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STAPLE**OS AA01**Statement of details of parent law and other  
information for an overseas company

Companies House

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You may use this form to  
accompany your accounts  
disclosed under parent law.

✗ **What this form is for**  
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an alteration of  
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TUESDAY



A04 12/04/2022 #197  
COMPANIES HOUSE

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**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.

Name of organisation or body ③ GERMAN COMMERCIAL CODE HANDELSGESETZBUCH

③ Please insert the name of the appropriate accounting organisation or body.

# 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.



### Where to send

You may return this form to any Companies House address:

#### England and Wales:

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139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
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### Further information

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LB≡BW

Breaking new ground

# Annual financial statements 2020



These English copy of LBBW Annual financial statements 2020 are certified as true and accurate translation of the original documents prepared and published in German.

Signed: *J. Gorindia* J. Gorindia Representative LBBW  
London

# 01

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## **Combined management report**

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# 01

## Combined management report

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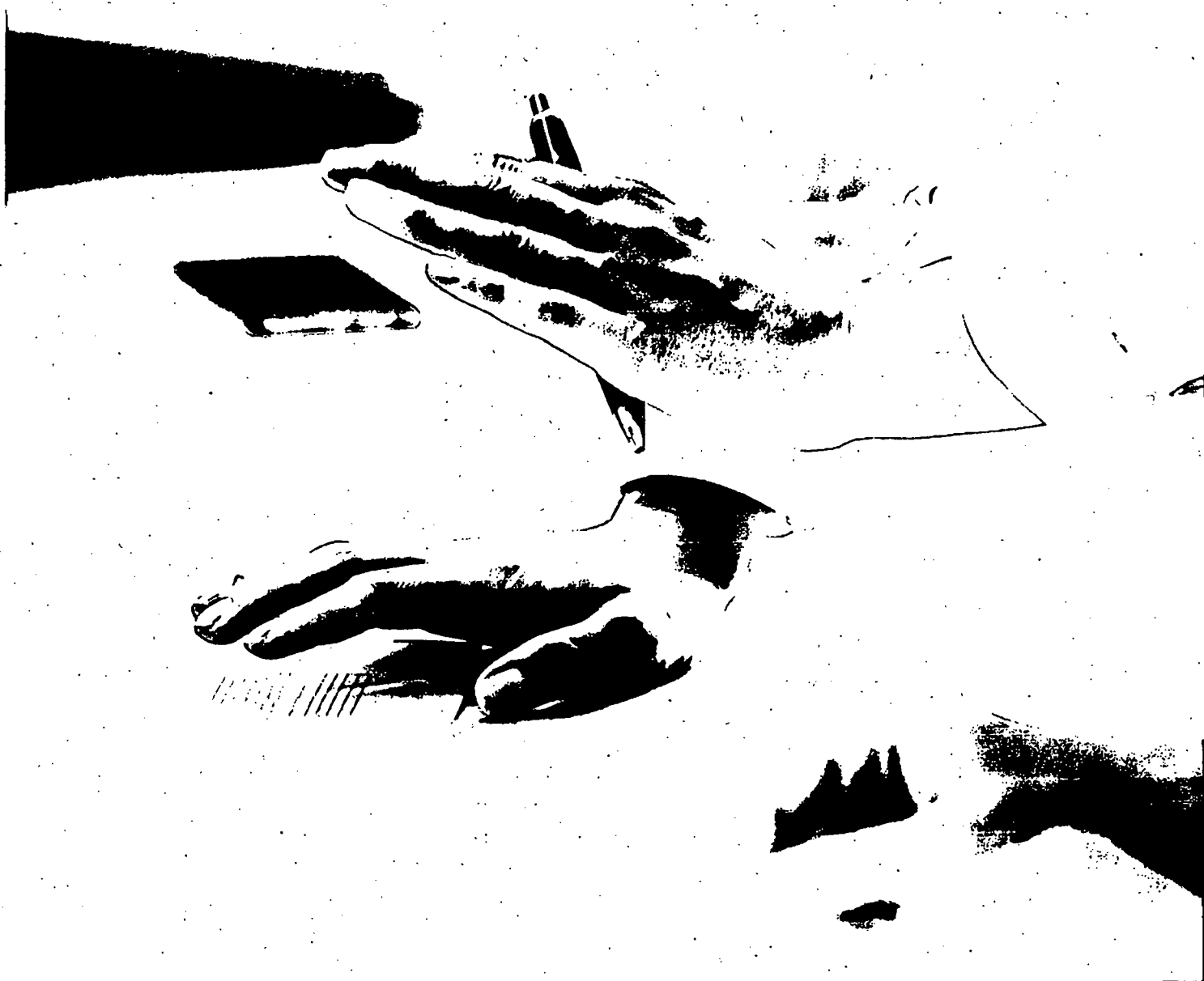
The management report of LBBW (Bank) and the group management report are combined in accordance with section 315 (5) of the Handelsgesetzbuch (HGB - German Commercial Code) in conjunction with section 296 (2) HGB and published in the 2020 annual report of LBBW. It also includes descriptions on the current impact of the corona pandemic.

The annual financial statements and the LBBW management report combined with the group management report for the 2020 financial year will be submitted to and published by the operator of the German Federal Gazette (Bundesanzeiger).

The annual financial statements of LBBW (Bank) and the annual report of LBBW are also available online at [www.LBBW.de](http://www.LBBW.de).

# 02

Annual financial  
statements for the  
2020 financial year



# Balance sheet

as at 31 December 2020

## Assets

EUR million	Explanation in the Notes (chapter)	31/12/2020	31/12/2019
<b>Cash and cash equivalents</b>			
a) Cash		205	144
b) Balances with central banks		13,430	18,174
including: with Deutsche Bundesbank	7,134		16,160
		13,636	18,317
<b>Loans and advances to banks</b>	2, 3, 4, 5, 36		
a) Mortgage loans		659	564
b) Public-sector loans		47,437	31,956
c) Other receivables		16,289	20,490
		64,385	53,010
of which: payable on demand	21,602		4,092
of which: collateralized by securities	10,757		11,392
<b>Loans and advances to customers</b>	2, 3, 4, 5, 36		
a) Mortgage loans		40,884	31,241
b) Public-sector loans		18,662	14,447
c) Other receivables		49,009	64,487
		108,555	110,175
of which: collateralized by securities	5,179		7,410
<b>Debentures and other fixed-income securities</b>	2, 3, 4, 5, 7, 36		
a) Money market instruments			
aa) Issued by public-sector borrowers	119		295
ab) issued by other borrowers	708		1,352
of which: eligible as collateral with Deutsche Bundesbank	0		160
		826	1,647
b) Bonds and debentures			
ba) issued by public-sector borrowers	4,353		3,113
of which: eligible as collateral with Deutsche Bundesbank	3,738		2,850
bb) issued by other borrowers	26,025		21,003
of which: eligible as collateral with Deutsche Bundesbank	22,299		19,232
		30,379	24,116
c) own debentures		627	172
Nominal amount	626		170
		31,832	25,935

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)		31/12/2020	31/12/2019
<b>Equities and other non-fixed-income securities</b>	<b>2, 7</b>		<b>187</b>	<b>200</b>
<b>Trading portfolio</b>	<b>2, 5, 9</b>		<b>32,800</b>	<b>27,172</b>
<b>Equity investments</b>	<b>2, 7, 12</b>		<b>194</b>	<b>592</b>
of which: in banks		10		399
<b>Shares in affiliates</b>	<b>2, 7, 12</b>		<b>1,596</b>	<b>1,627</b>
of which: in banks		320		329
of which: in financial services companies		381		381
<b>Trust assets</b>	<b>13</b>		<b>901</b>	<b>289</b>
of which: trust loans		900		288
<b>Intangible assets</b>	<b>2, 12</b>			
a) Internally generated industrial property rights and similar rights and assets			44	49
b) Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets			98	113
c) Advances paid			5	6
			147	169
<b>Property and equipment</b>	<b>2, 12</b>		<b>780</b>	<b>792</b>
<b>Other assets</b>	<b>14</b>		<b>2,248</b>	<b>2,398</b>
<b>Deferred items</b>	<b>15</b>			
a) From issuing and lending business			947	888
b) Other			3,070	1,777
			4,017	2,665
<b>Total assets</b>			<b>261,278</b>	<b>243,342</b>

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)		31/12/2020	31/12/2019
<b>Deposits from banks</b>	<b>2, 16, 17, 18, 35</b>			
a) Mortgage-backed registered covered bonds issued			128	138
b) Public-sector registered covered bonds issued			452	443
c) Other liabilities			75,368	63,753
			<b>75,947</b>	<b>64,334</b>
of which: payable on demand		6,374		6,592
<b>Deposits from customers</b>	<b>2, 16, 17, 18, 35</b>			
a) Mortgage-backed registered covered bonds issued			189	216
b) Public-sector registered covered bonds issued			2,467	2,616
c) Savings deposits				
ca) with an agreed notice period of three months		5,073		5,449
cb) with an agreed notice period of more than three months		76		56
			5,149	5,505
d) Other liabilities			87,534	82,514
			<b>95,340</b>	<b>90,850</b>
of which: payable on demand		64,186		51,497
<b>Securitized liabilities</b>	<b>2, 17</b>			
a) Issued debentures				
aa) Pfandbriefe (mortgage-backed covered bonds)		9,361		10,421
ab) Pfandbriefe (public covered bonds)		4,635		4,920
ac) Other debentures		24,520		21,707
			<b>38,517</b>	<b>37,049</b>
b) Other securitized liabilities			6,281	4,968
			<b>44,797</b>	<b>42,017</b>
of which: money market instruments		6,281		4,968
<b>Trading portfolio</b>	<b>2, 9, 18</b>		<b>16,808</b>	<b>17,243</b>
<b>Trust liabilities</b>	<b>13</b>		<b>901</b>	<b>289</b>
of which: trust loans		900		288
<b>Other liabilities</b>	<b>2, 19</b>		<b>1,434</b>	<b>1,356</b>
<b>Deferred items</b>	<b>15</b>			
a) From issuing and lending business			244	307
b) Other			3,231	2,107
			<b>3,475</b>	<b>2,415</b>
<b>Provisions</b>	<b>2, 20</b>			
a) Provisions for pensions and other post-employment benefits			336	2,327
b) Tax provisions			37	36
c) Other provisions			687	682
			<b>1,059</b>	<b>3,045</b>
<b>Subordinated liabilities</b>	<b>2, 21</b>		<b>5,121</b>	<b>5,482</b>

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)		31/12/2020	31/12/2019
Capital generated from profit-participation rights	22		229	229
Regulatory AT 1 capital instruments	23		771	755
Fund for general banking risks			926	834
of which: special reserve in accordance with section 340e (4) HGB		141		135
Equity	24			
a) Subscribed capital				
aa) Share capital		3,484		3,484
ab) Silent partners' contributions		880		1,010
			4,364	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			364	259
			14,470	14,494
<b>Total equity and liabilities</b>			<b>261,278</b>	<b>243,342</b>
Contingent liabilities	2, 10, 18, 25			
b) Liabilities from guarantees and warranties		10,338		9,860
			10,338	9,860
Other obligations	25			
c) Irrevocable loan commitments		34,745		31,752
			34,745	31,752

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 from 1 January to 31 December 2020

EUR million	Explanation in the Notes (chapter)		01/01/ - 31/12/2020	01/01/ - 31/12/2019
Interest income from	26, 27			
a) Credit and money market transactions		12,238		13,455
of which: negative interest income		- 237		- 232
b) Fixed income securities and book-entry securities		219		238
of which: negative interest income		- 7		- 4
			12,457	13,693
Interest expenses	26		- 10,947	- 12,132
of which: positive interest expenses			282	217
			1,511	1,561
Current income from	27			
a) Equities and other non-fixed-income securities			18	9
b) Equity investments			9	25
c) Shares in affiliates			35	46
			62	80
Income from profit-pooling, profit transfer agreements or partial profit transfer agreements			62	72
Fee and commission income	27, 28		513	537
Fee and commission expenses			- 96	- 96
			417	441
Total operating income/expenses from the trading portfolio	27		250	189
of which: transfers/reversals in accordance with section 340e (4) HGB		- 6		0
Other operating income	27, 29		176	260
General administrative expenses				
a) Staff costs				
aa) Wages and salaries		- 625		- 642
ab) Social security contributions and expenses for pension provision and other benefits		- 242		- 284
of which: pension costs		- 137		- 180
			- 866	- 926
b) Other administrative expenses			- 734	- 747
			- 1,601	- 1,673
Depreciation and write-downs of intangible assets and property and equipment			- 84	- 88

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/- 31/12/2020	01/01/- 31/12/2019
Other operating expenses	29		- 154	- 203
Depreciation and write-downs of loans and certain securities, as well as additions to provisions to provisions for credit risks		- 332	- 332	- 184
Depreciation and write-downs of equity investments, shares in affiliates and securities treated as fixed assets		- 10		0
Income from reversals of impairment losses on equity investments, shares in affiliates and securities treated as fixed assets		0		16
Expenses from loss transfer			- 10	16
Allocations/reversals made to/from the fund for general banking risks			- 7	- 3
Result from normal operations			- 86	- 91
Extraordinary Income	31	52	204	375
Extraordinary expenses	31	- 99		0
Extraordinary result	31		- 57	- 57
			157	319
Taxes on income	32	- 26		- 10
Other taxes, unless reported under »other operating expenses«		12		- 6
			- 14	- 16
Profits transferred as a result of profit pooling, profit transfer agreement or a partial profit transfer agreement			- 38	- 44
Net profit for the year	24		105	259
Profit/loss carryforward from the previous year			259	0
Unappropriated profit			364	259

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

# Notes

for the period from 1 January to 31 December 2020

## 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 2020 financial year were prepared on 2 March 2021 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).

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, portfolio valuation allowances for 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 twelve 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.

It is a great challenge calculating the allowances for losses on loans and securities in the corona crisis, which triggered a sharp downturn and has been different from any former crisis in structural terms. Statistical allowances for losses on loans and securities models which were estimated based on multi-year data, do not provide unlimited reliability in the current situation. For this reason, LBBW (Bank) has determined allowances for losses on loans and securities to the end of 2020 using a multi-scenario approach on the basis of quantitative models in combination with an expert-based overlay. The additional coronavirus-related allowances for losses on loans and securities for transactions to align the portfolio total EUR 130 million. In addition, account was taken of increased risks for a successful workout at portfolio level for exposures by forming a flat-rate amount for specific loan loss provisions of EUR 35 million.

#### 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 (Bank) 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 19 million for LBBW (Bank) as at 31 December 2020 (2019: EUR 18 million).

