Annual financial statements 2023

Breaking new ground

LBBW

Content

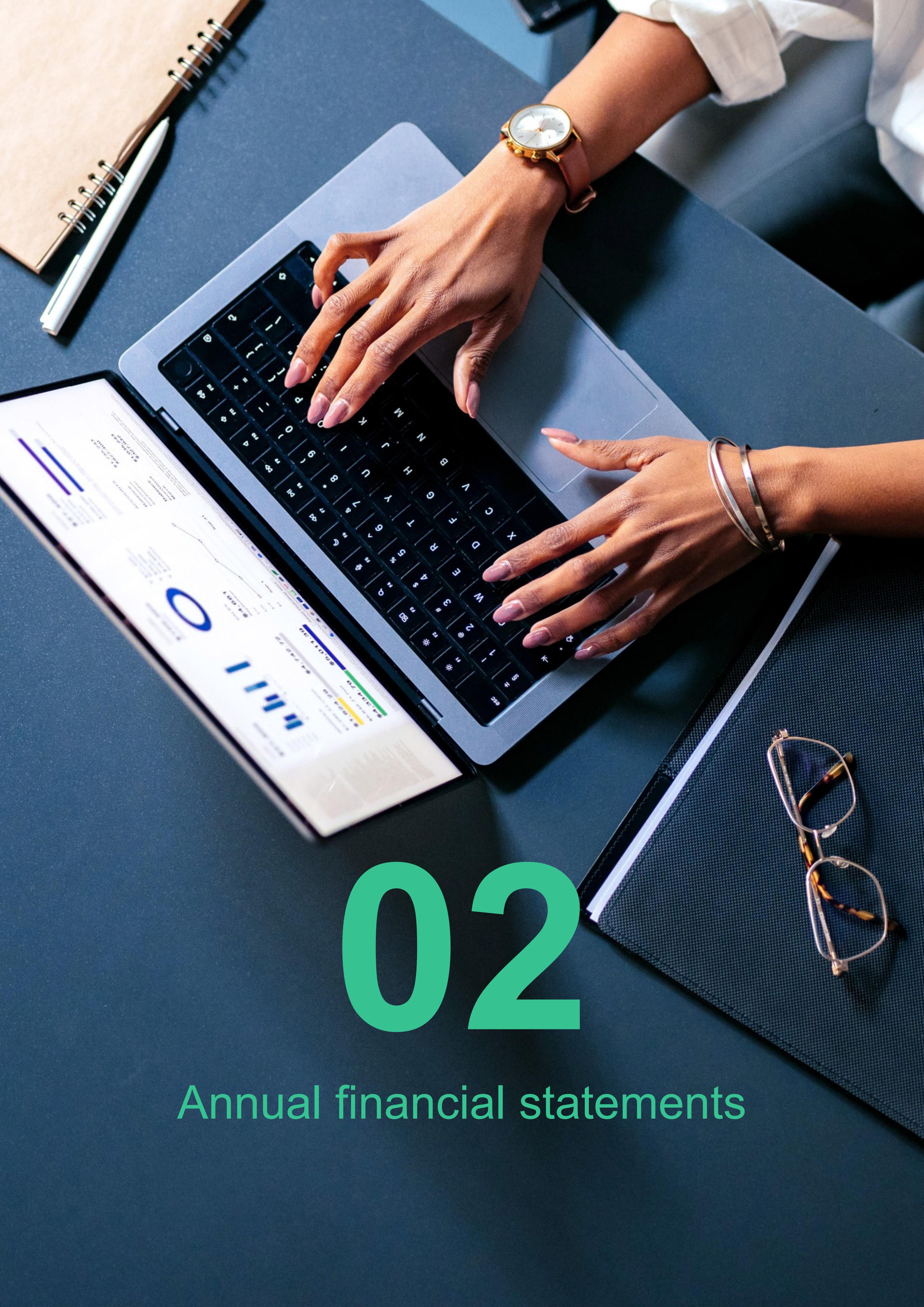
01

Combined management report

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 298 (2) HGB and published in the 2023 annual report of LBBW.

The annual financial statements and the LBBW management report combined with the group management report for the 2023 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.



02

Annual financial statements

Balance sheet

as at 31 December 2023

Assets

EUR million	Explanation in the Notes (chapter)			31/12/2023	31/12/2022
Cash and cash equivalents					
a) Cash			153		162
b) Balances with central banks			11,822		10,368
including: with Deutsche Bundesbank		3,097			557
				11,975	*10,530*
Loans and advances to banks	*2, 3, 4, 5, 36*				
b) Public-sector loans			39,712		69,531
c) Other receivables			49,335		13,964
				89,047	*83,495*
of which: payable on demand		30,979			38,257
of which: collateralized by securities		12,157			8,740
Loans and advances to customers	*2, 3, 4, 5, 36*				
a) Mortgage loans			39,164		38,232
b) Public-sector loans			15,814		16,330
c) Other receivables			69,763		66,239
				124,740	*120,802*
of which: collateralized by securities		9,091			7,257
Debentures and other fixed-income securities	*2, 3, 4, 5, 7, 36*				
a) Money market instruments					
aa) issued by public-sector borrowers		0			35
ab) issued by other borrowers		999			675
			999		*710*
b) bonds and debentures					
ba) issued by public-sector borrowers		4,655			3,973
of which: eligible as collateral with Deutsche Bundesbank		3,518			2,770
bb) issued by other borrowers		28,751			27,131
of which: eligible as collateral with Deutsche Bundesbank		16,832			18,737
			33,407		*31,104*
c) Own debentures			12		983
Nominal amount		13			1,009
				34,418	*32,797*

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

Assets

EUR million	Explanation in the Notes (chapter)			31/12/2023	31/12/2022
Equities and other non-fixed-income securities	*2, 7*			*104*	*147*
Trading portfolio	*2, 5, 9*			*23,860*	*26,149*
Equity investments	*2, 7, 12*			*163*	*187*
of which: in banks		5			5
Shares in affiliates	*2, 7, 12*			*2,768*	*2,879*
of which: in banks		1,571			1,628
of which: in financial services companies		429			381
Trust assets	*13*			*836*	*904*
of which: trust loans		836			904
Intangible assets	*2, 12*				
a) Internally generated industrial property rights and similar rights and assets			13		21
b) Concessions, industrial property rights and similar rights and assets, and licenses to such rights and assets			80		81
d) Advances paid			5		5
				99	*107*
Property and equipment	*2, 12*			*710*	*746*
Other assets	*14*			*11,443*	*10,020*
Deferred items	*15*				
a) From issuing and lending business			721		806
b) Other			2,165		2,189
				2,886	*2,996*
Excess of plan assets over pension liabilities				1	13
Total assets				*303,050*	*291,772*

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

Equity and liabilities

EUR million	Explanation in the Notes (chapter)			31/12/2023	31/12/2022
Deposits from banks	*2, 16, 17, 18, 35*				
a) Mortgage-backed registered covered bonds issued			30		30
b) Public-sector registered covered bonds issued			322		339
c) Other liabilities			72,292		76,492
				72,644	*76,862*
of which: payable on demand		10,127			4,731
Deposits from customers	*2, 16, 17, 18, 35*				
a) Mortgage-backed registered covered bonds issued			225		206
b) Public-sector registered covered bonds issued			1,773		1,994
c) Savings deposits					
ca) with an agreed notice period of three months		5,016			4,280
cb) with an agreed notice period of more than three months		3,596			281
			8,612		*4,560*
d) Other liabilities			112,422		104,776
				123,032	*111,537*
of which: payable on demand		70,088			68,821
Securitized liabilities	*2, 17*				
a) Issued debentures					
aa) Pfandbriefe (mortgage-backed covered bonds)		8,856			7,847
ab) Pfandbriefe (public covered bonds)		7,257			5,086
ac) Other debentures		34,710			27,091
			50,823		*40,024*
b) Other securitized liabilities			9,303		9,072
				60,126	*49,096*
of which: money market instruments		9,303			9,072
Trading portfolio	*2, 9, 18*			*16,193*	*19,346*
Trust liabilities	*13*			*836*	*904*
of which: trust loans		836			904
Other liabilities	*2, 19*			*6,395*	*9,083*
Deferred items	*15*				
a) From issuing and lending business			526		347
b) Other			2,226		3,156
				2,752	*3,504*
Provisions	*2, 20*				
a) Provisions for pensions and other post-employment benefits			283		276
b) Tax provisions			62		158
c) Other provisions			792		854
				1,137	*1,288*
Subordinated liabilities	*2, 21*			*3,889*	*4,447*

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

Equity and liabilities

EUR million	Explanation in the Notes (chapter)			31/12/2023	31/12/2022
Capital generated from profit-participation rights	*22*			*0*	*47*
Regulatory AT 1 capital instruments	*23*			*771*	*771*
Fund for general banking risks				*797*	*571*
of which: special reserve in accordance with section 340e (4) HGB		147			141
Equity	*24*				
a) Subscribed capital					
aa) Share capital		3,484			3,484
ab) Silent partners’ contributions		850			850
			4,334		4,334
b) Capital reserve			8,240		8,240
c) Retained earnings					
cd) Other retained earnings		1,502			1,501
			1,502		1,501
d) Unappropriated profit/loss			400		241
				14,477	*14,317*
Total equity and liabilities				*303,050*	*291,772*
Contingent liabilities	*2, 10, 25*				
b) Liabilities from guarantees and warranties			13,490		13,364
				13,490	13,364
Other obligations	*25*				
c) Irrevocable loan commitments			37,681		40,831
				37,681	40,831

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

Income statement

for the period 1 January to 31 December 2023

EUR million	Explanation in the Notes (chapter)			01/01–31/12/2023	01/01–31/12/2022
Interest income from	*26, 27*				
a) Credit and money market transactions		36,041			15,277
of which: negative interest income		– 7			– 262
b) Fixed income securities and book-entry securities		1,039			339
of which: negative interest income		– 4			– 9
			37,079		*15,616*
Interest expenses	*26*		*– 35,057*		*– 13,828*
of which: positive interest expenses			9		337
				2,022	*1,788*
Current income from	*27*				
a) Equities and other non-fixed-income securities			56		45
b) Equity investments			20		9
c) Shares in affiliates			86		39
				162	*92*
Income from profit-pooling, profit transfer agreements or partial profit transfer agreements				*33*	*92*
Fee and commission income	*27, 28*		*585*		*597*
Fee and commission expenses			*– 129*		*– 107*
				457	*490*
Total operating income / expenses from the trading portfolio	*27*			*382*	*402*
of which: reversal (+) / addition (-) in accordance with section 340e (4) HGB		– 6			0
Other operating income	*27, 29*			*374*	*199*
General administrative expenses					
a) Staff costs					
aa) Wages and salaries		– 737			– 705
ab) Social security contributions and expenses for pension provision and other benefits		– 144			– 165
of which: pension costs		– 51			– 71
			– 881		– 870
b) Other administrative expenses			– 995		– 920
				– 1,876	*– 1,790*
Depreciation and write-downs of intangible assets and property and equipment				*– 64*	*– 65*

