered covered bonds issued		443		590
c) Other liabilities		63,753		60,215
of which: payable on demand		6,592		8,529
			64,334	61,033
Deposits from customers	2, 16, 17, 18			
a) Mortgage-backed registered covered bonds issued		216		505
b) Public-sector registered covered bonds issued		2,616		2,978
c) Savings deposits				
ca) with an agreed notice period of three months		5,449		6,274
cb) with an agreed notice period of more than three months		56		70
		5,505		6,344
d) Other liabilities		82,514		73,335
of which: payable on demand		51,497		46,944
			90,850	83,162
Securitized liabilities	2, 17			
a) Issued debentures				
aa) Pfandbriefe (mortgage-backed covered bonds)		10,421		10,308
ab) Pfandbriefe (public covered bonds)		4,920		4,049
ac) Other debentures		21,707		23,051
		37,049		37,409
b) Other securitized liabilities		4,968		4,991
of which: money market instruments		4,968		4,991
			42,017	42,400
Trading portfolio	2, 9, 18		17,243	15,634
Trust liabilities	13		289	356
of which: trust loans		288		355
Other liabilities	2, 19		1,356	932
Deferred items	15			
a) From issuing and lending business		307		312
b) Other		2,107		2,168
			2,415	2,480
Provisions	2, 20			
a) Provisions for pensions and other post-employment benefits		2,327		2,148
b) Tax provisions		36		24
c) Other provisions		682		581
			3,045	2,753
Subordinated liabilities	2, 21		5,482	4,797

Differences in the amount of +/- one unit in the balance sheet, income statement and the Notes are due to rounding.

Equity and liabilities

EUR million	Explanation in the Notes (chapter)			31/12/2019	31/12/2018
Capital generated from profit-participation rights	22			229	229
Regulatory AT 1 capital instruments	23			755	0
Fund for general banking risks				834	743
of which: special reserve in accordance with section 340e (4) HGB		135			135
Equity	24				
a) Subscribed capital					
aa) Share capital		3,484			3,484
ab) Silent partners' contributions		1,010			1,010
			4,494		4,494
b) Capital reserve			8,240		8,240
c) Retained earnings					
cd) Other retained earnings		1,501			1,501
			1,501		1,501
d) Unappropriated profit/loss			259		250
				14,494	14,485
Total equity and liabilities				243,342	229,005
Contingent liabilities	2, 10, 18, 25				
b) Liabilities from guarantees and warranties			9,860		9,380
				9,860	9,380
Other obligations	25				
c) Irrevocable loan commitments			31,752		28,372
				31,752	28,372

Differences in the amount of +/- one unit in the balance sheet, income statement and the Notes are due to rounding.

Income statement

for the period 1 January to 31 December 2019

EUR million	Explanation in the Notes (chapter)		01/01/- 31/12/2019	01/01/- 31/12/2018
Interest income from	26, 27			
a) Credit and money market transactions		13,455		12,656
of which: negative interest income		- 232		- 218
b) Fixed income securities and book-entry securities		238		185
of which: negative interest income		- 4		- 5
			13,693	12,841
Interest expenses	26		- 12,132	- 11,563
of which: positive interest expenses			217	213
			1,561	1,278
Current income from	27			
a) Equities and other non-fixed-income securities			9	16
b) Equity investments			25	27
c) Shares in affiliates			46	38
			80	81
Income from profit-pooling, profit transfer agreements or partial profit transfer agreements			72	55
Fee and commission income	27, 28		537	496
Fee and commission expenses			- 96	- 94
of which: guarantee commission for the State of Baden-Württemberg		0		0
			441	402
Total operating income/expenses from the trading portfolio	27		189	294
of which: transfers/reversals in accordance with section 340e (4) HGB		0		0
Other operating income	27, 29		260	141
General administrative expenses				
a) Staff costs				
aa) Wages and salaries		- 642		- 628
ab) Social security contributions and expenses for pension provision and other benefits		- 284		- 312
of which: pension costs		- 180		- 201
			- 926	- 941
b) Other administrative expenses			- 747	- 716
			- 1,673	- 1,657
Depreciation and write-downs of intangible assets and property and equipment			- 88	- 95

Differences in the amount of +/- one unit in the balance sheet, income statement and the Notes are due to rounding

EUR million	Explanation in the Notes (chapter)		01/01/- 31/12/2019	01/01/- 31/12/2018
Other operating expenses	29		- 203	- 96
Depreciation and write-downs of loans and certain securities, as well as additions to provisions to provisions for credit risks		- 184		- 75
Income from reversals of impairment losses on loans and certain securities, as well as from the reversals to provisions for credit risks		0		0
			- 184	- 75
Depreciation and write-downs of equity investments, shares in affiliates and securities treated as fixed assets		0		0
Income from reversals of impairment losses on equity investments, shares in affiliates and securities treated as fixed assets		16		11
			16	11
Expenses from loss transfer			- 3	- 2
Allocations/reversals made to/from the fund for general banking risks			- 91	109
Result from normal operations			375	445
Extraordinary income	31	0		6
Extraordinary expenses	31	- 57		- 41
Extraordinary result	31		- 57	- 35
			319	410
Taxes on income	32	- 10		- 110
Other taxes, unless reported under other operating expenses		- 6		- 6
			- 16	- 116
Profits transferred as a result of profit-pooling, profit transfer agreement or a partial profit transfer agreement			- 44	- 44
Net profit/unappropriated profit/loss	24		259	250

Differences in the amount of +/- one unit in the balance sheet, income statement and the Notes are due to rounding.

Notes

for the period 1 January to 31 December 2019

General information

1. Principles governing the preparation of the annual financial statements

Landesbank Baden-Württemberg (LBBW (Bank)) is a public law institution (rechtsfähige Anstalt des öffentlichen Rechts) with registered offices in Stuttgart, Karlsruhe, Mannheim and Mainz. The commercial register numbers at the responsible district court are as follows: district court of Stuttgart HRA 12704, district court of Mannheim HRA 104440 (for Karlsruhe) and HRA 4356 (for Mannheim) and district court of Mainz HRA 40687.

The annual financial statements for the 2019 financial year were prepared on 3 March 2020 in compliance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB), in particular the Supplemental Regulations for Banks (sections 340 et seq. HGB), the German Accounting Regulation for Banks and Financial Service Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute – RechKredV), the German Banking Act (Kreditwesengesetz – KWG) and the German Pfandbrief Act (Pfandbriefgesetz – PfandBG).

Given the latest developments regarding the spread of coronavirus and the associated, as yet unpredictable impact on global economic performance, the Board of Managing Directors amended and re-issued the risk report and the forecast and opportunity report in the combined management report, as well as the »events after the balance sheet date« section of the notes, on 26 March 2020.

For the purpose of transparency, the values are stated in EUR millions.

2. General accounting and valuation methods

Receivables and allowances for losses on loans and advances

Loans and advances to banks and customers are stated at nominal value, where necessary after deduction of the applicable write-downs. Allowances for losses on loans and advances were deducted from the other receivables in the net amount. Differences between acquisition costs and nominal amount which are related to interest are allocated to deferred items and recognized proportionally in net interest income over the period. Deferred interest is reported directly in loans and advances to banks and customers.

Bills and forfeiting transactions held in the portfolio are stated at discounted face amount, less specific valuation allowances.

Securities repurchase transactions with central counterparties are presented in net terms. The transactions were concluded on the basis of framework agreements which provide for offsetting financial assets and financial liabilities.

Provisions for specific allowances for losses on loans and advances have been recognized for significant loans for which objective indications of impairment have been identified. The impairment loss is calculated as the carrying amount of the loan less the present value of expected payments received on account of the loan. To calculate the expected future payments, all expected payments from the receivable (principal and interest) and any payments from the liquidation of collateral are estimated in terms of amount and timing on the basis of various probability-weighted scenarios. In the case of insignificant loans, for which objective evidence indicating an impairment has been identified, collective write-downs basis on individual risks are recognized by using a statistically calculated default amount. General valuation allowances are recognized for expected losses on the loan portfolio as at the balance sheet date

resulting from possible loss events over the next 12 months. Their amount is based on statistically calculated default probabilities, loss ratios relating to parts of the loan portfolio for which no other provisions have been set up and the expected exposure at default. Country risks in the form of transfer and/or conversion risks are taken into account.

Securities

Securities in the liquidity reserve are measured at cost observing the principle of strict lower-of-cost-or-market, or at the lower quoted/market price or fair value (if lower) as at the balance sheet date.

Securities held as long-term investments are carried at cost or the fair value on the reporting date (if lower) in the case of continued impairment losses. Provided the reasons for impairment in earlier financial years have elapsed, reversals of impairment losses up to the amount of the fair value are carried out to a maximum of the acquisition costs. In the case of impairments which are expected not to be permanent, the option of section 253(3) sentence 4 HGB is exercised in conjunction with section 340e (1) HGB, so that no write-downs are recognized on the lower fair value (less strict lower-of-cost-or-market principle).

The impairment of securities held as long-term investments is determined on the reporting date on the basis of published stock market price quotations, price quotations from market data providers or recognized valuation methods (e. g. net income value or discounted cash flow method). The assessment of whether impairment is expected to be permanent is carried out on the basis of LBBW's rating classification. A distinction is drawn between equity instruments, ABS securitizations and other securities. The primary reason for a permanent impairment is the occurrence of a trigger event, such as interest loss or redemption default.

Securities arising from asset swap combinations are valued as a valuation unit; for securities in the liquidity reserve from asset swap combinations, market-induced impairment losses due to credit risks are recognized in income.

In the case of securities lending agreements, economic ownership is not transferred to the borrower. Securities that are lent are therefore still shown in the securities portfolio and accounted for accordingly (analogous application of the corresponding regulations for transactions with firm repurchase agreements in section 340b (4) sentence 1 HGB).

As internal transactions only financial instruments are used. These internally contracted financial instruments are valued as transactions with external contracting parties. However, unlike external transactions, they are not recognized individually in the balance sheet but are offset under trading assets or trading liabilities.

Financial instruments

On-balance sheet products and derivative financial instruments of the trading portfolio are subject to fair value changes. Financial instruments in the trading portfolio traded on active markets are recognized at market prices. Financial transactions for which market prices are not available are recognized at prices determined with the help of valuation models or on the basis of indicative quotations and parameters obtained from market data providers. Market prices, quotations and parameters are validated by LBBW (Bank) by means of statistical methods or as part of the independent price verification process (IPV). The fair values are reduced by the value-at-risk for these portfolios determined in line with regulatory requirements (10-day holding period, 99.0% confidence level, 250-day observation period). On the balance sheet, the reduction affects the balance sheet item of »trading assets«.

The absolute amount of the risk discount is EUR 18 million for LBBW (Bank) as at 31 December 2019 (2018: EUR 15 million).

As well as price components related to credit risk such as credit valuation adjustment (CVA) or debt valuation adjustment (DVA), refinancing effects represent a price component and are thus to be taken into consideration when accounting for unsecured derivatives as funding valuation adjustment (FVA). Previously, LBBW took FVA into account implicitly as part of measuring derivatives using an approach based on flat-rate allocation. In the meantime, the calculation of FVA as part of the valuation of unsecured derivatives has been further developed methodically and includes a new model-based approach based on the net stable funding ratio (NSFR) costs. This change results in a negative effect of EUR 52 million in operating income/expenses from the trading portfolio.

This procedure ensures that the income statement drawn up in line with the German Commercial Code takes into account any potentially remaining realization risks in line with the conservatism principle.

The amount of the addition to the special reserve is limited in accordance with section 340e (4) HGB. There was no addition to the fund for general banking risks arising from this for the 2019 financial year.

Observable parameters are used for valuation methods for financial instruments in and outside the trading portfolio, if available. The application of these models and the use of these parameters require assumptions and estimates on the part of the management, the extent of which depends on the transparency and availability of market data information and the complexity of the instrument in question. These involve a certain level of uncertainty and may be subject to change. Therefore, actual results and values may differ from these assumptions and estimates.

The main parameters used in the valuation models of LBBW (Bank) are listed in the following table:

Derivatives/financial instruments	Valuation models	Material parameters ¹
Interest rate swaps and options	Net present value method, Black-Scholes-model, replication and Copula models, Markov functional model and Libor market models	Yield curves, swaption volatility, cap volatility, correlations, mean reversion
Forward rate agreements	Net present value method	Yield curves
Forward commodity agreements, currency forwards	Net present value method	Commodity rates/exchange rates, yield curves
Stock/index options, equity index/dividend futures ²	Black-Scholes-model, local volatility model, present value method	Equity prices, share volatility, dividends, interest rates (swap, repo)
Currency options	Garman-Kohlhagen-model (modified Black-Scholes-model)	FX rates, yield curves, FX volatility
Commodity options	Garman-Kohlhagen-model (modified Black-Scholes-model)	Commodity rates, yield curves, volatility
Credit derivatives	Intensity model, Cheyette model	Credit spreads, yield curves, correlations
Money market transactions	Net present value method	Credit spreads, yield curves
Borrower's note loans, loans	Net present value method	Credit spreads, yield curves
Securities, forward security transactions	Net present value method	Securities prices, credit spreads, yield curves
Own bearer notes and borrower's note loans issued	Net present value method	Yield curves, own credit spread

¹ For the counterparty default risk of OTC derivatives a credit value adjustment is calculated using credit spreads, taking into account collateral and netting agreements.

² The valuation models for equity derivatives are based on OTC- as well as on exchange-traded derivatives.

The valuation methods include all factors and parameters which LBBW (Bank) believes would also be considered by other market participants. If the valuation methods do not take individual factors into account, valuation adjustments are conducted. Value adjustments are determined by Risk Controlling and documented in a valuation adjustment policy. Significant value adjustments affect, among other things, valuation adjustments for counterparty credit risk (credit valuation adjustment, CVA) and own credit risk (debt valuation adjustment, DVA) of OTC (Over-the-Counter) derivatives and valuation adjustments to take into account bid/ask spreads (close-out costs). LBBW (Bank) makes further valuation adjustments to take account of model weaknesses and valuation uncertainties (model valuation adjustments), including when determining the fair value of certain interest rate and credit derivatives. Differences arising between the price calculated by the model and the price traded on the transaction day are taken into account as day-1 P&L valuation adjustment for transactions categorized as level 3 according to the International Financial Reporting Standards (IFRS). Collateralized OTC derivatives are mostly discounted on the basis of EONIA (Euro Overnight Index Average) rates.

The key issue in recognizing derivative financial instruments in the annual financial statements of LBBW (Bank) is whether they are components of valuation units (micro hedges) or are used in the course of trading or are used for the (internal) management of the interest margin of the interest-bearing transactions of the banking book (loss-free valuation in the banking book).

With due regard to accounting practice statement IDW RS HFA 22, issued by the Main Committee (Hauptfachausschuss) of the Institute of Public Auditors in Germany (IDW), ancillary agreements of a derivative nature, whose market price risks are included in portfolio-related management of trading positions, are disclosed separately from the underlying transactions.

The tables exclude ancillary agreements of a derivative nature that are not reported separately on the balance sheet but that are instead components of structured instruments (structured financial instruments) and are therefore included as assets or liabilities in the corresponding balance sheet items. The tables exclude netting and collateral agreements which mitigate default risks.

In addition to the main valuation parameters already named, there are further influencing factors for derivatives which determine the extent, time and collateral of future cash flows.

In the case of options in particular, there are transaction-related payment terms (e.g. trigger for exotic options, redemption date for premiums, structuring the option as American or European). Upfront or balloon payments can be agreed for interest rate swaps. Furthermore, the creditworthiness of the counterparties and the Bank or the resulting default risk has a significant effect on future cash flows. For this purpose, the LBBW (Bank) draws up a credit valuation adjustment (CVA) or reaches collateral agreements with counterparties. Furthermore, LBBW (Bank) is a direct clearing member for the purposes of clearing interest rate swaps via central counterparties. The variation margin is offset against the fair values. In the case of standardized derivatives traded on derivatives exchanges, margining can be agreed which hedges payments between counterparties.

Credit derivatives outside the trading portfolio

Credit derivatives outside the trading portfolio are used in the form of credit default swaps and products with ancillary agreements of a credit default swap nature for risk assumption, arbitrage, hedging and efficient portfolio management with regard to credit risks.

In accordance with statement IDW RS BFA 1, the treatment of credit derivatives differs depending on their purpose.

Protection seller transactions in the non-trading portfolio are included in the item »Contingent liabilities«, sub-item b) »Liabilities from guarantees and warranties«.

Credit derivatives in the non-trading portfolio that were entered into by LBBW as a protection buyer are then treated as credit collateral received, if a documented hedging purpose exists in relation to another transaction subject to credit risk and the derivatives are objectively appropriate for reducing risk. As credit collateral received, these credit derivatives are not recorded in the balance sheet (such as with guarantees received) but are taken into consideration when calculating the necessary allowances for losses on loans and advances for the hedged transaction.

Credit derivatives used for portfolio management purposes with regard to credit risks are not valued using the mark-to-market method provided the credit default swap constitutes an original lending transaction for LBBW (Bank). A prerequisite in this respect is the intention to hold the investment to maturity, and the credit default swap must not contain structures that cannot be part of the original lending transaction. Corresponding provisions for anticipated losses are created for credit derivatives for which there is no intention to hold.

Credit derivatives in the non-trading portfolio that do not fulfill these conditions are valued separately. Unrealized valuation gains are offset only if the credit risk relates to one and the same reference debtor. Provisions for anticipated losses from pending transactions are created for unrealized valuation losses, if necessary after netting unrealized valuation gains. The results are included in depreciations and write-downs of loans and certain securities, as well as additions to provisions for credit risks. Any valuation gains remaining after netting are not recognized. The combined management report (risk and opportunity report) contains information about the scope and development of the LBBW (Bank) market price risks.