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 an addition of EUR 6 million to the fund for general banking risks arising from this for the 2020 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 <sup>1</sup>
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 <sup>2</sup>	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

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

<sup>2</sup> 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 those 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.

Refinancing effects represent a price component for unsecured derivatives and are included in the fair value measurement as a funding valuation adjustment (FVA). At LBBW (Bank), refinancing effects are taken into account in the measurement when calculating the present value by way of premiums on the discount 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 measurement 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 (Bank) 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 6 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 rate 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**

With effect from 31 December 2020, LBBW (Bank) transferred most of its direct pension obligations to a non-insurance-based pension fund under German law, together with the corresponding funding. This transfer turns the commitments into indirect commitments, for which there is a disclosure option in accordance with Article 28 (1) sentence 2 of the Introductory Act to the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch - EGHGB*). LBBW (Bank) has exercised this option, which resulted in a reduction of pension provisions by EUR 2,218 million.

For meeting the obligations transferred to the pension funds, LBBW (Bank) continues to bear subsidiary liability in accordance with section 1 (1) sentence 3 of the German Company Pension Improvement Act (*Betriebsrentengesetz - BetrAVG*).

As at the reporting date, there is external financing of the pension fund in relation to the settlement amount pursuant to section 253 (1) sentence 2 (2) HGB of the relevant pension obligations. For the pension obligations transferred as at 31 December 2020, plan assets of EUR 2,218 million were set up as at the year-end. Pension obligations were offset against the plan assets measured at fair value.

The settlement amount for ongoing direct and indirect obligations are calculated on the basis of actuarial principles pursuant to section 253 HGB and the 2018 G mortality tables (Heubeck-Richttafeln-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 2.30%, compared with the average seven-year discount rate of 1.60%. Expected wage and salary increases are 1.45%, plus a career trend of 0.50% based on an age up to 50. The future annual rate of pension increase remains at 1.30% and an average company-specific fluctuation of 4.00% is assumed. Since then, the basis

for calculating the inflation parameter for the annual wage, salary and pension increases was the European Central Bank inflation target. In the 2020 reporting year, a switch was made to a market-based inflation parameter. The switch took place because LBBW (Bank) will be hedging inflation risks using inflation derivatives. Applying the newly calculated parameters as at the reporting date resulted in a reduced inflation assumption of 40 basis points in comparison to the previous year, and consequently a reduction in the pension obligations of approximately EUR 79 million.

In the context of the transfer to the pension fund, the measurement assumptions were subjected to an in-depth analysis in relation to the capital payment options. The assessment of individual pension schemes is based on the assumption of a single capital payment at the start of retirement. According to valid service agreements for a clearly defined group of beneficiaries, there is the alternative of having a life-long pension paid. Insufficient account was taken of this when determining the measurement parameters and thus the measurement. For the pension requirements more corrections were needed due to contrary effect resulting from had been an excessive measurement of the claim to a surviving dependents pension. The relevant adjustments resulted in a EUR 62 million increase of pension commitments in 2020, which was met in full via staff costs. In the income statement the effect from adjusting the claim to a life-long pension was more than offset by the impact of adjusting for the inflation levels trading on the market.

The difference in accordance with section 253 (6) sentence 1 HGB as a result of the switch from a pension provisions 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 14 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 pension provisions can be spread out over 15 years as a consequence of the first time adoption of BilMoG. LBBW (Bank) used this option. As at the reporting date, the outstanding addition was EUR 106 million.

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 applies 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 15 million. EUR 15 million in obligations from the LBBW VorsorgeFonds Plus were offset against the plan assets with a fair value of EUR 15 million. The obligations for the LBBW VorsorgeFonds Plus were offset against the plan assets measured at fair value.

Plan assets of EUR 34 million were set up as at year-end 2020 for the obligation for settlement arrears from partial retirement contracts. This corresponds to the fair value of the plan assets as at 31 December 2020. 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 2020, EUR 90 million in obligations from the LBBW FlexiWertkonto (working time account) were offset against the plan assets with a fair value of EUR 78 million. The acquisition costs amount to EUR 74 million. The obligations for the LBBW FlexiWertkonto were offset against the plan assets measured at fair value. Expenses of EUR 8 million (increase in obligations in 2020) were offset against income of EUR 6 million (increase in plan assets in 2020).

As at 31 December 2020, due to not recognizing indirect obligations within the meaning of Article 28 (1) sentence 2 EGHGB there is underfunding of EUR 204 million.

»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.

#### **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 2020 annual financial statements.

#### **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. In addition, negative interest income is reported as an of which item in the income statement item »Interest income« and positive interest expenses as an of which item in the income statement item »Interest expenses«.

#### **IBOR transition effects**

In the financial year, a key focus was clearing house activities. In July the clearing houses transitioned interest on cash collateral of collateralized derivatives secured in EURO and the measurement of these derivatives on the basis of EONIA (Euro OverNight Index Average) to €STR (Euro Short-Term Rate). Transitioning the discount curves resulted in a change to the fair values of these derivatives. In order to achieve this transition to €STR on a neutral basis, settlement payments between the parties were also made. This was repeated in October when the clearing houses transitioned interest on cash collateral of collateralized interest derivatives in USD and the measurement of these derivatives from EFFR (Effective Federal Funds Rate) to SOFR (Secured Overnight Financing Rate). In the same way, the first bilateral agreements were transitioned over the last few months of the financial year. In addition, to take account of changed market standards, the discounting curves were transitioned for a large number of internal transactions. All settlement payments in connection with the changeover of the discounting curves were recognized fully in profit and loss in the financial year.

**Currency translation**

Currency translations takes place in line with the principles of sections 256a and 340h HGB and the IDW statement IDW RS BFA 4. In order to determine the currency position, LBBW (Bank) offsets foreign currency assets and foreign currency liabilities arising from on-balance transactions by currency. In line with the risk management of LBBW (Bank), the application of the particular cover for foreign currency translations of the non-trading portfolio is derived from the Bank's internal FX policy. This states that the open net current positions resulting from non-trading portfolios are transferred to the trading books and the relevant expenses and income ultimately recognized in the trading result.

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 24.79%.

## 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	31/12/2020	31/12/2019
<i>Loans and advances to banks</i>	64,385	53,010
of which to affiliates	93	88
of which to companies in which equity interests are held	548	2,349
of which to affiliated savings banks (Sparkassen)	25,602	27,476
<i>Loans and advances to customers</i>	108,555	110,175
of which to affiliates	7,328	4,522
of which to companies in which equity interests are held	158	265

### 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	31/12/2020	31/12/2019
<i>Loans and advances to banks</i>	64,385	53,010
up to 3 months	28,975	23,651
more than 3 months to 1 year	9,530	6,362
more than 1 year to 5 years	10,497	12,913
more than 5 years	15,383	10,083
<i>Loans and advances to customers</i>	108,555	110,175
up to 3 months	15,731	19,043
more than 3 months to 1 year	14,738	15,571
more than 1 year to 5 years	41,031	41,468
more than 5 years	36,856	34,090
no specified maturity	199	4
<i>Debentures and other fixed-income securities</i>	31,832	25,935
of which due in the following year	4,609	2,831

### 5. Subordinated assets

Subordinated assets are included in the following asset items:

EUR million	31/12/2020	31/12/2019
<i>Loans and advances to banks</i>	182	176
<i>Loans and advances to customers</i>	93	135
<i>Debentures and other fixed-income securities</i>	122	138
<i>Trading assets</i>	279	20

### 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 1,496 million (2019: EUR 3,848 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	31/12/2020	31/12/2019
<b>Debentures and other fixed-income securities</b>		
Marketable	31,832	25,935
of which listed	29,491	23,829
No write-down due to temporary impairment		
Carrying amount	2,790	5,816
Fair value	2,829	5,863
<b>Equities and other non-fixed-income securities</b>		
Marketable	187	200
of which listed	29	28
<b>Equity Investments</b>		
Marketable	3	396
of which listed	0	390
<b>Shares in affiliates</b>		
Marketable	8	9

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 - 18 million (2019: EUR - 63 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.

Investment objective EUR million	Name	Fair value	Difference to carrying amount	Distribution for the financial year	Daily return possible	Unscheduled write-downs omitted
Equity fund	PASSIM Str.- Def.Eur.Equ.Inc.FdReg. Shs 5	106	0	0	Yes	No
Investment funds - closed-end fund investments	F&C European Cap.Partn.B LP <sup>1</sup>	8	- 21	0	No	No
Mixed fund	La Enhanced Euro Index Plus bearer units	52	0	0	Yes	No
Mixed fund	LBBW AM-Start registered units	65	4	0	Yes	No
Property fund	Germany Diversified Core+ bearer units	20	1	1	Yes	No
Bond fund	IPAM RentenWachstum bearer units	3	0	0	Yes	No
Bond fund	OP-Fonds SKP bearer units <sup>1</sup>	182	104	13	Yes	No
		436	88	14		

<sup>1</sup> 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	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Derivative financial instruments	11,485	11,105	5,178	6,877
Receivables/liabilities	14,773	6,938	4,714	3,618
Debentures and other fixed-income securities	5,822	8,213	6,527	6,637
Equities and other non-fixed-income securities	714	910	0	0
Other assets/other liabilities	5	6	389	112
	<b>32,800</b>	<b>27,172</b>	<b>16,808</b>	<b>17,243</b>

## 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 <sup>1,2,3,4</sup>		Negative fair value <sup>1,2,3,4</sup>	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Interest rate swaps	1,671,585	1,412,241	8,210	7,640	1,685	3,568
Forward rate agreements	1,328,594	478,400	0	0	0	0
Interest rate options	60,537	72,155	178	343	100	482
Purchases	24,966	29,873	169	299	35	33
Sales	35,571	42,282	9	45	65	448
Caps, floors, collars	33,080	33,017	8	49	10	24
Other interest rate contracts	2,464	2,232	- 8	6	485	294
Exchange-traded interest rate products	60,667	104,171	0	0	0	0
Interest rate risks - overall	3,156,926	2,102,216	8,387	8,039	2,280	4,368
Foreign exchange transactions	175,936	218,867	944	964	1,067	1,014
Interest-rate/currency swaps	31,186	33,533	131	267	139	162
Currency options	4,457	6,792	13	15	39	18
Purchases	2,273	3,363	13	15	0	0
Sales	2,184	3,429	0	0	39	18
Currency risks - total	211,579	259,192	1,089	1,246	1,245	1,194
Stock options	1,358	1,730	45	29	16	41
Purchases	683	867	45	29	0	0
Sales	675	863	0	0	16	41
Exchange-traded equity and index products	21,904	22,348	1,017	923	1,231	988
Commodities	2,157	2,048	116	22	95	59
of which exchange-traded	1,126	1,123	96	16	42	33
Forward share transactions	0	8	0	2	0	0
Other equity derivatives	1,064	1,106	120	109	287	113
Equity and other price risks - overall	26,483	27,241	1,298	1,084	1,629	1,201
Credit derivatives - protection seller	4,201	5,030	3	33	1	0
Credit derivatives - protection buyer	4,620	4,569	2	3	128	173
Credit derivatives	8,822	9,599	5	36	128	174
Risks - overall	3,403,810	2,398,248	10,779	10,407	5,282	6,936

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 <sup>1,2</sup>		Negative fair value <sup>1,2</sup>	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Interest rate swaps	614,296	485,322	174	644	445	979
Forward rate agreements	287,675	200	0	0	0	0
Interest rate options	1,214	1,426	7	29	0	0
Purchases	717	625	7	29	0	0
Sales	497	801	0	0	0	0
Other interest rate contracts	38	195	0	0	0	0
Exchange-traded interest rate products	97,868	113,151	0	0	0	0
Caps, floors, collars	0	0	0	0	0	0
Interest rate risks - overall	1,001,091	600,294	181	673	445	979
Foreign exchange transactions	0	0	0	0	0	0
Interest-rate/currency swaps	1,424	1,156	5	48	10	18
Currency risks - total	1,424	1,156	5	48	10	18
Stock options	272	288	11	3	7	9
Purchases	95	103	11	3	0	0
Sales	177	185	0	0	7	9
Other equity derivatives	0	0	0	0	0	0
Equity and other price risks - overall	272	288	11	3	7	9
Credit derivatives - protection seller	0	86	- 1	0	0	0
Credit derivatives - protection buyer	1,527	2,067	1	0	47	78
Credit derivatives	1,527	2,153	0	0	47	78
Risks - overall	1,004,314	603,891	197	724	509	1,084

1. Including interest deferral (wholly 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 (2019: 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
<b>Interest rate risks</b>					
31/12/2020	960,351	956,584	1,237,716	1,003,368	4,158,019
31/12/2019	312,278	720,868	850,483	818,881	2,702,510
<b>Currency risks</b>					
31/12/2020	124,708	44,410	33,668	10,216	213,002
31/12/2019	157,430	58,359	34,654	9,905	260,348
<b>Equity and other price risks</b>					
31/12/2020	3,250	10,616	12,708	180	26,754
31/12/2019	2,998	9,208	15,154	169	27,529
<b>Credit derivatives</b>					
31/12/2020	467	2,097	6,632	1,153	10,349
31/12/2019	457	1,730	8,361	1,205	11,753
<b>Risks - overall</b>					
31/12/2020	1,088,777	1,013,707	1,290,725	1,014,917	4,408,124
31/12/2019	473,163	790,166	908,652	830,159	3,002,140

## Derivative transactions - by counterparty

EUR million	Nominal values		Positive fair value <sup>1</sup>		Negative fair value <sup>1</sup>	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Banks in the OECD	2,848,675	1,818,601	3,681	4,581	3,494	5,558
Banks outside the OECD	16,446	21,009	278	62	128	292
Public-sector agencies in OECD countries	32,698	32,382	4,776	4,059	124	251
Other counterparties	1,510,306	1,130,148	2,242	2,429	2,045	1,920
<b>Counterparties - total</b>	<b>4,408,125</b>	<b>3,002,140</b>	<b>10,977</b>	<b>11,131</b>	<b>5,791</b>	<b>8,021</b>

<sup>1</sup> Including interest deferral (=dirty price).

## 11. Currency translation

Foreign currency assets worth EUR 54.5 billion (2019: EUR 32.4 billion) and foreign currency liabilities worth EUR 63.6 billion (2019: EUR 42.8 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

### Changes in equity investments, shares in affiliates and securities

EUR million	01/01/2020	Changes <sup>1</sup>	31/12/2020
Equity investments	592	- 398	194
Shares in affiliates	1,627	- 31	1,596
Securities allocated to fixed assets	16,752	10,866	27,618

<sup>1</sup> The aggregation option under section 34 (3) RechKredV was used.