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

EUR million	Explanation in the Notes (chapter)			01/01–31/12/2023	01/01–31/12/2022
Other operating expenses	*29*			*– 215*	*– 197*
Depreciation and write-downs of loans and certain securities, as well as additions to provisions for credit risks			*– 102*		*– 711*
				– 102	*– 711*
Depreciation and write-downs of equity investments, shares in affiliates and securities treated as fixed assets			*– 135*		*– 24*
				– 135	*– 24*
Expenses from loss transfer				*– 42*	*– 9*
Reversal (+) / addition (-) to fund for general banking risks				*– 220*	*355*
Result from normal operations				*775*	*622*
Extraordinary income	*31*		*5*		*1*
Extraordinary expenses	*31*		*– 26*		*– 26*
Extraordinary result	*31*			*– 22*	*– 25*
				753	*596*
Taxes on income	*32*		*– 312*		*– 318*
Other taxes, unless reported under “other operating expenses”			*– 5*		*– 3*
				– 317	*– 321*
Profits transferred as a result of profit pooling, profit transfer agreement or a partial profit transfer agreement				*– 36*	*– 35*
Net profit for the year	*24*			*400*	*240*
Profit/loss carryforward from the previous year				*0*	*1*
Unappropriated profit				*400*	*241*

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

Notes

for the period 1 January to 31 December 2023

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 2023 financial year were prepared on 27 February 2024 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, Financial Service Institutions and Securities Institutions (Verordnung über die Rechnungslegung der Kreditinstitute, Finanzdienstleistungsinstitute und Wertpapierinstitute – 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 relevant loans under HGB in accordance with the provisions of the International Financial Reporting Standard (IFRS) 9 (see statement by the Institute of Public Auditors in Germany (IDW) on accounting practice for the Banking Committee (IDW RS BFA 7.26)). Expected losses on this loan portfolio resulting from possible loss events over the next twelve months are recognized as at the balance sheet date. If loans show a significant increase in default risk since initial recognition, on the other hand, loss events are taken into account over the remaining period. This also applies to an increased loss risk due to macroeconomic turbulence (e.g. sustained higher energy prices relative to other regions of the world or an abrupt increase in interest rates), the impact of which on the financial instruments' credit quality cannot yet be specifically, individually estimated. The amount of expected loss 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.

If LBBW (Bank) is the assignee, stand-alone financial guarantee contracts, especially in the case of a 1:1 relationship with the secured loan, are taken into account when determining its allowances for losses on loans and securities. If lending portfolios are hedged, on the other hand, claims for compensation against the guarantor are capitalized through profit or loss. Related commission payments are recognized as a commission expense on an accrual basis.

LBBW (Bank) also issued a liability with an embedded financial guarantee to hedge a lending portfolio. In this case, the hedging effect is taken into account when measuring the liability recognized at the repayment amount. This is done by reducing the nominal of the liability once the amount of the right to reimbursement is finalized. The corresponding benefit is reflected in net interest income. As the risk premium for the hedge purchase is reflected in the liability's (variable) coupon, it is not disclosed separately in commission expense.

If LBBW (Bank) is the assignor, financial guarantee contracts are initially recognized at a fair value of zero (net method with equal present values of expected incoming commission payments and expected benefits at arm's length). As part of subsequent measurement, financial guarantee contract issues are included in the BFA 7 impairment model and the related amounts for allowances for losses on loans and securities are recognized under Provisions for lending business.

Calculating the allowances for losses on loans and securities presented a major challenge at the end of 2023 on account of current economic uncertainties (essentially due to sustained high energy prices, the knock-on effects of the abrupt increase in interest rates to tackle persistently high rates of inflation, recessive economic growth and the transformation to a carbon-neutral economy, which is accelerating structural change in the automotive sector and in other industries).

Statistical allowances for losses on loans and securities, which are based on normal economic situations and calibrated in line with cyclical averages, do not provide unlimited reliability in the current situation. For this reason, LBBW (Bank) determined allowances for losses on loans and securities at the end of 2023 using a multi-scenario approach that adequately represents the many possible economic developments. The single- and multi-year probabilities of default were initially forecast using quantitative macro-models on the basis of macro-factor projections and sector-specific profitability projections in line with these. A qualitative adjustment was also made to the loss given default (LGD) to suitably account for the effects of structural change. A cyclical adjustment of the stage transfer was also implemented using macro-adjusted lifetime probabilities of default (lifetime PDs). Allowances for losses on loans and securities to quantify the effects of structural change towards e-mobility were reduced towards the end of 2022. This decline was essentially a result of a reduction in the portfolio volume. Overall, model adjustments increased allowances for losses on loans and securities by EUR 72 million (net). This also included components recognized in lending business provisions.

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

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 17 million for LBBW (Bank) as at 31 December 2023 (2022: EUR 30 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.

There were no changes to the internal criteria for including financial instruments in the trading portfolio within the financial year (section 35 (1) no. 6c RechKredV).

The addition to the extraordinary item Fund for general banking risks under section 340g is required by section 340e (4) HGB to be at least 50 % of the average annual net income from the trading portfolio for the last five years. No addition to this extraordinary item was required for financial years 2021 and 2022.

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

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

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

1 For the counterparty default risk of OTC derivatives, a credit value adjustment is calculated using credit spreads, taking into account collateral and netting agreements.
2 The valuation models for equity derivatives are based on OTC- as well as on exchange-traded derivatives.

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

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 (see section: Notes on the balance sheet Note 9., Trading portfolio and 10. Derivatives) 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 shown 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 (assignor) 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 (IDW RS BFA 1 subsection 17). Credit derivatives that do not meet these requirements are treated as stand-alone credit derivatives and provisions for anticipated losses recognized accordingly (IDW RS BFA 1 subsection 16).

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.

Property and equipment 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 expenses are recognized on the basis of the expected payments to the owners of the instruments.

Provisions

In previous financial years, LBBW (Bank) transferred material portions of its pension obligations to indirect obligations, applying the disclosure option in accordance with Article 28 (1) sentence 2 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch – EGHGB). For meeting these indirect obligations, 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 31 December 2023, due to not recognizing indirect obligations within the meaning of Article 28 (1) sentence 2 EGHGB, there is underfunding of EUR 1,152 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 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). 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. The existing plan assets were measured at fair value.

Actuarial assumptions	31/12/2023	31/12/2022
Discount rate pursuant to section 253 (2) HGB (ten-year average)	1.82 %	1.78 %
Discount rate pursuant to section 253 (2) HGB (seven-year average)	1.74 %	1.44 %
Expected wage and salary increases	2.65 %	2.85 %
Career trend (up to age of 50 in addition to wage and salary increases)	0.50 %	0.50 %
Annual pension increase	2.50 %[1]	2.70 %[1]
Fluctuation	4.00 %	4.00 %
Payment of benefit payments / retirement probability	75 %/35 %[2]	50 %/20 %[2]

1 Additional adjustments were made for inflation up to the reporting date based on the CPI.
2 Depending on the benefit type, it is assumed that the remainder of the beneficiaries will decide for the single/installment payment.

There are obligations similar to pensions for some current and former employees entitled to aid (cost reimbursement for medical support). For employees still entitled to aid after entering retirement, relevant provisions were created. They are measured using the Brüggemann model. There are also obligations from settlement arrears from partial retirement contracts, from early retirement obligations and from FlexiWertKonten accounts. Provisions were also recognized for these obligations and were calculated using adjusted parameters to account for the shorter terms.

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 5 million.

According to Article 67 (1) sentence 1 EGHGB, the additions to the pension provisions can be spread out over 15 years as a consequence of the first-time adoption of BilMoG (Bilanzrechtsmodernisierungsgesetz – German Act on the Modernization of Accounting). LBBW (Bank) used this option. As at the reporting date, the outstanding addition was EUR 26 million, of which EUR 24 million related to the indirect part of pension obligations.

For pensions and other post-employment benefits and for other provisions with plan assets (FlexiWertKonten accounts and partial retirement), the settlement amounts were offset with the plan assets as shown:

EUR million	31/12/2023	31/12/2022
Settlement amount for pension obligations and other post-employment benefits	554	512
Cost of plan assets	360	346
Fair value of plan assets	406	396
Income from plan assets or pension obligations and other post-employment benefits	21	44
Expenses from plan assets or pension obligations and other post-employment benefits	56	130

Other provisions, which include provisions for credit risks, provisions for legal risks and restructuring, 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 new version).

LBBW (Bank) applied statement IDW RS BFA 3 new version as at the reporting date. LBBW (Bank) uses the net present value method. No other options were exercised. The associated risk and administrative costs and refinancing and equity costs are deducted from the difference between the present values and carrying amounts of the interest-bearing transactions of the banking book. Future administrative costs are calculated based on actual administrative costs, which are extrapolated for the total period using the portfolio maturity structure in accordance with the margin commitment. Risk costs are determined using the same process as the calculation of allowances for losses on loans and advances, which is based on the lifetime expected loss. 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, currency risks and raw material 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 abovementioned 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.

LBBW (Bank) also applies the concept of the portfolio valuation unit to hedge changes in the price of CO_2 emission allowances. Under hedged items, the portfolio valuation unit for CO_2 emission allowances comprises both CO_2 emission allowances held in the portfolio and pending purchase transactions (spot transactions and forwards) relating to CO_2 emission allowances. Under hedging instruments, it comprises delivery obligations for CO_2 emission allowances and ending sales transactions (spot transactions and forwards).

In line with LBBW (Bank)'s risk strategy, transactions are included in the portfolio valuation unit as soon as the transaction in question is acquired and always comprise the transaction in its entirety (no partial designations). This applies both to underlying transactions and to hedging instruments.

LBBW (Bank) provides evidence of the prospective effectiveness of the valuation unit through correlation analyses (correlation of spot and forward price development > 90 %).

As in the case of micro valuation units, LBBW (Bank) uses the net hedge presentation method for the portfolio valuation unit, i.e. a provision is recognized for the valuation unit under other operating expenses only if the portfolio's net valuation result is a loss. The net change in value from the hedged risk is the result of the total amount of fair value changes of the underlying and hedging transactions recognized in the valuation unit.

The original CO_2 emission rights and the corresponding derivative products (where reportable) are recognized under other assets or other liabilities. In the income statement, realized net gains/losses are recognized under other operating income or other operating expenses.

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 2023 annual financial statements.

Net interest income

Net interest income also reports current interest income and expenses in the trading portfolio. This procedure is in line with the LBBW (Bank) internal controlling. In addition, based on the underlying transactions, negative interest income from lending is reported as an of which item in the income statement item interest income and positive interest expenses from borrowing as an of which item in the income statement item interest expenses. The presentation provides a net view.

Other administrative expenses

Other administrative expenses include expenses for EDP costs, costs of premises, legal and consulting expenses as well as expenses for the bank levy and the deposit guarantee system of EUR 168 million (2022: EUR 188 million).