Equity investments and shares in affiliates

Equity investments and shares in affiliates are carried at cost or fair value on the reporting date (if lower) in the case of continued impairment losses. Provided the reasons for impairment in earlier financial years have elapsed, reversals of impairment losses up to the amount of the fair value are carried out to a maximum of the acquisition costs. In the case of impairments which are expected not to be permanent, the option of section 253 (3) sentence 4 HGB is exercised in conjunction with section 340e (1) HGB, so that no write-downs are recognized on the lower fair value (less strict lower-of-cost-or-market principle).

Sales profit or loss from equity investment transactions is recorded in »other operating income or expenses« on the basis of section 340c (2) sentence 2 HGB. For a list of shareholdings in accordance with section 285 no. 11 HGB, refer to the chapter »List of shareholdings«.

The value of equity investments and shares in affiliates is determined on the reporting date on the basis of published stock market price quotations, price quotations from market data providers or recognized valuation methods (e. g. net income value or discounted cash flow method).

Intangible assets and property and equipment

Acquired intangible assets are valued at acquisition cost less scheduled depreciation and, where necessary, unscheduled write-downs.

Internally generated intangible assets held as long-term investments are recognized in accordance with section 248 (2) HGB and valued at production cost less scheduled depreciation and, where necessary, unscheduled write-downs.

Tangible assets are valued at acquisition or production cost less scheduled depreciation and, where necessary, unscheduled write-downs.

Scheduled depreciation is effected at the rates permitted by tax laws since, in the view of LBBW (Bank), these correspond to the economic life.

Liabilities

Liabilities are recognized at the settlement amount as per section 253 (1) HGB. Differences between issue amount and settlement amount which are related to interest are allocated to deferred items and recognized proportionally in net interest income over the period. Deferred interest is reported directly in liabilities. Zero coupon bonds are recognized including the pro rata interest rateBW in accordance with section 22 (2) sentence 3 RechKredV.

Securities repurchase transactions with central counterparties are presented in net terms. The transactions were concluded on the basis of framework agreements which provide for offsetting financial assets and financial liabilities.

Regulatory AT 1 capital instruments

The instruments issued qualify as liabilities and are recognized at settlement or nominal amount. Interest expense are recognized on the basis of the expected payments to the owners of the instruments.

Provisions

Provisions for discounting the pension obligations are calculated on the basis of actuarial principles pursuant to section 253 HGB and the 2018 G mortality tables (Heubeck-Richttafel n-GmbH, Cologne 2018).

The projected unit credit method was used as an actuarial calculation method. Accrual allocation of benefit payments during employment and actuarial assumptions are used for the assessment. According to section 253 (2) HGB, the average 10-year discount rate for pension provisions is 2.71%, compared with the average seven-year discount rate of 1.97%. Expected wage and salary increases are 1.85%, plus a career trend of 0.50% based on an age up to 50. The future annual rate of pension increase remains at 1.70% and a company-specific fluctuation of 4.00% is assumed.

The difference calculated in accordance with section 253 (6) sentence 1 HGB and arising from the switch from a provisions for pensions approach as determined by the corresponding average market interest rate from the last seven financial years to an approach based on ten financial years amounts to EUR 247 million.

According to Article 67 (1) sentence 1 of the Einführungsgesetz zum Handelsgesetzbuch (EGHGB - Introductory Act to the HGB), which sets out the transitional provisions relating to the Bilanzrechtsmodernisierungsgesetz (BilMoG - German Act on the Modernization of Accounting Law), the additions to the provisions for pensions can be spread out over 15 years as a consequence of the first-time adoption of BilMoG. LBBW (Bank) has used this option and added EUR 26 million (1/15) to the provisions for pensions in the past financial year. The remaining residual amount is EUR 132 million; additions of at least EUR 26 million must be added annually until 31 December 2024.

There is a unit-linked commitment (LBBW VorsorgeFonds Plus), which invests via a life-cycle model through a contractual trust arrangement (CTA), for new entrants after 31 December 2016. The new regulation will take effect from 1 January 2026 for employees of capital account plan 2000 and 2005 with entry dates before 1 January 2017. The amount of the obligation is determined by the fair value of the associated fund, provided that this exceeds the guaranteed minimum value. The original acquisition cost of the plan assets is EUR 9 million. EUR 10 million in obligations from the LBBW VorsorgeFonds Plus were offset against the plan assets with a fair value of EUR 10 million. The obligations for the LBBW VorsorgeFonds Plus were offset against the plan assets measured at fair value.

Plan assets of EUR 27 million were set up as at year-end 2019 for the obligation for settlement arrears from partial retirement contracts. This corresponds to the fair value of the plan assets as at 31 December 2019. The obligations for settlement arrears from partial retirement contracts were offset against the plan assets in line with section 246 (2) sentence 2 HGB.

As at 31 December 2019, EUR 83 million in obligations from the LBBW FlexiWertkonto (working time account) were offset against the plan assets with a fair value of EUR 72 million. The acquisition costs amount to EUR 68 million. The obligations for the LBBW FlexiWertkonto were offset against the plan assets measured at fair value. Expenses of EUR 9 million (increase in obligations in 2019) were offset against income of EUR 8 million (increase in plan assets in 2019).

Indirect obligations not accounted for in the balance sheet in accordance with Article 28 (1) sentence 2 EGHGB amounted to EUR 329 million as at 31 December 2019.

»Other provisions« are calculated under consideration of all contingent liabilities and anticipated losses from pending transactions on the basis of conservative commercial assessment. Provisions with a residual term over one year are discounted at the seven-year average discount rate published by Deutsche Bundesbank in accordance with section 253 (2) HGB.

The continuation option for provisions as part of the BilMoG conversion balance in line with Article 67 (1) EGHGB is exercised. Overcollateralization amounts to EUR 1 million as at 31 December 2019.

Loss-free valuation in the banking book

The business activities of the banks within the scope of the banking book do not permit regular immediate reciprocal allocation of individual financial instruments. However, regardless of this, there is an economic link between these transactions (funding partnership) due to their objective (achieving an interest margin). Accordingly, LBBW (Bank) manages the interest margin/change in present value of all interest-bearing transactions as a whole in the banking book. This (internal) management of the banking book also provides the framework for the application of the imparity principle in commercial law.

A provision that might be required in line with section 340a in conjunction with section 249 (1) sentence 1, 2nd alternative HGB (provision for onerous contracts) thus extends to all interest-bearing financial instruments in the banking book. The valuation of the interest rate position of the entire banking book and the associated risk and administrative costs must be included in the calculation of negative excess liability, if any, as part of the loss-free valuation of interest-bearing transactions of the banking book. The Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer - IDW) has answered individual questions on the procedure in a statement issued on this topic (IDW RS BFA 3).

LBBW (Bank) applied statement IDW RS BFA 3 as at the reporting date. LBBW (Bank) uses the net present value method. No negative excess liability existed. Accordingly, no provisions were created.

Valuation units

In the case of valuation units, underlying transactions (assets, debt and derivatives separable from the balance sheet) are linked with hedging transactions (derivative financial instruments, and some on-balance sheet assets) to hedge market price risks (hereinafter referred to as micro hedge).

The hedged risks include general and structured interest rate risks, equity risks, credit risks and currency risks.

The following methods of measuring effectiveness are used: When a valuation unit is formed and on each reporting date, a check is carried out prospectively as to whether effective hedging is in place. The micro hedges, in particular, which are created for the purpose of hedging structured interest-rate and other market price risks, are structured in such a way as to ensure that the main factors (hedged risk, nominal amount, currency and duration) receive the same or almost the same coverage. In the case of these valuation units and, in general, when a valuation unit is formed, a check is carried out for the compensatory settlement of hedged risks for underlying and hedging transactions; to this end, a comparison is carried out between these factors in the underlying and hedging transactions. In the case of micro hedges that hedge the general interest rate risk a regression analysis is carried out on each reporting date to investigate the compensatory effect. If the above mentioned comparison or regression analysis is positive, effectiveness (between the change in the value of the underlying transactions and hedging transactions with reference to the hedged risk) is also expected for the future (the remaining maturity of the transactions).

Retrospective valuation of effectiveness takes place on each reporting date with the help of the dollar offset method. According to this method, the underlying transaction is valued for the hedged risk and compared with the valuation of the hedging transaction for the hedged risk (e. g. interest rate risk). This also forms the basis for calculating the previous invalidity and any loss peak. The procedure is already applied for the majority of valuation units for the general interest rate risk. In case of all other valuation units formed for the structured interest rate risk or other market price risks, the valuation of the hedged risk of the underlying is derived from the valuation of the hedging transaction.

The changes in value of hedging and underlying transactions are calculated on the balance sheet for the effective part using the net hedge presentation method, with only a loss peak shown on the balance sheet as a provision for valuation units. The loss peak (ineffectiveness from the hedged risk) is taken into account in the income statement.

Brokered, structured derivatives, from which the market price risk is eliminated, are treated as economic hedges in risk management. These transactions are allocated to the trading book (so-called back-to-back operations) in the financial statements pursuant to German law.

For recognition of market price risks, refer to the chapter »Market price risks« in the combined management report (risk and opportunity report) for the 2019 annual financial statements.

IBOR transition effects

Due to the IBOR (Interbank Offered Rates) reforms, in the future there can be transition effects as a result of the change of existing interest agreements to the new benchmarks replacing IBOR. At LBBW new benchmarks such as €STR (Euro Short Term Rate), SARON (Swiss Average Rate Overnight), SOFR (Secured Overnight Financing Rate) and SONIA (Sterling Overnight Index Average) are already being used to a certain extent, but existing interest agreements have not been converted. As a result, there were no transition effects in 2019.

If transition effects occur, they are recognized outside of equity and deferred over the term of the relevant transactions.

Currency translation

In order to determine the currency position, LBBW (Bank) offsets foreign currency assets and foreign currency liabilities arising from on-balance transactions by currency. The application of the particular cover is derived from the Bank's internal FX policy. Currency risks resulting from non-trading assets are generally transferred to the trading books. Accordingly, expenses or income generated from them are ultimately reported under net trading gains/losses.

Assets and liabilities are translated at the mid-spot exchange rate as at the reporting date. Differences resulting from the translation of hedged assets and liabilities at the mid-spot exchange rate are offset by the opposing effects of outstanding nominal payments from foreign exchange transactions, cross-currency/interest-rate swaps and currency swaps. Currency forwards, cross-currency/interest-rate swaps and currency swaps, provided that they are not part of a valuation unit and are not concluded for the purpose of liquidity management of the banking book, are allocated to the trading portfolio. In the balance sheet these derivatives are recognized at fair value as part of the positive or negative fair values in trading assets/liabilities.

The swap points are accrued and shown in interest income or interest expense for currency forwards.

Deferred taxes

There is a recognition option for net lending positions resulting from the overall view of deferred tax assets and liabilities and a recognition obligation for net borrowing positions. Accordingly, LBBW (Bank) has not exercised the option in section 274 (1) sentence 2 HGB regarding the recognition of deferred tax assets.

Deferred tax liabilities from different temporary taxable differences between book value and tax base, especially for property and equipment, intangible assets and other assets were offset against deferred tax assets on tax loss carryforwards and deductible temporary differences on provisions (particularly for pensions) and other liabilities.

Company-specific tax rates were used in the recognition of deferred taxes. For the domestic tax group, the corporate income tax was recognized at 15.83% including solidarity surcharge. An average trade tax rate of 14.70% was used for the domestic tax group. Deferred taxes for the foreign branches were recognized at the statutory tax rates applicable in those locations, ranging from 13.50% to 27.19%.

Notes to the balance sheet

3. Relationships with affiliates and companies in which equity interests are held, and with affiliated savings banks (Sparkassen), receivables and debentures

The following balance sheet items include receivables and debentures to affiliates or companies in which an equity investment is held:

EUR million	31/12/2019	31/12/2018
<i>Loans and advances to banks</i>	53,010	44,776
of which to affiliates	88	54
of which to companies in which equity interests are held	2,349	2,154
of which to affiliated savings banks (Sparkassen)	27,476	24,087
<i>Loans and advances to customers</i>	110,175	109,734
of which to affiliates	4,522	3,893
of which to companies in which equity interests are held	265	264

4. Maturity structure of the receivables and debentures

The following table contains a breakdown of the remaining maturity of the receivables and debentures (including pro rata interest):

EUR million	31/12/2019	31/12/2018
<i>Loans and advances to banks</i>	53,010	44,776
up to 3 months	23,651	15,664
more than 3 months to 1 year	6,362	7,703
more than 1 year to 5 years	12,913	12,389
more than 5 years	10,083	9,019
<i>Loans and advances to customers</i>	110,175	109,734
up to 3 months	19,043	22,734
more than 3 months to 1 year	15,571	13,859
more than 1 year to 5 years	41,468	38,880
more than 5 years	34,090	34,262
no specified maturity	4	0
<i>Debentures and other fixed-income securities</i>	25,935	21,006
of which due in the following year	2,831	2,630

5. Subordinated assets

Subordinated assets are included in the following asset items:

EUR million	31/12/2019	31/12/2018
Loans and advances to banks	176	365
Loans and advances to customers	135	153
Debentures and other fixed-income securities	138	399
Trading assets	20	73

6. Transactions with firm repurchase agreements

The carrying amount of securities sold to other banks and non-banks under repurchase agreements as at the balance sheet date was EUR 3,848 million (2018: EUR 4,435 million).

7. Securities and equity investments

The asset items below include marketable securities as well as securities, equity investments and shares in affiliates measured at the less strict lower-of-cost-or-market principle:

EUR million	31/12/2019	31/12/2018
Debentures and other fixed-income securities		
Marketable	25,935	21,006
of which listed	23,829	19,061
No write-down due to temporary impairment		
Carrying amount	5,816	1,600
Fair value	5,863	1,382
Equities and other non-fixed-income securities		
Marketable	200	164
of which listed	28	28
Equity investments		
Marketable	396	429
of which listed	390	423
Shares in affiliates		
Marketable	9	10

With micro-hedged transactions, as a result of the net hedge presentation method, the carrying amounts shown above do not include any corresponding adjustments to the book values for hedged risks (please refer to the chapter »Valuation units«). If the carrying amounts had been adjusted, the omitted write-downs of the debentures and other fixed-income securities would amount to EUR - 63 million (2018: EUR - 130 million).

8. Shares in investment fund assets

The value of the shares in investment fund assets is determined on the reporting date on the basis of published redemption prices in the case of retail funds and the fair values provided in the case of special funds.

EUR million

Investment objective	Name	Fair value	Difference to carrying amount	Distribution for the financial year	Daily return possible	Unscheduled write-downs omitted
Equity fund	BL - Equities Dividend	10	0	0	Yes	No
Equity fund	CGSCF-Hansa High Yield Fund Registered Sh	40	0	2	Yes	No
Equity fund	FEDERAL SOLV PREMIA Act. au Port.E 3 ^e Déc	24	0	0	Yes	No
Equity fund	PASSIM Str.-Def.Eur.Equ.Inc.FdReg. Shs S	110	0	0	Yes	No
Investment funds - closed-end fund investments	F&C European Cap.Partn.B L.P. ¹	11	- 18	0	No	No
Mixed fund	La Enhanced Euro Index PlusInhaber-Anteil	55	0	0	Yes	No
Mixed fund	LBBW AM-StartNamens-Anteile	62	0	0	Yes	No
Mixed fund	Tabul.J.P.M.G.C.V.P.I.U.ETF EORegistered	102	0	0	Yes	No
Property fund	Germany Diversified Core+	32	1	1	Yes	No
Bond fund	IPAM RentenWachstum Inhaber-Anteile	3	0	0	Yes	No
Bond fund	OP-Fonds SKP ¹	199	121	0	Yes	No
		648	104	3		

¹ The fund units are part of an asset-linked note i.e. the performance from the fund units is attributable to the bearer of the associated issue by LBBW (Bank).

9. Trading portfolio

The trading portfolio is composed as follows

EUR million	Trading assets		Trading liabilities	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Derivative financial instruments	11,105	8,596	6,877	7,164
Receivables/liabilities	6,938	4,228	3,618	1,687
Debentures and other fixed-income securities	8,213	6,529	6,637	5,681
Equities and other non-fixed-income securities	910	1,087	0	0
Other assets/other liabilities	6	13	112	1,102
	27,172	20,453	17,243	15,634

10. Derivatives

The following tables provide information on derivative financial instruments pursuant to section 285 nos. 19 and 20 HGB in conjunction with section 36 RechKredV that existed at LBBW (Bank) as at the balance sheet date.