### Historical cost

EUR million	01/01/2020	Additions	Disposals	Transfers	31/12/2020
Intangible assets	788	36	- 6	0	818
Land and buildings	1,005	4	- 7	0	1,002
of which: land and buildings used commercially	925	4	- 4	0	925
Other facilities, operating and office equipment	340	15	- 14	0	341

### Depreciation/amortization, write-downs and carrying amounts

EUR million	01/01/2020	Current depreciation/ amortization and write-downs	Disposals/ additions	31/12/2020	Carrying amount 31/12/2020	Carrying amount 31/12/2019
Intangible assets	- 620	- 57	5	- 672	147	169
Land and buildings	- 296	- 18	5	- 309	692	708
of which: land and buildings used commercially	- 235	- 17	3	- 249	675	690
Other facilities, operating and office equipment	- 256	- 9	13	- 252	89	84

The option described in section 248 (2) HGB is being exercised. Development costs in the 2020 financial year were accounted for fully by the internally generated intangible assets, which amounted to EUR 44 million (2019: EUR 49 million).

## 13. Fiduciary transactions

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

EUR million	31/12/2020	31/12/2019
<b>Trust assets</b>	<b>901</b>	<b>289</b>
Loans and advances to banks	749	224
Loans and advances to customers	150	64
Equities and other non-fixed-income securities	1	1
<b>Trust liabilities</b>	<b>901</b>	<b>289</b>
Deposits from banks	900	288
Deposits from customers	1	1

#### 14. Other assets

Items of particular significance included in the »Other assets« of LBBW (Bank) are margins and option premiums of EUR 1,547 million (2019: EUR 1,373 million), other assets in affiliates and companies in which an equity investment is held totaling EUR 175 million (2019: EUR 181 million) and tax refund claims of EUR 147 million (2019: EUR 135 million).

The tax refund claims in Germany primarily include income tax assets from past financial years of EUR 81 million (2019: EUR 68 million) and other tax receivables of EUR 41 million (2019: EUR 59 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 37 million (2019: EUR 36 million).

#### 15. Deferred items

Deferred items include the following amounts:

EUR million	31/12/2020	31/12/2019
<b>Prepaid expenses</b>	<b>4,017</b>	<b>2,665</b>
Discount from liabilities in line with section 250 (3) HGB	205	161
Premium from receivables in line with section 340e (2) sentence 3 HGB	742	686
<b>Deferred income</b>	<b>3,475</b>	<b>2,415</b>
Discount from receivables in line with section 340e (2) sentence 2 HGB	112	155
Premium from liabilities in line with section 340e (2) sentence 2 HGB	133	151

Deferred items also include one-off payments from interest rate and cross-currency interest rate swaps of EUR 1,961 million (2019: EUR 639 million) on the assets side and EUR 1,918 million (2019: EUR 634 million) on the liabilities side. In addition, there are EUR 598 million (2019: EUR 689 million) discontinued valuation units on the assets side and EUR 650 million (2019: EUR 719 million) on the liabilities side. Liabilities also contain premiums on liabilities of EUR 133 million (2019: EUR 150 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	31/12/2020	31/12/2019
<b>Deposits from banks</b>	<b>75,947</b>	<b>64,334</b>
of which from companies in which equity interests are held	381	359
of which from affiliated savings banks (Sparkassen)	2,274	4,253
<b>Deposits from customers</b>	<b>95,340</b>	<b>90,850</b>
of which from affiliates	724	661
of which from companies in which equity interests are held	265	234

### 17. Maturity structure of the liabilities

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

EUR million	31/12/2020	31/12/2019
<b>Deposits from banks with agreed duration or withdrawal notice</b>	<b>69,573</b>	<b>60,617</b>
up to 3 months	12,561	18,526
more than 3 months to 1 year	4,102	6,974
more than 1 year to 5 years	34,650	19,749
more than 5 years	18,260	15,368
<b>Savings deposits to customers with an agreed notice period of more than three months</b>	<b>76</b>	<b>56</b>
more than 3 months to 1 year	64	22
more than 1 year to 5 years	12	34
<b>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</b>	<b>26,004</b>	<b>33,848</b>
up to 3 months	13,510	13,205
more than 3 months to 1 year	4,968	8,867
more than 1 year to 5 years	3,042	6,814
more than 5 years	4,485	4,962
<b>Securitized liabilities</b>	<b>44,797</b>	<b>42,017</b>
<b>a) Issued debentures</b>	<b>38,517</b>	<b>37,049</b>
of which due in the following year	11,443	10,011
<b>b) Other securitized liabilities</b>	<b>6,281</b>	<b>4,968</b>
up to 3 months	5,856	4,968
more than 3 months to 1 year	424	0

### 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	31/12/2020	31/12/2019
Deposits from banks	41,324	34,819
Deposits from customers	955	1,916
Trading liabilities	590	1,895
Contingent liabilities	0	10
<b>Total amount of collateral transferred</b>	<b>42,869</b>	<b>38,640</b>

### 19. Other liabilities

The most important individual components of the «Other liabilities» item are margins and option premiums totaling EUR 1,269 million (2019: EUR 1,136 million), distributions from silent partners' contributions amounting to EUR 38 million (2019: EUR 44 million) and taxes to be transferred amounting to EUR 33 million (2019: EUR 44 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 2020:

EUR million	Carrying amount <sup>UT</sup>	Micro hedge					
		Negative change in value			Positive change in value		
		Change in value <sup>UT</sup>	Change in value <sup>UT</sup>	Loss peak	Change in value <sup>UT</sup>	Change in value <sup>UT</sup>	Profit peak
<b>Assets</b>							
General interest rate risk	22,641	152	- 152	0	479	- 478	1
Structured interest rate risk and other market price risk	479	98	- 98	0	0	0	0
<b>Liabilities</b>							
General interest rate risk	- 3,875	- 43	42	- 1	- 183	183	0
Structured interest rate risk and other market price risk	- 5,692	- 686	686	0	0	0	0
<b>Contracts in progress</b>							
Structured interest rate risk and other market price risk	- 22	- 94	94	0	0	0	0
<b>Total</b>				- 1			1

UT = hedged item; HT = hedge

There was thus a profit and loss peak of EUR 1 million/EUR -1 million as at 31 December 2020 (2019: EUR 1 million/EUR -1 million).

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 0 million was issued in the current year (2019: EUR 653 million).

Nominal amounts of EUR 88 million (2019: EUR 357 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 - 196 million (2019: EUR - 174 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 2020:

EUR million	
Equity as at 31 December 2019	14,494
- Repayment of silent partners' contributions	- 129
- Distribution to shareholders	0
+ Net profit for the year 2020	105
Equity as at 31 December 2020	14,470

Due to the corona pandemic, in 2020 the EBA (European Banking Authority) as the superordinate regulator and the ECB (European Central Bank) as the relevant supervisory authority recommended provisionally refraining from making distributions out of 2019 and 2020 net profit. In the middle of December 2020, ECB stated that in the period to 30 September 2021 a distribution of up to 15 % of the cumulated consolidated profits (according to the supervisory definition and after taxes/servicing of additional equity components) of the two financial years, but combined not higher than 20 basis points on the common equity Tier 1 capital ratio is deemed appropriate. For this reason LBBW (Bank) notified the ECB of a distribution intention for 2019 and the ECB did not raise any objections against a distribution within the framework it had defined. The resolution on the appropriation of profit is the responsibility of the annual general meeting. In February 2021 - in compliance with the guidelines issued by the ECB - it resolved to make a distribution from the net profit of 2019 to its owners of EUR 70 million. This did not impact the common equity Tier 1 (CET 1) as the amount earmarked for distribution purposes was not allocated to CET1.

The creditors' rights of 44 »Silent partners' contribution« 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 the distribution does not lead to a net loss for the year (38 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, 44 agreements include the right to a replenishment of capital from net profit or unappropriated capital pursuant to HGB. Provided the capital is replenished, 15 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	31/12/2020	31/12/2019
Contingent liabilities	10,338	9,860
Liabilities from guarantees and warranties	10,338	9,860

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 had 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 LBBW.«

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	31/12/2020	31/12/2019
Other obligations	34,745	31,752
Irrevocable loan commitments	34,745	31,752

The following matters within the item »Other obligations« are of material importance for total business activity: due to the conclusion of traded forward securities repurchase transactions, LBBW (Bank) has irrevocable loan commitments to a central counterparty of EUR 6,048 million. In addition, one special purpose entity that purchases and securitizes trading, lease and bank receivables was provided with liquidity amounting to EUR 2,532 million as at 31 December 2020. There is a commitment of EUR 600 million to a German company.

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

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 - 2 million (2019: EUR - 4 million) and discounting effects of EUR 2 million (2019: EUR 2 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	31/12/2020	31/12/2019
Federal Republic of Germany	12,882	13,435
Europe (EU states excluding Germany)	1	359
Asia	128	270
America	273	695
Other countries	175	0
<b>Total</b>	<b>13,459</b>	<b>14,758</b>

### 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 19 million (2019: EUR 53 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 21 million (2019: EUR 26 million). Income from refunds of expenses from third parties amounted to EUR 24 million (2019: EUR 26 million) and reversals of provisions came to EUR 64 million (2019: EUR 96 million).

»Other operating expenses« largely comprised allocations to provisions of EUR - 61 million (2019: EUR - 148 million), comprising mainly allocations to provisions for litigation and recourse risks. In addition, in the financial year, there were expenses from the sale of non-strategic equity investments of EUR 46 million. Expenses for non-banking business essentially consist of operating expenses amounting to EUR - 15 million (2019: EUR - 15 million) and expenses for land and buildings held as long-term investments of EUR - 8 million (2019: EUR - 12 million). Cafeteria expenses amount to EUR - 5 million (2019: EUR - 8 million).

### 30. Auditors' fee

The following information relates to Landesbank Baden-Württemberg and the companies it controls. Information on auditor's fees is provided in LBBW's 2020 annual report.

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 clarification of specialist accounting and regulatory matters.

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

Tax advisory services were utilized primarily in relation to assessments on the land transfer tax impact in respect to company structures and ongoing tax advice at a LBBW subsidiary.

Other services include quality assurance activities and training seminars.

### 31. Extraordinary result

The negative »Extraordinary result« of EUR - 47 million (2019: EUR - 57 million) comprises extraordinary income in the amount of EUR 52 million (2019: EUR 0 million) and extraordinary expenditure of EUR - 99 million (2019: EUR - 57 million).

Various restructuring activities were defined as part of the review of the strategic alignment of LBBW (Bank), chiefly due to the coronavirus pandemic. These affect the processes and products at LBBW (Bank). The introduction of new structural changes meant that previous measures no longer applied so that the related existing provisions of EUR 52 million were reversed and restructuring provisions of EUR - 73 million (2019: EUR - 30 million) were added.

Additions of EUR - 26 million (2019: EUR - 26 million) were also made to pension provisions from the BilMoG conversion.

### 32. Taxes on income

The periodic tax expense of EUR - 39 million (2019: EUR - 67 million) is essentially attributable to expenses from corporation tax and trade tax. The prior-period tax income of EUR 12 million for financial year 2020 (2019: EUR 57 million) is due in particular to effects in connection with a completed tax audit.

The total tax expense for taxes on income amounts to EUR - 26 million (2019: EUR - 10 million).

## Other information

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

There are other financial obligations of EUR 1,062 million (2019: EUR 745 million); of which EUR 805 million (2019: EUR 531 million) are obligations to make an additional contribution to central counterparties. Affiliates and associates account for EUR 19 million (2019: EUR 35 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 252 million (2019: EUR 233 million), with EUR 6 million (2019: EUR 6 million) relating to affiliates and associates.

### 34. Distribution block

Landesbank Baden-Württemberg reported a restriction on distribution of EUR 58 million (2019: EUR 296 million) on the balance sheet in the 2020 financial year, with the difference in accordance with section 253 (6) sentence 2 HGB accounting for EUR 14 million (2019: EUR 247 million) and internally generated intangible assets for EUR 44 million (2019: EUR 49 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 32,179 million (2019: EUR 28,738 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	31/12/2020	31/12/2019
Public covered bonds issued pursuant to PfandBG	8,922	7,928
Assets serving as cover	11,651	12,577
Loans and advances to banks	1,099	1,196
Loans and advances to customers	10,187	11,074
Debentures and other fixed-income securities	365	307
Equities and other non-fixed-income securities	0	0
Trading assets	0	0
Trust assets	0	0
Depth of coverage	2,729	4,649
Mortgage-backed covered bonds issued pursuant to PfandBG	10,553	10,738
Assets serving as cover	14,694	15,052
Loans and advances to banks	0	0
Loans and advances to customers	13,812	14,085
Debentures and other fixed-income securities	882	967
Trading assets	0	0
Depth of coverage	4,141	4,314

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

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

EUR million	31/12/2020	31/12/2019
Cover fund for public covered bonds		
Nominal value	11,651	12,577
Proportion of fixed-income cover funds in %	84	72
Present value	14,022	14,790
Present value of risk <sup>1</sup>	12,164	13,068
Circulation of public covered bonds		
Nominal value	8,922	7,928
Proportion of fixed-income covered bonds in %	80	95
Present value	9,947	8,880
Present value of risk <sup>1</sup>	8,917	8,023
Depth of coverage		
Nominal value	2,729	4,649
Present value	4,075	5,910
Net present value in CHF	0	33
Net present value in USD	- 2	- 654
Present value of risk <sup>1</sup>	3,247	5,045
Depth of coverage/proportion of circulation - nominal value <sup>2</sup>	2,729	4,649
as a % of outstanding volume of public covered bonds	31	59
Depth of coverage/proportion of circulation - present value <sup>2</sup>	4,075	5,910
as a % of outstanding volume of public covered bonds	41	67

<sup>1</sup> Calculated using the static approach in accordance with section 5 (1) no. 1 and section 6 (2) PfandBarwertV.

<sup>2</sup> 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
<b>Cover fund<sup>1</sup></b>										
31/12/2020	621	420	641	656	845	923	792	4,179	2,575	11,651
31/12/2019	642	613	527	486	1,581	844	926	4,514	2,444	12,577
<b>Outstanding public covered bonds<sup>2</sup></b>										
31/12/2020	246	830	308	1,236	936	143	1,182	3,218	824	8,922
31/12/2019	861	225	246	630	1,493	337	143	3,203	791	7,928

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

<sup>2</sup> The terms of the covered bonds are specified.