IBOR transition effects

If the reference interest rate for variable rate financial instruments was transitioned in connection with the IBOR reform, the resulting settlement payments are accrued over the residual term. On the other hand, settlement payments due to transitions of discount curves were recognized immediately and fully in profit and loss.

Currency translation

Currency translations take 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, it 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 net trading gains/losses.

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

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

Income 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 the tax base, especially for property, plant and equipment, other assets and intangible assets were offset against deferred tax assets, particularly on deductible temporary differences on provisions (especially for pensions) and receivables measurement.

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 the 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 25.90 %.

The “Act to Ensure Global Minimum Taxation for Groups of Companies” (Minimum Tax Directive - MinStG) was promulgated in the Federal Law Gazette on 27 December 2023. The law applies for the first time to financial years beginning after 31 December 2023.

Under this law, LBBW (Bank), as the parent company in Germany, must pay an additional tax on the gains of its subsidiaries that are taxed at an effective tax rate of less than 15 %. As at the reporting date, an initial indicative analysis was carried out to ascertain the impact of this and identify the jurisdictions where a global minimum tax could potentially affect the company. Singapore is one of the main countries for which an additional tax could be incurred at parent company level. In 2022, this country accounted for approximately 1 % of gains and the average effective tax rate on these gains was 14.70 %. LBBW (Bank) therefore assumes that the effective tax rate would not have changed significantly if the Minimum Tax Directive had already been in effect on the reporting date.

The impact of minimum taxation legislation on LBBW (Bank)’s future financial performance is being investigated further.

LBBW (Bank) applies the exception in accordance with section 274 (3) HGB in conjunction with section 306 HGB, which states that neither deferred tax assets nor deferred tax liabilities in connection with global minimum taxation have to be recognized or disclosed.

Notes on 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	31/12/2023	31/12/2022
Loans and advances to banks	*89,047*	*83,495*
of which to affiliates	2,538	1,763
of which to affiliated savings banks (Sparkassen)	35,523	31,866
Loans and advances to customers	*124,740*	*120,802*
of which to affiliates	4,979	4,672
Other assets	*11,443*	*10,020*
of which from affiliates	33	92
of which from companies in which equity interests are held	151	168

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	31/12/2023	31/12/2022
Loans and advances to banks	*89,047*	*83,495*
up to 3 months	46,176	46,562
more than 3 months to 1 year	7,631	5,893
more than 1 year to 5 years	15,287	12,203
more than 5 years	19,953	18,837
Loans and advances to customers	*124,740*	*120,802*
up to 3 months	20,649	18,093
more than 3 months to 1 year	19,486	17,918
more than 1 year to 5 years	49,357	50,446
more than 5 years	35,248	33,968
no specified maturity	0	377
Debentures and other fixed-income securities	*34,418*	*32,797*
of which due in the following year	4,688	5,264

5. Subordinated assets

Subordinated assets are included in the following asset items:

EUR million	31/12/2023	31/12/2022
Loans and advances to banks	403	345
Loans and advances to customers	104	94
Debentures and other fixed-income securities	128	134
Trading assets	41	23

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 487 million (2022: EUR 1,214 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	31/12/2023	31/12/2022
Debentures and other fixed-income securities		
Marketable	34,418	32,797
of which listed	32,080	30,746
No write-down due to temporary impairment		
Carrying amount	21,218	16,772
Fair value	20,552	16,919
Equities and other non-fixed-income securities		
Marketable	104	147
of which listed	6	31
Equity investments		
Marketable	2	2
Shares in affiliates		
Marketable	1,340	1,340

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 – 605 million (2022: EUR – 834 million).

8. Shares in investment fund assets

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

EUR million Investment goal	Name	Fair value	Difference to carrying amount	Distribution for the financial year	Daily return possible	Unscheduled write-downs omitted
Mixed fund	BNPP Flexi I - Mul.-Ass.Boost.Act. Nom.	6	0	0	Yes	No
Property fund	Germany Diversified Core+ bearer units	20	0	1	Yes	No
Bond fund	IPAM RentenWachstum bearer units	3	0	0	Yes	No
Bond fund	OP-Fonds SKP bearer units[1]	124	46	40	Yes	No
		153	*46*	*41*		

1 The fund units are part of an asset-linked note i.e. 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:

	Trading assets		Trading liabilities	
EUR million	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Derivative financial instruments	5,865	6,236	7,155	11,157
Receivables/liabilities	12,155	11,034	1,725	1,836
Debentures and other fixed-income securities	5,467	8,164	7,306	6,337
Equities and other non-fixed-income securities	373	603	0	0
Other assets/other liabilities	0	111	7	15
	23,860	*26,149*	*16,193*	*19,346*

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

	Nominal values		Positive fair value[1, 2, 3]		Negative fair value[1, 2, 3]	
EUR million	**31/12/2023**	**31/12/2022**	**31/12/2023**	**31/12/2022**	**31/12/2023**	**31/12/2022**
Interest rate swaps	1,572,974	1,700,993	2,715	2,596	4,732	6,679
Forward rate agreements	1,021,411	694,643	– 2	– 2	1	2
Interest rate options	65,161	56,611	57	38	71	69
Purchases	30,079	23,501	21	19	18	6
Sales	35,082	33,110	36	18	53	63
Caps, floors, collars	43,133	42,936	28	11	189	293
Other interest rate contracts	1,572	1,967	211	442	47	9
Exchange-traded interest rate products	2,806	1,104	0	0	0	0
Interest rate risks – overall	*2,707,058*	*2,498,255*	*3,009*	*3,085*	*5,040*	*7,052*
Foreign exchange transactions	183,820	183,537	892	1,102	935	1,193
Interest-rate/currency swaps	26,747	31,472	261	267	157	178
Currency options	3,302	3,795	43	47	16	24
Purchases	1,650	1,990	43	36	0	0
Sales	1,652	1,805	0	11	16	24
Currency risks – total	*213,869*	*218,804*	*1,196*	*1,416*	*1,109*	*1,395*
Stock options	330	165	– 3	– 14	4	1
Purchases	165	83	– 3	– 14	0	0
Sales	164	83	0	0	4	1
Exchange-traded equity and index products	17,620	16,911	499	701	652	957
Commodities	2,408	2,346	42	91	40	92
of which exchange-traded	974	1,091	23	54	18	52
Other equity derivatives	203	790	180	177	189	1,526
Equity and other price risks – overall	*20,561*	*20,213*	*719*	*955*	*885*	*2,576*
Credit derivatives – protection seller	5,578	4,952	0	– 6	1	1
Credit derivatives – protection buyer	7,139	7,415	1	1	75	134
Credit derivatives	*12,717*	*12,367*	*1*	*– 5*	*75*	*135*
Risks – overall	*2,954,205*	*2,749,638*	*4,925*	*5,450*	*7,110*	*11,158*

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.

Derivative transactions – Product structure – Not recognized at fair value

EUR million	Nominal values 31/12/2023	Nominal values 31/12/2022	Positive fair value[1, 2] 31/12/2023	Positive fair value[1, 2] 31/12/2022	Negative fair value[1, 2] 31/12/2023	Negative fair value[1, 2] 31/12/2022
Interest rate swaps	946,665	748,881	773	939	505	618
Forward rate agreements	687,906	579,037	– 20	31	– 20	34
Interest rate options	1,671	1,732	111	103	2	2
Purchases	843	843	111	103	0	0
Sales	828	889	0	0	2	2
Other interest rate contracts	393	3,084	0	0	0	0
Exchange-traded interest rate products	1,128	170	0	0	0	0
Interest rate risks – overall	*1,637,763*	*1,332,904*	*864*	*1,073*	*487*	*654*
Interest-rate/currency swaps	1,736	1,470	26	1	49	1
Currency risks – total	*1,736*	*1,470*	*26*	*1*	*49*	*1*
Stock options	24	271	0	17	6	6
Purchases	2	95	0	17	0	0
Sales	22	176	0	0	6	6
Exchange-traded commodities	38	0	0	0	0	0
Equity and other price risks – overall	*62*	*271*	*0*	*17*	*6*	*6*
Credit derivatives – protection seller	0	0	0	0	0	0
Credit derivatives – protection buyer	1,616	2,714	7	13	41	860
Credit derivatives	*1,616*	*2,714*	*7*	*13*	*41*	*860*
Risks – overall	*1,641,177*	*1,337,359*	*897*	*1,104*	*583*	*1,521*

1 Including interest deferral (“dirty price”).
2 The positive and negative fair values do not include the premiums of internal transactions. This can, in individual cases, result in the reporting of negative values.

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

With regard to the valuation models used, refer to the information under the chapter “General accounting and valuation methods”.

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

Derivative transactions – maturity structure (by remaining maturity)

Nominal values EUR million	up to 3 months	More than 3 months to 1 year	More than 1 year to 5 years	More than 5 years	Total
Interest rate risks					
31/12/2023	298,197	1,573,945	1,559,628	913,051	4,344,821
31/12/2022	259,456	1,298,428	1,338,082	935,193	3,831,159
Currency risks					
31/12/2023	109,605	59,231	39,957	6,812	215,605
31/12/2022	96,934	69,065	46,455	7,821	220,275
Equity and other price risks					
31/12/2023	4,465	7,758	7,862	539	20,624
31/12/2022	2,996	8,842	8,253	393	20,484
Credit derivatives					
31/12/2023	121	1,710	10,920	1,582	14,333
31/12/2022	87	1,699	11,648	1,646	15,080
Risks – overall					
31/12/2023	412,388	1,642,644	1,618,367	921,984	4,595,382
31/12/2022	359,473	1,378,034	1,404,436	945,054	4,086,997

Derivative transactions – by counterparty

	Nominal values		Positive fair value[1]		Negative fair value[1]	
EUR million	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Banks in the OECD	2,614,569	2,420,726	6,683	2,776	8,682	7,739
Banks outside the OECD	11,572	11,328	– 4,129	117	– 4,056	67
Public-sector agencies in OECD countries	23,785	32,434	616	672	483	318
Other counterparties	1,945,457	1,622,509	2,652	2,987	2,583	4,555
Counterparties – total	*4,595,382*	*4,086,997*	*5,823*	*6,552*	*7,692*	*12,679*

1 Including interest deferral (“dirty price”).

11. Currency translation

Foreign currency assets worth EUR 43.5 billion (2022: EUR 45.0 billion) and foreign currency liabilities worth EUR 47.2 billion (2022: EUR 48.2 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). The assets and liabilities listed above 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	01/01/2023	Changes[1]	31/12/2023
Equity investments	187	– 24	163
Shares in affiliates	2,879	– 111	2,768
Securities allocated to fixed assets	29,417	1,923	31,340

1 The aggregation option under section 34 (3) RechKredV was used.

Historical cost

EUR million	01/01/2023	Additions	Disposals	31/12/2023
Intangible assets	855	38	– 14	879
Land and buildings	976	4	– 56	924
of which land and buildings used commercially	914	4	– 56	862
Other facilities, operating and office equipment	342	14	– 30	326

Depreciation/amortization, write-downs and carrying amounts

EUR million	01/01/2023	Current depreciation/ amortization and write-downs	Current reversals of impairment losses	Disposals/ additions	31/12/2023	Carrying amount 31/12/2023	Carrying amount 31/12/2022
Intangible assets	– 748	– 37	0	6	– 779	99	107
Land and buildings	– 325	– 16	2	28	– 311	612	651
of which land and buildings used commercially	– 273	– 16	0	28	– 261	601	641
Other facilities, operating and office equipment	– 248	– 10	0	29	– 229	98	94

The option described in section 248 (2) HGB is being exercised. Development costs in the 2023 financial year were accounted for fully by the internally generated intangible assets, which amounted to EUR 13 million (2022: EUR 21 million). Operating and office equipment amounted to EUR 53 million (2022: EUR 50 million).