Derivative transactions - Product structure - Recognized at fair value

EUR million	Nominal values		Positive fair value ^{1,2,3,4}		Negative fair value ^{1,2,3,4}	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Interest rate swaps	1,412,241	1,383,577	7,640	5,703	3,568	3,408
Forward Rate Agreements	478,400	374,091	0	0	0	1
Interest rate options	72,155	73,204	343	406	482	484
Purchases	29,873	29,346	299	267	33	70
Sales	42,282	43,858	45	140	448	414
Caps, floors, collars	33,017	31,180	49	61	24	44
Other interest rate contracts	2,232	1,933	6	0	294	90
Exchange-traded interest rate products	104,171	43,192	0	0	0	0
Interest rate risks - overall	2,102,216	1,907,177	8,039	6,170	4,368	4,028
Foreign exchange transactions	218,867	217,203	964	852	1,014	1,083
Interest-rate/currency swaps	33,533	30,022	267	222	162	144
Currency options	6,792	10,705	15	24	18	48
Purchases	3,363	5,197	15	24	0	0
Sales	3,429	5,508	0	0	18	47
Currency risks - total	259,192	257,931	1,246	1,099	1,194	1,274
Stock options	1,730	1,948	29	- 6	41	3
Purchases	867	979	29	- 6	0	0
Sales	863	970	0	0	41	3
Exchange-traded equity and index products	22,348	19,048	923	644	988	1,600
Commodities	2,048	2,643	22	69	59	64
of which exchange-traded	1,123	1,585	16	39	33	53
Forward share transactions	8	2	2	1	0	0
Other equity derivatives	1,106	762	109	110	113	116
Equity and other price risks - overall	27,241	24,403	1,084	816	1,201	1,783
Credit derivatives - protection seller	5,030	5,770	33	13	0	4
Credit derivatives - protection buyer	4,569	4,435	3	6	173	119
Credit derivatives	9,599	10,205	36	20	174	123
Risks - overall	2,398,248	2,199,716	10,407	8,105	6,936	7,208

1 Including interest deferral (=dirty price=)

2 The fair value of transactions concluded on the basis of framework agreements that provide for a daily exchange of the margin collateral will be presented in net terms. The net presentation includes the fair value of the derivatives and the margin collateral.

3 The positive and negative fair values do not include the premiums of internal transactions. This can, in individual cases, result in the reporting of negative values

4 The valuation peaks from internal derivatives were shown in the fair values of the trading book derivatives.

Derivative transactions - Product structure - Not recognized at fair value

EUR million	Nominal values		Positive fair value ^{1,2}		Negative fair value ^{1,2}	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Interest rate swaps	485,322	366,672	644	612	979	966
Forward Rate Agreements	200	0	0	0	0	0
Interest rate options	1,426	1,916	29	31	0	1
Purchases	625	785	29	31	0	0
Sales	801	1,131	0	0	0	1
Other interest rate contracts	195	225	0	0	0	1
Exchange-traded interest rate products	113,151	50,309	0	0	0	0
Caps, floors, collars	0	0	0	0	0	0
Interest rate risks - overall	600,294	419,122	673	643	979	968
Foreign exchange transactions	0	0	0	0	0	- 23
Interest-rate/currency swaps	1,156	2,019	48	45	18	13
Currency risks - total	1,156	2,019	48	45	18	- 10
Stock options	288	288	3	6	9	7
Purchases	103	103	3	6	0	0
Sales	185	185	0	0	9	7
Other equity derivatives	0	0	0	0	0	0
Equity and other price risks - overall	288	288	3	6	9	7
Credit derivatives - protection seller	86	26	0	0	0	0
Credit derivatives - protection buyer	2,067	2,749	0	6	78	94
Credit derivatives	2,153	2,775	0	6	78	94
Risks - overall	603,891	424,204	724	700	1,084	1,059

1 Including interest deferral (=dirty price).

2 The positive and negative fair values do not include the premiums of internal transactions. This can, in individual cases, result in the reporting of negative values.

Most of the transactions previously referred to are concluded to cover interest rate, exchange rate or market price fluctuations, as well as for customer transactions and hedging these customer transactions.

With regard to the valuation models used, refer to the information under the chapter »General Accounting and Valuation Methods«.

Please refer to the data presented in the »Other assets« and »Other liabilities« items for information on the carrying amount of options in the form of option premiums.

Protection seller transactions in credit derivatives in the non-trading portfolio are included in the item »Contingent liabilities«, sub-item b) »Liabilities from guarantees and warranties«. There were no protection seller transactions in credit derivatives in the non-trading portfolio in the year under review (2018: nominal EUR 0 million).

Derivative transactions – maturity structure (by remaining maturity)

Nominal values

EUR million	up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
Interest rate risks					
31/12/2019	312,278	720,868	850,483	818,881	2,702,510
31/12/2018	205,106	626,764	767,994	726,433	2,326,297
Currency risks					
31/12/2019	157,430	58,359	34,654	9,905	260,348
31/12/2018	160,587	57,072	33,317	8,974	259,950
Equity and other price risks					
31/12/2019	2,998	9,208	15,154	169	27,529
31/12/2018	3,265	7,293	13,590	543	24,691
Credit derivatives					
31/12/2019	457	1,730	8,361	1,205	11,753
31/12/2018	867	2,301	8,061	1,751	12,980
Risks – overall					
31/12/2019	473,163	790,166	908,652	830,159	3,002,140
31/12/2018	369,826	693,430	822,962	737,701	2,623,918

Derivative transactions – by counterparty

EUR million	Nominal values		Positive fair value ¹		Negative fair value ¹	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Banks in the OECD	1,818,601	1,206,641	4,581	3,791	5,558	5,784
Banks outside the OECD	21,009	20,347	62	56	292	288
Public-sector agencies in OECD countries	32,382	34,134	4,059	2,964	251	207
Other counterparties	1,130,148	1,362,797	2,429	1,994	1,920	1,988
Counterparties – total	3,002,140	2,623,918	11,131	8,806	8,021	8,267

¹ Including interest deferral (=dirty price).

11. Currency translation

Foreign currency assets worth EUR 32.4 billion (2018: EUR 38.9 billion) and foreign currency liabilities worth EUR 42.8 billion (2018: EUR 46.6 billion), as well as income and expenses included in the financial statements were translated in compliance with section 256a and section 340h HGB and statement IDW RS BFA 4 from the Institute of Public Auditors in Germany (IDW). Assets and liabilities do not include any assets or liabilities from pending transactions. They are included in the derivatives tables in the chapter »Derivatives«. The risk of exchange rate movements associated with balance sheet items denominated in foreign currencies, including precious metals, is primarily covered by off-balance sheet hedging transactions.

12. Fixed assets

The following table shows the changes in fixed assets:

EUR million	Cost of acquisition	Additions	Disposals	Reclassifications	Reversals of impairment losses	Cumulative depreciation and write-downs	Depreciation and write-downs during the financial year	Accrued interest	Carrying amount 31 Dec. 2019	Carrying amount 31 Dec. 2018
Equity investments	826	0	- 1	0	1	- 234	- 33	0	592	625
Shares in affiliates	1,805	12	- 12	0	8	- 179	- 21	0	1,627	1,639
Securities allocated to fixed assets	1,923	4,980	- 434	10,215	1	- 4	0	73	16,752	1,922
Intangible assets	806	31	- 49	0	0	- 620	- 62	0	169	199
Land and buildings	1,073	11	- 79	0	0	- 296	- 19	0	708	757
of which: land and buildings used commercially	991	11	- 77	0	0	- 235	- 18	0	690	737
Other facilities, operating and office equipment	334	22	- 17	0	0	- 256	- 8	0	84	74
Total assets	6,767	5,056	- 592	10,215	10	- 1,589	- 143	73	19,932	5,216

The option described in section 248 (2) HGB is being exercised. Development costs in the 2019 financial year were accounted for fully by the internally generated intangible assets, which amounted to EUR 49 million (2018: EUR 33 million).

13. Fiduciary transactions

The following table contains a breakdown of trust assets and trust liabilities:

EUR million	31/12/2019	31/12/2018
Trust assets	289	356
Loans and advances to banks	224	267
Loans and advances to customers	64	88
Equities and other non-fixed-income securities	1	2
Trust liabilities	289	356
Deposits from banks	288	355
Deposits from customers	1	2

14. Other assets

Items of particular significance included in the »Other assets« of LBBW (Bank) are margins and option premiums of EUR 1,373 million (2018: EUR 884 million), »Other assets« in affiliates and companies in which an equity investment is held totaling EUR 181 million (2018: EUR 137 million) and tax refund claims of EUR 135 million (2018: EUR 152 million).

The tax refund claims in Germany primarily include income tax assets from past financial years amounting to EUR 68 million (2018: EUR 67 million), tax assets from the current financial year in the amount of EUR 0 million (2018: EUR 29 million) as well as other tax receivables of EUR 59 million (2018: EUR 54 million), comprising mainly interest receivables and VAT receivables from the domestic tax office.

The refund claims stand in contrast to the LBBW (Bank) tax provisions amounting to EUR 36 million (2018: EUR 24 million).

15. Deferred items

Deferred items include the following amounts:

EUR million	31/12/2019	31/12/2018
<i>Prepaid expenses</i>	2,665	2,388
Discount from liabilities in line with section 250 (3) HGB	161	150
Premium from receivables in line with section 340e (2) sentence 3 HGB	686	553
<i>Deferred income</i>	2,415	2,480
Discount from receivables in line with section 340e (2) sentence 2 HGB	155	161

Deferred items also include one-off payments from interest rate and cross-currency interest rate swaps of EUR 639 million (2018: EUR 377 million) on the assets side and EUR 634 million (2018: EUR 406 million) on the liabilities side. In addition, there are EUR 689 million discontinued valuation units on the assets side and EUR 719 million on the liabilities side. Liabilities also contain premiums on liabilities of EUR 150 million (2018: EUR 148 million).

16. Relationships with affiliates and companies in which equity interests are held, and with affiliated savings banks (Sparkassen) - liabilities

The following balance sheet items include liabilities to affiliates or companies in which an equity investment is held:

EUR million	31/12/2019	31/12/2018
<i>Deposits from banks</i>	64,334	61,033
of which from companies in which equity interests are held	359	180
of which from affiliated savings banks (Sparkassen)	4,253	4,327
<i>Deposits from customers</i>	90,850	83,162
of which from affiliates	661	563
of which from companies in which equity interests are held	234	259

17. Maturity structure of the liabilities

The remaining maturities of the liabilities (including pro rata interest) are as follows:

EUR million	31/12/2019	31/12/2018
<i>Deposits from banks with agreed duration or withdrawal notice</i>	<i>60,617</i>	<i>52,501</i>
up to 3 months	18,526	12,392
more than 3 months to 1 year	6,974	5,063
more than 1 year to 5 years	19,749	21,030
more than 5 years	15,368	14,017
<i>Savings deposits to customers with an agreed notice period of more than three months</i>	<i>56</i>	<i>70</i>
more than 3 months to 1 year	22	24
more than 1 year to 5 years	34	45
<i>Other deposits from customers with an agreed duration or notice period, including mortgage-backed registered covered bonds issued and public-sector registered covered bonds issued</i>	<i>33,848</i>	<i>29,875</i>
up to 3 months	13,205	9,900
more than 3 months to 1 year	8,867	7,897
more than 1 year to 5 years	6,814	7,199
more than 5 years	4,962	4,879
<i>Securitized liabilities</i>	<i>42,017</i>	<i>42,400</i>
<i>a) Issued debentures</i>	<i>37,049</i>	<i>37,409</i>
of which due in the following year	10,011	11,208
<i>b) Other securitized liabilities</i>	<i>4,968</i>	<i>4,991</i>
up to 3 months	4,968	4,969
more than 3 months to 1 year	0	22

18. Assets assigned as collateral for own liabilities

Assets in the amounts stated below were assigned for the following liabilities and contingent liabilities.

EUR million	31/12/2019	31/12/2018
Deposits from banks	34,819	34,593
Deposits from customers	1,916	1,001
Trading liabilities	1,895	1,762
Contingent liabilities	10	39
<i>Total amount of collateral transferred</i>	<i>38,640</i>	<i>37,395</i>

19. Other liabilities

The most important individual components of the »Other liabilities« item are margins and option premiums totaling EUR 1,136 million (2018: EUR 726 million), distributions from silent partners' contributions amounting to EUR 44 million (2018: EUR 44 million) and taxes to be transferred amounting to EUR 44 million (2018: EUR 38 million). These are essentially liabilities from provisional VAT and preliminary wage tax returns.

20. Valuation units

The following table illustrates the amount by which assets and liabilities are incorporated to hedge which risks in valuation units as at 31 December 2019.

EUR million	Micro hedge						
	Negative change in value			Loss peak	Positive change in value		
	Carrying amount _{UT}	Change in value _{UT}	Change in value _{HT}		Change in value _{UT}	Change in value _{HT}	Profit peak
Assets							
General interest rate risk	20,739	115	- 115	0	345	- 344	1
Structured interest rate risk and other market price risk	481	102	- 102	0	0	0	0
Liabilities							
General interest rate risk	- 3,114	- 31	30	- 1	- 133	133	0
Structured interest rate risk and other market price risk	- 5,942	- 617	617	0	0	0	0
Contracts in progress							
Structured interest rate risk and other market price risk	- 21	- 106	106	0	0	0	0
Total				- 1			1
				Provisions loss peak			Profit peak

UT = hedged item; HT = hedge

This results in a EUR 1 million increase in both the profit and the loss peak as at 31 December 2018.

LBBW (Bank) includes two types of hedge relationships under micro hedges. In the first, individual underlying transactions are hedged by individual hedging transactions. In the other, one or more underlying transactions are hedged by one or more hedging transactions.

Both types of micro hedge are documented by means of clear referencing of the underlying and hedging transactions.

21. Subordinated liabilities

The »Subordinated liabilities« were raised in the form of borrower's note loans and issues denominated in EUR, USD, AUD, SGD and JPY. EUR 653 million was issued in the current year (2018: EUR 533 million).

Nominal amounts of EUR 357 million (2018: EUR 289 million) will mature within the next two years. The last »Subordinated liabilities« will be repaid in 2041. The rate of interest ranges between 0.00 % and 7.63 %.

With the exception of issues with a nominal volume of EUR 46,000, the subordinated liabilities complied with the requirements of Article 63 CRR (Capital Requirements Regulation). Pursuant to Article 64 CRR, amortization of the Tier 2 instruments shall occur on the basis of the number of days that have passed in the last five years of their term.

In the year under review, interest expense of EUR - 174 million (2018: EUR - 146 million) was incurred for »Subordinated liabilities«.

22. Capital generated from profit-participation rights

The Capital generated by profit-participation rights comprises 28 registered participation rights.

The creditors' rights are dependent on LBBW (Bank) net profit/loss for the year or unappropriated profit/loss pursuant to HGB and are guaranteed only until maturity.

The creditors receive an annual distribution provided no net loss for the year (two agreements) is incurred or there is no increase in unappropriated loss (26 agreements) pursuant to HGB. In addition, no distribution is made if the capital generated from profit-participation rights that was reduced in the past by losses has yet to be replenished in full again.

If the capital generated from profit-participation rights was lowered in the past, all agreements include the right to replenishment of the capital from net profit for the year or unappropriated profit pursuant to HGB. Provided the capital has been replenished again, the agreements provide for unpaid dividends to be carried forward if net profit for the year or unappropriated profit pursuant to HGB is available.

23. Regulatory AT 1 capital instruments

The AT1 bonds (AT1 = Additional Tier 1) are unsecured and subordinated bonds of LBBW (Bank). The repayment and nominal amount of the bonds can be reduced by a trigger event. An example of such a trigger event is if the core equity tier 1 ratio of the LBBW Group, calculated on a consolidated basis, drops below 5.125%. After such a trigger event, the bonds can be written up under certain conditions. There are fixed interest payments. However, in line with supervisory regulations or at the sole discretion of LBBW (Bank), these can be canceled. Lost interest is not reinstated. The bonds have perpetual maturity but can be called at pre-defined dates. Fixed interest ends at the first call date, and if the call is not exercised, adjusted.

24. Equity

The equity of LBBW (Bank) developed as follows in the financial year 2019:

EUR million	
Equity as at 31 December 2018	14,485
- repayment of silent partners' contributions	0
- distribution to shareholders	- 250
+ unappropriated profit 2019	259
Equity as at 31 December 2019	14,494

The rights of creditors of 50 »Silent partners' contributions« depend on the LBBW (Bank) net profit/loss for the year or unappropriated profit/loss pursuant to HGB and are guaranteed, unless it is formulated otherwise, only until maturity.

The creditors receive an annual distribution, provided the distribution does not lead to a net loss for the year (44 agreements) or unappropriated loss (six agreements) pursuant to HGB, or that such a loss is increased as a result of the distribution. In addition, a distribution is not made if capital from »Silent partners' contributions« that was reduced in the past has yet to be replenished in full again.

If the »Silent partners' contributions« were reduced in the past, 48 agreements include the right to a replenishment of capital from net profit or unappropriated capital pursuant to HGB. Two agreements include the right to repayment of the »Silent partners' contribution« even after four years. Provided the capital is replenished, 21 agreements also provide for a repayment of suspended distributions if net profit for the year or unappropriated profit pursuant to HGB is available.

25. Items below the line

Contingent liabilities

EUR million	31/12/2019	31/12/2018
Contingent liabilities	9,860	9,380
Liabilities from guarantees and warranties	9,860	9,380

If a guarantee is drawn on, there is a risk for the LBBW (Bank) that its claim (for recourse) against the guarantee holder less the collateral is not valuable. If there are valid reasons for an expected claim, LBBW (Bank) creates specific provisions at the level of individual transactions, provided that imminent loss is expected. Provisioning on a portfolio basis is created for latent risks.

The following letters of comfort have been issued as at the balance sheet date:

LBBW has issued a letter of comfort, which reads as follows, in favor of the wholly owned subsidiaries LBBW Asset Management Investmentgesellschaft mbH, Stuttgart, and SüdFactoring GmbH, Stuttgart:

Except for political risks and for the duration of an equity investment, for the companies listed in the list of shareholdings of LBBW, LBBW ensures that the companies are in a position to cover their liabilities, regardless of the amount of the interest held by the LBBW.

The letter of comfort in favor of Landesbank Baden-Württemberg Capital Markets Plc, London, is hereby withdrawn with effect for the future.