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

EUR million	31/12/2020	31/12/2019
Up to EUR 10 million	2,982	2,880
More than EUR 10 million to EUR 100 million	3,217	3,048
Over EUR 100 million	5,452	6,649
<b>Total</b>	<b>11,651</b>	<b>12,577</b>

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

31/12/2020	Central state		Regional government		Local government		Other debtors <sup>1</sup>		Total	of which export credit re- ceivables
EUR million	Owed	Gua- ranteed	Owed	Gua- ranteed	Owed	Gua- ranteed	Owed	Gua- ranteed		
Belgium	0	28	0	0	0	0	0	0	28	28
Denmark	0	76	0	0	0	0	0	0	76	76
Germany	0	873	2,194	166	2,811	1,197	3,769	0	11,010	873
EU institutions	0	50	0	0	0	0	0	0	50	0
Great Britain	0	0	0	0	0	0	0	0	0	0
Italy	0	0	0	0	22	0	0	0	22	0
Netherlands	0	11	0	0	0	0	0	0	11	11
Austria	33	27	31	0	0	0	0	0	91	27
Poland	158	0	0	0	0	0	0	0	158	0
Sweden	0	89	0	0	0	0	0	0	89	89
Switzerland	0	27	0	0	0	0	0	0	27	27
Slovenia	20	0	0	0	0	0	0	0	20	0
Spain	0	0	50	0	0	0	0	0	50	0
USA	0	7	13	0	0	0	0	0	20	7
<b>Total</b>	<b>211</b>	<b>1,188</b>	<b>2,288</b>	<b>166</b>	<b>2,833</b>	<b>1,197</b>	<b>3,769</b>	<b>0</b>	<b>11,651</b>	<b>1,138</b>

<sup>1</sup> This item includes the development banks in the amount of EUR 728 million.

31/12/2019	Central state		Regional government		Local government		Other debtors <sup>1</sup>		Total	of which export credit re- ceivables
EUR million	Owed	Gua- ranteed	Owed	Gua- ranteed	Owed	Gua- ranteed	EUR million	Owed		
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
Netherlands	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
Slovenia	0	0	0	0	0	0	0	0	0	0
Spain	0	0	50	0	0	0	0	0	50	0
USA	0	26	18	0	0	0	0	0	44	26
<b>Total</b>	<b>160</b>	<b>2,609</b>	<b>2,166</b>	<b>149</b>	<b>2,812</b>	<b>1,193</b>	<b>3,432</b>	<b>56</b>	<b>12,577</b>	<b>2,609</b>

<sup>1</sup> This item includes savings banks and Landesbanken with guarantor's liability of EUR 94 million and the development banks in the amount of EUR 814 million.

#### Further information:

There were no payments outstanding by at least 90 days as at either 31 December 2020 or 31 December 2019.

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

EUR million	31/12/2020	31/12/2019
<b>Cover fund for mortgage-backed covered bonds</b>		
Nominal value	14,695	15,052
Proportion of fixed-income cover funds in %	78	79
Present value	16,127	16,372
Present value of risk <sup>1</sup>	14,315	14,524
<b>Circulation of mortgage-backed covered bonds</b>		
Nominal value	10,553	10,737
Proportion of fixed-income covered bonds in %	82	90
Present value	10,850	10,979
Present value of risk <sup>1</sup>	9,991	10,045
<b>Depth of coverage</b>		
Nominal value	4,142	4,314
Present value	5,278	5,393
Net present value in CAD	70	0
Net present value in CHF	28	29
Net present value in GBP	0	568
Net present value in JPY	1	1
Net present value in USD	541	567
Present value of risk <sup>1</sup>	4,324	4,479
Depth of coverage/proportion of circulation - nominal value <sup>2</sup>	4,142	4,314
as a % of outstanding volume of mortgage-backed covered bonds	39	40
Depth of coverage/proportion of circulation - present value <sup>2</sup>	5,278	5,393
as a % of outstanding volume of mortgage-backed covered bonds	49	49
<b>Public sector bonds according to section 19 (1) no. 3 PfandBG</b>	882	968
Belgium	50	0
Bulgaria	130	130
Germany	551	693
Italy	10	10
Poland	105	78
Slovenia	10	30
Spain	27	27

<sup>1</sup> Calculated using the static approach in accordance with section 5 (1) no. 1 and section 6 (2) PfandBarwertV.  
<sup>2</sup> Use of vda 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
<b>Cover fund<sup>1</sup></b>										
31/12/2020	1,525	1,121	924	821	1,389	1,401	2,132	4,294	1,088	14,695
31/12/2019	1,024	1,262	1,100	797	1,859	1,137	1,443	5,449	981	15,052
<b>Outstanding mortgage-backed covered bonds<sup>1</sup></b>										
31/12/2020	1,128	1,100	1,213	732	1,192	1,230	2,086	1,864	8	10,553
31/12/2019	817	918	1,175	1,100	2,001	692	1,030	2,981	23	10,737

<sup>1</sup> The fixed-interest periods are specified for fixed rate loans and the margin commitment period for variable rate loans.  
<sup>2</sup> The terms of the covered bonds are specified.

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

EUR million	31/12/2020	31/12/2019
Up to EUR 300,000	2,520	2,882
More than EUR 300,000 to EUR 1 million	770	738
More than EUR 1 million to EUR 10 million	2,456	2,550
Over EUR 10 million	8,066	7,915
<b>Total</b>	<b>13,812</b>	<b>14,085</b>

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

31/12/2020

EUR million	Germany	Nether-lands	France	Belgium	USA	Canada	Great Britain	Total
Apartments	877	0	0	0	0	0	0	877
Single- and two-family houses	1,553	0	0	0	0	0	0	1,553
Apartment blocks (including two-family houses)	2,966	0	0	0	182	0	0	3,148
Office buildings	2,131	225	124	25	521	72	1,005	4,103
Trade buildings	1,439	0	0	0	75	0	12	1,526
Industrial buildings	845	0	0	0	0	0	19	864
Other commercially used buildings	1,052	76	0	0	336	0	263	1,727
Incomplete and not profitable new buildings	1	0	0	0	0	0	0	1
Building plots	14	0	0	0	0	0	0	14
<b>Total</b>	<b>10,878</b>	<b>301</b>	<b>124</b>	<b>25</b>	<b>1,114</b>	<b>72</b>	<b>1,299</b>	<b>13,812</b>

31/12/2019

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

Further information:

The average weighted term of the ordinary cover was 5.5 years (2019: 5.7 years), while the weighted loan-to-value ratio was 55 % (2019: 55 %).

There were no payments outstanding by at least 90 days as at either 31 December 2020 or 31 December 2019.

There were no foreclosures or compulsory administration procedures pending as at either 31 December 2020 or 31 December 2019. No foreclosures were carried out in the 2020 and 2019 financial year, nor was any land acquired to avoid losses.

There was no outstanding interest in either the 2020 or 2019 financial year.

### 38. Total remuneration of the corporate bodies

In 2020, total remuneration for the Board of Managing Directors came to EUR 7 million (2019: EUR 7 million). Former members of the Board of Managing Directors and their surviving dependents received EUR 13 million in 2020 (2019: EUR 13 million). The Supervisory Board received fixed remuneration (including fees per meeting) of EUR 1 million in 2020 (2019: EUR 1 million).

After the transfer to the pension funds as at 31 December 2020, there were provisions for pensions for former members of the Board of Managing Directors and their surviving dependents of EUR 21 million (2019: EUR 142 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 2020, 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 4 million (2019: EUR 3 million), of which EUR 3 million (2019: EUR 2 million) related to the Board of Managing Directors.

No advances were made to members of the Board of Managing Directors in 2020, as was also the case in 2019. No advances were made either to members of the Supervisory Board as at the balance sheet date.

### 40. Employees (annual averages)

	2020			2019		
	Male	Female	Total	Male	Female	Total
German headquarters/regional offices	3,784	4,116	7,900	3,770	4,167	7,937
Company officers	224	37	261	232	37	269
Other staff	3,561	4,079	7,640	3,539	4,130	7,669
Foreign branches	117	90	207	109	85	194
Company officers	6	0	6	5	0	5
Other staff	111	90	201	104	85	189
Representative offices	22	17	38	22	18	40
Company officers	2	0	2	2	0	2
Other staff	20	17	36	20	18	38
<b>LBBW (Bank) total</b>	<b>3,923</b>	<b>4,222</b>	<b>8,145</b>	<b>3,901</b>	<b>4,270</b>	<b>8,171</b>
For information purposes:						
Trainees <sup>1</sup>	181	115	296	175	95	270

<sup>1</sup> Including students at universities of cooperative education.

#### 41. List of shareholdings

In the annual financial statements as at 31 December 2020 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.
<b>I. Companies included in the consolidated financial statements</b>							
<b>1. Subsidiaries</b>							
<b>a. Fully-consolidated subsidiaries (authority over the voting rights)</b>							
1	ALVG Anlagenvermietung GmbH <sup>1, 2, 36</sup>	Stuttgart	100.00		EUR	19.000.00	0.00
2	Austria Beteiligungsgesellschaft mbH <sup>28</sup>	Stuttgart	66.67		EUR	36.308.16	171.47
3	Berlin Lützowstraße GmbH & Co. KG <sup>1, 28</sup>	Stuttgart	60.00		EUR	- 2.955.43	- 2.777.52
4	Centro Alemán de Industria y Comercio de México S. de R.L. de C.V. <sup>1, 28</sup>	Mexico City, Mexico	100.00		MXN	- 8.644.54	2.122.31
5	Dritte Industriehof Objekt-GmbH <sup>1, 2, 36</sup>	Stuttgart	100.00		EUR	701.91	0.00
6	Eberhardstraße Stuttgart GmbH & Co. KG <sup>1, 28</sup>	Stuttgart	100.00		EUR	- 3.603.78	240.27
7	Employrion Komplementär GmbH <sup>1, 2, 36</sup>	Weil	100.00		EUR	33.40	0.92
8	Entwicklungsgesellschaft Grunewaldstraße 61 - 62 mbH & Co. KG <sup>1, 28</sup>	Stuttgart	100.00		EUR	- 3.405.34	- 7.08
9	Entwicklungsgesellschaft Uhlandstraße 187 GmbH & Co. KG <sup>1, 28</sup>	Stuttgart	100.00		EUR	- 2.210.79	- 7.02
10	Erste IMBW Capital & Consulting Komplementär GmbH <sup>1, 2, 36</sup>	Weil	100.00		EUR	26.80	1.29
11	Erste Industriehof Objekt-GmbH <sup>1, 2, 36</sup>	Stuttgart	100.00		EUR	474.96	0.00
12	EuroCityCenterWest GmbH & Co. KG <sup>1, 28</sup>	Stuttgart	100.00		EUR	3.989.74	9.055.60
13	EuroCityCenterWest Verwaltungs-GmbH <sup>1, 28</sup>	Stuttgart	100.00		EUR	35.01	- 0.10
14	FLANTIR PROPERTIES LIMITED <sup>1, 28</sup>	Nicosia, Cyprus	100.00		RUB	- 8.843.92	1.698.87
15	FOM/LEG Generalübernehmer GmbH & Co. KG <sup>1, 28</sup>	Stuttgart	100.00		EUR	- 7.188.70	1.284.85
16	Fünfte Industriehof Objekt-GmbH <sup>1, 2, 36</sup>	Stuttgart	100.00		EUR	575.02	0.00
17	German Centre for Industry and Trade GmbH, Beteiligungsgesellschaft <sup>1, 28</sup>	Stuttgart	100.00		EUR	7.720.60	0.00
18	German Centre for Industry and Trade Pte. Ltd. <sup>1, 28</sup>	Singapore, Singapore	100.00		SGD	20.474.91	2.164.18
19	IMBW Capital & Consulting GmbH <sup>1, 2, 36</sup>	Stuttgart	100.00		EUR	250.00	0.00
20	Immobilienvermittlung BW GmbH <sup>28</sup>	Stuttgart	100.00		EUR	3.501.74	795.41
21	Industriehof-Aktiengesellschaft <sup>1, 2, 36</sup>	Stuttgart	93.63		EUR	23.281.64	0.00
22	Kiesel Finance Management GmbH <sup>1, 28</sup>	Baiertfurt	90.00		EUR	44.24	2.10
23	Kommunalbau Rheinland-Pfalz GmbH <sup>1, 28</sup>	Stuttgart	100.00		EUR	1.994.98	- 48.36
24	Landesbank Baden-Württemberg Capital Markets Plc <sup>28</sup>	London, Great Britain	100.00		EUR	896.00	- 31.00
25	LBBW Asset Management Investmentgesellschaft mbH <sup>1, 2, 36</sup>	Stuttgart	100.00		EUR	38.380.00	18.578.87
26	LBBW Corporate Real Estate Management GmbH <sup>28</sup>	Stuttgart	100.00		EUR	2.612.43	- 205.28