13. Fiduciary transactions

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

EUR million	31/12/2023	31/12/2022
Trust assets	*836*	*904*
Loans and advances to banks	790	793
Loans and advances to customers	46	111
Trust liabilities	*836*	*904*
Deposits from banks	836	904

14. Other assets

Items of particular significance included in the other assets of LBBW (Bank) are margins and option premiums of EUR 6,917 million (2022: EUR 9,282 million), other assets in affiliates and companies in which an equity investment is held totaling EUR 184 million (2022: EUR 259 million) and tax refund claims of EUR 77 million (2022: EUR 89 million). Other assets temporarily increased by EUR 1.4 billion to EUR 11.4 billion. This was due to sales of securities that had not yet been settled (cash received). As a result, the securities from trading assets were reclassified to other assets.

The tax refund claims in Germany primarily include income tax assets from past financial years of EUR 18 million (2022: EUR 38 million) and other tax receivables of EUR 35 million (2022: EUR 37 million), comprising mainly interest receivables and VAT receivables.

The refund claims stand in contrast to the LBBW (Bank) tax provisions amounting to EUR 62 million (2022: EUR 158 million).

15. Deferred items

Deferred items include the following amounts:

EUR million	31/12/2023	31/12/2022
Prepaid expenses	*2,886*	*2,996*
Discount from liabilities in line with section 250 (3) HGB	249	233
Premium from receivables in line with section 340e (2) sentence 3 HGB	472	574
Deferred income	*2,752*	*3,504*
Discount from receivables in line with section 340e (2) sentence 2 HGB	309	219
Premium from liabilities in line with section 340e (2) sentence 2 HGB	218	128

Deferred items include one-off payments from interest rate and cross-currency interest rate swaps of EUR 1,446 million (2022: EUR 1,371 million) on the assets side and EUR 1,406 million (2022: EUR 1,299 million) on the liabilities side. In addition, there are EUR 578 million (2022: EUR 658 million) discontinued valuation units on the assets side and EUR – 639 million (2022: EUR – 723 million) on the liabilities side. Liabilities also contain premiums on liabilities of EUR 218 million (2022: EUR 128 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	31/12/2023	31/12/2022
Deposits from banks	*72,644*	*76,862*
of which to affiliates	8	2
of which from companies in which equity interests are held	92	0
of which from affiliated savings banks (Sparkassen)	2,808	3,610
Deposits from customers	*123,032*	*111,537*
of which from affiliates	348	561
of which from companies in which equity interests are held	7	6

17. Maturity structure of the liabilities

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

EUR million	31/12/2023	31/12/2022
Deposits from banks with agreed duration or withdrawal notice	*62,517*	*72,130*
up to 3 months	23,156	13,551
more than 3 months to 1 year	6,811	15,101
more than 1 year to 5 years	14,561	23,906
more than 5 years	17,989	19,572
Savings deposits to customers with an agreed notice period of more than three months	*3,596*	*281*
more than 3 months to 1 year	2,309	200
more than 1 year to 5 years	1,275	79
more than 5 years	12	2
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	*44,332*	*38,156*
up to 3 months	23,111	22,272
more than 3 months to 1 year	13,417	7,844
more than 1 year to 5 years	3,709	3,941
more than 5 years	4,095	4,099
Securitized liabilities	*60,126*	*49,096*
a) Issued debentures	*50,823*	*40,024*
of which due in the following year	17,917	9,758
b) Other securitized liabilities	*9,303*	*9,072*
up to 3 months	7,002	8,309
more than 3 months to 1 year	2,302	763

18. Assets assigned as collateral for own liabilities

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

EUR million	31/12/2023	31/12/2022
Deposits from banks	43,599	44,777
Deposits from customers	456	1,134
Trading liabilities	95	14
Total amount of collateral transferred	*44,150*	*45,925*

19. Other liabilities

The most important individual components of the other liabilities item are margins and option premiums totaling EUR 5,750 million (2022: EUR 8,909 million), distribution obligations from silent partners' contributions amounting to EUR 35 million (2022: EUR 35 million) and taxes to be transferred amounting to EUR 146 million (2022: EUR 38 million). These are essentially liabilities from provisional capital gains tax and VAT tax returns. Other liabilities declined by EUR – 2.7 billion to EUR 6.4 billion. This was essentially due to the decrease in margin holdings as collateral received in advance in connection with derivative transactions, which saw a decline on account of interest rate changes.

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 2023.

		Negative change in value			Positive change in value		
EUR million	Carrying amount[UL]	Change in value[UL]	Change in value[HT]	Loss peak	Change in value[UL]	Change in value[HT]	Profit peak
Assets in micro valuation units							
General interest rate risk	24,150	– 187	185	– 2	– 709	709	0
Structured interest rate risk and other market price risk	389	– 17	17	0	0	0	0
Assets in portfolio valuation units							
Other market price risk	148	– 14	14	0	0	0	0
Liabilities in micro valuation units							
General interest rate risk	– 14,593	11	– 13	– 2	312	– 309	3
Structured interest rate risk and other market price risk	– 2,749	– 95	95	0	0	0	0
Contracts in progress in micro valuation units							
Structured interest rate risk and other market price risk	– 5	229	– 229	0	0	0	0
Total				*– 4*			*3*

UL = underlying; HT = hedging transaction.

There was thus a profit peak of EUR 3 million (2022: EUR 4 million) and a loss peak of EUR – 4 million (2022: EUR – 1 million) as at 31 December 2023. This resulted in a provision from valuation units of EUR 4 million as at 31 December 2023.

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 hedges are documented by means of clear referencing of the underlying and hedging transactions. The contrary changes in value were largely offset as at the reporting date and this will likely remain the case. The changes in value from the hedged risks will offset each other fully by the anticipated end of the valuation units (maturity date of the underlying and hedging transaction).

21. Subordinated liabilities

The subordinated liabilities were raised in the form of borrower's note loans and issues denominated in EUR, USD, AUD and JPY. There were no new issues in the current and previous financial years.

Nominal amounts of EUR 507 million (2022: EUR 512 million) will mature within the next two years. The last subordinated liabilities will be repaid in 2041. The rate of interest ranges between 1.40 % and 6.88 %.

Subordinated liabilities, which in each case exceed 10 % of the total subordinated liabilities position, are structured as follows:

The XS1246732249 issue of EUR 500 million bears interest of 3.625 % and is due in 2025. There is no call option for the creditor or LBBW (Bank). The subordinated liabilities comply with the requirements of CRR (Capital Requirements Regulation).

The DE000LB1B2E5 issue of EUR 500 million bears interest of 2.875 % and is due in 2026. There is no call option for the creditor or LBBW (Bank). The subordination condition complies with CRR requirements.

The DE000LB13HZ5 issue of EUR 500 million bears interest of 2.2 % and is due in 2029. There is no call option for the creditor or LBBW (Bank). The subordination condition complies with CRR requirements.

With the exception of issues with a nominal volume of EUR 36,000, the subordinated liabilities complied with the requirements of Article 63 CRR. 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 – 180 million (2022: EUR – 182 million) was incurred for Subordinated liabilities.

22. Capital generated from profit-participation rights

The last remaining profit-participation rights matured on 31 December 2022 and were repaid in full.

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 2023:

EUR million	
Equity as at 31 December 2022	*14,317*
– Distribution to shareholders	– 240
+ Net profit for the year 2023	400
Equity as at 31 December 2023	*14,477*

The creditors’ rights of 41 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 (35 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, 41 agreements include the right to a replenishment of capital from net profit or unappropriated capital pursuant to HGB. Provided the capital is replenished, twelve agreements also provide for a repayment of suspended distributions if net profit for the year or unappropriated profit pursuant to HGB is available. This did not result in any obligations as at either 31 December 2023 or 31 December 2022.

25. Items below the line

Contingent liabilities

EUR million	31/12/2023	31/12/2022
Contingent liabilities	13,490	13,364
of which liabilities from guarantees and warranties	13,490	13,364

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 Landesbank Schleswig-Holstein Girozentrale, Kiel, arising up to 18 July 2001, resulting from the period of its participation in the former Landesbank Schleswig-Holstein Girozentrale, Kiel.

Other obligations

EUR million	31/12/2023	31/12/2022
Other obligations	37,681	40,831
of which irrevocable loan commitments	37,681	40,831

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 2,197 million.

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

Notes on the income statement

26. Net interest income

The decline in negative interest income and positive interest expenses essentially reflects far higher market interest rates compared to the prior year average. The negative interest income in the previous year was the result of negative interest rates on reserve holdings with the ECB, banks and institutional customers that exceed the bank's reserve requirement. These customer groups also generated 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 1 million (2022: EUR – 1 million) and discounting effects of EUR 1 million (2022: EUR 1 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, based on the head office of the branches, across the geographical markets below as follows:

EUR million	31/12/2023	31/12/2022
Federal Republic of Germany	35,865	15,703
Europe (excl. Germany)	418	246
Asia	526	209
America	1,773	749
Total	*38,582*	*16,906*

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

Other operating income includes reversals of provisions of EUR 68 million (2022: EUR 52 million), non-recurring additional earnings from the lending business of EUR 41 million (2022: EUR 0 million) and income from renting, leasing and selling land and buildings of EUR 37 million (2022: EUR 40 million). The disposal of affiliates and equity investments resulted in income of EUR 42 million (2022: EUR 8 million). In addition, income from refunds of expenses from third parties amounted to EUR 25 million (2022: EUR 26 million) and from services charged to third parties to EUR 16 million (2022: EUR 15 million).

Other operating expenses included allocations to provisions of EUR – 53 million (2022: EUR – 94 million), mainly for litigation and recourse risks. Expenses for non-banking business essentially consist of operating expenses amounting to EUR – 15 million (2022: EUR – 16 million) and expenses for land and buildings held as long-term investments of EUR – 10 million (2022: EUR – 9 million).

30. Auditors' fee

The following information relates to Landesbank Baden-Württemberg and the companies it controls. Information on auditors' fees is provided in the notes on the consolidated financial statements in LBBW's 2023 annual report.