Obligations from the guarantor's liability:

LBBW (Bank) is liable indefinitely for the liabilities of DekaBank Deutsche Girozentrale, Berlin and Frankfurt am Main, and of former LBS Landesbausparkasse Baden-Württemberg, Stuttgart and Karlsruhe created up to 18 July 2001.

This also applies externally to the liabilities of the following credit institutions, provided that these liabilities arose during the time when LBBW was a guarantor of these credit institutions: the former Landesbank Schleswig-Holstein Girozentrale, Kiel, and the former LRP Landesbank Rheinland-Pfalz, Mainz.

Other obligations

EUR million	31/12/2019	31/12/2018
Other obligations	31,752	28,372
Irrevocable loan commitments	31,752	28,372

The following matters within the item »Other obligations« are of material importance for total business activity: one special purpose entity that purchases and securitizes trading, lease and bank receivables was provided with liquidity lines. These amounted to EUR 2,919 million as at the reporting date. Furthermore, there are irrevocable loan commitments to a central counterparty of EUR 3,705 million and a commitment to a German company of EUR 600 million.

The item »Other obligations« comprises the amount of commitment granted not but yet drawn on that the Bank may not revoke. If a guarantee is drawn on, there is a risk for the LBBW (Bank) that its claim against the borrower less the collateral is not valuable. If there are valid reasons for an expected claim, LBBW (Bank) creates specific provisions at the level of individual transactions, provided that imminent loss is expected. Provisioning on a portfolio basis is created for latent risks.

Notes on the income statement

26. Net interest income

Net interest income also reports current interest income and expense in the trading portfolio. This procedure is in line with the LBBW (Bank) internal controlling.

The negative interest income results from reserve holdings with the ECB, banks and institutional customers that exceed the bank's reserve requirement. These customer groups also generate income through positive interest expenses.

Net interest income includes the effects of interest on other provisions with a term of more than twelve months amounting to EUR - 4 million (2018: EUR - 6 million) and discounting effects of EUR 2 million (2018: EUR 4 million).

27. Breakdown of income according to geographic markets

The total amount from the income statement items

- interest income
- current income from shares and other non-fixed-income securities, equity investments and shares in affiliates,
- fee and commission income,
- net income from the trading portfolio and
- Other operating income

is distributed across the geographical markets below as follows:

EUR million	31/12/2019	31/12/2018
Federal Republic of Germany	13,435	12,810
Europe (EU states excluding Germany)	359	277
Asia	270	187
America	695	579
Total	14,758	13,853

28. Administrative and intermediary services

Services rendered for third parties relate in particular to the administration and intermediation of securities transactions, (trustee) loans, warranties and guarantees, payments and other bank services.

29. Other operating income and expenses

EUR 53 million (2018: EUR 19 million) of »Other operating income« is accounted for by capital gains on the sale of land and buildings and on the sale of equity investments and shares in affiliates. Income from renting and leasing land and buildings amounted to EUR 26 million (2018: EUR 26 million). Income from refunds of expenses from third parties amounted to EUR 26 million (2017: EUR 23 million) and reversals of provisions came to EUR 96 million (2017: EUR 32 million).

»Other operating expenses« largely comprised allocations to provisions of EUR - 148 million (2018: EUR - 37 million), comprising mainly allocations to provisions for litigation and recourse risks. Expenses for non-banking business essentially consist of operating expenses amounting to EUR - 15 million (2018: EUR - 12 million) and expenses for land and buildings held as long-term investments of EUR - 12 million (2018: EUR - 14 million). Cafeteria expenses amount to EUR - 8 million (2018: EUR - 8 million).

30. Auditors' fee:

The following information relates to Landesbank Baden-Württemberg and the companies it controls.

Audit services relate primarily to the audits of the annual financial statements and the consolidated financial statements of the parent company, as well as various audits of the annual financial statements of its subsidiaries including mandatory extensions of contracts and audit priorities agreed with the Supervisory Board. Audit reviews of interim financial statements and project-related audits of IT-supported accounting-related systems.

Other audit-related services concern the issue of a comfort letter and mandatory or contractually-agreed audits, such as the audit pursuant to section 16j (2) sentence 2 of the Gesetz über die Bundesanstalt für Finanzdienstleistungsaufsicht (FinDAG - German Act Establishing the Federal Financial Supervisory Authority), the audit pursuant to section 89 of the Wertpapierhandelsgesetz (WpHG - German Securities Trading Act) and section 68 (7) of the Kapitalanlagegesetzbuch (KAGB - German Capital Investment Code), and the audit for assessing the contribution for the bank-related guarantee system of the Sparkassen-Finanzgruppe, which is recognized as a deposit guarantee system under section 5 (1) of the Einlagensicherungsgesetz (EinSiG - German Deposit Guarantee Act).

Other services include quality assurance activities and training seminars.

31. Extraordinary result

The negative »Extraordinary result« of EUR - 57 million (2018: EUR - 35 million) comprises extraordinary income in the amount of EUR 0 million (2018: EUR 6 million) and extraordinary expenditure of EUR - 57 million (2018: EUR - 41 million).

Extraordinary expenditure comprises almost exclusively additions of EUR - 26 million (2018: EUR - 26 million) to pension provisions from the BilMoG conversion and the addition of EUR - 30 million (2018: EUR - 15 million) to restructuring provisions.

32. Taxes on income

The periodic tax expense of EUR - 67 million (2018: EUR - 33 million) is essentially attributable to expenses from corporation tax and trade tax. The prior-period tax income of EUR 57 million for financial year 2019 (2018: expense of EUR - 76 million) is due in particular to reimbursement of overpaid taxes.

The total tax expense for taxes on income amounts to EUR - 10 million (2018: EUR - 110 million).

Other information

33. Transactions and other financial obligations that do not appear on the balance sheet

There are other financial obligations of EUR 745 million (2018: EUR 562 million); of which EUR 531 million (2018: EUR 383 million) are obligations to make an additional contribution to central counterparties. Affiliates and associates account for EUR 35 million (2018: EUR 32 million) thereof.

Other financial obligations include payment obligations to the restructuring fund (»bank levy«) which shall be met in full or in part at first request in case of resolution measures and for which cash collateral has been provided.

The German Deposit Guarantee Act (Einlagensicherungsgesetz – EinSiG), which became effective on 3 July 2015, governs the future financial resources of statutory and bank-related guarantee systems, including the bank-related guarantee system of the Sparkassen-Finanzgruppe.

LBBW makes an irrevocable commitment to the owner of the bank-related guarantee system, German Savings Bank Association (Deutscher Sparkassen- und Giroverband – DSGV), to make further payments on first demand e. g. in the compensation case pursuant to section 10 EinSiG, in addition to the annual contribution. Other financial obligations include the guarantee payments made in this context.

In addition, pursuant to section 5 (10) of the bylaws of the German Deposit Protection Fund, LBBW undertook to indemnify Bundesverband Deutscher Banken e. V., Berlin, against any and all losses incurred by the latter as a result of assistance provided to credit institutions that are majority-owned by Landesbank Baden-Württemberg.

Annual payment obligations also arise from long-term rental, lease and IT service contracts. These amount to EUR 233 million (2018: EUR 229 million), with EUR 6 million (2018: EUR 4 million) relating to affiliates and associates.

34. Distribution block

Landesbank Baden-Württemberg reported a restriction on distribution of EUR 296 million (2018: EUR 312 million) on the balance sheet in the 2019 financial year, with the difference in accordance with section 253 (6) sentence 2 HGB accounting for EUR 247 million (2018: EUR 279 million) and internally generated intangible assets for EUR 49 million (2018: EUR 33 million). The restriction on distribution codified for such amounts in accordance with section 268 (8) HGB does not apply, as the freely available reserves remaining following a possible pay-out far exceed the restriction on distribution.

35. Appropriated funds

Deposits from banks and customers include appropriated funds of EUR 28,738 million (2018: EUR 26,942 million) from the development loan business (transmitted loans).

36. Coverage for the mortgage and public-sector lending business

The liabilities below are covered as follows:

EUR million	31/12/2019	31/12/2018
Public covered bonds issued pursuant to PfandBG	7,928	7,546
Assets serving as cover	12,577	12,822
Loans and advances to banks	1,196	1,222
Loans and advances to customers	11,074	11,104
Debentures and other fixed-income securities	307	496
Depth of coverage	4,649	5,276
Mortgage-backed covered bonds issued pursuant to PfandBG	10,738	11,011
Assets serving as cover	15,052	15,382
Loans and advances to banks	0	18
Loans and advances to customers	14,085	14,258
Debentures and other fixed-income securities	967	1,106
Depth of coverage	4,314	4,371

37. Transparency provisions for public covered bonds (öffentliche Pfandbriefe) and mortgage backed covered bonds (Hypothekenpfandbriefe) pursuant to section 28 PfandBG

A) Transparency provisions for public covered bonds (öffentliche Pfandbriefe) pursuant to section 28 PfandBG.

EUR million	31/12/2019	31/12/2018
Cover fund for public covered bonds		
Nominal value	12,577	12,822
Proportion of fixed-income cover funds in %	72	74
Present value	14,790	14,806
Present value of risk ¹	13,068	13,118
Circulation of public covered bonds		
Nominal value	7,928	7,546
Proportion of fixed-income covered bonds in %	95	94
Present value	8,880	8,460
Present value of risk ¹	8,023	7,682
Depth of coverage		
Nominal value	4,649	5,277
Present value	5,910	6,346
Net present value in CHF	33	18
Net present value in USD	- 654	- 584
Present value of risk ¹	5,045	5,437
Depth of coverage/proportion of circulation - nominal value ²	4,649	5,277
as a % of outstanding volume of public covered bonds	59	70
Depth of coverage/proportion of circulation - present value ²	5,910	6,346
as a % of outstanding volume of public covered bonds	67	75

¹ Calculated using the static approach in accordance with section 5 (1) no. 1 and section 6 (2) PfandBarwertV
² Use of vdp credit quality differentiation model for EU and EEA countries

Structure of outstanding public covered bonds and the cover funds:

EUR million	Up to 0.5 years	More than 0.5 years to 1 year	More than 1 year to 1.5 years	More than 1.5 years to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years to 10 years	More than 10 years	Total
Cover fund¹										
31/12/2019	642	613	527	486	1,581	844	926	4,514	2,444	12,577
31/12/2018	748	700	498	610	922	1,470	768	4,642	2,464	12,822
Circulation of public covered bonds²										
31/12/2019	861	225	246	630	1,493	337	143	3,202	791	7,928
31/12/2018	764	259	847	235	860	928	332	2,470	852	7,546

¹ The fixed-interest periods are specified for fixed rate loans and the margin commitment period for variable rate loans.

² The terms of the covered bonds are specified.

Total nominal value of the ordinary cover for public covered bonds by amount:

EUR million	31/12/2019	31/12/2018
Up to EUR 10 million	2,880	2,886
More than EUR 10 million to EUR 100 million	3,048	3,372
Over EUR 100 million	6,649	6,565
Total	12,577	12,823

Total nominal value of the ordinary cover of public covered bonds according to country/type:

31/12/2019	Central state		Regional government		Local government		Other debtors ¹		Total	of which export credit receivables
EUR million	owed	guaranteed	owed	guaranteed	owed	guaranteed	owed	guaranteed		
Belgium	0	37	0	0	0	0	0	0	37	37
Denmark	0	158	0	0	0	0	0	0	158	158
Germany	0	2,071	2,063	149	2,790	1,193	3,432	56	11,754	2,071
EU institutions	0	0	0	0	0	0	0	0	0	0
Great Britain	0	3	0	0	0	0	0	0	3	3
Italy	0	0	0	0	22	0	0	0	22	0
Luxembourg	0	0	0	0	0	0	0	0	0	0
Austria	13	41	35	0	0	0	0	0	89	41
Poland	147	0	0	0	0	0	0	0	147	0
Sweden	0	97	0	0	0	0	0	0	97	97
Switzerland	0	176	0	0	0	0	0	0	176	176
Spain	0	0	50	0	0	0	0	0	50	0
USA	0	26	18	0	0	0	0	0	44	26
Total	160	2,609	2,166	149	2,812	1,193	3,432	56	12,577	2,609

¹ This item includes the development banks in the amount of EUR 814 million.

31/12/2018	Central state		Regional government		Local government		Other debtors ¹		Total	of which export credit receivables
EUR million	owed	guaranteed	owed	guaranteed	owed	guaranteed	owed	guaranteed		
Belgium	0	11	0	0	0	0	0	0	11	11
Denmark	0	131	0	0	0	0	0	0	131	131
Germany	0	1,750	2,305	93	2,909	1,288	3,684	57	12,085	1,749
EU institutions	0	110	0	0	0	0	0	0	110	0
Great Britain	0	15	0	0	0	0	0	0	15	15
Italy	0	0	0	0	22	0	0	0	22	0
Luxembourg	0	1	0	0	0	0	0	0	1	1
Austria	13	42	38	0	0	0	0	0	93	42
Poland	17	0	0	0	0	0	0	0	17	0
Sweden	0	100	0	0	0	0	0	0	100	100
Switzerland	0	95	0	0	0	0	0	0	95	95
Spain	0	0	77	0	0	0	0	0	77	0
USA	0	45	21	0	0	0	0	0	66	45
Total	30	2,300	2,441	93	2,931	1,288	3,684	57	12,823	2,189

¹ This item includes savings banks and Landesbanken with guarantor's liability in the amount of EUR 94 million and the development banks in the amount of EUR 894 million.

Further information:

There were no payments outstanding by at least 90 days as at either 31 December 2019 or 31 December 2018.

B) Transparency provisions for mortgage-backed covered bonds (Hypothekendarfandbriefe) pursuant to section 28 PfandBG.

EUR million	31/12/2019	31/12/2018
Cover fund for mortgage-backed covered bonds¹		
Nominal value	15,052	15,382
Proportion of fixed-income cover funds in %	79	79
Present value	16,372	16,556
Present value of risk ¹	14,524	14,776
Circulation of mortgage-backed covered bonds		
Nominal value	10,738	11,011
Proportion of fixed-income covered bonds in %	90	90
Present value	10,979	11,190
Present value of risk ¹	10,045	10,215
Depth of coverage		
Nominal value	4,314	4,371
Present value	5,393	5,367
Net present value in CHF	29	28
Net present value in GBP	568	480
Net present value in JPY	1	1
Net present value in USD	567	587
Present value of risk ¹	4,479	4,560
Depth of coverage/proportion of circulation - nominal value ²	4,314	4,371
as a % of outstanding volume of mortgage-backed covered bonds	40	40
Depth of coverage/proportion of circulation - present value ²	5,393	5,367
as a % of outstanding volume of mortgage-backed covered bonds	49	48
Additional cover assets		
Public sector bonds according to section 19 (1) no. 3 PfandBG	0	1,106
Bulgaria	968	1,106
Germany	130	0
EU institutions	693	996
Italy	0	100
Poland	10	10
Slovenia	78	0
Spain	30	0
Proportion of derivatives in cover asset pool	27	0
	0	0

¹ Calculated using the static approach in accordance with section 5 (1) no. 1 and section 6 (2) PfandBarwertV.
² Use of vdo credit quality differentiation model for EU and EEA countries

Structure of outstanding mortgage-backed covered bonds and cover funds:

EUR million	Up to 0.5 years	More than 0.5 years to 1 year	More than 1 year to 1.5 years	More than 1.5 years to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years to 10 years	More than 10 years	Total
Cover fund¹										
31/12/2019	1,024	1,262	1,100	797	1,859	1,137	1,443	5,449	981	15,052
31/12/2018	987	904	644	1,289	2,206	1,796	932	5,833	791	15,382
Circulation of mortgage-backed covered bonds²										
31/12/2019	817	918	1,175	1,100	2,001	692	1,030	2,981	23	10,737
31/12/2018	1,515	149	818	918	2,232	1,333	717	3,297	32	11,011

¹ The fixed-interest periods are specified for fixed rate loans and the margin commitment period for variable rate loans.

² The terms of the covered bonds are specified.

Total nominal value of the ordinary cover of mortgage-backed covered bonds by amount:

EUR million	31/12/2019	31/12/2018
Up to EUR 300,000	2,882	3,127
More than EUR 300,000 to EUR 1 million	738	692
More than EUR 1 million to EUR 10 million	2,550	2,651
Over EUR 10 million	7,915	7,806
Total	14,085	14,276

Total nominal value of the ordinary cover of mortgage-backed covered bonds by type/country:

31/12/2019

EUR million	Germany	Netherlands	France	Belgium	USA	Great Britain	Total
Apartments	1,036	0	0	0	0	0	1,036
Single- and two-family houses	1,644	0	0	0	0	0	1,644
Apartment blocks (including two-family houses)	3,303	0	0	0	162	0	3,465
Office buildings	2,161	136	127	25	612	1,163	4,224
Trade buildings	1,073	0	0	0	141	12	1,226
Industrial buildings	793	0	0	0	0	20	813
Other commercially used buildings	1,169	0	0	0	247	232	1,648
Incomplete and not profitable new buildings	10	0	0	0	0	0	10
Building plots	19	0	0	0	0	0	19
Total	11,208	136	127	25	1,162	1,427	14,085

31/12/2018

EUR million	Germany	Netherlands	France	Belgium	USA	Great Britain	Total
Apartments	1,139	0	0	0	0	0	1,139
Single-family houses	1,757	0	0	0	0	0	1,757
Apartment blocks (including two-family houses)	3,409	0	0	0	119	0	3,528
Office buildings	2,262	70	113	25	705	1,054	4,229
Trade buildings	1,195	0	0	0	90	15	1,300
Industrial buildings	809	0	0	0	0	19	828
Other commercially used buildings	1,053	0	0	0	181	212	1,447
Incomplete and not profitable new buildings	30	3	0	0	0	0	33
Building plots	15	0	0	0	0	0	15
Total	11,669	73	113	25	1,095	1,300	14,276

Further information:

The average weighted term of the ordinary cover was 5.7 years (2018: 5.5 years), while the weighted loan-to-value ratio was 55 % (2018: 55 %).