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
27	LBBW Immobilien Asset Management GmbH <sup>1,4,20</sup>	Stuttgart	100.00		EUR	1,305.03	0.00
28	LBBW Immobilien Capital Fischertor GmbH & Co. KG <sup>1,70</sup>	Munich	93.98	94.00	EUR	- 5,209.39	37.74
29	LBBW Immobilien Capital GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	- 2,199.49	13.07
30	LBBW Immobilien Development GmbH <sup>1,4,6,7,20</sup>	Stuttgart	94.90		EUR	15,394.95	0.00
31	LBBW Immobilien Development Komplementär GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	- 731.65	- 123.06
32	LBBW Immobilien Investment Management GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	- 13.87	- 46.95
33	LBBW Immobilien Kommunalentwicklung GmbH <sup>1,4,6,7,20</sup>	Stuttgart	81.62		EUR	2,016.51	0.00
34	LBBW Immobilien Management Gewerbe GmbH <sup>1,4,20</sup>	Stuttgart	94.90		EUR	3,303.97	0.00
35	LBBW Immobilien Management GmbH <sup>1,4,20</sup>	Stuttgart	100.00		EUR	375,690.52	0.00
36	LBBW Immobilien Romania S.R.L. <sup>1,20</sup>	Bucharest, Romania	100.00		RON	- 34,494.94	- 848.01
37	LBBW Immobilien Süd GmbH & Co. KG <sup>1,4,20</sup>	Munich	100.00		EUR	- 33,946.85	2,490.76
38	LBBW Immobilien-Holding GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	402,050.54	0.00
39	LBBW Leasing GmbH i.L. <sup>20</sup>	Mannheim	100.00		EUR	25,004.42	- 19.96
40	LBBW México <sup>1,20</sup>	Mexico City, Mexico	100.00		MXN	3,433.75	1,181.38
41	LBBW Service GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	224.67	0.00
42	LBBW US Real Estate Investment LLC <sup>20</sup>	Wilmington, USA	100.00		USD	54,363.91	2,180.15
43	LBBW Venture Capital Gesellschaft mit beschränkter Haftung <sup>20</sup>	Stuttgart	100.00		EUR	33,945.34	1,001.02
44	LEG Projektgesellschaft 2 GmbH & Co. KG <sup>1,20</sup>	Stuttgart	100.00		EUR	4,726.47	- 2,227.16
45	LEG Verwaltungsgesellschaft 2 mbH <sup>1,20</sup>	Stuttgart	100.00		EUR	27.21	- 1.40
46	LIAM Horizont Stuttgart GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	31.44	0.21
47	LOOP GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	192.74	- 7.68
48	Löwentor Stuttgart Komplementär GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	28.18	1.20
49	Löwentor Stuttgart Projekt GmbH & Co. KG <sup>1,20</sup>	Stuttgart	70.00		EUR	8,676.60	4,963.93
50	LRP Capital GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	3,408.63	- 51.67
51	Lyoner Quartier GmbH & Co. KG <sup>1,20</sup>	Frankfurt am Main	100.00		EUR	- 6,806.81	- 2,321.17
52	Mainz Marina A + B GmbH & Co. KG <sup>1</sup>	Stuttgart	100.00			Not specified	Not specified
53	MMV Bank GmbH <sup>7,20</sup>	Koblenz	100.00		EUR	51,248.38	10,467.18
54	MMV Leasing Gesellschaft mit beschränkter Haftung <sup>1,4,7,20</sup>	Koblenz	100.00		EUR	21,000.00	0.00
55	MMV Versicherungsdienst GmbH <sup>1,4,6,20</sup>	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.
56	MMV-Mobilien Verwaltungs- und Vermietungsgesellschaft mbH <sup>1,6,7,26</sup>	Koblenz	100.00		EUR	26.00	0.00
57	Nymphenburger Straße München GmbH & Co. KG <sup>1,26</sup>	Stuttgart	100.00		EUR	202.94	163.05
58	Nymphenburger Straße München Komplementär GmbH <sup>1,26</sup>	Stuttgart	100.00		EUR	20.33	- 0.63
59	Pasing Projekt GmbH & Co. KG <sup>1,26</sup>	Stuttgart	100.00		EUR	- 5.393.21	10.291.69
60	Projekt 20 Verwaltungs GmbH <sup>1,26</sup>	Munich	100.00		EUR	43.01	1.35
61	Projektgesellschaft SMK 69 mbH <sup>1,26</sup>	Eschborn	60.00		EUR	- 63.30	163.45
62	Revaler Straße Grundbesitz GmbH <sup>1</sup>	Stuttgart	100.00			Not specified	Not specified
63	Schlossgartenbau Objekt-GmbH <sup>1,6,26</sup>	Stuttgart	100.00		EUR	18.560.61	0.00
64	Schlossgartenbau-Aktiengesellschaft <sup>1,6,26</sup>	Stuttgart	92.68		EUR	6.592.42	0.00
65	SG Management GmbH <sup>1,26</sup>	Stuttgart	100.00		EUR	13.735.43	427.30
66	Signaris GmbH <sup>1,26</sup>	Stuttgart	94.90		EUR	7.152.81	- 2.818.66
67	SLN Maschinen-Leasing Verwaltungs-GmbH <sup>1,26</sup>	Stuttgart	100.00		EUR	1.844.09	710.42
68	SLP-Mobilien-Leasing Verwaltungs GmbH <sup>1,26</sup>	Mannheim	100.00		EUR	368.43	82.76
69	Süd Beteiligungen GmbH <sup>26</sup>	Stuttgart	100.00		EUR	153.283.63	13,438.63
70	Süd KB Sachsen GmbH <sup>1,26</sup>	Leipzig	100.00		EUR	11.044.19	687.27
71	Süd KB Unternehmensbeteiligungs-gesellschaft mbH <sup>1,26</sup>	Stuttgart	100.00		EUR	46.915.71	- 1.096.63
72	SüdFactoring GmbH <sup>1,6,7,26</sup>	Stuttgart	100.00		EUR	70.000.00	0.00
73	Süd-Kapitalbeteiligungs-Gesellschaft mbH <sup>1,6,26</sup>	Stuttgart	100.00		EUR	61.181.87	0.00
74	SüdLeasing Agrar GmbH <sup>1,7,26</sup>	Mannheim	100.00		EUR	2.678.78	877.29
75	SüdLeasing GmbH <sup>1,7,26</sup>	Stuttgart	100.00		EUR	33.999.56	0.00
76	targens GmbH <sup>26</sup>	Stuttgart	100.00		EUR	5.357.92	2.031.98
77	Turtile Portfolio GmbH & Co. KG <sup>1,26</sup>	Frankfurt am Main	100.00		EUR	- 24.029.57	- 567.24
78	Turtile Vermögensverwaltungs-GmbH & Co. KG <sup>1,26</sup>	Frankfurt am Main	100.00		EUR	- 20.704.86	1.317.10
79	Turtile 1. Verwaltungs-GmbH <sup>1,26</sup>	Frankfurt am Main	100.00		EUR	1.78	3.80
80	Ungererstraße München GmbH & Co. KG <sup>1</sup>	Stuttgart	100.00			Not specified	Not specified
81	Vierte Industriehof Objekt-GmbH <sup>1,6,26</sup>	Stuttgart	100.00		EUR	1.176.78	0.00
82	vob Esslingen Grundbesitz GmbH <sup>1,26</sup>	Stuttgart	100.00		EUR	1.276.95	737.14
83	Zweite IMBW Capital & Consulting Komplementär GmbH <sup>1,26</sup>	Stuttgart	100.00		EUR	23.22	1.19
84	Zweite Industriehof Objekt-GmbH <sup>1,6,26</sup>	Stuttgart	100.00		EUR	19.825.72	0.00
85	Zweite LBBW US Real Estate GmbH <sup>26</sup>	Leipzig	100.00		EUR	51.887.47	1,536.04



No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
<b>b) Consolidated subsidiaries (control through contractual agreements)</b>							
86	Employrion Immobilien GmbH & Co. KG <sup>1,28</sup>	Weil	35.00	50.00	EUR	8.00	0.00
87	Erste IMBW Capital & Consulting Objektgesellschaft mbH & Co. KG <sup>1,29</sup>	Weil	40.00	50.00	EUR	- 34.14	0.00
88	Grundstücksgesellschaft Einkaufszentrum Kröpeliner-Tor-Center Rostock mbH & Co. KG <sup>1,28</sup>	Berlin	39.94	50.00	EUR	- 8,755.33	- 230.41
89	Weinberg Capital Designated Activity Company <sup>1,29</sup>	Dublin, Ireland			EUR	70.00	0.00
90	Weinberg Funding Ltd. <sup>1,29</sup>	St. Helier, Jersey, United Kingdom			EUR	3.60	0.00
<b>2. Joint ventures accounted for using the equity method</b>							
91	ARGE ParkQuartier Berg <sup>1,28</sup>	Stuttgart	50.00		EUR	403.63	- 10.26
92	Bad Kreuznacher Entwicklungsgesellschaft mbH (BKEG) <sup>1,28</sup>	Bad Kreuznach	50.00		EUR	3,372.75	235.18
93	GIZS GmbH & Co. KG <sup>29</sup>	Frankfurt am Main	33.33		EUR	19,041.82	- 3,178.01
94	OVG MK6 Komplementär GmbH <sup>1,28</sup>	Berlin	50.00		EUR	28.43	1.47
95	Parcul Banatului SRL <sup>1,28</sup>	Bucharest, Romania	50.00		RON	198.28	- 87.45
<b>3. Associates accounted for using the equity method</b>							
96	Altstadt-Palais Immobilien GmbH & Co. KG <sup>1,28</sup>	Weil	40.00	50.00	EUR	- 57.18	- 4.68
97	BWK GmbH Unternehmensbeteiligungsgesellschaft <sup>28</sup>	Stuttgart	40.00		EUR	246,025.88	19,598.71
98	BWK Holding GmbH Unternehmensbeteiligungsgesellschaft <sup>28</sup>	Stuttgart	40.00		EUR	11,416.48	852.61
99	EGH Entwicklungsgesellschaft Heidelberg GmbH & Co. KG <sup>1,28</sup>	Heidelberg	33.33		EUR	6,915.62	58.18
100	Hypo Vorarlberg Bank AG <sup>1,2,28</sup>	Bregenz, Austria	23.13		EUR	1,119,518.86	56,111.45

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)							
101	Baden-Württembergische Equity Gesellschaft mit beschränkter Haftung <sup>20</sup>	Stuttgart	100.00		EUR	1,717.79	461.86
102	Berlin Lützowstraße Komplementär GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	31.74	1.76
103	DEBTVISION GmbH <sup>1,20</sup>	Stuttgart	80.00		EUR	3,985.66	- 1,675.77
104	German Centre for Industry and Trade Beijing Co., Ltd. <sup>20</sup>	Beijing, China	100.00		CNY	6,083.72	1,137.17
105	Heurika Mobilien-Leasing GmbH <sup>1,4,20</sup>	Mannheim	100.00		EUR	244.38	- 9.72
106	Karin Mobilien-Leasing GmbH i.L. <sup>1,20</sup>	Mannheim	100.00		EUR	884.31	0.00
107	KB Projekt GmbH <sup>1,20</sup>	Frankfurt am Main	100.00		EUR	51.03	4.63
108	Kröpelinertor-Center Rostock Verwaltungsgesellschaft mbH <sup>1,4,20</sup>	Berlin	100.00		EUR	30.25	1.78
109	Laurus Grundstücksverwaltungs-gesellschaft mbH i.L. <sup>20</sup>	Stuttgart	100.00		EUR	1,268.84	- 3.96
110	LBBW Gastro Event GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	130.00	0.00
111	LBBW Immobilien Verwaltung GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	71.47	4.92
112	LBBW Pensionsmanagement GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	25.00	0.00
113	LBBW REPRESENTAÇÃO LTDA. <sup>1,20</sup>	São Paulo, Brazil	100.00		BRL	132.05	21.22
114	LBBW (Schweiz) AG <sup>20</sup>	Zürich, Switzerland	100.00		CHF	8,391.55	- 453.13
115	LEG Osiris 4 GmbH <sup>1,20</sup>	Stuttgart	100.00		EUR	27.09	- 0.99
116	LGZ-Anlagen-Gesellschaft mit beschränkter Haftung i.L. <sup>20</sup>	Mainz	100.00		EUR	2,858.60	814.25
117	LIVIDA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Landesfunkhaus Erfurt KG i.L. <sup>20</sup>	Erfurt	99.77	24.00	EUR	- 3,409.86	2,738.42
118	LIVIDA MOLARIS Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Polizei Nordhausen KG <sup>20</sup>	Düsseldorf	100.00	15.00	EUR	- 3,420.70	709.26
119	LLC German Centre for Industry and Trade <sup>20</sup>	Moscow, Russia	100.00		RUB	1,851.77	- 56.54
120	MLP Verwaltungs GmbH i.L. <sup>1,20</sup>	Mannheim	100.00		EUR	106.31	0.00
121	MMV-Mittelrheinische Leasing Gesellschaft mit beschränkter Haftung <sup>1,4,20</sup>	Koblenz	100.00		EUR	26.43	0.00
122	Pollux Vierte Beteiligungsgesellschaft mbH <sup>20</sup>	Stuttgart	100.00		EUR	2,272.29	- 150.14
123	SL Bayern Verwaltungs GmbH i.L. <sup>1,20</sup>	Mannheim	100.00		EUR	65.00	0.00
124	SL Bremen Verwaltungs GmbH <sup>1,20</sup>	Mannheim	100.00		EUR	919.70	261.90
125	SL BW Verwaltungs GmbH i.L. <sup>1,20</sup>	Mannheim	100.00		EUR	39.64	0.00
126	SL Düsseldorf Verwaltungs GmbH <sup>1,20</sup>	Mannheim	100.00		EUR	601.38	- 3.21
127	SL Mobilien-Leasing GmbH & Co. Hafis KG <sup>1,4,20</sup>	Mannheim	0.00	51.00	EUR	1,986.07	- 6.30

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
128	SL Operating Services GmbH i.L. <sup>1,25</sup>	Mannheim	100.00		EUR	80.41	0.00
129	SL RheinMainSaar Verwaltungs GmbH <sup>1,25</sup>	Mannheim	100.00		EUR	57.53	- 0.66
130	SL Schleswig-Holstein Verwaltungs GmbH i.L. <sup>1,25</sup>	Mannheim	100.00		EUR	91.56	0.00
131	SL Ventus GmbH & Co. KG i.L. <sup>1,25</sup>	Mannheim	100.00		EUR	470.15	- 4.85
132	Städtische Pfandleihe Stuttgart GmbH <sup>25</sup>	Stuttgart	100.00		EUR	4,042.78	463.98
133	Süd Mobilen-Leasing GmbH i.L. <sup>1,25</sup>	Stuttgart	100.00		EUR	28.28	0.00
134	Süd Verwaltung Schweiz GmbH <sup>25</sup>	Zürich, Switzerland	100.00		CHF	96.49	21.37
135	SüdLeasing Finance GmbH <sup>1,25</sup>	Stuttgart	100.00		EUR	25.00	- 0.70
136	SüdLeasing Finance-Holding GmbH i.L. <sup>1,25</sup>	Stuttgart	100.00		EUR	174.58	0.00
137	Yankee Properties II LLC <sup>8</sup>	Wilmington, USA	0.00	100.00		Not specified	Not specified
138	Yankee Properties LLC <sup>16</sup>	New York, USA	100.00		USD	528.85	- 21.47
139	Zenon Mobilen-Leasing GmbH i.L. <sup>1,25</sup>	Mannheim	100.00		EUR	36.61	0.00
140	Zorilla Mobilen-Leasing GmbH i.L. <sup>1,25</sup>	Mannheim	100.00		EUR	33.79	0.00
141	Zweite Karl-Schmagl-Ring Immobilien Verwaltung GmbH <sup>1,25</sup>	Munich	100.00		EUR	43.86	1.50
<b>b. Subsidiaries not included (authority over contractual agreements)</b>							
142	Humboldt Multi Invest-B SICAV-FIS Sachsen LB Depot A i.L. <sup>16</sup>	Luxembourg, Luxembourg	100.00		EUR	5,897.89	- 248.71
143	LBBW AM-Start <sup>2,21</sup>	Stuttgart			EUR	60,256.20	3,256.15
144	LBBW High Yield 2027 <sup>8</sup>	Stuttgart				Not specified	Not specified
145	LBBW Income Strategie <sup>8,27</sup>	Stuttgart			EUR	11,974.49	275.15
146	LBBW Multi Asset Defensiv Nachhaltigkeit <sup>8,25</sup>	Stuttgart			EUR	9,954.99	- 45.01
147	Pfalz Invest Nachhaltigkeit <sup>8</sup>	Stuttgart				Not specified	Not specified
148	Weinberg Capital LLC <sup>1</sup>	Wilmington, Delaware, USA				Not specified	Not specified
<b>2. Joint ventures not accounted for using the equity method</b>							
149	EPSa Holding GmbH <sup>1,25</sup>	Saalfeld	45.00		EUR	3,700.66	272.99
150	German Centre for Industry and Trade India Holding-GmbH <sup>1,25</sup>	Munich	50.00		EUR	42.98	- 17.99
151	GIZS Verwaltungs-GmbH <sup>25</sup>	Frankfurt am Main	33.33		EUR	33.98	8.42
152	Projektgesellschaft Hangweide GbR <sup>1,8</sup>	Stuttgart	0.00	33.33		Not specified	Not specified
153	SHS Gesellschaft für Beteiligungen mbH & Co. Mittelstand KG <sup>1,25</sup>	Tübingen	75.02		EUR	3,869.01	- 3.62