The audit services related above all 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 contract. Audit reviews of interim financial statements and clarification of specialist accounting and regulatory matters.

The 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, which is recognized as a deposit guarantee system under Section 5 (1) of the German Deposit Guarantee Act (Einlagensicherungsgesetz – EinSiG) and the review of the combined non-financial report.

Other services include quality assurance activities and training seminars.

31. Extraordinary result

The negative extraordinary result of EUR – 22 million (2022: EUR – 25 million) comprises extraordinary income in the amount of EUR 5 million (2022: EUR 1 million) and extraordinary expenditure of EUR – 26 million (2022: EUR – 26 million).

Extraordinary expenditure includes additions of EUR – 26 million (2022: EUR – 26 million) made to pension provisions from the BilMoG conversion.

32. Taxes on income

The periodic tax expense of EUR – 311 million (2022: EUR – 246 million) is essentially attributable to expenses from corporation tax and trade tax. The prior-period tax expense of EUR – 1 million for financial year 2023 (2022: EUR – 72 million) is due in particular to changes in tax assessments for previous years.

The total tax expense for taxes on income amounts to EUR – 312 million (2022: EUR – 318 million).

Other information

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

There are other financial obligations of EUR 1,444 million (2022: EUR 805 million); of which EUR 997 million (2022: EUR 453 million) are obligations to make an additional contribution to central counterparties.

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.

In connection with the European bank levy, LBBW (Bank) also entered into irrevocable payment obligations of EUR 28 million in the 2023 financial year (cumulative amount since 2015: EUR 147 million). These are reported under other financial obligations. Receivables for cash collateral provided were capitalized in the same amount.

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 (Bank) 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. In this context, other financial obligations include payment obligations towards the deposit guarantee system to achieve the statutory target level.

In connection with the bank-related guarantee system of the Sparkassen-Finanzgruppe, LBBW (Bank) also entered into irrevocable payment obligations of EUR 31 million in the 2023 financial year (cumulative amount since 2015: EUR 124 million). These are reported under other financial obligations. Collateral in the same amount was pledged for these payment obligations in the form of low-risk securities at the Bundesbank.

In addition, pursuant to section 5 (10) of the bylaws of the German Deposit Protection Fund, LBBW (Bank) 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 246 million (2022: EUR 255 million), with EUR 4 million (2022: EUR 4 million) relating to affiliates and associates.

34. Distribution block

LBBW (Bank) reported a restriction on distribution of EUR 19 million (2022: EUR 56 million) in the balance sheet in the 2023 financial year, with the difference in accordance with section 253 (6) sentence 2 HGB accounting for EUR 5 million (2022: EUR 22 million), the surplus of assets over liabilities for pension obligations in accordance with section 246 (2) sentence 3 HGB for EUR 1 million (2022: EUR 13 million) and internally generated intangible assets for EUR 13 million (2022: EUR 21 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 36,127 million (2022: EUR 36,007 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	**31/12/2023**	**31/12/2022**
Public covered bonds issued pursuant to PfandBG	10,540	10,142
Assets serving as cover	13,145	12,465
Loans and advances to banks	1,146	1,263
Loans and advances to customers	11,601	10,821
Debentures and other fixed-income securities	398	380
Depth of coverage	*2,605*	*2,323*
Mortgage-backed covered bonds issued pursuant to PfandBG	12,440	12,558
Assets serving as cover	18,806	17,335
Loans and advances to customers	17,550	16,521
Debentures and other fixed-income securities	1,256	814
Depth of coverage	*6,366*	*4,777*

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

Outstanding mortgage-backed covered bonds and related cover assets

	Nominal value		Present value		Present value of risk*	
EUR million	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Pfandbriefe (mortgage-backed covered bonds)	12,440	12,558	12,329	12,152	11,708	11,513
of which derivatives	0	0	0	0	0	0
Cover fund	18,806	17,335	18,390	16,475	16,292	14,612
of which derivatives	0	0	0	0	0	0
Depth of coverage	6,366	4,777	6,061	4,323	4,584	3,099
Overcollateralization in % of outstanding covered bonds	51	38	49	36	39	27
Statutory overcollateralization[1]	484	518	247	243		
Contractual overcollateralization[2]	0	0	0	0		
Voluntary overcollateralization[3]	5,882	4,259	5,815	4,080		
Overcollateralization taking account of the vdp credit quality differentiation model	6,366	4,777	6,061	4,323		
Overcollateralization in % of outstanding covered bonds	51	38	49	36		

* The static approach in accordance with section 5 (1) no. 1 PfandBarwertV was used to calculate the present value of risk.
1 Nominal value: Sum of the nominal value of the securing overcollateralization in accordance with section 4 (2) PfandBG and the nominal value of the present-value securing overcollateralization in accordance with section 4 (1) PfandBG. Present value: Present value securing overcollateralization in accordance with section 4 (1) PfandBG.
2 Contractually guaranteed overcollateralization
3 Residual, depending on statutory and contractual overcollateralization; present value includes the present value of the nominal value of the securing overcollateralization in accordance with section 4 (2) PfandBG.

Outstanding public covered bonds and related cover assets

	Nominal value		Present value		Present value of risk*	
EUR million	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Pfandbriefe (public covered bonds)	10,540	10,142	10,700	9,986	9,837	9,273
of which derivatives	0	0	0	0	0	0
Cover fund	13,145	12,465	13,452	12,446	12,037	11,209
of which derivatives	0	0	0	0	0	0
Depth of coverage	2,604	2,323	2,752	2,460	2,200	1,936
Overcollateralization in % of outstanding covered bonds	25	23	26	25	22	21
Statutory overcollateralization[1]	421	415	214	200		
Contractual overcollateralization[2]	0	0	0	0		
Voluntary overcollateralization[3]	2,183	1,908	2,538	2,260		
Overcollateralization taking account of the vdp credit quality differentiation model	2,604	2,323	2,752	2,460		
Overcollateralization in % of outstanding covered bonds	25	23	26	25		

* The static approach in accordance with section 5 (1) no. 1 PfandBarwertV was used to calculate the present value of risk.
1 Nominal value: Sum of the nominal value of the securing overcollateralization in accordance with section 4 (2) PfandBG and the nominal value of the present-value securing overcollateralization in accordance with section 4 (1) PfandBG. Present value: Present value securing overcollateralization in accordance with section 4 (1) PfandBG.
2 Contractually guaranteed overcollateralization
3 Residual, depending on statutory and contractual overcollateralization; present value includes the present value of the nominal value of the securing overcollateralization in accordance with section 4 (2) PfandBG.

Maturity structure of outstanding mortgage-backed covered bonds and related cover assets:

EUR million	Up to 0.5 years	More than 0.5 years to 1 year	More than 1 year to 1.5 years	More than 1.5 years to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years to 10 years	More than 10 years	Total
Cover fund										
31/12/2023	1,117	1,546	1,689	1,732	2,127	1,965	1,704	4,996	1,930	18,806
31/12/2022	997	1,397	905	1,168	3,017	1,821	1,575	4,857	1,599	17,335
Outstanding mortgage-backed covered bonds										
31/12/2023	1,529	179	2,702	184	1,839	1,397	1,704	2,764	143	12,440
31/12/2022	1,047	148	1,522	155	2,791	1,338	895	4,074	588	12,558
Deferral of maturity (12 months)[1]										
31/12/2023	0	0	1,529	179	2,885	1,839	1,397	4,111	500	12,440
31/12/2022	0	0	1,047	148	1,677	2,791	1,338	4,939	617	12,558

1 Impact of deferring maturity on the maturity structure of covered bonds / deferral scenario: 12 months. This is an extremely unlikely scenario that could occur only after appointing an administrator.

Maturity structure of outstanding public covered bonds and related cover assets:

EUR million	Up to 0.5 years	More than 0.5 years to 1 year	More than 1 year to 1.5 years	More than 1.5 years to 2 years	More than 2 years to 3 years	More than 3 years to 4 years	More than 4 years to 5 years	More than 5 years to 10 years	More than 10 years	Total
Cover fund										
31/12/2023	961	774	607	711	1,634	1,536	1,371	2,931	2,620	13,145
31/12/2022	731	693	609	725	1,145	1,505	1,375	3,172	2,510	12,465
Outstanding public covered bonds										
31/12/2023	100	1,391	40	1,278	1,532	1,919	1,101	2,158	1,022	10,540
31/12/2022	567	635	77	1,259	1,182	1,243	1,440	2,481	1,259	10,142
Deferral of maturity (12 months)[1]										
31/12/2023	0	0	100	1,391	1,318	1,532	1,919	2,399	1,882	10,540
31/12/2022	0	0	567	635	1,336	1,182	1,243	3,707	1,472	10,142

1 Impact of deferring maturity on the maturity structure of covered bonds / deferral scenario: 12 months. This is an extremely unlikely scenario that could occur only after appointing an administrator.

Information on deferring the maturity of covered bonds:

	31/12/2023	31/12/2022
Requirements for deferring the maturity of covered bonds	It is necessary to defer the maturity to avoid the risk of the covered bond bank with limited business activities being unable to meet payment obligations. The covered bond bank with limited business activities is not overindebted and there are grounds to believe that the covered bond bank with limited business activities will in any case be able to cover its liabilities that fall due after the end of the maximum possible deferral period, taking account of further deferment options (positive settlement forecast). See also section 30 (2b) PfandBG.	It is necessary to defer the maturity to avoid the risk of the covered bond bank with limited business activities being unable to meet payment obligations. The covered bond bank with limited business activities is not overindebted and there are grounds to believe that the covered bond bank with limited business activities will in any case be able to cover its liabilities that fall due after the end of the maximum possible deferral period, taking account of further deferment options (positive settlement forecast). See also section 30 (2b) PfandBG.
Powers of the administrator in the event of deferring the maturity of covered bonds	The administrator may defer the maturities of repayments if the relevant requirements for this under section 30 (2b) PfandBG are met. The administrator decides the deferment period, which must not exceed 12 months, according to requirements. The administrator can defer the maturities of payments of principal and interest that fall due within one month of being appointed to the end of this month. If the administrator decides to do so, it is irrefutably assumed that the requirements under section 30 (2b) PfandBG are met. This deferment must be taken into account within the maximum deferment period of 12 months. The administrator must exercise its authority for all covered bonds in an issue. The maturities may be deferred in full or on a pro rata basis. The administrator must defer the maturity for a covered bond issue in such a way that the original order in which the covered bonds are serviced, which could be overtaken by the deferment, does not change. This may mean deferring the maturities of issues that fall due at a later date. See also section 30 (2a) and (2b) PfandBG.	The administrator may defer the maturities of repayments if the relevant requirements for this under section 30 (2b) PfandBG are met. The administrator decides the deferment period, which must not exceed 12 months, according to requirements. The administrator can defer the maturities of payments of principal and interest that fall due within one month of being appointed to the end of this month. If the administrator decides to do so, it is irrefutably assumed that the requirements under section 30 (2b) PfandBG are met. This deferment must be taken into account within the maximum deferment period of 12 months. The administrator must exercise its authority for all covered bonds in an issue. The maturities may be deferred in full or on a pro rata basis. The administrator must defer the maturity for a covered bond issue in such a way that the original order in which the covered bonds are serviced, which could be overtaken by the deferment, does not change. This may mean deferring the maturities of issues that fall due at a later date. See also section 30 (2a) and (2b) PfandBG.