There were no payments outstanding by at least 90 days as at either 31 December 2019 or 31 December 2018.

There were no foreclosures or compulsory administration procedures pending as at either 31 December 2019 or 31 December 2018. No foreclosures were carried out in the 2019 and 2018 financial year, nor was any land acquired to avoid losses.

There was no outstanding interest in either the 2019 or 2018 financial year.

38. Total remuneration of the corporate bodies

In 2019, total remuneration for the Board of Managing Directors came to EUR 7 million (2018: EUR 6 million). Former members of the Board of Managing Directors and their surviving dependents received EUR 13 million in 2019 (2018: EUR 13 million). The Supervisory Board received fixed remuneration (including fees per meeting) of EUR 1 million in 2019 (2018: EUR 1 million).

Provisions for pensions for former members of the Board of Managing Directors and their surviving dependents were formed for an amount of EUR 142 million (2018: EUR 139 million).

39. Advances and loans granted to and contingent liabilities assumed in favor of the corporate bodies of LBBW (Bank) and their predecessors.

As at 31 December 2019, loans granted to and contingent liabilities assumed in favor of members of the Board of Managing Directors and members of the Supervisory Board came to EUR 3 million (2018: EUR 3 million), of which EUR 2 million (2018: EUR 2 million) related to the Board of Managing Directors.

No advances were made to members of the Board of Managing Directors in 2019, as was also the case in 2018. No advances were made either to members of the Supervisory Board as at the balance sheet date.

40. Employees (annual averages)

	2019			2018		
	Male	Female	Total	Male	Female	Total
German headquarters/regional offices	3,770	4,167	7,937	3,842	4,277	8,119
Company officers	232	37	269	231	34	265
Other staff	3,539	4,130	7,669	3,611	4,243	7,854
Foreign branches	109	85	194	104	80	184
Company officers	5	0	5	4	0	4
Other staff	104	85	189	100	80	180
Representative offices	22	18	40	16	17	32
Company officers	2	0	2	2	0	2
Other staff	20	18	38	14	17	31
LBBW (Bank) total	3,901	4,270	8,171	3,962	4,373	8,335
For information purposes:						
Trainees ¹	175	95	270	176	82	258

¹ Including students at universities of cooperative education.

41. List of shareholdings

In the annual financial statements as at 31 December 2019 and pursuant to section 285 no. 11 HGB, Landesbank Baden-Württemberg lists the shareholdings with details pursuant to section 285 no. 11a HGB in the Notes:

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
I. Companies included in the consolidated financial statements							
1. Subsidiaries							
a. Consolidated subsidiaries (control through voting rights)							
1	ALVG Anlagenvermietung GmbH ^{1, 6, 18, 22}	Stuttgart	100.00		EUR	19,000.00	0.00
2	Austria Beteiligungsgesellschaft mbH ¹⁸	Stuttgart	66.67		EUR	36,286.69	163.22
3	Bahnhofplatz-Gesellschaft Stuttgart Aktiengesellschaft ^{1, 16}	Stuttgart	98.47		EUR	4,452.44	0.00
4	Berlin Lützowstraße GmbH & Co. KG ^{1, 18}	Stuttgart	60.00		EUR	- 177.92	- 210.85
5	Centro Alemán de Industria y Comercio de México S.de R.L.de C.V. ^{7, 16}	México, Mexico	100.00		MXN	- 12,474.40	1,752.76
6	Dritte Industriefhof Objekt-GmbH ^{1, 6, 18}	Stuttgart	100.00		EUR	701.91	0.00
7	Dritte LBBW US Real Estate GmbH ¹⁸	Leipzig	100.00		EUR	16,426.89	- 307.62
8	Eberhardstraße Stuttgart GmbH & Co. KG ^{1, 18}	Stuttgart	100.00		EUR	- 3,844.05	215.67
9	Employrion Komplementar GmbH ^{1, 18, 23}	Weil	100.00		EUR	32.47	1.01
10	Entwicklungsgesellschaft Grunewaldstraße 61 - 62 mbH & Co. KG ^{1, 18}	Stuttgart	100.00		EUR	- 3,398.26	- 6.58
11	Entwicklungsgesellschaft Uhlandstraße 187 GmbH & Co. KG ^{1, 18}	Stuttgart	100.00		EUR	- 2,203.77	- 6.03
12	Erste IMBW Capital & Consulting Komplementar GmbH ^{1, 18, 23}	Weil	100.00		EUR	25.51	- 1.05
13	Erste Industriefhof Objekt-GmbH ^{1, 6, 18}	Stuttgart	100.00		EUR	474.96	0.00
14	EuroCityCenterWest GmbH & Co. KG ^{1, 18}	Stuttgart	100.00		EUR	- 5,065.90	2,682.48
15	EuroCityCenterWest Verwaltungs-GmbH ^{1, 18}	Stuttgart	100.00		EUR	35.11	- 0.08
16	FLANTIR PROPERTIES LIMITED ^{1, 18}	Nicosia, Cyprus	100.00		RUB	- 13,977.74	- 9,296.72
17	FOM / LEG Generalübernehmer GmbH & Co. KG ^{1, 18}	Heidelberg	100.00		EUR	- 8,473.55	467.99
18	FOM / LEG Verwaltungs GmbH ^{1, 18}	Heidelberg	100.00		EUR	- 17.55	- 0.15
19	Fünfte Industriefhof Objekt-GmbH ^{1, 6, 18}	Stuttgart	100.00		EUR	575.02	0.00
20	German Centre for Industry and Trade GmbH, Beteiligungsgesellschaft ^{1, 18}	Stuttgart	100.00		EUR	7,720.60	0.00
21	German Centre for Industry and Trade Pte. Ltd. ^{1, 18}	Singapore, Singapore	100.00		SGD	19,725.80	1,827.55
22	Grunewaldstraße 61 - 62 GmbH ^{1, 18}	Stuttgart	100.00		EUR	27.98	- 0.26
23	IMBW Capital & Consulting GmbH ^{1, 6, 22, 18}	Stuttgart	100.00		EUR	250.00	0.00
24	Immobilienvermittlung BW GmbH ¹⁸	Stuttgart	100.00		EUR	3,606.86	935.74
25	Industriefhof-Aktiengesellschaft ^{1, 6, 18}	Stuttgart	93.63		EUR	23,281.64	0.00
26	Kiesel Finance Management GmbH ^{1, 18}	Baienfurt	90.00		EUR	42.13	2.10
27	Kommunalbau Rheinland-Pfalz GmbH ^{1, 18}	Mainz	100.00		EUR	2,043.33	4.19
28	Landesbank Baden-Württemberg Capital Markets Plc 3a, 18	London, Great Britain	100.00		EUR	927.00	- 23.00
29	LBBW Asset Management Investmentgesellschaft mbH ^{7, 18, 22}	Stuttgart	100.00		EUR	36,201.13	16,465.47
30	LBBW Corporate Real Estate Management GmbH ¹⁸	Stuttgart	100.00		EUR	2,817.72	- 230.87

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
31	LBBW Immobilien Asset Management GmbH ^{1,6,19}	Stuttgart	100.00		EUR	1,305.03	0.00
32	LBBW Immobilien Capital Fischertor GmbH & Co. KG ^{1,18}	Munich	93.98	94.00	EUR	- 5,247.13	1.60
33	LBBW Immobilien Capital GmbH ^{1,18}	Stuttgart	100.00		EUR	- 2,212.56	- 2.43
34	LBBW Immobilien Development GmbH ^{1,2,6,18,22}	Stuttgart	94.90		EUR	15,394.95	0.00
35	LBBW Immobilien Development Komplementär GmbH ^{1,18}	Stuttgart	100.00		EUR	- 608.59	- 8.93
36	LBBW Immobilien GmbH & Co. Beteiligung KG ^{1,18}	Stuttgart	100.00		EUR	32,950.63	950.63
37	LBBW Immobilien Investment Management GmbH ^{1,18}	Stuttgart	100.00		EUR	33.07	8.07
38	LBBW Immobilien Kommunalentwicklung GmbH ^{1,4,6,18,22}	Stuttgart	81.62		EUR	2,016.51	0.00
39	LBBW Immobilien Luxembourg S. A. ^{1,18}	Luxembourg, Luxembourg	100.00		EUR	- 76,282.61	- 30.26
40	LBBW Immobilien Management Gewerbe GmbH ^{1,6,18}	Stuttgart	94.90		EUR	3,303.97	0.00
41	LBBW Immobilien Management GmbH ^{1,6,18}	Stuttgart	100.00		EUR	375,690.52	0.00
42	LBBW Immobilien Romania S.R.L. ^{1,18}	Bucharest, Romania	100.00		RON	- 34,212.68	- 47.02
43	LBBW Immobilien Süd GmbH & Co. KG ^{1,4,18}	Munich	100.00		EUR	- 36,437.61	7,450.32
44	LBBW Immobilien-Holding GmbH ^{5,18}	Stuttgart	100.00		EUR	402,050.54	0.00
45	LBBW Leasing GmbH i.L. ¹⁸	Mannheim	100.00		EUR	25,024.36	- 24.73
46	LBBW México ^{2,18}	México, Mexico	100.00		MXN	3,654.42	1,257.57
47	LBBW Service GmbH ^{5,18}	Stuttgart	100.00		EUR	224.67	0.00
48	LBBW US Real Estate Investment LLC ⁶	Wilmington, USA	100.00		USD	53,907.11	- 1,551.75
49	LBBW Venture Capital Gesellschaft mit beschränkter Haftung ¹⁸	Stuttgart	100.00		EUR	22,944.32	- 1,435.77
50	LEG Projektgesellschaft 2 GmbH & Co. KG ^{1,18}	Stuttgart	100.00		EUR	6,953.62	513.75
51	LEG Verwaltungsgesellschaft 2 mbH ^{1,18}	Stuttgart	100.00		EUR	28.61	- 0.18
52	LIAM Horizont Stuttgart GmbH ^{1,18}	Stuttgart	100.00		EUR	31.23	0.71
53	LOOP GmbH ^{1,18}	Stuttgart	100.00		EUR	151.97	- 73.87
54	Löwentor Stuttgart Komplementär GmbH ^{1,18}	Stuttgart	100.00		EUR	26.98	1.37
55	Löwentor Stuttgart Projekt GmbH & Co. KG ^{1,18}	Stuttgart	70.00		EUR	3,712.67	- 522.33
56	LRP Capital GmbH ^{1,18}	Stuttgart	100.00		EUR	3,460.29	82.29
57	Lyoner Quartier GmbH & Co. KG ^{1,18}	Frankfurt am Main	100.00		EUR	- 4,485.63	- 4,323.15
58	MMV Bank GmbH ^{18,22}	Koblenz	100.00		EUR	51,181.15	10,174.04
59	MMV Leasing Gesellschaft mit beschränkter Haftung ^{1,6,18,22}	Koblenz	100.00		EUR	21,000.00	0.00
60	MMV Versicherungsdienst GmbH ^{1,6,18}	Koblenz	100.00		EUR	27.05	0.00

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
61	MMV-Mobilen Verwaltungs- und Vermietungsgesellschaft mbH ^{1 6 18 22}	Koblenz	100.00		EUR	26.00	0.00
62	Nagatino Property S.à.r.l. ^{1 18}	Luxembourg, Luxembourg	100.00		EUR	- 27,700.79	- 12.37
63	Nymphenburger Straße München GmbH & Co. KG ^{1 18}	Stuttgart	100.00		EUR	39.88	118.53
64	Nymphenburger Straße München Komplementär GmbH ^{1 18}	Stuttgart	100.00		EUR	20.95	- 0.74
65	Pasing Projekt GmbH & Co. KG ^{1 18}	Stuttgart	100.00		EUR	- 15,564.82	12,591.71
66	Projekt 20 Verwaltungs GmbH ^{1 18}	Munich	100.00		EUR	41.67	1.35
67	Projektgesellschaft SMK 69 mbH ^{1 18}	Eschborn	60.00		EUR	- 226.75	- 174.15
68	Rheinallee V GmbH & Co. KG ^{1 18}	Stuttgart	100.00		EUR	- 545.70	- 485.46
69	Rheinallee V Komplementär GmbH ^{1 18}	Stuttgart	100.00		EUR	25.50	0.28
70	Schlossgartenbau Objekt-GmbH ^{1 6 18}	Stuttgart	100.00		EUR	18,560.61	0.00
71	Schlossgartenbau-Aktiengesellschaft ^{1 6 18}	Stuttgart	92.68		EUR	6,592.42	0.00
72	SG Management GmbH ^{1 18}	Stuttgart	100.00		EUR	13,308.13	47.58
73	SGB - Hotel - Verwaltung GmbH ^{1 18}	Stuttgart	100.00		EUR	39.06	3.93
74	Signaris GmbH ^{1 18}	Stuttgart	94.90		EUR	9,971.46	858.75
75	SLN Maschinen-Leasing Verwaltungs-GmbH ^{1 18}	Stuttgart	100.00		EUR	1,133.67	558.13
76	SLP Mobilen-Leasing Verwaltungs GmbH ^{1 18}	Mannheim	100.00		EUR	285.67	106.25
77	Süd Beteiligungen GmbH ¹⁸	Stuttgart	100.00		EUR	145,845.00	- 4,526.62
78	Süd KB Sachsen GmbH ^{1 18}	Leipzig	100.00		EUR	16,356.92	- 2,093.20
79	Süd KB Unternehmensbeteiligungsgesellschaft mbH ^{1 18}	Stuttgart	100.00		EUR	48,012.34	- 2,760.49
80	SüdFactoring GmbH ^{1 6 18 22}	Stuttgart	100.00		EUR	70,000.00	0.00
81	Süd-Kapitalbeteiligungs-Gesellschaft mbH ^{1 6 18}	Stuttgart	100.00		EUR	61,181.87	0.00
82	SüdLeasing Agrar GmbH ^{1 18 22}	Mannheim	100.00		EUR	1,801.50	895.12
83	SüdLeasing GmbH ^{1 18 22}	Stuttgart	100.00		EUR	34,748.22	0.00
84	targens GmbH ¹⁸	Stuttgart	100.00		EUR	4,597.92	1,291.98
85	Turtle Portfolio GmbH & Co. KG ^{1 4 18}	Frankfurt am Main	100.00		EUR	- 23,462.33	18,357.38
86	Turtle Vermögensverwaltungs-GmbH & Co. KG ^{1 18}	Frankfurt am Main	100.00		EUR	- 22,021.96	15,657.73
87	Turtle 1. Verwaltungs-GmbH ^{1 18}	Frankfurt am Main	100.00		EUR	- 2.03	- 70.38
88	Vierte Industriehof Objekt-GmbH ^{1 5 18}	Stuttgart	100.00		EUR	1,176.78	0.00
89	zob Esslingen Grundbesitz GmbH ^{1 18}	Stuttgart	100.00		EUR	539.81	523.97
90	Zweite IMBW Capital & Consulting Komplementär GmbH ^{1 18}	Stuttgart	100.00		EUR	22.03	1.21

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
91	Zweite Industriebau Objekt-GmbH ^{1, 5, 18}	Stuttgart	100.00		EUR	19,825.72	0.00
92	Zweite LBBW US Real Estate GmbH ¹⁸	Leipzig	100.00		EUR	50,351.43	2,155.58
b) Consolidated subsidiaries (control through contractual agreements)							
93	Employrion Immobilien GmbH & Co. KG ^{1, 18}	Weil	35.00	50.00	EUR	8.00	0.00
94	Erste IMBW Capital & Consulting Objektgesellschaft mbH & Co. KG ^{1, 15}	Weil	40.00	50.00	EUR	- 34.14	0.00
95	Grundstücksgesellschaft Einkaufszentrum Kröpeliner-Tor-Center Rostock mbH & Co. KG ^{1, 18}	Berlin	39.94	50.00	EUR	- 8,524.93	- 195.63
96	Weinberg Capital Designated Activity Company ^{18, 23}	Dublin, Ireland			EUR	70.00	- 16.00
97	Weinberg Funding Ltd. ^{18, 23}	St. Helier, Jersey, United Kingdom			EUR	3.60	0.00
2. Joint ventures accounted for using the equity method							
98	ARGE ParkQuartier Berg ^{1, 18}	Stuttgart	50.00		EUR	472.98	- 69.36
99	Bad Kreuznacher Entwicklungsgesellschaft mbH (BKEG) ^{1, 18}	Bad Kreuznach	50.00		EUR	3,887.56	593.44
100	GIZS GmbH & Co. KG ¹⁸	Frankfurt am Main	33.33		EUR	22,219.83	- 4,704.13
101	OVG MK6 GmbH & Co. KG ^{1, 15}	Berlin	49.60	50.00	EUR	1,716.63	1,790.33
102	OVG MK6 Komplementär GmbH ^{1, 15}	Berlin	50.00		EUR	26.97	1.35
103	Parcul Banatului SRL ^{1, 18}	Bucharest, Romania	50.00		RON	290.54	168.97
104	SEALINK FUNDING DESIGNATED ACTIVITY COMPANY ^{15, 23, 29}	Dublin, Ireland			EUR	0.00	248,201.00
3. Associates accounted for using the equity method							
105	Altstadt-Palais Immobilien GmbH & Co. KG ^{1, 15}	Weil	40.00	50.00	EUR	- 44.25	- 20.98
106	BWK GmbH Unternehmensbeteiligungsgesellschaft ¹⁸	Stuttgart	40.00		EUR	241,927.17	5,083.70
107	BWK Holding GmbH Unternehmensbeteiligungsgesellschaft ¹⁸	Stuttgart	40.00		EUR	10,563.87	850.08
108	EGH Entwicklungsgesellschaft Heidelberg GmbH & Co. KG ^{1, 18}	Heidelberg	33.33		EUR	6,857.45	663.41
109	Hypo Vorarlberg Bank AG ^{1, 15, 22}	Bregenz, Austria	23.13		EUR	1,066,463.46	57,356.48