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
<b>3. Associates not accounted for using the equity method</b>							
154	AGVS Holding GmbH <sup>1,20</sup>	Villingen-Schwenningen	45.00		EUR	20,937.71	2,109.92
155	Deharde GmbH <sup>1,20</sup>	Varel	39.47		EUR	2,292.09	- 2,862.92
156	EURAMCO Immobilien GmbH <sup>1,21</sup>	Aschheim-Dornach	49.00		EUR	13.77	- 6.86
157	FABMATICS Holding GmbH <sup>1,20</sup>	Dresden	50.00		EUR	7,116.90	1,193.03
158	Grundstücks-, Vermögens- und Verwaltungs-GbR Wolfstor 2, Esslingen i. L. <sup>1,20</sup>	Stuttgart	30.99		EUR	587.43	- 0.71
159	Grundstücks-, Vermögens- und Verwaltungs-GbR Stuttgart/Leinfelden-Echterdingen <sup>1,4</sup>	Stuttgart	29.09		EUR	779.06	- 27.71
160	Grundstücks-, Vermögens- und Verwaltungs-GbR Stuttgart/Fellbach i. L. <sup>1,20</sup>	Stuttgart	42.63		EUR	475.91	118.57
161	Grundstücks-, Vermögens- und Verwaltungs-GbR Ludwigsburg »Am Schloßpark« i. L. <sup>1,20</sup>	Stuttgart	44.64		EUR	524.11	- 601.23
162	Janoschka AG <sup>1,20</sup>	Kippenheim	39.80		EUR	18,365.55	- 227.16
163	Kiesel Finance GmbH & Co. KG <sup>1,8,20</sup>	Balenfurt	0.00	75.00	EUR	- 495.31	- 192.20
164	KKL Holding GmbH <sup>1,20</sup>	Düsseldorf	48.27	47.20	EUR	17,467.00	2,113.95
165	Kreditgarantiegemeinschaft in Baden-Württemberg Verwaltungs-GmbH <sup>20</sup>	Stuttgart	20.00		EUR	1,022.58	0.00
166	Mittelständische Beteiligungsgesellschaft Sachsen mbH <sup>20</sup>	Dresden	25.27		EUR	49,169.05	1,566.85
167	MOLWANKUM Vermietungsgesellschaft mbH & Co. Objekt Landkreis Hildburghausen KG <sup>20</sup>	Düsseldorf	94.00	49.00	EUR	- 1,228.49	442.40
168	Siedlungswerk GmbH Wohnungs- und Städtebau <sup>1,20</sup>	Stuttgart	25.00		EUR	260,866.68	21,215.32
169	SL Mobillen-Leasing GmbH & Co. ENERCON KG <sup>1,8,20</sup>	Mannheim	0.00	80.00	EUR	35,260.94	- 617.35
170	SLN Maschinen Leasing GmbH & Co. OHG <sup>1,8,20</sup>	Stuttgart	0.00	75.00	EUR	- 3,160.22	- 1,198.75
171	SLP Mobillen-Leasing GmbH & Co. OHG <sup>1,8,20</sup>	Mannheim	0.00	75.00	EUR	534.98	161.29
172	Xavin GmbH <sup>1,20</sup>	Stuttgart	29.94		EUR	- 9.44	- 316.61
173	1. yourTime Solutions AbwicklungsgmbH <sup>1,13</sup>	Potsdam	20.11		EUR	- 478.00	- 1,317.00
<b>III. Equity investments within the meaning of section 271 (1) HGB <sup>20</sup></b>							
174	ABE Clearing S.A.S., à capital variable <sup>20</sup>	Paris, France	2.04		EUR	31,181.00	3,267.00
175	Abingworth Bioventures III L.P. <sup>1,20</sup>	London, Great Britain	0.44		USD	884.02	Not specified
176	Acousia Therapeutics GmbH <sup>1,20</sup>	Tübingen	12.35		EUR	2,940.96	- 2,290.11
177	ADLATUS Robotics GmbH <sup>1,20</sup>	Ulm	0.75		EUR	- 606.93	- 1,117.55
178	African Export-Import Bank <sup>20</sup>	Cairo, Egypt	0.04		USD	2,279,403.73	256,499.63
179	AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung <sup>20</sup>	Frankfurt am Main	3.29		EUR	253,193.10	10,621.00

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
180	ALPHA CEE II L.P. <sup>1,30</sup>	Grand Cayman, Cayman Islands	2.41		EUR	49,879.00	362.00
181	amcure GmbH <sup>1,30</sup>	Eggenstein-Leopoldshafen	18.26		EUR	- 503.85	- 2,138.11
182	Bain Capital VIII L.P. <sup>1,30</sup>	Grand Cayman, Cayman Islands	0.32		EUR	7,446.43	- 36.59
183	Blametrics GmbH i.L. <sup>1,19</sup>	Tübingen	17.47		EUR	- 508.59	- 1,218.76
184	BS Abwicklungs-GmbH i.L. <sup>1,38</sup>	Stuttgart	1.10		EUR	- 1.82	24.80
185	Bürgschaftsbank Sachsen GmbH <sup>25</sup>	Dresden	27.96	18.44	EUR	44,085.43	489.16
186	CCP Systems AG i.L. <sup>1,15</sup>	Stuttgart	0.96		EUR	9,182.77	- 10,654.37
187	CME Group Inc.	Wilmington, USA	0.00			Not specified	Not specified
188	Code Intelligence GmbH <sup>1,34</sup>	Bonn	13.33		EUR	451.00	- 280.00
189	Computomics GmbH <sup>1,38</sup>	Tübingen	0.75		EUR	- 1,288.13	- 422.30
190	CarTec GmbH <sup>1,21</sup>	Freiburg	5.95		EUR	- 112.12	- 2,702.65
191	crealytics GmbH <sup>1,28</sup>	Passau	9.86		EUR	8,851.17	368.47
192	CVC European Equity Partners IV (A) L.P. <sup>1,34</sup>	Grand Cayman, Cayman Islands	0.29		EUR	1,117.57	- 16.80
193	Depository Trust & Clearing Corporation	New York, USA	0.00	0.02		Not specified	Not specified
194	Deutscher Sparkassen Verlag Gesellschaft mit beschränkter Haftung <sup>1,30</sup>	Stuttgart	8.11		EUR	206,719.07	9,331.24
195	Doughty Hanson & Co. IV Partnership 2 <sup>1,25</sup>	London, Great Britain	4.04		EUR	15,898.89	- 1,151.57
196	Dritte SMS Technologiefonds GmbH & Co. KG i.L. <sup>1,25</sup>	Tübingen	4.94		EUR	26,633.41	462.81
197	Erste IFD geschlossener Immobilienfonds für Deutschland GmbH & Co. KG i.L. <sup>1,30</sup>	Hamburg	0.18		EUR	1,662.08	Not specified
198	FL FINANZ-LEASING GmbH <sup>25</sup>	Wiesbaden	17.00		EUR	- 585.02	- 124.58
199	Fludican GmbH i.L. <sup>1,15</sup>	Darmstadt	7.88		EUR	516.90	- 2,184.41
200	GbR VOB-ImmobilienAnalyse <sup>25</sup>	Bonn	25.00	20.00		Not specified	Not specified
201	GLB GmbH & Co. OHG <sup>26,29</sup>	Frankfurt am Main	30.05		EUR	2,838.18	- 53.36
202	GLB-Verwaltungs-GmbH <sup>26,28</sup>	Frankfurt am Main	30.00		EUR	57.65	1.98
203	Grundstücks-, Vermögens- und Verwaltungs-GbR Leinfelden-Echterdingen/Stuttgart-Möhringen i.L. <sup>1,28</sup>	Stuttgart	0.11		EUR	744.38	118.27
204	Grundstücks-, Vermögens- und Verwaltungs-GbR Sillenbacher Markt i.L. <sup>1,34</sup>	Stuttgart	0.02		EUR	2,602.36	- 35.29
205	Grundstücks-, Vermögens- und Verwaltungs-GbR Leonberg-Ditzingen i.L. <sup>1,30</sup>	Stuttgart	0.37		EUR	1,467.64	- 0.65

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
206	Grundstücks-, Vermögens- und Verwaltungs-GbR Esslingen-Stuttgart i.L. <sup>1,29</sup>	Stuttgart	13.57		EUR	518.32	- 8.63
207	Grundstücks-, Vermögens- und Verwaltungs-GbR Stuttgart-Mitte II i.L. <sup>1,29</sup>	Stuttgart	0.13		EUR	484.60	- 0.27
208	HANSA TREUHAND Dritter Beteiligungsfonds GmbH & Co. KG i.L. <sup>1,29</sup>	Hamburg	0.03		EUR	702.16	- 137.54
209	HANSA TREUHAND Zweiter Beteiligungsfonds GmbH & Co. KG i.L. <sup>1,29</sup>	Hamburg	0.16		EUR	- 9.582.96	- 129.48
210	Heidelberg Innovation BioScience Venture II GmbH & Co. KG i.L. <sup>1,29</sup>	Leimen	3.83		EUR	2.878.34	6.411.62
211	Humboldt Multi Invest B S.C.A., SICAV-FIS i.L. <sup>1,13,14</sup>	Luxembourg, Luxembourg	99.93		EUR	6.928.35	- 165.43
212	Icon Brickell LLC <sup>1</sup>	Miami, Florida, USA	13.35			Not specified	Not specified
213	ImmerSight GmbH <sup>1,29</sup>	Ulm	0.90		EUR	- 163.77	- 251.75
214	KAMAU Grundstücksgesellschaft mbH & Co. KG i.L. <sup>1,29</sup>	Grünwald	0.36		EUR	613.07	8.90
215	Kreditgarantiegemeinschaft der Freien Berufe Baden-Württemberg Verwaltungs-GmbH <sup>29</sup>	Stuttgart	4.76		EUR	153.39	0
216	Kreditgarantiegemeinschaft der Industrie, des Verkehrsgewerbes und des Gastgewerbes Baden-Württemberg Verwaltungs-GmbH <sup>29</sup>	Stuttgart	15.28		EUR	1.299.87	0
217	Kreditgarantiegemeinschaft des Gartenbaues Baden-Württemberg Verwaltungs-GmbH <sup>29</sup>	Stuttgart	4.50		EUR	138.31	0
218	Kreditgarantiegemeinschaft des Handels Baden-Württemberg Verwaltungs-GmbH <sup>29</sup>	Stuttgart	9.14		EUR	1.021.91	0
219	Kreditgarantiegemeinschaft des Handwerks Baden-Württemberg Verwaltungs-GmbH <sup>29</sup>	Stuttgart	9.76		EUR	1.001.05	0
220	Kunststiftung Baden-Württemberg gGmbH <sup>30</sup>	Stuttgart	2.00	0.61	EUR	10.432.48	283.76
221	Maehler & Kaage AG i.L. <sup>1,7</sup>	Ingelheim	7.50	9.26	EUR	- 2.041.59	67.06
222	MAT Movies & Television Productions GmbH & Co. Project IV i.L. <sup>1,29</sup>	Grünwald	0.22		EUR	512.71	- 17.54
223	MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg Gesellschaft mit beschränkter Haftung <sup>29</sup>	Stuttgart	9.94	8.33	EUR	81.295.93	4.303.30
224	MFP Munich Film Partners New Century GmbH & Co. HAM Productions KG i.L. <sup>30</sup>	Grünwald	0.50	0.50	EUR	3.779.73	- 141.17
225	NESTOR Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Villingen-Schwenningen KG i.L. <sup>1,29</sup>	Düsseldorf	5.00	6.00	EUR	0	717.32
226	Notion Systems GmbH <sup>1,29</sup>	Schwetzingen	0.75		EUR	261.18	68.00
227	Otego GmbH i.L. <sup>1,29</sup>	Karlsruhe	6.25		EUR	375.85	- 151.80
228	PARAMOUNT GROUP, INC. <sup>1,29</sup>	Lutherville, USA	0.50	0.54	USD	3,767,153.66	- 30,016.27
229	Paramount Group Operating Partnership LP <sup>1</sup>	Wilmington, USA	2.70	0.00		Not specified	Not specified
230	Phenex Pharmaceuticals AG <sup>1,29</sup>	Heidelberg	8.90		EUR	- 11,048.75	- 20,359.35
231	Poldergesellschaft Neumühlen-Westkai mbH <sup>1,29</sup>	Hamburg	16.67		EUR	133.78	Not specified