Receivables used to cover mortgage-backed covered bonds by size category:

EUR million	31/12/2023	31/12/2022
Up to EUR 300,000	2,593	2,593
More than EUR 300,000 to EUR 1 million	1,450	1,161
More than EUR 1 million to EUR 10 million	3,067	2,738
Over EUR 10 million	10,440	10,030
Total	*17,550*	*16,521*

Receivables used to cover public covered bonds by size category:

EUR million	31/12/2023	31/12/2022
Up to EUR 10 million	2,901	2,865
More than EUR 10 million to EUR 100 million	3,521	3,399
Over EUR 100 million	6,722	6,200
Total	*13,145*	*12,465*

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

31/12/2023

EUR million	Germany	Belgium	France	Great Britain	Netherlands	Canada	USA	Total
Land used for residential purposes	7,593	0	0	0	0	0	240	7,833
Owner-occupied homes	1,214	0	0	0	0	0	0	1,214
Single- and two-family houses	2,080	0	0	0	0	0	0	2,080
Apartment blocks	4,281	0	0	0	0	0	240	4,521
Building plots	18	0	0	0	0	0	0	18
Land used for commercial purposes	7,066	20	123	1,148	292	146	924	9,717
Office buildings	3,393	20	114	947	216	87	740	5,517
Trade buildings	1,865	0	0	88	6	58	184	2,201
Industrial buildings	1,017	0	8	100	0	0	0	1,125
Other commercially used buildings	786	0	0	12	70	0	0	868
Building plots	6	0	0	0	0	0	0	6
Total	*14,659*	*20*	*123*	*1,148*	*292*	*146*	*1,164*	*17,550*

31/12/2022

EUR million	Germany	Belgium	France	Great Britain	Netherlands	Canada	USA	Total
Land used for residential purposes	6,977	0	0	0	0	0	197	7,174
Owner-occupied homes	1,071	0	0	0	0	0	0	1,071
Single- and two-family houses	1,876	0	0	0	0	0	0	1,876
Apartment blocks	4,017	0	0	0	0	0	197	4,214
Building plots	13	0	0	0	0	0	0	13
Land used for commercial purposes	6,441	20	198	1,007	315	171	1,196	9,347
Office buildings	3,037	20	190	910	232	112	907	5,407
Trade buildings	1,582	0	0	6	6	59	289	1,943
Industrial buildings	1,017	0	8	0	7	0	0	1,033
Other commercially used buildings	748	0	0	91	70	0	0	909
Incomplete and not profitable new buildings	48	0	0	0	0	0	0	48
Building plots	8	0	0	0	0	0	0	8
Total	*13,418*	*20*	*198*	*1,007*	*315*	*171*	*1,393*	*16,521*

There were no payments outstanding by at least 90 days as at either 31 December 2023 or 31 December 2022.

There were no foreclosures or compulsory administration procedures pending as at either 31 December 2023 or 31 December 2022. No foreclosures were carried out in the 2023 and 2022 financial year, and no land was acquired to avoid losses.

There was no outstanding interest in either the 2023 or 2022 financial year.

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

31/12/2023	Central state		Regional government		Local government		Other debtors[1]			
EUR million	Owed	Guaranteed	Owed	Guaranteed	Owed	Guaranteed	Owed	Guaranteed	Total	of which export credit receivables
Germany	0	2,168	2,017	460	5,098	863	1,496	0	12,101	2,168
Belgium	0	25	0	0	0	0	0	0	25	25
Denmark	0	255	0	0	0	0	0	0	255	255
France	0	31	0	0	0	0	0	0	31	31
Great Britain	0	9	0	0	0	0	0	0	9	9
Croatia	20	0	0	0	0	0	0	0	20	0
Malta	13	0	0	0	0	0	0	0	13	0
Netherlands	0	83	0	0	0	0	0	0	83	83
Austria	13	63	20	0	0	0	0	0	96	63
Poland	18	0	0	0	0	0	0	0	18	0
Sweden	0	78	0	0	0	0	0	0	78	78
Slovakia	20	0	0	0	0	0	0	0	20	0
Slovenia	10	0	0	0	0	0	0	0	10	0
Spain	0	0	40	0	0	0	0	0	40	0
Switzerland	0	130	0	0	0	0	0	0	130	130
USA	0	0	0	0	0	0	0	62	62	62
EU institutions	0	155	0	0	0	0	0	0	155	0
Total	*94*	*2,996*	*2,077*	*460*	*5,098*	*863*	*1,496*	*62*	*13,145*	*2,903*

1 This item includes the development banks in the amount of EUR 761 million.

31/12/2022	Central state		Regional government		Local government		Other debtors[1]			
EUR million	Owed	Guaranteed	Owed	Guaranteed	Owed	Guaranteed	Owed	Guaranteed	Total	of which export credit receivables
Germany	0	2,083	2,088	216	4,749	893	1,585	0	11,613	2,083
Belgium	0	33	0	0	0	0	0	0	33	33
Denmark	0	142	0	0	0	0	0	0	142	142
France	0	69	0	0	0	0	0	0	69	69
Great Britain	0	2	0	0	0	0	0	0	2	2
Croatia	20	0	0	0	0	0	0	0	20	0
Malta	0	0	0	0	0	0	0	0	0	0
Netherlands	0	69	0	0	0	0	0	0	69	69
Austria	13	54	24	0	0	0	0	0	91	54
Poland	18	0	0	0	0	0	0	0	18	0
Sweden	0	87	0	0	0	0	0	0	87	87
Slovakia	0	0	0	0	0	0	0	0	0	0
Slovenia	10	0	0	0	0	0	0	0	10	0
Spain	0	0	40	0	0	0	0	0	40	0
Switzerland	0	169	0	0	0	0	0	0	169	169
USA	0	0	6	0	0	0	0	0	6	0
EU institutions	0	95	0	0	0	0	0	0	95	0
Total	*61*	*2,804*	*2,157*	*216*	*4,749*	*893*	*1,585*	*0*	*12,464*	*2,708*

1 This item includes the development banks in the amount of EUR 728 million.

There were no payments outstanding by at least 90 days as at either 31 December 2023 or 31 December 2022.

Additional cover assets - detailed breakdown for mortgage-backed covered bonds

EUR million	31/12/2023	31/12/2022
Additional cover assets	1,256	814
Receivables pursuant to section 19 (1) sentence 1 no. 2 a) and b) PfandBG[1]	65	20
France	45	0
Austria	20	20
Receivables pursuant to section 19 (1) sentence 1 no. 3 a) to c) PfandBG[1]	21	96
Sweden	21	96
Receivables pursuant to section 19 (1) sentence 1 no. 4 PfandBG	1,170	698
Germany	491	261
Italy	32	32
Croatia	45	45
Austria	210	115
Poland	0	45
Slovenia	0	33
Spain	37	37
EU institutions	356	130

1 Fully covered bonds in accordance with Article 129 Regulation (EU) no. 575/2013.

Key figures for outstanding mortgage-backed covered bonds and related cover assets and for liquidity

EUR million	31/12/2023	31/12/2022
Outstanding covered bonds	12,440	12,558
of which proportion of fixed income covered bonds in %	72	64
Cover fund	18,806	17,335
of which total amount of receivables in accordance with section 12 (1) that exceed the limits pursuant to section 13 (1) sentence 2, second part of the sentence section 28 (1) sentence 1 no. 11	0	0
of which total amount of the amounts in accordance with section 19 (1) that exceed the limits pursuant to section 19 (1) sentence 6 section 28 (1) sentence 1 no. 11	0	0
receivables that exceed the limits pursuant to section 19 (1) no. 2 section 28 (1) sentence 1 no. 12	0	0
receivables that exceed the limits pursuant to section 19 (1) no. 3 section 28 (1) sentence 1 no. 12	0	0
receivables that exceed the limits pursuant to section 19 (1) no. 4 section 28 (1) sentence 1 no. 12	0	0
of which proportion of fixed-income cover funds in %	81	81
Net present value in CAD	108	150
Net present value in CHF	22	23
Net present value in GBP	838	915
Net present value in USD	293	734
average weighted loan-to-value ratio in %	55	55
volume-weighted average age of receivables in years	5.7	5.6

EUR million	31/12/2023	31/12/2022
Largest negative amount within the meaning of section 4 (1a) sentence 3 PfandBG for covered bonds (liquidity requirement) that will arise within the next 180 days	986	0
Date on which the negative sum arises	18	0
Total amount of cover assets that meet the requirements of section 4 (1a) sentence 3 PfandBG (liquidity coverage)	1,270	746

Key figures for outstanding public covered bonds and related cover assets and for liquidity

EUR million	31/12/2023	31/12/2022
Outstanding covered bonds	10,540	10,142
of which proportion of fixed income covered bonds in %	85	70
Cover fund	13,145	12,465
of which total amount of receivables in accordance with section 20 (1) and (2) that exceed the limits pursuant to section 20 (1) sentence 1 no. 11	0	0
receivables that exceed the limits pursuant to section 20 (2) no. 2 section 28 (1) sentence 1 no. 12	0	0
receivables that exceed the limits pursuant to section 20 (2) no. 3 section 28 (1) sentence 1 no. 12	0	0
of which proportion of fixed-income cover funds in %	74	74
Net present value in CHF	25	7
Net present value in USD	150	184

EUR million	31/12/2023	31/12/2022
Largest negative amount within the meaning of section 4 (1a) sentence 3 PfandBG for covered bonds (liquidity requirement) that will arise within the next 180 days	0	32
Date on which the negative sum arises	0	17
Total amount of cover assets that meet the requirements of section 4 (1a) sentence 3 PfandBG (liquidity coverage)	1,428	1,385