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
II. Companies not included in the consolidated financial statements due to being of minor influence							
1. Subsidiaries							
a. Subsidiaries not included (authority over the voting rights)							
110	Baden-Württembergische Equity Gesellschaft mit beschränkter Haftung ¹³	Stuttgart	100.00		EUR	1,548.14	292.21
111	Berlin Lützowstraße Komplementar GmbH ^{1,13}	Stuttgart	100.00		EUR	29.98	2.30
112	DEBTVISION GmbH ^{1,16}	Stuttgart	80.00		EUR	1,097.12	- 838.58
113	German Centre for Industry and Trade Beijing Co., Ltd. ¹³	Beijing, China	100.00		CNY	6,578.24	1,673.06
114	Heurika Mobilien-Leasing GmbH ^{1,4,15}	Mannheim	100.00		EUR	254.11	175.57
115	Karin Mobilien-Leasing GmbH i.L. ^{1,18}	Mannheim	100.00		EUR	884.31	0.00
116	KB Projekt GmbH ^{1,14}	Frankfurt am Main	100.00		EUR	46.40	- 0.04
117	Kröpeliner-Tor-Center Rostock Verwaltungsgesellschaft mbH ^{1,18,23}	Berlin	100.00		EUR	28.47	1.84
118	Laurus Grundstücksverwaltungsgesellschaft mbH i.L. ¹⁸	Stuttgart	100.00		EUR	1,311.21	245.13
119	LBBW Dublin Management GmbH i. L. ²¹	Mainz	100.00		EUR	155.34	24.35
120	LBBW Gastro Event GmbH ^{5,18}	Stuttgart	100.00		EUR	130.00	0.00
121	LBBW Pensionsmanagement GmbH ^{5,18}	Stuttgart	100.00		EUR	25.00	0.00
122	LBBW REPRESENTAÇÃO LTDA. ^{2,18}	Sao Paulo, Brazil	100.00		BRL	157.29	- 1.95
123	LBBW (Schweiz) AG ¹⁸	Zurich, Switzerland	100.00		CHF	8,832.71	- 742.99
124	LEG Osiris 4 GmbH ^{1,18}	Stuttgart	100.00		EUR	28.08	- 1.13
125	LGZ-Anlagen-Gesellschaft mit beschränkter Haftung i.L. ¹⁸	Mainz	100.00		EUR	2,044.35	446.40
126	LIVIDA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Landesfunkhaus Erfurt KG ¹⁸	Erfurt	99.77	24.00	EUR	- 5,735.71	2,366.81
127	LIVIDA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Polizei Nordhausen KG ¹⁸	Erfurt	100.00	15.00	EUR	- 4,129.96	632.97
128	LLC German Centre for Industry and Trade ¹⁸	Moscow, Russia	100.00		RUB	2,530.04	312.80
129	MLP Verwaltungs GmbH i.L. ^{1,18}	Mannheim	100.00		EUR	106.31	- 0.89
130	MMV-Mittelrheinische Leasing Gesellschaft mit beschränkter Haftung ^{1,4,16}	Koblenz	100.00		EUR	26.43	0.00
131	Pollux Vierte Beteiligungsgesellschaft mbH ¹⁸	Stuttgart	100.00		EUR	7,422.42	169.07
132	SachsenFonds International Equity Holding I GmbH ^{1,18}	Aschheim	100.00		EUR	137.66	- 72.63
133	SachsenFonds International Equity I GmbH & Co. KG i.L. ^{1,18}	Leipzig	96.15		EUR	312.47	- 151.48
134	SBF Sächsische Beteiligungsfonds GmbH ^{1,16}	Leipzig	100.00		EUR	933.35	717.19
135	SL Bayern Verwaltungs GmbH i.L. ^{1,15}	Mannheim	100.00		EUR	65.00	- 2.94
136	SL Bremen Verwaltungs GmbH ^{1,18}	Mannheim	100.00		EUR	657.80	219.48

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
137	SL BW Verwaltungs GmbH i.L. ^{1,13}	Mannheim	100.00		EUR	39.64	0.00
138	SL Düsseldorf Verwaltungs GmbH ^{1,18}	Mannheim	100.00		EUR	604.59	- 2.86
139	SL Financial Services, LLC ¹⁸	Wilmington, USA	100.00		USD	63.93	- 30.71
140	SL Mobilien-Leasing GmbH & Co. Hafis KG ^{1,18,23}	Mannheim	0.00	51.00	EUR	1,992.37	- 6.37
141	SL Operating Services GmbH i.L. ^{1,18}	Mannheim	100.00		EUR	80.41	0.00
142	SL RheinMainSaar Verwaltungs GmbH ^{1,18}	Mannheim	100.00		EUR	58.19	- 0.85
143	SL Schleswig-Holstein Verwaltungs GmbH i.L. ^{1,18}	Mannheim	100.00		EUR	91.56	0.00
144	SL Ventus GmbH & Co. KG i.L. ^{1,20}	Mannheim	100.00		EUR	475.00	- 0.04
145	Städtische Pfandleihe Stuttgart GmbH ¹⁸	Stuttgart	100.00		EUR	3,713.01	134.22
146	Süd Mobilien-Leasing GmbH i.L. ^{1,18}	Stuttgart	100.00		EUR	28.28	0.00
147	Süd Verwaltung Schweiz GmbH ¹⁸	Zürich, Switzerland	100.00		CHF	75.03	22.30
148	SüdLeasing Finance GmbH i.G. ¹	Stuttgart	100.00			Not specified	Not specified
149	SüdLeasing Finance-Holding GmbH i.L. ^{1,18}	Stuttgart	100.00		EUR	174.58	0.00
150	Yankee Properties II LLC ²³	Wilmington, USA	0.00	100.00		Not specified	Not specified
151	Yankee Properties LLC ¹³	New York, USA	100.00		USD	580.75	- 23.57
152	Zenon Mobilien-Leasing GmbH i.L. ^{1,15}	Mannheim	100.00		EUR	36.61	1.29
153	Zorilla Mobilien-Leasing GmbH i.L. ^{1,18}	Mannheim	100.00		EUR	33.79	0.00
154	Zweite Karl-Scharnagl-Ring Immobilien Verwaltung GmbH ^{1,18}	Munich	100.00		EUR	42.36	1.52
b. Subsidiaries not included (authority over contractual agreements)							
155	Germany Diversified Core+ ^{16,23}	Stuttgart			EUR	57,381.48	- 118.49
156	Humboldt Multi Invest B SICAV-FIS Sachsen LB Depot A i.L. ¹¹	Luxembourg, Luxembourg	100.00		EUR	5,897.89	- 248.71
157	LBBW AM-Start ²³	Stuttgart				Not specified	Not specified
158	LBBW Income Strategie ²³	Stuttgart				Not specified	Not specified
159	LBBW Mobilität der Zukunft ²³	Stuttgart				Not specified	Not specified
160	LBBW Multi Asset Defensiv Nachhaltigkeit ²³	Stuttgart				Not specified	Not specified
161	LBBW Multi Global.Plus Nachhaltigkeit ^{16,23}	Stuttgart			EUR	10,448.33	- 410.09
162	Platino S.A. ^{17,23}	Luxembourg, Luxembourg			EUR	1.67	1.24
163	SPKED Invest ²³	Stuttgart				Not specified	Not specified
164	Weinberg Capital LLC ²³	Wilmington, USA				Not specified	Not specified

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
2. Joint ventures not accounted for using the equity method							
165	addfinity testa GmbH ^{1,13}	Hartha	49.85		EUR	5,966.87	7,550.25
166	EPSa Holding GmbH ^{1,13}	Saalfeld	45.00		EUR	3,427.67	582.75
167	German Centre for Industry and Trade India Holding-GmbH ^{1,13}	Munich	50.00		EUR	905.97	- 13.92
168	GLZS Verwaltungs-GmbH ¹³	Frankfurt am Main	33.33		EUR	25.56	8.03
169	LBBW Immobilien Verwaltung GmbH ^{1,13}	Stuttgart	50.00		EUR	66.55	7.08
170	SHS Gesellschaft für Beteiligungen mbH & Co. Mittelstand KG ^{1,13}	Tübingen	75.02		EUR	4,172.18	796.69
3. Associates not accounted for using the equity method							
171	AGVS Holding GmbH ^{1,13}	Villingen-Schwenningen	45.00		EUR	18,827.80	3,122.71
172	Deharde GmbH ^{1,13}	Varel	39.47		EUR	5,155.00	- 4,152.62
173	EURAMCO Immobilien GmbH ^{1,13}	Aschheim-Dornach	49.00		EUR	20.63	- 8.22
174	FABMATICS Holding GmbH ^{1,13}	Dresden	50.00		EUR	5,923.87	186.17
175	Grundstücks-, Vermögens- und Verwaltungs- GbR 34, Wolfstor 2, Esslingen i.L. ^{1,13}	Stuttgart	30.99		EUR	588.14	- 9.10
176	Grundstücks-, Vermögens- und Verwaltungs- GbR 36, Stuttgart/Leinfelden-Echterdingen ^{1,13}	Stuttgart	29.09		EUR	29,175.17	- 217.73
177	Grundstücks-, Vermögens- und Verwaltungs- GbR 39, Stuttgart-Fellbach i.L. ^{1,13}	Stuttgart	42.63		EUR	362.59	- 112.44
178	Grundstücks-, Vermögens- und Verwaltungs-GbR 40, Ludwigsburg »Am Schloßpark« i.L. ^{1,13}	Stuttgart	44.64		EUR	1,286.32	- 290.87
179	Janoschka AG ^{1,13}	Kippenheim	39.80		EUR	18,592.71	- 578.19
180	Kiesel Finance GmbH & Co. KG ^{1,13,23}	Baiernfurt	0.00	75.00	EUR	- 303.11	- 338.11
181	KKL Holding GmbH ^{1,13}	Düsseldorf	48.27	47.20	EUR	15,353.00	- 391.00
182	Kreditgarantiegemeinschaft in Baden-Württemberg Verwaltungs-GmbH ¹³	Stuttgart	20.00		EUR	1,022.58	0.00
183	Mittelständische Beteiligungsgesellschaft Sachsen mbH ¹³	Dresden	25.27		EUR	47,602.20	908.07
184	MOLWANKUM Vermietungsgesellschaft mbH & Co. Objekt Landkreis Hildburghausen KG ¹³	Düsseldorf	94.00	49.00	EUR	- 1,670.90	451.89
185	Siedlungswerk GmbH Wohnungs- und Städtebau ^{13,22}	Stuttgart	25.00		EUR	247,651.36	13,157.27
186	SL Mobilen-Leasing GmbH & Co. ENERCON KG ^{1,13,23}	Mannheim	0.00	80.00	EUR	35,878.29	1,971.01
187	SLN Maschinen Leasing GmbH & Co. OHG ^{1,13,23}	Stuttgart	0.00	75.00	EUR	- 1,961.48	- 191.56
188	SLP Mobilen-Leasing GmbH & Co. OHG ^{1,13,23}	Mannheim	0.00	75.00	EUR	873.69	261.41
189	Xavin GmbH ^{1,13}	Stuttgart	24.50		EUR	151.17	- 167.83
190	1. yourTime Solutions AbwicklungsgmbH ^{1,10}	Potsdam	20.11		EUR	- 478.00	- 1,317.00

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
III. Equity investments within the meaning of section 271 (1) HGB ²⁸							
191	ABE Clearing S.A.S., à capital variable ¹²	Paris, France	1.96		EUR	20,401.40	4,799.64
192	Abingworth Bioventures III L. P. ¹	London, Great Britain	0.44			Not specified	Not specified
193	Accession Mezzanine Capital II L.P. ^{1, 18}	Hamilton, Bermuda	1.91		EUR	27,092.00	800.00
194	Acousia Therapeutics GmbH ^{1, 18}	Tübingen	12.35		EUR	5,231.20	- 1,264.15
195	ADLATUS Robotics GmbH ^{1, 18}	Ulm	0.83		EUR	- 25.74	- 719.21
196	African Export-Import Bank ¹⁸	Cairo, Egypt	0.05		USD	2,286,611.28	246,462.10
197	AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung ¹⁵	Frankfurt am Main	3.29		EUR	246,672.10	12,040.00
198	ALPHA CEE II L.P. ^{1, 18}	Grand Cayman, Cayman Islands	2.41		EUR	58,042.00	- 10,078.00
199	amcure GmbH ^{1, 18}	Eggenstein-Leopoldshafen	18.26		EUR	1,634.25	- 1,823.82
200	Bain Capital VIII L. P. ^{1, 18}	Grand Cayman, Cayman Islands	0.32		USD	33,810.28	63.33
201	Biometrics GmbH i.L. ^{1, 15}	Tübingen	17.47		EUR	- 508.59	- 1,218.76
202	BS Abwicklungs-GmbH i.L. ^{1, 13}	Stuttgart	1.10		EUR	- 791.64	- 282.92
203	Bürgschaftsbank Sachsen GmbH ¹⁸	Dresden	27.96	18.44	EUR	43,596.27	1,581.17
204	CCP Systems AG i.L. ^{1, 12}	Stuttgart	0.96		EUR	9,182.77	- 10,654.37
205	CME Group Inc.	Wilmington, USA	0.00			Not specified	Not specified
206	Computomics GmbH ^{1, 18}	Tübingen	0.37		EUR	- 1,026.14	- 80.21
207	CorTec GmbH ^{1, 18}	Freiburg	5.95		EUR	- 112.12	- 2,702.65
208	crealytics GmbH ^{1, 18}	Passau	9.86		EUR	8,482.71	- 1,224.33
209	CVC European Equity Partners IV (A). L. P. ^{1, 18}	Grand Cayman, Cayman Islands	0.29		EUR	1,241.80	- 263.38
210	Depository Trust & Clearing Corporation	New York, USA	0.00	0.02		Not specified	Not specified
211	Designwelt GmbH i.L. ^{1, 9}	Munich	6.41		EUR	- 17.00	- 4,417.00
212	Deutscher Sparkassen Verlag Gesellschaft mit beschränkter Haftung ^{18, 22}	Stuttgart	8.11		EUR	205,387.83	45,925.79
213	Doughty Hanson & Co. IV Partnership 2 ^{1, 18}	London, Great Britain	4.04		EUR	5,622.11	- 2,817.94
214	Dritte SHS Technologiefonds GmbH & Co. KG ^{1, 18}	Tübingen	4.94		EUR	28,733.53	1,655.26
215	Erste IFD geschlossener Immobilienfonds für Deutschland GmbH & Co. KG i.L. ^{1, 18}	Hamburg	0.63		EUR	1,904.47	- 135.31
216	FL FINANZ-LEASING GmbH ¹⁸	Wiesbaden	17.00		EUR	- 585.02	- 124.58
217	Fluidicon GmbH i.L. ^{1, 12}	Darmstadt	7.88		EUR	516.90	- 2,184.41