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
232	»PORT MENIER« GmbH & Co. KG <sup>1,23</sup>	Bramstedt	0.15		EUR	180.29	- 48.09
233	PressMatrix GmbH <sup>1,23</sup>	Berlin	14.08		EUR	- 536.12	730.64
234	Reha-Klinik Aukammtal GmbH & Co. Betriebs-KG i. L. <sup>1</sup>	Wiesbaden	5.54			Not specified	Not specified
235	RSU Rating Service Unit GmbH & Co. KG <sup>25</sup>	Munich	18.80		EUR	9,060.75	- 2,270.03
236	RWSO Grundstücksgesellschaft TBS der Württembergischen Sparkassenorganisation GbR <sup>26</sup>	Stuttgart	10.00	8.55	EUR	4,933.83	204.49
237	S CountryDesk GmbH <sup>27</sup>	Cologne	2.50		EUR	498.59	49.76
238	Schiffahrts-Gesellschaft »HS ALCINA« mbH & Co. KG i. L. <sup>1,21</sup>	Hamburg	0.04		EUR	351.16	- 3,497.26
239	Schiffahrts-Gesellschaft »HS MEDEA« mbH & Co. KG i. L. <sup>1,21</sup>	Hamburg	0.16		EUR	657.90	- 1,121.08
240	Schiffahrts-Gesellschaft »HS MOZART« mbH & Co. KG i. L. <sup>1,18</sup>	Hamburg	0.23		EUR	- 7,619.62	Not specified
241	Schiffahrts-Gesellschaft »HS OCEANO« mbH & Co. KG i. L. <sup>1,20</sup>	Hamburg	0.04		EUR	- 4,701.27	Not specified
242	Schiffahrts-Gesellschaft »HS ONORE« mbH & Co. KG i. L. <sup>1,18</sup>	Hamburg	0.04		EUR	16,149.92	- 2,643.64
243	SEM.LABS GmbH i. L. <sup>1,19</sup>	Stuttgart	0.75		EUR	- 474.89	- 331.64
244	SI-BW Beteiligungsgesellschaft mbH & Co. KG <sup>28</sup>	Stuttgart	4.00	3.96	EUR	43,739.54	1,192.84
245	SimuForm GmbH i. L. <sup>1,19</sup>	Dortmund	6.84		EUR	235.00	- 300.00
246	Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T.) <sup>29</sup>	La Hulpe, Belgien	0.14		EUR	394,698.39	81,079.47
247	stimOS GmbH <sup>1,28</sup>	Konstanz	1.05		EUR	- 814.41	- 364.51
248	Synapticon GmbH <sup>1,28</sup>	Schönaich	0.57		EUR	5,919.72	- 3,265.76
249	tado GmbH <sup>1,29</sup>	Munich	1.59		EUR	6,359.24	- 9,932.32
250	Technologiegründerfonds Sachsen Plus GmbH & Co. KG <sup>1,29</sup>	Leipzig	8.48		EUR	12,285.54	- 4,662.20
251	Technologiegründerfonds Sachsen Seed GmbH & Co. KG <sup>1,28</sup>	Leipzig	3.34		EUR	4,663.71	- 87.71
252	Technologiegründerfonds Sachsen Start up GmbH & Co. KG <sup>1,29</sup>	Leipzig	10.83		EUR	11,120.93	28,719.03
253	Teralytics AG <sup>1,28</sup>	Zürich, Switzerland	6.19		CHF	7,991.66	- 9,301.03
254	tocario GmbH i. L. <sup>1,29</sup>	Stuttgart	0.77		EUR	- 677.02	- 381.16
255	TradeIX Limited <sup>1,22</sup>	Cork, Ireland	2.33		USD	3,390.28	- 8,075.47
256	TuP 8 GmbH & Co. KG i. L. <sup>1,28</sup>	Berlin	0.46		EUR	6,965.95	- 3,862.31
257	TVM IV GmbH & Co. KG <sup>1,28</sup>	Munich	1.67		EUR	2,007.52	- 4,473.26
258	VCM Golding Mezzanine GmbH & Co. KG <sup>1,28</sup>	Munich	3.89		EUR	6,759.03	84.21

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity EUR th.	Result EUR th.
259	Visa Inc. <sup>1)</sup>	San Francisco, USA	0.00		USD	28,214,430.98	9,826,730.66
260	VRP Venture Capital Rheinland-Pfalz GmbH & Co. KG i.L. <sup>1,2)</sup>	Mainz	16.65		EUR	1,381.17	16.00
261	VRP Venture Capital Rheinland-Pfalz Nr. 2 GmbH & Co. KG i.L. <sup>1,2)</sup>	Mainz	16.65		EUR	740.59	- 2.69
262	Wachstumsfonds Mittelstand Sachsen Plus GmbH & Co. KG <sup>1,2)</sup>	Leipzig	13.68	13.72	EUR	17,455.28	- 242.34
263	Wirtschaftsförderung Region Stuttgart GmbH <sup>1,2)</sup>	Stuttgart	16.06		EUR	2,240.37	- 3,109.59
264	Zweilundfünfzigste IFH geschlossener Immobilienfonds für Holland GmbH & Co. KG i.L. <sup>1,2)</sup>	Hamburg	1.05		EUR	25,654.00	- 14,921.34
265	1701 JFK Boulevard Philadelphia, L.P. i.L. <sup>1)</sup>	Delaware, USA	0.03		USD	89,802.14	2,027.65
266	SAAnalytics GmbH i.L. <sup>1,2)</sup>	Köngen	0.75		EUR	77.20	- 629.99

1 Held indirectly.

2 Including shares held indirectly.

3 A letter of comfort exists.

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

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

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

10 Financial Instruments pursuant to IFRS.

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

12 Data available only as at 31 December 2012.

13 Data available only as at 31 December 2013.

14 Data available only as at 31 July 2014.

15 Data available only as at 31 December 2014.

16 Data available only as at 31 December 2015.

17 Data available only as at 25 July 2016.

18 Data available only as at 31 December 2019, Liquidation final balance sheet.

19 Data available only as at 31 December 2017.

20 Data available only as at 4 April 2018.

21 Data available only as at 30 November 2018.

22 Data available only as at 31 December 2018, Liquidation final balance sheet.

23 Data available only as at 31 December 2018.

24 Data available only as at 30 September 2019.

25 Data available only as at 31 October 2019.

26 Data available only as at 31 December 2019.

27 Data available only as at 29 February 2020.

28 Data available only as at 31 December 2019 in accordance with IFRS.

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

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

31 Data available only as at 31 October 2020.



#### 42. Positions held

Offices held by legal representatives of LBBW (Bank) and members of the AidA<sup>1</sup> 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 until 16/10/2020
Deutscher Sparkassenverlag GmbH, Stuttgart	Supervisory Board	Michael Horn until 30/04/2020
	Supervisory Board	Andreas Götz from 01/07/2020
Eurex Clearing Aktiengesellschaft, Frankfurt am 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 until 30/04/2020
Hypo Vorarlberg Bank AG, Bregenz	Supervisory Board	Michael Horn until 30.04.2020
LBBW Asset Management Investmentgesellschaft mbH, Stuttgart	Chairman of the Supervisory Board	Dr. Christian Ricken
	Supervisory Board	Cara Friederike Schulze from 01/08/2020
	Supervisory Board	Michael Nagel until 30/04/2020
	Supervisory Board	Thomas Rosenfeld until 31/07/2020
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 until 31/12/2020
	Supervisory Board	Peter Hähner
MMV Leasing GmbH, Koblenz	Chairman of the Advisory Board	Karl Manfred Lochner
	Deputy Chairman of the Advisory Board	Volker Wirth until 31/12/2020
	Advisory Board	Peter Hähner
Siedlungswerk GmbH Wohnungs- und Städtebau, Stuttgart	Deputy Chairman of the Supervisory Board	Michael Horn until 30/04/2020
	Deputy Chairman of the Supervisory Board	Thorsten Schönenberger
	Supervisory Board	Andreas Götz from 01/07/2020
	Supervisory Board	Thomas Christian Schulz
SüdFactoring GmbH, Stuttgart	Chairman of the Supervisory Board	Karl Manfred Lochner
	Deputy Chairman of the Supervisory Board	Volker Wirth until 31/12/2020
	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 until 31/12/2020
	Supervisory Board	Norwin Graf Leutrum von Ertingen
VPV Lebensversicherungs-Aktiengesellschaft, Stuttgart	Supervisory Board	Claudia Diem
Württembergische Versicherung Aktiengesellschaft, Stuttgart	Supervisory Board	Claudia Diem

<sup>1</sup> Anstalt (in der Anstalt (AidA = "Institution within the institution").

**43. Events after the balance sheet date**

After the end of the financial year, there were no significant events as a result of which LBBW (Bank) expected a material influence on the net assets, financial position and result of operations.

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

##### Board of Managing Directors

###### Chairman

**RAINER NESKE**  
Central Divisions

###### Députy Chairman

**MICHAEL HORN**  
Private and Business  
Customers/Savings Banks  
(until 30 April 2020)

###### Members

**ANASTASIOS AGATHAGELIDIS**  
Risk Management and  
Compliance  
(from 1 January 2021)

**KARL MANFRED LOCHNER**  
Corporate Customers

**STEFANIE MÜNZ**  
Finance and Operations  
(from 1 January 2021)

**DR. CHRISTIAN RICKEN**  
Capital Markets Business and  
Asset Management/International  
Business

**THORSTEN SCHÖNENBERGER**  
Real Estate and Project Finance

**VOLKER WIRTH**  
Risk Management, Operations  
and Process Management,  
Compliance and Auditing  
(until 31 December 2020)

## Supervisory Board

### Chairman

**CHRISTIAN BRAND**  
Former Chairman of the Board  
of Management of L-Bank

**CHRISTIAN HIRSCH**  
(until 18 May 2020)  
Employee Representative of  
Landesbank Baden-Württemberg

**CHRISTIAN RÖGG**  
Employee Representative of  
Landesbank Baden-Württemberg

### Deputy Chairperson

**EDITH SITZMANN MDL**  
Minister of Finance of the State  
of Baden-Württemberg

**GABRIELE KELLERMANN**  
(from 18 May 2020)  
Member of Board of Managing  
Directors at BBBank eG

**CLAUS SCHMIEDEL**  
(until 18 May 2020)  
CEO of Citalog GmbH

### Members

**JÖRG ARMBORST**  
(from 18 May 2020)  
Employee Representative of  
Landesbank Baden-Württemberg

**MARC-OLIVER KIEFER**  
(until 18 May 2020)  
Employee Representative of  
Landesbank Baden-Württemberg

**B. JUTTA SCHNEIDER**  
Executive Vice President Global  
Services Delivery, SAP SE & Co. KG

**JENS BAUMGARTEN**  
(from 18 May 2020)  
Employee Representative of  
Landesbank Baden-Württemberg

**BETTINA KIES-HARTMANN**  
Employee Representative of  
Landesbank Baden-Württemberg

**PETER SCHNEIDER**  
President of the  
Sparkassenverband Baden-  
Württemberg (Savings Bank  
Association of Baden-  
Württemberg)

**WOLFGANG DIETZ**  
Lord Mayor of the town  
of Weil am Rhein

**FRITZ KUHN**  
(until 6 January 2021)  
Lord Mayor (retired)

**WIEBKE SOMMER**  
(from 18 May 2020)  
Employee Representative of  
Landesbank Baden-Württemberg

**UTA-MICAELA DÜRIG**  
(until 18 May 2020)  
Corporate and foundation  
consultant

**SABINE LEHMANN**  
Employee Representative of  
Landesbank Baden-Württemberg

**DR. FLORIAN STEGMANN**  
(from 18 May 2020)  
State Secretary at the Baden-  
Württemberg State Ministry,  
Head of the State Chancellery

**WALTER FRÖSCHLE**  
(until 18 May 2020)  
Employee Representative of  
Landesbank Baden-Württemberg

**MARTIN PETERS**  
Managing Partner  
of the Eberspächer group  
of companies

**DR. JUTTA STUIBLE-TREDER**  
Managing Partner of  
EversheimStuible  
Treuberater GmbH

**HELMUT HIMMELSBACH**  
Lord Mayor (retired)

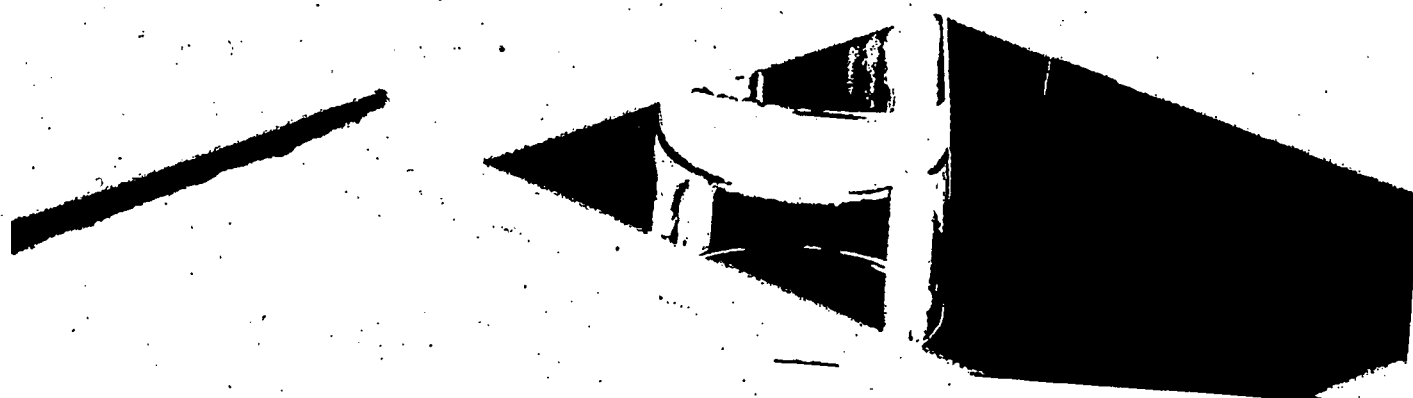
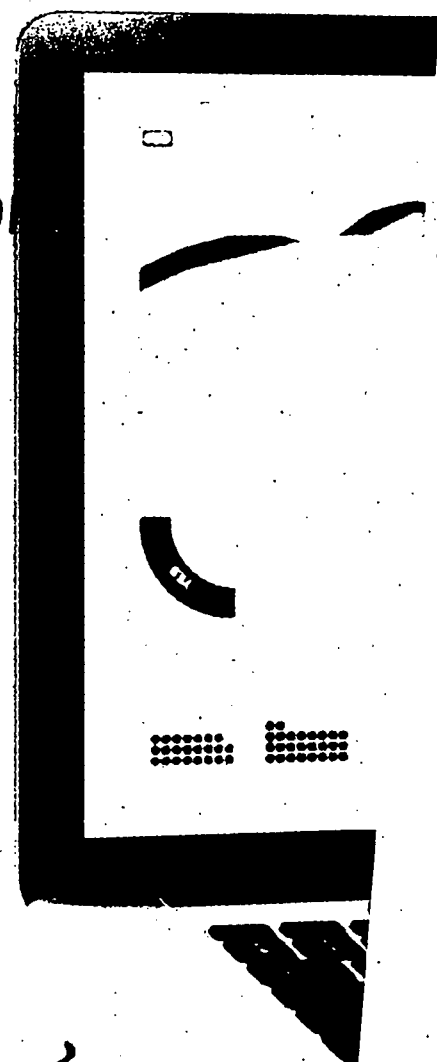
**PROF. WOLFGANG REINHART MDL**  
Chairman of  
parliamentary group,  
Attorney at law