Pfandbriefe (mortgage-backed covered bonds)	31/12/2023	31/12/2022
ISIN	DE000LBW6CB7, DE000LBW6CC5, DE000LBW6CD3, DE000LBW6CE1, DE000LBW6CF8, DE000LBW6CG6, DE000LBW6CH4, DE000LBW6CJ0, DE000LBW6CK8, DE000LBW6CL6, DE000LBW6CM4, DE000LBW6CN2, DE000LBW6CP7, DE000LBW6CQ5, DE000LBW6CR3, DE000LBW6CS1, DE000LBW6CT9, DE000LBW6CU7, DE000LBW6CV5, DE000LBW6CW3, DE000LBW6CZ6, DE000LB0UX31, DE000LB0V9T5, DE000LB0WW30, DE000LB00MU3, DE000LB01RP0, DE000LB01WS4, DE000LB06C06, DE000LB06FA6, DE000LB09PQ5, DE000LB1A706, DE000LB1B0U5, DE000LB1B0V3, DE000LB1B2S5, DE000LB1DRM4, DE000LB1DRN2, DE000LB1DRT9, DE000LB1DSM2, DE000LB1DSZ4, DE000LB1DVX3, DE000LB1M2X2, DE000LB1P2E9, DE000LB1P6B6, DE000LB1P8N7, DE000LB1P8P2, DE000LB125N3, DE000LB2CHJ1, DE000LB2CJQ2, DE000LB2CJR0, DE000LB2CJS8, DE000LB2CPG0, DE000LB2CQG8, DE000LB2CS87, DE000LB2CTZ2, DE000LB2CYY5, DE000LB2CYZ2, DE000LB2CY14, DE000LB2CY22, DE000LB2CY30, DE000LB2CY48, DE000LB2CY55, DE000LB2CY97, DE000LB2CZA2, DE000LB2CZB0, DE000LB2CZC8, DE000LB2CZE4, DE000LB2C0B3, DE000LB2V502, DE000LB2V6L6, DE000LB2V6M4, DE000LB2WAB1, DE000LB2WAF2, DE000LB2ZSM3, DE000LB2ZS07, DE000LB2ZTL3, DE000LB2ZTR0, DE000LB2ZT55, DE000LB2ZT63, DE000LB2ZUX6, DE000LB2ZUY4, DE000LB2ZV93, DE000LB2ZWS2, DE000LB2ZWT0, DE000LB2ZX91, DE000LB38168, DE000LB382K6, DE000LB382L4, DE000LB383H0, DE000LB383J6, DE000LB384E5, DE000LB384F2, DE000LB384G0, DE000LB385X2, DE000LB385Y0, DE000LB385Z7, DE000LB38648, DE000LB38655, DE000LB38663, DE000LB38689, DE000LB387B4, DE000LB387J7, DE000LB388R8, DE000LB38887, DE0002050572, DE0002050598, DE0002050622, DE0002050630, DE0002050655, DE0002050663, DE0002050671, DE0002050705, DE0002050721, DE0002060167, DE0002060175, DE0002060209, DE0002060217, DE0002060233, DE0002060241, DE0002820693, DE0003440350, DE0003440368, DE0003440392, DE0003440426, DE0003450417, DE0003450433, DE0003450474, DE0003450490, DE0003450532, DE0003450581, DE0003450615, DE0003450623, DE0003450631, DE0003450649, DE0003450656, DE0003450664, DE0003450672, DE0003450714, XF0002820201, XF0002820367, XF0003440157, XF0003440165, XF0003440199, XF0003440306, XF0003450263, XF0003450271	DE000LBW6CA9, DE000LBW6CB7, DE000LBW6CC5, DE000LBW6CD3, DE000LBW6CE1, DE000LBW6CF8, DE000LBW6CG6, DE000LBW6CH4, DE000LBW6CJ0, DE000LBW6CK8, DE000LBW6CL6, DE000LBW6CM4, DE000LBW6CN2, DE000LBW6CP7, DE000LBW6CQ5, DE000LBW6CR3, DE000LBW6CS1, DE000LBW6CT9, DE000LBW6CU7, DE000LBW6CV5, DE000LBW6CW3, DE000LBW6CZ6, DE000LB0Q803, DE000LB0R082, DE000LB0SYX7, DE000LB0SZ17, DE000LB0UXK2, DE000LB0UX31, DE000LB0VF73, DE000LB0VPR1, DE000LB0VQ39, DE000LB0VQ54, DE000LB0V9T5, DE000LB0WA44, DE000LB0WA51, DE000LB0WA77, DE000LB0WW30, DE000LB0XYZ2, DE000LB0Z0X2, DE000LB00DG1, DE000LB00MU3, DE000LB01RP0, DE000LB01WS4, DE000LB06C06, DE000LB06FA6, DE000LB09PQ5, DE000LB1A706, DE000LB1B0U5, DE000LB1B0V3, DE000LB1B2S5, DE000LB1DRM4, DE000LB1DRN2, DE000LB1DRT9, DE000LB1DSM2, DE000LB1DSZ4, DE000LB1DVW5, DE000LB1DVX3, DE000LB1M2X2, DE000LB1P2E9, DE000LB1P6B6, DE000LB1P8N7, DE000LB1P8P2, DE000LB1P9C8, DE000LB125N3, DE000LB2CHJ1, DE000LB2CJQ2, DE000LB2CJR0, DE000LB2CJS8, DE000LB2CPG0, DE000LB2CQG8, DE000LB2CR05, DE000LB2CR21, DE000LB2CS87, DE000LB2CTZ2, DE000LB2CYY5, DE000LB2CYZ2, DE000LB2CY06, DE000LB2CY14, DE000LB2CY22, DE000LB2CY30, DE000LB2CY48, DE000LB2CY55, DE000LB2CY97, DE000LB2CZA2, DE000LB2CZB0, DE000LB2CZC8, DE000LB2CZD6, DE000LB2CZE4, DE000LB2C0B3, DE000LB2V502, DE000LB2V6L6, DE000LB2V6M4, DE000LB2WAB1, DE000LB2WAF2, DE000LB2ZSM3, DE000LB2ZS07, DE000LB2ZTL3, DE000LB2ZTR0, DE000LB2ZT55, DE000LB2ZT63, DE000LB2ZUX6, DE000LB2ZUY4, DE000LB2ZVN5, DE000LB2ZV93, DE000LB2ZWR4, DE000LB2ZWS2, DE000LB2ZWT0, DE000LB2ZX91, DE000LB38168, DE000LB382K6, DE000LB382L4, DE000LB383H0, DE000LB383J6, DE0002050572, DE0002050598, DE0002050622, DE0002050630, DE0002050655, DE0002050663, DE0002050671, DE0002050705, DE0002050721, DE0002060167, DE0002060175, DE0002060209, DE0002060217, DE0002060233, DE0002060241, DE0002820693, DE0003440350, DE0003440368, DE0003440392, DE0003440426, DE0003450417, DE0003450433, DE0003450474, DE0003450490, DE0003450532, DE0003450581, DE0003450615, DE0003450623, DE0003450631, DE0003450649, DE0003450656, DE0003450664, DE0003450672, DE0003450714, XF0002050478, XF0002820128, XF0002820201, XF0002820367, XF0003440157, XF0003440165, XF0003440199, XF0003440306, XF0003440462, XF0003450248, XF0003450263, XF0003450271, XF0003450693, XF0003450701

Pfandbriefe (public covered bonds)	31/12/2023	31/12/2022
ISIN	DE000LBW3Q77, DE000LBW6PJ2, DE000LBW7JJ3, DE000LBW7YY1, DE000LB00DA4, DE000LB06CF2, DE000LB1B1G2, DE000LB1DQ71, DE000LB1D0B3, DE000LB1D064, DE000LB1M0Z1, DE000LB13AH8, DE000LB13A41, DE000LB2CKN7, DE000LB2CLB0, DE000LB2CMY0, DE000LB2CRZ6, DE000LB2CSN0, DE000LB2CSV3, DE000LB2CTH0, DE000LB2CYS7, DE000LB2CYT5, DE000LB2CYU3, DE000LB2CYV1, DE000LB2WAK2, DE000LB2WAL0, DE000LB2WAM8, DE000LB2ZSL5, DE000LB2ZS31, DE000LB2ZVE4, DE000LB2ZXF7, DE000LB38077, DE000LB381U7, DE000LB386A8, DE000LB387C2, DE000LB388W8, DE000LB38861, DE000LB389B0, DE000LB389C8, DE0002823911, DE0003413266, DE0003413308, DE0003443032, DE0003453106, DE0003453148, DE0003453197	DE000LBW0HZ8, DE000LBW3Q77, DE000LBW6PJ2, DE000LBW7JJ3, DE000LBW7YY1, DE000LB0BF02, DE000LB0R058, DE000LB00C85, DE000LB00DA4, DE000LB009J7, DE000LB01R04, DE000LB01WY2, DE000LB01WZ9, DE000LB06CF2, DE000LB1B1G2, DE000LB1B1S7, DE000LB1DQ71, DE000LB1DR96, DE000LB1D0B3, DE000LB1D064, DE000LB1D1B1, DE000LB1M0Z1, DE000LB1P2X9, DE000LB13AH8, DE000LB13A41, DE000LB2CKN7, DE000LB2CLB0, DE000LB2CMY0, DE000LB2CRR3, DE000LB2CRU7, DE000LB2CRZ6, DE000LB2CSN0, DE000LB2CSV3, DE000LB2CTH0, DE000LB2CYQ1, DE000LB2CYR9, DE000LB2CYS7, DE000LB2CYT5, DE000LB2CYU3, DE000LB2CYV1, DE000LB2WAH8, DE000LB2WAK2, DE000LB2WAL0, DE000LB2WAM8, DE000LB2WAN6, DE000LB2ZSL5, DE000LB2ZS31, DE000LB2ZVB0, DE000LB2ZVE4, DE000LB2ZXF7, DE000LB38077, DE000LB381U7, DE0002823911, DE0003413266, DE0003413308, DE0003443032, DE0003453106, DE0003453148, DE0003453197

38. Total remuneration of the corporate bodies

In 2023, total remuneration for the Board of Managing Directors came to EUR 8 million (2022: EUR 7 million). Former members of the Board of Managing Directors and their surviving dependents received EUR 12 million in 2023 (2022: EUR 13 million). The Supervisory Board received fixed remuneration (including fees per meeting) of EUR 1 million in 2023 (2022: EUR 1 million).

There were provisions for pensions for former members of the Board of Managing Directors and their surviving dependents of EUR 14 million as at 31 December 2023 (2022: EUR 14 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 2023, 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 (2022: EUR 4 million), of which EUR 3 million (2022: EUR 3 million) related to the Board of Managing Directors.

No advances were made to members of the Board of Managing Directors in 2023, as was also the case in 2022. No advances were made either to members of the Supervisory Board as at the balance sheet date.