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
218	GbR VOB-ImmobilienAnalyse ²⁹	Bonn	25.00	20.00		Not specified	Not specified
219	GLB GmbH & Co. OHG ^{18, 25}	Frankfurt am Main	30.05		EUR	2,891.54	- 61.30
220	GLB-Verwaltungs-GmbH ^{18, 25}	Frankfurt am Main	30.00		EUR	55.67	1.96
221	Grundstücks-, Vermögens- und Verwaltungs- GbR 35, Sillenbacher Markt i.L. ^{1, 15}	Stuttgart	0.02		EUR	23,024.36	- 388.42
222	Grundstücks-, Vermögens- und Verwaltungs- GbR 31, Esslingen/ Stuttgart i.L. ^{1, 15}	Stuttgart	13.57		EUR	571.59	97.32
223	Grundstücks-Vermögens- und Verwaltungs- GbR Nr. 32, Leonberg/ Ditzingen i.L. ^{1, 15}	Stuttgart	0.37		EUR	1,473.71	19.62
224	Grundstücks-Vermögens- und Verwaltungs-GbR Nr. 27, Stuttgart-Mitte II i.L. ^{1, 15}	Stuttgart	0.13		EUR	493.29	6.23
225	Grundstücksverwaltungsgesellschaft Sonnenberg mbH & Co. Betriebs-KG i.L. ¹	Wiesbaden	5.52			Not specified	Not specified
226	HANSA TREUHAND Dritter Beteiligungsfonds GmbH & Co. KG ^{1, 18}	Hamburg	0.03		EUR	12,445.44	- 7,205.60
227	HANSA TREUHAND Zweiter Beteiligungsfonds GmbH & Co. KG i.L. ^{1, 30}	Hamburg	0.16		EUR	- 9,582.96	- 129.00
228	Heidelberg Innovation BioScience Venture II GmbH & Co. KG i.L. ^{1, 18}	Leimen	3.83		EUR	5,673.12	1,414.50
229	HGA Mitteleuropa V GmbH & Co. KG ^{1, 14}	Hamburg	0.05		EUR	1,338.70	- 584.70
230	HSBC Trinkaus & Burkhardt AG ^{18, 22}	Düsseldorf	18.66		EUR	1,893,131.44	89,036.22
231	Humboldt Multi Invest B S.C.A., SICAV-FIS i.L. ^{1, 11, 22}	Luxembourg, Luxembourg	99.93		EUR	6,928.35	- 165.43
232	Icon Brickell LLC ¹	Miami, USA	13.35			Not specified	Not specified
233	ImmerSight GmbH ^{1, 18}	Ulm	0.90		EUR	- 430.92	- 253.85
234	Kreditgarantiegemeinschaft der Freien Berufe Baden-Württemberg Verwaltungs-GmbH ¹⁸	Stuttgart	4.76		EUR	153.39	0.00
235	Kreditgarantiegemeinschaft der Industrie, des Verkehrsgewerbes und des Gastgewerbes Baden-Württemberg Verwaltungs-GmbH ¹⁸	Stuttgart	15.28		EUR	1,299.87	0.00
236	Kreditgarantiegemeinschaft des Gartenbaues Baden-Württemberg Verwaltungs-GmbH ¹⁸	Stuttgart	4.50		EUR	138.31	0.00
237	Kreditgarantiegemeinschaft des Handels Baden-Württemberg Verwaltungs-GmbH ¹⁸	Stuttgart	9.14		EUR	1,021.91	0.00
238	Kreditgarantiegemeinschaft des Handwerks Baden-Württemberg Verwaltungs-GmbH ¹⁸	Stuttgart	9.76		EUR	1,001.05	0.00
239	Kunststiftung Baden-Württemberg gGmbH ¹⁸	Stuttgart	2.00	0.61	EUR	10,148.72	- 313.24
240	Mäehler & Kaese AG i. L. ^{1, 7}	Ingelheim	7.50	9.26	EUR	- 2,041.59	67.06
241	MAT Movies & Television Productions GmbH & Co. Project IV i.L. ^{1, 15}	Grünwald	0.22		EUR	530.25	- 13.32
242	MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg Gesellschaft mit beschränkter Haftung ¹⁸	Stuttgart	9.94	8.33	EUR	76,992.62	4,504.49
243	NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Villingen-Schwenningen KG i.L. ^{15, 24}	Düsseldorf	5.00		EUR	- 1,967.87	607.44
244	Notion Systems GmbH ^{1, 18}	Schwetzingen	0.75		EUR	193.18	- 327.92
245	Otego GmbH i.L. ^{1, 15}	Karlsruhe	6.25		EUR	375.85	- 151.80
246	PARAMOUNT GROUP, INC. ^{1, 18}	Lutherville, USA	0.47	0.53	USD	4,369,702.98	16,966.37

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
247	Paramount Group Operating Partnership LP ¹	Wilmington, USA	2.53	0.00		Not specified	Not specified
248	Phenex Pharmaceuticals AG ^{1,18}	Heidelberg	8.90		EUR	9,310.59	- 10,987.75
249	Poldergesellschaft Neumühlen-Westkai mbH ^{1,19}	Hamburg	16.67		EUR	126.40	Not specified
250	PolyAn Gesellschaft zur Herstellung von Polymeren für spezielle Anwendungen und Analytik mbH ^{1,18}	Berlin	9.93		EUR	26.75	29.51
251	»PORT MENIER« GmbH & Co. KG ^{1,15}	Bramstedt	0.15		EUR	600.83	42.25
252	PressMatrix GmbH ^{1,18}	Berlin	14.08		EUR	- 1,266.80	- 296.14
253	Reha-Klinik Aukammthal GmbH & Co. Betriebs-KG i.L. ¹	Wiesbaden	5.54			Not specified	Not specified
254	RSU Rating Service Unit GmbH & Co. KG ¹⁸	Munich	18.80		EUR	11,330.79	- 2,244.75
255	RWSO Grundstücksgesellschaft TBS der Württembergischen Sparkassenorganisation CbR ¹⁸	Stuttgart	10.00	8.55	EUR	5,339.34	137.41
256	S CountryDesk GmbH ¹⁸	Cologne	2.50		EUR	498.59	49.76
257	Schiffahrts-Gesellschaft »HS ALCINA« / »HS ONORE« / »HS OCEANO« mbH & Co. KG i.L. ^{1,31}	Hamburg	0.04		EUR	351.16	- 3,497.26
258	Schiffahrts-Gesellschaft »HS MEDEA« mbH & Co. KG i.L. ^{1,31}	Hamburg	0.16		EUR	657.90	- 1,121.08
259	SE.M.LABS GmbH i.L. ^{1,15}	Stuttgart	0.75		EUR	- 474.89	- 331.64
260	SI-BW Beteiligungsgesellschaft mbH & Co KG ¹⁸	Stuttgart	4.00	3.96	EUR	43,750.18	1,203.48
261	SimuForm GmbH i.L. ^{1,10}	Dortmund	6.84		EUR	235.00	- 300.00
262	Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T.) ¹⁵	La Hulpe, Belgien	0.14		EUR	394,698.39	81,079.47
263	stimOS GmbH ^{1,18}	Konstanz	0.75		EUR	- 449.91	- 317.87
264	Synapticon GmbH ^{1,13}	Schönaich	0.57		EUR	- 814.52	- 4,358.91
265	tado GmbH ^{1,18}	Munich	1.59		EUR	16,291.56	- 45,608.31
266	Technologiegründerfonds Sachsen Plus GmbH & Co. KG ^{1,18}	Leipzig	8.48		EUR	8,997.73	- 6,944.74
267	Technologiegründerfonds Sachsen Seed GmbH & Co. KG ^{1,18}	Leipzig	3.34		EUR	4,975.43	35.61
268	Technologiegründerfonds Sachsen Start up GmbH & Co. KG ^{1,18}	Leipzig	10.83		EUR	15,255.86	- 1,414.71
269	Teralytics AG ^{1,18}	Zürich, Switzerland	6.19		CHF	1,946.61	- 10,361.15
270	tocario GmbH i.L. ^{1,18}	Stuttgart	0.77		EUR	- 295.86	- 452.19
271	TradeIX Limited ^{1,18}	Cork, Ireland	2.33		USD	3,722.96	8,867.91
272	TuP 8 GmbH & Co. KG ¹	Berlin	0.43			Not specified	Not specified
273	TVM IV GmbH & Co. KG ^{1,18}	Munich	1.67		EUR	6,311.71	- 288.14
274	VCM Golding Mezzanine GmbH & Co. KG ^{1,18}	Munich	3.89		EUR	6,703.15	2,335.28
275	Visa Inc. ¹⁶	San Francisco, USA	0.00		USD	30,377,417.48	9,201,840.19

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
276	Vivoryon Therapeutics AG ^{1, 15}	Halle/Saale	0.98		EUR	1,542.62	- 7,703.47
277	VRP Venture Capital Rheinland-Pfalz GmbH & Co. KG i.L. ^{1, 16}	Mainz	16.65		EUR	1,366.42	22.69
278	VRP Venture Capital Rheinland-Pfalz Nr. 2 GmbH & Co. KG i.L. ^{1, 15}	Mainz	16.65		EUR	724.21	226.07
279	Wachstumsfonds Mittelstand Sachsen Plus GmbH & Co. KG ^{1, 16}	Leipzig	13.68	13.72	EUR	16,627.20	- 77.68
280	Wirtschaftsförderung Region Stuttgart GmbH ^{1, 28}	Stuttgart	16.06		EUR	1,599.80	- 2,907.66
281	5Analytics GmbH i.L. ^{1, 15}	Köngen	0.75		EUR	77.20	- 629.99

¹ Held indirectly.

² Including shares held indirectly.

³ A letter of comfort exists.

^{3a} A letter of comfort exists. The letter of comfort was withdrawn in LBBW's 2019 annual and consolidated financial statements with effect for the future.

⁴ A letter of comfort exists on the part of a Group subsidiary.

⁵ A profit transfer and/or control agreement has been concluded with the company.

⁶ A profit transfer and/or control agreement has been concluded with another company.

⁷ Data available only as at 31 December 2004.

⁸ Data available only as at 31 December 2018 in accordance with IFRS.

⁹ Data available only as at 31 December 2012.

¹⁰ Data available only as at 31 December 2013.

¹¹ Data available only as at 31 July 2014.

¹² Data available only as at 31 December 2014.

¹³ Data available only as at 31 December 2015.

¹⁴ Data available only as at 31 December 2016.

¹⁵ Data available only as at 31 December 2017.

¹⁶ Data available only as at 31 September 2018.

¹⁷ Data available only as at 4 December 2018.

¹⁸ Data available only as at 31 December 2018.

¹⁹ Data available only as at 31 January 2019.

²⁰ Data available only as at 31 October 2019.

²¹ Data available only as at 28 November 2019. Liquidation final balance sheet.

²² Equity investment in a large corporation with a share of over 5% in voting rights (Section 340a (4) no. 2 HGB).

²³ No shareholdings within the meaning of section 285 no. 11 HGB.

²⁴ Is a structured entity in accordance with IFRS 12 at the same time.

²⁵ Classification as equity investment, as no relevant decisions are made any longer and liquidation is expected.

²⁶ Classification as equity investment, as the company does not generate any commercial activities.

²⁷ Classification as equity investment, in liquidation: no relevant decisions are made any longer.

²⁸ Financial instruments pursuant to IFRS.

²⁹ The equity method cannot be used for Sealink Funding DAC, due to a lack of equity investment by LBBW.

³⁰ Data available only as at 25 July 2016.

³¹ Data available only as at 30 November 2018.

42. Positions held

Offices held by legal representatives of LBBW (Bank) and members of the AidA¹ Board of Managing Directors on statutory supervisory boards and similar supervisory bodies of large companies and banks, as well as offices held by employees of LBBW (Bank) on statutory supervisory boards of large companies and banks are listed below:

Company	Position	Incumbent
Boerse Stuttgart GmbH, Stuttgart	Deputy Chairman of the Supervisory Board	Dr. Christian Ricken
Deutscher Sparkassenverlag GmbH, Stuttgart	Supervisory Board	Michael Horn
EUREX Clearing Aktiengesellschaft, Frankfurt/Main	Supervisory Board	Dr. Thilo Roßberg
Euwax AG, Stuttgart	Deputy Chairman of the Supervisory Board	Dr. Christian Ricken
Grieshaber Logistik GmbH, Weingarten	Supervisory Board	Michael Horn
Hypo Vorarlberg Bank AG, Bregenz	Supervisory Board	Michael Horn
LBBW Asset Management Investmentgesellschaft mbH, Stuttgart	Chairman of the Supervisory Board	Dr. Christian Ricken
	Supervisory Board	Michael Nagel
	Supervisory Board	Thomas Rosenfeld
Mainzer Stadtwerke AG, Mainz	Supervisory Board	Hannsgeorg Schöning
MMV Bank GmbH, Koblenz	Chairman of the Supervisory Board	Karl Manfred Lochner
	Deputy Chairman of the Supervisory Board	Volker Wirth
	Supervisory Board	Peter Hähner
MMV Leasing GmbH, Koblenz	Chairman of the Advisory Board	Karl Manfred Lochner
	Deputy Chairman of the Advisory Board	Volker Wirth
	Advisory Board	Peter Hähner
Siedlungswerk GmbH Wohnungs- und Städtebau, Stuttgart	Deputy Chairman of the Supervisory Board	Michael Horn
	Supervisory Board	Thorsten Schönenberger
	Supervisory Board	Thomas Christian Schulz
SüdFactoring GmbH, Stuttgart	Chairman of the Supervisory Board	Karl Manfred Lochner
	Deputy Chairman of the Supervisory Board	Volker Wirth
	Supervisory Board	Norwin Graf Leutrum von Ertingen
SüdLeasing GmbH, Stuttgart	Chairman of the Supervisory Board	Karl Manfred Lochner
	Deputy Chairman of the Supervisory Board	Volker Wirth
	Supervisory Board	Norwin Graf Leutrum von Ertingen
VPV Lebensversicherungs-Aktiengesellschaft, Stuttgart	Supervisory Board	Claudia Diem

¹ Anstalt in der Anstalt (AidA = »Institution within the institution«)

43. Events after the balance sheet date

At the time the Board of Managing Directors prepared the annual financial statements on 3 March 2020, Germany had around 200 recorded cases of Coronavirus and China around 80,000. By 24 March 2020, this had risen to 29,000 cases in Germany and 375,000 worldwide, prompting the WHO to declare the spread of the virus a pandemic.¹

The further spread of Coronavirus and its impact on LBBW (Bank)'s business operations are therefore being monitored on an ongoing basis. Based on the latest developments, LBBW (Bank) expects both German and global economic output to be negatively influenced in the first half of 2020. This could make it more difficult for LBBW (Bank) to achieve its targets set for the 2020 financial year. The rapid growth of the outbreak means that only very limited exact forecasts can be made regarding the further impact on business performance and net assets, financial position and results of operations.

In addition there were no events after the end of the financial year that particularly affect LBBW (Bank)'s net assets, financial position and results of operations.

¹ Source: WHO websites

44. LBBW (Bank) Board of Managing Directors and Supervisory Board

Board of Managing Directors

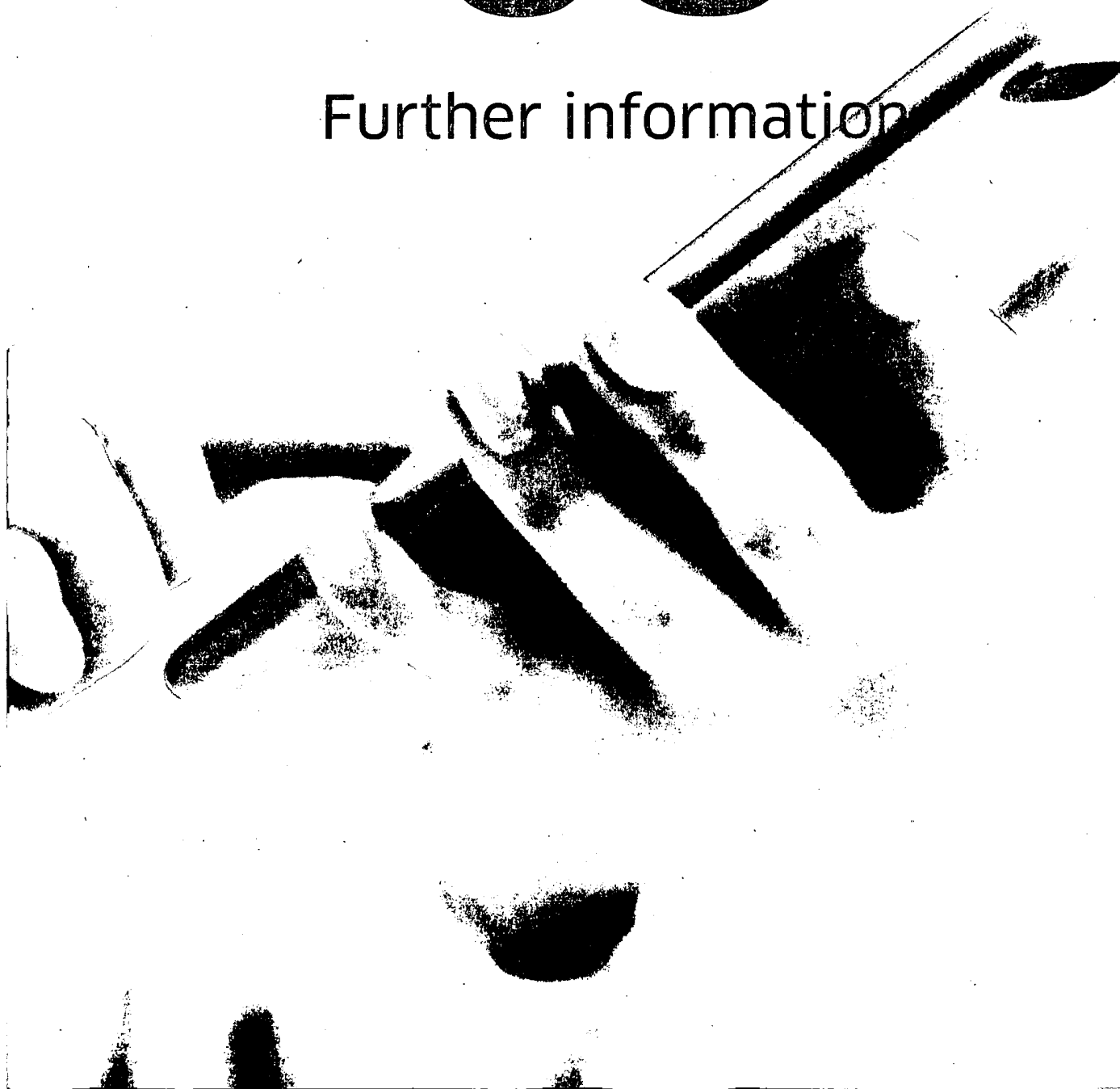
Chairman	Members	
RAINER NESKE	KARL MANFRED LOCHNER	THORSTEN SCHÖNENBERGER
Deputy Chairman		
MICHAEL HORN	DR. CHRISTIAN RICKEN	VOLKER WIRTH

Supervisory Board

Chairman		
CHRISTIAN BRAND Former chairman of the Board of Management of L-Bank	MARC-OLIVER KIEFER from 1 February 2019 Employee Representative of Landesbank Baden-Württemberg	CHRISTIAN ROGG Employee Representative of Landesbank Baden-Württemberg
Deputy Chairperson		
EDITH SITZMANN MDL Minister of Finance of the State of Baden-Württemberg	BETTINA KIES-HARTMANN Employee Representative of Landesbank Baden-Württemberg	CLAUS SCHMIEDEL CEO of Critalog GmbH
Members	FRITZ KUHN Lord Mayor of the State Capital Stuttgart	B. JUTTA SCHNEIDER Executive Vice President Global Services Delivery, SAP SE & Co. KG
WOLFGANG DIETZ Lord Mayor of the town of Weil am Rhein	SABINE LEHMANN Employee Representative of Landesbank Baden-Württemberg	PETER SCHNEIDER President of the Sparkassenverband Baden- Württemberg (Savings Bank Association of Baden-Württemberg)
UTA-MICAELA DÜRIG Corporate and foundation consultant	KLAUS-PETER MURAWSKI until 11 April 2019 State Secretary (retired)	DR. JUTTA STUIBLE-TREDER Managing Partner of EversheimStuible Treubörer GmbH
WALTER FRÖSCHLE Employee Representative of Landesbank Baden-Württemberg	DR. FRITZ OESTERLE Attorney at law	DR. BRIGITTE THAMM until 31 January 2019 Employee Representative of Landesbank Baden-Württemberg
HELMUT HIMMELSBACH Lord Mayor (retired)	MARTIN PETERS Managing Partner of the Eberspächer group of companies	BURKHARD WITTMACHER Chairman of the Board of Managing Directors of Kreissparkasse Esslingen- Nürtingen
CHRISTIAN HIRSCH Employee Representative of Landesbank Baden-Württemberg	PROF. WOLFGANG REINHART MDL since 17 May 2019 Chairman of parliamentary group, Attorney at law	NORBERT ZIPF Employee Representative of Landesbank Baden-Württemberg

03

Further information



Responsibility statement

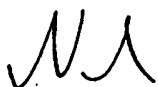
To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of Landesbank Baden-Württemberg, and the combined management report includes a fair review of the development and performance of the business and the position of Landesbank Baden-Württemberg, together with a description of the principal opportunities and risks associated with the expected future development of Landesbank Baden-Württemberg

Stuttgart, Karlsruhe, Mannheim and Mainz, 3 March 2020

The notes and the combined management report were updated to include disclosures on significant events after the reporting date. These events after the reporting date relate to the impact of the Coronavirus pandemic on the risk report and the forecast and opportunity report.