**BURKHARD WITTMACHER**  
Chairman of the Board of  
Managing Directors of  
Kreissparkasse Esslingen-  
Nürtingen

**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, 2 March 2021



RAINER NESKE  
Chairman



ANASTASIOS AGATHAGELIDIS



KARL MANFRED LOGHNER



STEFANIE MÜNZ



DR. CHRISTIAN RICKEN



THORSTEN SCHÖNENBERGER

# Independent Auditor's Report

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

## Report on the Audit of the Annual Financial Statements and of the Combined Management Report

### Audit Opinions

We have audited the annual financial statements of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany, which comprise the balance sheet as at 31 December 2020, and the income statement for the financial year from 1 January to 31 December 2020, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the Company and the group of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany, for the financial year from 1 January to 31 December 2020. In accordance with the German legal requirements, we have not audited the content of the combined non-financial report referred to in the »Group overview« section of the combined management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2020 and of its financial performance for the financial year from 1 January to 31 December 2020 in compliance with German Legally Required Accounting Principles; and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the contents of the combined non-financial report stated above, which is referred to in the »Group overview« section of the combined management report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

### Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation (No 537/2014; referred to subsequently as »EU Audit Regulation«) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the »Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report« section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient

and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

### Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2020. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the key audit matters we have determined in the course of our audit:

1. Determination of fair values of trading transactions using generally accepted measurement methods,
2. Determination of allowances for credit losses in the lending business,
3. Transfer of pension obligations to a Pensionsfond and measurement of these pension obligations

Our presentation of these key audit matters has been structured as follows:

- a) Description (including reference to corresponding information in the annual financial statements)
- b) Auditor's response

#### 1. Determination of fair values of trading transactions using generally accepted measurement methods

- a) Landesbank Baden-Württemberg enters into trading transactions, especially in securities, Schuldschein note loans, securities repurchase transactions and derivative financial instruments which are recognized in the annual financial statements at fair value less a risk discount pursuant to Section 340e (3) sentence 1 HGB and reported under item »Trading portfolio« on the assets side of the balance sheet at EUR 32.8 billion and on the liabilities side at EUR 16.8 billion. For the purposes of accounting and measurement and the disclosures in the notes, Landesbank Baden-Württemberg determines the fair values for these holdings largely on the basis of generally accepted measurement methods as no market prices are observable. If no market prices are observable, Landesbank Baden-Württemberg determines the fair value using measurement models or on the basis of indicative quotations and parameters obtained from market data providers.

In the case of model-based measurements, there are increased risks from valuation uncertainties (e.g. due to the use of inappropriate measurement models and/or inappropriate characteristics of input factors) and from larger reasonable ranges of the judgments and assumptions needed in measuring the trading transactions. Consequently, we identified the determination of fair values to be a key audit matter.

The statements on determining fair values of trading transactions are included in the notes in section 2 »General accounting and valuation methods« in the subsection »Financial instruments«.



- b) In the context of our risk-based audit approach, we audited both the relevant internal control system and also performed substantive audit procedures based on our risk assessment. In so doing, we analyzed the trading transactions measured using valuation models. For this purpose, we assessed the appropriateness and effectiveness of the internal controls relevant for measuring these trading transactions, especially with respect to the controls relating to the Independent Price Verification (IPV) and the model validation. Using our internal valuation specialists, who are part of the audit team, we assessed the suitability of the used measurement models for products selected according to risk-based criteria.

As at the reporting date, on a sample basis, our internal valuation specialists performed an additional separate, independent remeasurement and/or plausibility check on the fair values calculated on the basis of measurement models and compared them with the measurement results of Landesbank Baden-Württemberg.

## 2. Determination of allowances for credit losses in the lending business

- a) As at 31 December 2020, in its annual financial statements Landesbank Baden-Württemberg reported loans and advances to banks and customers totaling EUR 172.9 billion, corresponding to 66% of total assets. Existing allowances for credit losses have already been deducted from these loans and advances. Allowances for credit losses contain both specific valuation allowances and model-based general valuation allowances and portfolio valuation allowances. There are also contingent liabilities and other obligations of EUR 45.1 billion, for which credit business-related provisions have been recognized. Allowances for credit losses (including provisions in the lending business) also include additions for a Corona related model adjustment relating to the general valuation allowance totaling EUR 130.0 million and a model adjustment totaling EUR 35.0 million relating to increased risks for a successful workout at portfolio level for exposures with specific loan loss provisions.

Landesbank Baden-Württemberg checks regularly, and in the case of objective indications, as to whether there is ongoing recoverability of the receivables in the lending business. A potential impairment loss, i.e. the write-down to the lower of cost or market value, is calculated using the method stipulated by the Bank generally from the difference of the current carrying amount of the receivable and the expected future payments. The expected future payments derived in at least two probability-weighted scenarios are discounted at the original effective interest rate of the respective loan or advance. Relevant provisions are recognized for off-balance-sheet transactions that are either subject to the risk of utilization by doubtful debtors (guarantees, warranties) or that are expected to be impaired due to payment obligations (irrevocable loan commitments).

The lending business is a core business activity at Landesbank Baden-Württemberg. For both the individual and the model-based measurement of loans and advances and the calculation of the necessary settlement amount of provisions according to sound business judgment, there is an increased risk that the amount of potentially necessary allowances for credit losses is not appropriate. Judgments of the executive directors of the Bank are made, for example, with regard to modeling the measurement models, to the estimates of assumptions and input factors such as expected future incoming payments and with regard to the valuation of collateral or of expected defaults. As the recoverability of loans and advances in the credit business and thus the appropriate calculation of allowances for credit losses is subject to uncertainty, this matter was particularly important in our audit.

The statements on determining the allowances for credit losses are included in the notes in section 2 »General accounting and valuation methods« in the subsection »Receivables and allowances for losses on loans and securities«.

- b) In the context of our risk-based audit approach, we audited the relevant internal control system and also performed substantive audit procedures based on our risk assessment. The tests of design and implementation and of operating effectiveness covered the processes of identifying indications of an impairment (early detection of risks - BISA), of assessing customer credit ratings, of measuring collateral and of determining impairments based on cash flows (calculation of specific value adjustment). In addition, we performed a test of design and implementation and of operating effectiveness of the processes for calculating the general valuation allowance and the portfolio valuation allowances.

On the basis of risk-based perspectives and representatively selected samples, we also examined and assessed the appropriate identification of indications of an impairment and the measurement of loans and advances that needed to be tested for impairment according to an evaluation of Landesbank Baden-Württemberg, including the appropriateness of the estimated values. For measuring loans and advances, we inspected the underlying assumptions, particularly the amount and time of the expected future payments, including the returns from existing collateral and the discounting of the payments in the respective scenarios, including the scenario weighting.

In so doing, we deployed internal specialists, who are part of the audit team, particularly for auditing the calculation of the general valuation allowance, the portfolio valuation allowances and the model adjustments.

In addition, we verified the calculated general valuation allowances and portfolio valuation allowances on the basis of a randomly selected sample and assessed the methodology for deriving the model adjustments established and the appropriateness of the amount of allowances on the basis of evidence.

In addition, we checked the disclosures in the notes for completeness and accuracy.

### **3. Transfer of pension obligations to a Pensionsfond and measurement of these pension obligations**

- a) In the 2020 financial year, with the conclusion of a Pensionsfond agreement, in the wake of a change of the implementation vehicle from direct pension commitment to a Pensionsfond (indirect pension obligation), Landesbank Baden-Württemberg transferred a defined part of its accrued (»past service« within the meaning of Section 2 German Occupational Pension Act (BetrAVG)) direct domestic pension obligations from direct pension commitments of EUR 2.2 billion as at 31 December 2020 to a Pensionsfond by paying an initial contribution of EUR 2.2 billion.

By exercising the option conferred under Article 28 (1) sentence 2 Introductory Act to the German Commercial Code (EGHGB), the provisions for the transferred pension obligations are no longer recognized on the Landesbank Baden-Württemberg balance sheet. The de-recognition of the transferred pension obligations resulted in a decline of the pension obligations of EUR 2.2 billion with no effect on income. The lump sum was calculated on the basis of an actuarial report commissioned by Landesbank Baden-Württemberg.

With the transfer, the obligations of Landesbank Baden-Württemberg to those entitled to a pension are not entirely extinguished. Landesbank Baden-Württemberg continues to bear secondary liability if the pension assets are underfunded.

For the transferred pension obligation, for which Landesbank Baden-Württemberg retains a secondary liability, an actuarial valuation was carried out. The measurement was calculated using the Projected Unit Credit method, on the basis of the actuarial report commissioned by Landesbank Baden-Württemberg. For calculating the pension obligations, it was necessary to make assumptions, particularly in relation to the long-term salary trend and pension increases, employee turnover, development of pensions in the statutory pension system, inflation, the payment options and biometric probabilities. In addition, as at the balance sheet date, the discount rates used are the interest rates determined and announced by the Deutsche Bundesbank in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung) (average market interest rate from the last ten financial years in accordance with Section 253 (2) HGB). The respective assumptions are determined by the executive directors of Landesbank Baden-Württemberg.

Due to the split of the pension entitlements into completely, partially and un-transferred components and due to the history of different pension plan rules, the transfer of pension obligations – like measuring pension obligations – is a complex matter. There are also adjustments in the measurement of individual pension schemes as a result of corrections when determining the actuarial assumptions. For this reason, we identified the transfer and measurement of these pension obligations to be key audit matter.

The statements of the executive directors on the transfer process and on the pension provisions are included in the Section 2 notes: »General accounting and valuation methods«, in the subsection »Provisions«.

- b) In respect of the transfer, on the basis of substantive audit procedures we initially inspected and critically assessed the contract basis of the transfer. For this purpose, we analyzed the Pensionsfond agreement with the assistance of internal specialists of our network as part of our audit team. On this basis, we reviewed the presentation of the transfer of pension obligations to the Pensionsfond in the accounts and verified the factual and actuarial accuracy. For the pension obligations in question, we obtained a process understanding in relation to the organizational and operational structural measures for the processing and the actual recording of individual employee data. In addition, we verified the complete and accurate data exchange with the actuary.

We critically assessed and evaluated the report on the pension obligations transfer prepared by the actuary – on the basis of our assessment of his/her competence, expertise and objectivity – with respect to the measurement methods and assumptions used.

On this basis, we compared the actuarial assumptions with market norms and verified the measurement.

We checked the statements in the Section 2 notes: »General accounting and valuation methods« in the subsection »Provisions« on the transfer of pension obligations and the calculation of the provision for accuracy and completeness.

## Other Information

The executive directors and the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the separate combined non-financial report pursuant to Sections 315b and 315c HGB in conjunction with Sections 289b to 289e HGB, which is referred to in the »Group overview« section of the combined management report and which expected is to be provided to us after the date of the auditor's report,
- the executive directors' confirmation pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB, respectively, regarding the annual financial statements and the group management report, and
- all other parts of the annual report,
- but not the annual financial statements, not the audited content of the combined management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. Apart from that the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information referred to above and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

## Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

## Other Legal and Regulatory Requirements

### Report on the Audit of the Electronic Files of the Annual Financial Statements and of the Combined Management Report prepared for Publication pursuant to Section 317 (3b) HGB

#### Audit Opinion

In accordance with Section 317 (3b) HGB, we have assessed with reasonable assurance whether the electronic files of the annual financial statements and of the combined management report (hereafter referred to as »ESEF files«) prepared for publication, contained in the accompanying file SHA256: EDC1E26E7D7D3503BF7E8435A76F55BD28DC8FA14267F6EA9FE25AF7AE6B3EF0, meet, in all material respects, the requirements concerning the electronic reporting format (»ESEF format«) pursuant to Section 328 (1) HGB. In accordance with the German legal requirements, this audit only covers the transfer of the annual financial statements' and the combined management report's information into the ESEF format, and therefore covers neither the information contained in these electronic files nor any other information contained in the file stated above.

In our opinion, the electronic files of the annual financial statements and of the combined management report prepared for publication contained in the accompanying file stated above meet, in all material respects, the requirements concerning the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2020 contained in the above »Report on the Audit of the Annual Financial Statements and of the Combined Management Report«, we do not express any audit opinion on the information contained in these electronic files and on any other information contained in the file stated above.

#### Basis for the Audit Opinion

We conducted our audit of the electronic files of the annual financial statements and of the combined management report contained in the accompanying file stated above in accordance with Section 317 (3b) HGB and on the basis of the IDW Draft Auditing Standard: Audit of the Electronic Files of the Annual Financial Statements and of the Management Report prepared for Publication pursuant to Section 317 (3b) HGB (IDW Draft AuS 410). Our responsibilities in this context are further described in the section »Auditor's Responsibilities for the Audit of the ESEF Files«. Our audit firm has applied the Quality Assurance Standard: Quality Assurance Requirements in Audit Practices (IDW QS 1) promulgated by the Institut der Wirtschaftsprüfer (IDW).

#### Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Files

The executive directors of the Company are responsible for the preparation of the ESEF files based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have determined necessary to enable the preparation of ESEF files that are free from material violations against the requirements concerning the electronic reporting format pursuant to Section 328 (1) HGB, whether due to fraud or error. The executive directors are also responsible for the submission of the ESEF files together with the auditor's report and the accompanying audited annual financial statements and the audited combined management report as well as other documents to be filed with the publisher of the Federal Gazette.

The supervisory board is responsible for overseeing the preparation of the ESEF files as part of the financial reporting process.

## Auditor's Responsibilities for the Audit of the ESEF Files

Our objectives are to obtain reasonable assurance about whether the ESEF files are free from material violations, whether due to fraud or error, against the requirements pursuant to Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material violations against the requirements pursuant to Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit of the ESEF files in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls.
- assess the technical validity of the ESEF files, i.e. whether the file containing the ESEF files meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as of the balance sheet date as to the technical specification of this file.
- evaluate whether the ESEF files enable a XHTML copy of the audited annual financial statements and of the audited combined management report whose content is identical with these documents.

## Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 18 May 2020. We were engaged by the supervisory board on 23 June 2020. We have been the auditor of Landesbank Baden-Württemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/Germany, without interruption since the financial year 2020.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).



## German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Herbert Apweiler.

Stuttgart/Germany, 4 March 2021

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft [Original German version signed by:]

Klaus Löffler

Wirtschaftsprüfer

(German Public Auditor)

Herbert Apweiler

Wirtschaftsprüfer

(German Public 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.

# LB≡BW

Breaking new ground

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