Stuttgart, Karlsruhe, Mannheim and Mainz, 26 March 2020

The Board of Managing Directors



RAINER NESKE

Chairman



MICHAEL HORN

Deputy Chairman



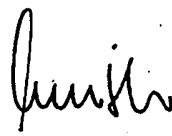
KARL MANFRED LOCHNER



DR. CHRISTIAN RICKEN



THORSTEN SCHÖNENBERGER



VOLKER WIRTH

Independent Auditor's Report

To Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz

Report on the audit of the annual financial statements and the combined management report

Audit opinion

We audited the annual financial statements of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz, comprising the balance sheet as at 31 December 2019 and the profit and loss statement for the financial year from 1 January to 31 December 2019 as well as the Notes, including the presentation of accounting and valuation methods. Furthermore, we audited the combined management report of Landesbank Baden-Württemberg for the financial year from 1 January to 31 December 2019. In accordance with German statutory regulations, we have not audited the contents of the parts of the combined management report listed in the »Other information« section of our auditor's report.

According to our assessment on the basis of the knowledge acquired in the course of the audit,

- the accompanying annual financial statements comply in all material respects with German commercial law regulations applicable to credit and financial institutions and give a true and fair view of the net assets and financial position of the Bank as at 31 December 2019 and its results of operations for the financial year from 1 January to 31 December 2019 in accordance with German generally accepted accounting principles; and
- the accompanying combined management report accurately represents the Bank's position. The combined management report is consistent in all material respects with the annual financial statements and in accordance with German statutory provisions, and accurately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not refer to the contents of the management report listed in the »Other information« section

In accordance with section 322 (3) Sentence 1 HGB we state that our audit has not led to any objections to the correctness of the annual financial statements and the combined management report.

Basis for our audit opinions

We performed our audit of the annual financial statements and the combined management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014) as well as the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW). Our responsibility in accordance with these provisions and principles is described in more detail in the section »Responsibility of the statutory auditor for the audit of the annual financial statements and the combined management report« of our auditor's report. We are independent from the Company in accordance with the provisions of European law and German commercial and professional law, and we have also met our other German professional obligations in accordance with these requirements. We furthermore state in accordance with Article 10 (2) (f) of the EU Audit Regulation that we have not provided any prohibited non-audit services as defined in Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion on the annual financial statements and the combined management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are such audit matters that, after due consideration, are the most significant for the audit of the annual financial statements for the financial year from 1 January to 31 December 2019. These matters were taken into account in our audit of the annual financial statements as a whole and in forming our audit opinion thereof. We are not issuing a separate audit opinion on these matters

Calculation of the fair values of financial instruments based on valuation models

With regard to the accounting and valuation methods applied by Landesbank Baden-Württemberg, please refer to section 2 of the Notes.

RISK TO THE FINANCIAL STATEMENTS

Assets and liabilities in the trading portfolio are measured at fair value in accordance with section 340e HGB. For some of the derivative instruments (EUR 11,105 million / EUR 6,877 million) as well as debentures and other fixed-income securities (EUR 8,213 million) carried under these items, no market prices are observable. Their fair values must therefore be determined based on generally accepted valuation methods. The choice of valuation models and their parameterization are, in part, discretionary. It was therefore particularly important for our audit that the calculation of the fair values be based on appropriate valuation models and parameters.

APPROACH ADOPTED IN THE AUDIT

Based on our risk assessment and the assessment of the risk of error, we derived our audit opinion from both control-based audit procedures and substantive audit procedures. Accordingly, we performed the following audit procedures, amongst others:

As a first step, we obtained an insight into the development of the financial instruments in the trading portfolio, the associated risks and the internal control system with regard to the valuation of the financial instruments in the trading portfolio.

Moreover, we satisfied ourselves that LBBW had implemented appropriate and effective risk management. Our main goal was to determine whether the valuation is consistent with the written policy on the model-based calculation of the fair value.

The assessment of the appropriateness and effectiveness of the control system covered in particular that the valuation models implemented and the valuation parameters involved are validated independent of trading, both when they are introduced as well as regularly and on an ad hoc basis. On the basis of a random sample of transactions, we also examined if the model valuations were performed and documented appropriately, if the valuation models implemented were appropriate and if the valuation parameters involved were also validated on a regular basis. In addition, we audited the control of the revaluation of the trading transactions independently of trading by an organizational unit which is independent of trading.

In addition, our internal KPMG valuation specialists implemented a revaluation of products on the basis of a deliberate selection of materiality and risk aspects and compared the results with the values calculated by LBBW. In the revaluation, price and market information observed on the market were used.

For a representative random sample of all products, we examined the parameters relevant for the valuation on the reporting date.

OUR CONCLUSIONS

The valuation models used to calculate the fair values of the trading portfolios for which no market prices are observable are appropriate. The valuation parameters underlying the valuation are derived appropriately.

Calculation of specific loan loss provision for loans and advances to customers in the case of significant loans

With regard to the accounting and valuation methods applied by Landesbank Baden-Württemberg, please refer to section 2 of the Notes.

RISK TO THE FINANCIAL STATEMENTS

Loans and advances to customers amounted to EUR 110,175 million as at 31 December 2019. The majority of the specific and portfolio loan loss provision (impaired) to account for acute default risks relate to specific loan loss provision for significant loans.

Under the principles of prudent valuation pursuant to section 252 (1) no. 4 HGB, specific loan loss provisions must be formed in order to take account of acute default risks. The determination of specific loan loss provision for loans and advances to customers is discretionary. It contains assumptions about the possible scenarios, their probabilities and contractual cash flows still expected per scenario and/or about the expected cash flows from the realization of the loan collateral provided per scenario. The assumptions are made depending on the restructuring and liquidation strategies underlying the scenarios.

It was therefore important for our audit that necessary specific loan loss provisions are recognized in a timely manner and that appropriate criteria are applied to identify receivables with the need to create specific loan loss provisions. In addition, it was important for our audit that appropriate assumptions were made when determining the specific loan loss provision. Incorrect assumptions mean that counterparty risks are not taken adequately into account and hence receivables are not measured in line with accounting principles.

APPROACH ADOPTED IN THE AUDIT

Based on our risk assessment and the assessment of the risk of error, we derived our audit opinion from both control-based audit procedures and substantive audit procedures. Accordingly, we performed the following audit procedures, amongst others:

To assess the appropriateness of the internal control system with regard to the identification, management, monitoring and evaluation of significant loans and advances to customers, we have audited the relevant organizational guidelines and conducted surveys. Moreover, we satisfied ourselves of the appropriateness and effectiveness of the relevant controls that the Bank has set up to identify exposures requiring specific loan loss provision and to comply with the system for determining specific loan loss provision. With regard to the IT systems used, we examined the effectiveness of the relevant IT application controls with the involvement of our IT specialists.

On the basis of our findings, we examined the recoverability of loans and advances on the basis of a deliberate selection of individual exposures based on materiality and risk aspects. First, we investigated whether the selected exposures match the criteria indicating the need to create a specific loan loss provision. If the criteria indicating the need to create a specific loan loss provision were matched, we assured ourselves that they are correctly taken into account. In the case of impaired exposures, we subsequently assessed whether the restructuring or liquidation strategy on which the valuation was based and the consequent possible strategies determined are consistent with the actual circumstances, and plausibly explained. On this basis, we examined in particular the assumptions about the contractual cash flows still expected per scenario and/or the expected cash flows per scenario from the realization of the loan collateral provided, and assessed whether the assumptions used in the past were correct. If loan collateral was provided for an exposure which is taken into account in the valuation, we assessed the legal validity and the fair value of this collateral. In this context, we used, where applicable, independent expert valuations as a basis for our opinion and assessed, on the basis of publicly available information, whether their assumptions were derived from suitable internal and external sources in an appropriate manner. To this end, we used information such as market studies, market prices and yield analyses. On this matter we involved our real estate valuation specialists for selected collateral objects.

Finally, we verified whether the required specific loan loss provision was accurately calculated and correctly recorded in the accounting system.

In addition, we examined a sample of individual commitments that had not been included in our specific item testing and checked whether the criteria for identifying exposures requiring specific loan loss provision were applied appropriately and, if necessary, led to the recognition of a specific loan loss provision.

OUR CONCLUSIONS

The criteria to identify exposures requiring specific loan loss provisions are appropriate. The assumptions about possible scenarios and their probabilities the amount of contractual cash flows still expected per scenario and/or the amount of cash flows expected from the realization of the loan collateral provided were derived appropriately and used in accordance with the accounting principles applicable for the measurement of specific loan loss provision

Other information

The legal representatives are responsible for other information. Other information comprises:

- the combined non-financial statement and
- the other parts of the annual report, with the exception of the audited annual financial statements and combined management report as well as our auditor's report.

Our audit opinion on the annual financial statements and the combined management report does not include other information. We therefore do not offer an audit opinion nor any other form of audit conclusion regarding this.

In connection with our audit, it is our responsibility to read the other information and to assess whether the other information is free of

- material inconsistencies with the annual financial statements, the combined management report or our knowledge gained during the audit, or
- otherwise appears to be materially incorrect.

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the combined management report

The legal representatives are responsible for the preparation of the annual financial statements in accordance with the requirements of German commercial law applicable to credit and financial institutions in all material aspects and for the presentation of a true and fair view of the net assets, financial position and results of operations of the Bank in the annual financial statements in accordance with German generally accepted accounting principles. The legal representatives are also responsible for the internal controls they have identified as necessary in accordance with German generally accepted accounting principles in order to allow the preparation of the annual financial statements which are free from material misstatement, whether intentional or not.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Bank's ability to continue as a going concern. They are also responsible for disclosing, where relevant, matters relating to the going concern assumption for the Bank. In addition, they have responsibility for accounting on the basis of the going concern principle unless this is contrary to actual or legal circumstances.

The legal representatives are also responsible for the preparation of the combined management report, which as a whole provides an accurate picture of the Bank's position, is consistent in all material respects with the annual financial statements, complies with German law and adequately depicts the opportunities and risks presented in the future performance. Furthermore, the legal representatives are responsible for the precautions and measures (systems) which they have deemed necessary to enable the preparation of a combined management report in accordance with the applicable German statutory requirements and to provide sufficient suitable evidence for the statements in the combined management report.

The Supervisory Board is responsible for monitoring the Bank's accounting process for the preparation of the annual financial statements and the combined management report.

Responsibility of the statutory auditor for the audit of the annual financial statements and the combined management report

Our objective is to obtain reasonable assurance as to whether the annual financial statements as a whole are free from material misstatements, whether intentional or not, and whether the combined management report as a whole provides an accurate picture of the Bank's position and, in all material respects, is in accordance with the annual financial statements and the findings of our audit as well as German statutory requirements and accurately depicts the opportunities and risks presented by the future performance, and to issue an audit certificate that includes our audit opinion on the annual financial statements and the combined management report.

Reasonable assurance represents a high degree of certainty, but no guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation as well as the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW) will always reveal a material misstatement. Misstatements may result from infringements or inaccuracies and are considered material if it could reasonably be expected that they will, individually or collectively, influence the economic decisions of addressees made on the basis of these annual financial statements and the combined management report.

During our audit we exercise professional judgment and due skepticism. Moreover,

- we identify and assess the risks of material misstatements, whether intentional or not, in the annual financial statements and the combined management report, plan and perform audit procedures in response to these risks, and obtain audit evidence which is sufficient and appropriate to form the basis for our audit opinion. The risk that material misrepresentations are not detected is higher in the case of violations than in the case of inaccuracies, since violations may involve fraudulent interaction, forgery, intentional incompleteness, misleading representations or the repeal of internal controls.
- we gain an understanding of the internal control system relevant to the audit of the annual financial statements and the arrangements and measures relevant to the audit of the combined management report that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems applied by the Bank.
- we express an opinion on the appropriateness of the accounting policies used by the legal representatives and the reasonableness of the estimated amounts and related information presented by the legal representatives.
- we draw conclusions about the appropriateness of the going concern principle applied by the legal representatives and assess, based on the audit evidence obtained, whether there is material uncertainty in connection with events or circumstances that could raise significant doubts about the Bank's ability to continue as a going concern. If we come to the conclusion that there is material uncertainty, we are obliged to draw attention to the relevant information in the annual financial statements and the combined management report in our audit certificate or, if this information is inadequate, to modify our respective audit opinion. We draw our conclusions based on audit evidence obtained by the date of our audit opinion. However, future events or circumstances may prevent the Bank from continuing its business activities in the future.
- we express an opinion on the overall presentation, structure and content of the annual financial statements, including the disclosures, and assess whether the annual financial statements present the underlying transactions and events such that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Bank in accordance with German generally accepted accounting principles.
- we assess the consistency of the combined management report with the annual financial statements, its compliance with the law and the picture it portrays of the Bank's position.
- we conduct audit procedures on the forward-looking statements presented by the legal representatives in the combined management report. Based on sufficient appropriate audit evidence, we retrace in particular the significant assumptions underlying the forward-looking statements made by the legal representatives and assess the appropriate derivation of the forward-looking statements from these assumptions. We do not issue a separate audit opinion on the forward-looking statements and the underlying assumptions. There is significant, unavoidable risk that future events could differ materially from the forward-looking statements.

We discuss with those responsible for governance issues such as the planned scope and timing of the audit and significant audit findings, including any deficiencies in the internal control system that we identify during our audit.

We make a statement to those responsible for governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that can reasonably be expected to affect our independence, and the safeguarding measures taken in this respect.

From the matters that we discussed with those responsible for governance, we determine those matters that were most significant in the audit of the annual financial statements for the current reporting period and are therefore considered key audit matters. We describe these matters in the auditor's report, unless laws or other statutory provisions prohibit a public disclosure of such facts.

Other statutory and regulatory requirements

Other disclosures in accordance with Article 10 of the EU Audit Regulation

We were appointed statutory auditor of the annual financial statements by the annual general meeting on 17 May 2019. We received our mandate from the Audit Committee on 7 June 2019. We have been in continuous practice as statutory auditor of the annual financial statements of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz since the 2010 financial year.

We state that the audit opinions contained in this audit certificate are consistent with the additional report to the Supervisory Board in accordance with Article 11 of the EU Audit Regulation (audit report).

Responsible statutory auditor

The statutory auditor responsible for the audit is Klaus-Ulrich Pfeiffer.

Note on subsequent audit

We issue this auditor's report for the amended annual financial statements and the amended combined management report on the basis of our audit of the financial statements performed on 6 March 2020 and our subsequent audit performed on 27 March 2020 that related to the disclosures in the notes and in the combined management report as a result of new findings regarding the impact of the spread of Covid-19. Please see the description of the amendment by the legal representatives in the amended notes, sections 1 »Principles for preparing the financial statements« and 43 »Events after the end of the reporting period« and the amended combined management report, sections »Group overview«, »Risk report« and »Forecast and opportunity report«.

Stuttgart, 6 March 2020 / limited to the amendment dated 27 March 2020 described in the note on subsequent audit

KPMG AG
Wirtschaftsprüfungsgesellschaft

[Signed] Pfeiffer
Statutory auditor

[Signed] Kühn
Statutory auditor

FURTHER INFORMATION ON LANDESBANK BADEN-WÜRTTEMBERG


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The German version of this Annual Financial Statements is the authoritative version and only the German version of the Combined Management Report and the Annual Financial Statements was audited by the auditors.

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