40. Employees (annual averages)

	2023			2022		
	Male	Female	Total	Male	Female	Total
German headquarters/regional offices	3,708	3,957	7,665	3,658	3,910	7,568
Company officers	202	54	256	203	52	255
Other staff	3,506	3,904	7,410	3,455	3,859	7,313
Foreign branches	133	118	251	124	106	229
Company officers	6	0	6	6	0	6
Other staff	127	118	245	118	106	223
Representative offices	21	15	35	20	16	36
Company officers	1	0	1	1	0	1
Other staff	20	15	34	19	16	35
LBBW (Bank) total	*3,861*	*4,090*	*7,951*	*3,801*	*4,031*	*7,833*
For information purposes:						
Trainees[1]	144	96	240	132	103	235

1 Including students at universities of cooperative education.

41. List of shareholdings

In the annual financial statements as at 31 December 2023 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 in EUR th.	Result in EUR th.
I. Companies included in the consolidated financial statements							
1. Subsidiaries							
a. Fully consolidated subsidiaries (authority over the voting rights)							
1	Acteum Investment GmbH[1,6,25]	Düsseldorf	100.0		EUR	1,469.76	1,438.76
2	ALVG Anlagenvermietung GmbH[1,6,7,25]	Stuttgart	100.0		EUR	19,000.00	0.00
3	Austria Beteiligungsgesellschaft mbH[25]	Stuttgart	66.7		EUR	36,970.57	472.18
4	Berlin Hyp AG[5,7,27]	Berlin	100.0		EUR	976,916.47	41,013.32
5	Berlin Lützowstraße GmbH & Co. KG[1,25]	Stuttgart	60.0		EUR	9,000.25	8,961.10
6	Centro Alemán de Industria y Comercio de México S.de R.L.de C.V.[2,25]	Mexico City, Mexico	100.0		MXN	– 10,217.39	1,291.99
7	Dritte Industriehof Objekt-GmbH[1,6,25]	Stuttgart	100.0		EUR	701.91	0.00
8	Eberhardstraße Stuttgart GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 4,612.95	– 350.14
9	Employrion Komplementär GmbH[1,9,25]	Weil	100.0		EUR	35.23	0.34
10	Entwicklungsgesellschaft Grunewaldstraße 61 - 62 mbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 3,373.13	– 4.65
11	Entwicklungsgesellschaft Uhlandstraße 187 GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 2,214.47	– 5.64
12	Erste Industriehof Objekt-GmbH[1,6,25]	Stuttgart	100.0		EUR	474.96	0.00
13	EuroCityCenterWest GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	2,765.64	1,830.91
14	EuroCityCenterWest Verwaltungs-GmbH[1,25]	Stuttgart	100.0		EUR	33.78	– 0.13
15	FOM / LEG Generalübernehmer GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 8,264.17	1,618.74
16	Fünfte Industriehof Objekt-GmbH[1,6,25]	Stuttgart	100.0		EUR	575.02	0.00
17	German Centre for Industry and Trade GmbH, Beteiligungsgesellschaft[5,25]	Stuttgart	100.0		EUR	7,720.60	0.00
18	German Centre for Industry and Trade Pte. Ltd.[1,25]	Singapore, Singapore	100.0		SGD	19,900.83	1,676.89
19	IMBW Capital & Consulting GmbH[1,6,25]	Stuttgart	100.0		EUR	250.00	0.00
20	Immobilienvermittlung BW GmbH[25]	Stuttgart	100.0		EUR	3,475.01	707.44
21	Industriehof-Aktiengesellschaft[1,6,25]	Stuttgart	93.6		EUR	23,281.64	0.00
22	KI Campus 1 GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 73.34	– 47.20
23	KI Campus 2 GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 68.42	– 42.31
24	Kiesel Finance Management GmbH[1,25]	Baienfurt	90.0		EUR	50.55	2.10
25	Kommunalbau Rheinland-Pfalz GmbH[1,25]	Stuttgart	100.0		EUR	2,435.37	1.81
26	LBBW Asset Management Investmentgesellschaft mbH[3,7,25]	Stuttgart	100.0		EUR	54,057.87	22,180.53
27	LBBW Corporate Real Estate Management GmbH [25]	Stuttgart	100.0		EUR	3,206.59	592.31
28	LBBW Immobilien Asset Management GmbH[1,6,25]	Stuttgart	100.0		EUR	1,305.03	0.00
29	LBBW Immobilien Capital Fischertor GmbH & Co. KG[1,25]	Munich	100.0		EUR	– 5,250.69	– 18.44
30	LBBW Immobilien Capital GmbH[1,25]	Stuttgart	100.0		EUR	– 4,923.46	– 2,747.47
31	LBBW Immobilien Development GmbH[1,4,6,25]	Stuttgart	94.9		EUR	15,394.95	0.00
32	LBBW Immobilien Development Komplementär GmbH[1,25]	Stuttgart	100.0		EUR	– 745.50	– 4.14
33	LBBW Immobilien Investment Management GmbH[1,25]	Stuttgart	100.0		EUR	– 206.79	– 204.02
34	LBBW Immobilien Kommunalentwicklung GmbH[1,4,6,7,25]	Stuttgart	81.6		EUR	2,016.51	0.00
35	LBBW Immobilien Management Gewerbe GmbH[1,6,25]	Stuttgart	94.9		EUR	3,303.97	0.00
36	LBBW Immobilien Management GmbH[1,6,25]	Stuttgart	100.0		EUR	375,715.71	0.00
37	LBBW Immobilien Romania S.R.L.[1,25]	Bucharest, Romania	100.0		RON	70.22	237.67
38	LBBW Immobilien Süd GmbH & Co. KG[1,25]	Munich	100.0		EUR	– 12,514.60	16,945.86
39	LBBW Immobilien-Holding GmbH[5,25]	Stuttgart	100.0		EUR	402,050.54	0.00
40	LBBW Leasing GmbH i.L. [25]	Mannheim	100.0		EUR	25,012.26	54.08
41	LBBW México[2,25]	Mexico City, Mexico	100.0		USD	3,413.95	988.57
42	LBBW Service GmbH[5,25]	Stuttgart	100.0		EUR	224.67	0.00

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity in EUR th.	Result in EUR th.
43	LBBW US Real Estate Investment LLC[24]	Wilmington, USA	100.0		USD	41,816.47	5,162.70
44	LBBW Venture Capital Gesellschaft mit beschränkter Haftung[25]	Stuttgart	100.0		EUR	40,288.25	– 3,714.81
45	LEG Projektgesellschaft 2 GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	3,708.22	761.08
46	LEG Verwaltungsgesellschaft 2 mbH[1,25]	Stuttgart	100.0		EUR	26.28	– 0.14
47	LIAM Horizont Stuttgart GmbH[1,25]	Stuttgart	100.0		EUR	30.30	0.06
48	LOOP GmbH[1,25]	Stuttgart	100.0		EUR	196.56	– 1.64
49	Löwentor Stuttgart Komplementär GmbH[1,25]	Stuttgart	100.0		EUR	30.49	0.69
50	Löwentor Stuttgart Projekt GmbH & Co. KG[1,25]	Stuttgart	70.0		EUR	25,662.48	21,193.60
51	LRP Capital GmbH[1,25]	Stuttgart	100.0		EUR	3,157.78	– 82.50
52	Mainz Marina A + B GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 166.56	– 97.97
53	MMV Bank GmbH[7,25]	Koblenz	100.0		EUR	60,434.36	19,094.54
54	MMV Leasing Gesellschaft mit beschränkter Haftung[1,6,7,25]	Koblenz	100.0		EUR	21,000.00	0.00
55	MMV Versicherungsdienst GmbH[1,6,25]	Koblenz	100.0		EUR	27.05	0.00
56	MMV-Mobilien Verwaltungs- und Vermietungsgesellschaft mbH[1,6,7,25]	Koblenz	100.0		EUR	26.00	0.00
57	Nymphenburger Straße München GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	913.85	112.91
58	Nymphenburger Straße München Komplementär GmbH[1,25]	Stuttgart	100.0		EUR	17.11	– 0.85
59	Projekt 20 Verwaltungs GmbH[1,25]	Munich	100.0		EUR	46.49	1.06
60	Projektgesellschaft SMK 69 mbH[1,25]	Eschborn	60.0		EUR	– 3,672.72	– 642.36
61	Revaler Straße Grundbesitz GmbH[1,25]	Stuttgart	100.0		EUR	– 702.68	56.54
62	Schlossgartenbau Objekt-GmbH[1,6,25]	Stuttgart	100.0		EUR	18,560.61	0.00
63	Schlossgartenbau-Aktiengesellschaft[1,6,25]	Stuttgart	92.7		EUR	6,592.42	0.00
64	SG Management GmbH[1,25]	Stuttgart	100.0		EUR	11,977.42	– 477.36
65	Signaris GmbH[1,25]	Stuttgart	94.9		EUR	4,370.42	2,166.38
66	SLN Maschinen-Leasing Verwaltungs-GmbH[1,25]	Stuttgart	100.0		EUR	2,222.26	313.72
67	SLP Mobilien-Leasing Verwaltungs GmbH[1,25]	Mannheim	100.0		EUR	417.09	27.64
68	Süd Beteiligungen GmbH[25]	Stuttgart	100.0		EUR	140,089.41	1,859.50
69	Süd KB Sachsen GmbH[1,25]	Leipzig	100.0		EUR	12,218.92	2,517.72
70	Süd KB Unternehmensbeteiligungsgesellschaft mbH[1,25]	Stuttgart	100.0		EUR	39,737.09	– 3,977.51
71	Süd-Kapitalbeteiligungs-Gesellschaft mbH[1,6,25]	Stuttgart	100.0		EUR	61,181.87	0.00
72	SüdFactoring GmbH[3,5,7,25]	Stuttgart	100.0		EUR	70,000.00	0.00
73	SüdLeasing Agrar GmbH[1,7,25]	Mannheim	100.0		EUR	4,211.58	545.09
74	SüdLeasing GmbH[5,7,25]	Stuttgart	100.0		EUR	33,130.86	– 707.02
75	Turtle 1. Verwaltungs-GmbH[1,25]	Frankfurt am Main	100.0		EUR	– 25.30	0.68
76	Turtle Portfolio GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 23,848.12	– 0.97
77	Turtle Vermögensverwaltungs-GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 20,731.22	– 993.41
78	Ungererstraße München GmbH & Co. KG[1,25]	Stuttgart	100.0		EUR	– 1,265.68	– 715.07
79	Vierte Industriehof Objekt-GmbH[1,6,25]	Stuttgart	100.0		EUR	1,176.78	0.00
80	zob Esslingen Grundbesitz GmbH[1,4,25]	Stuttgart	100.0		EUR	2,251.66	286.31
81	Zweite Industriehof Objekt-GmbH[1,6,25]	Stuttgart	100.0		EUR	19,825.72	0.00
82	Zweite LBBW US Real Estate GmbH[25]	Leipzig	100.0		EUR	51,305.81	– 5,233.68

b. Consolidated subsidiaries (control through contractual agreements)

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity in EUR th.	Result in EUR th.
83	Employrion Immobilien GmbH & Co. KG[1,25]	Stuttgart	35.0	50.0	EUR	8.00	0.00
84	Grundstücksgesellschaft Einkaufszentrum Kröpeliner-Tor-Center Rostock mbH & Co. KG[1,23]	Berlin	39.9	50.0	EUR	– 9,072.24	– 146.55
85	Weinberg Capital Designated Activity Company[9,23]	Dublin, Ireland			EUR	39.00	– 10.00
86	Weinberg Funding Ltd.[9,25]	St. Helier, Jersey, United Kingdom			EUR	3.55	0.00

2. Joint ventures accounted for using the equity method

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity in EUR th.	Result in EUR th.
87	ARGE ParkQuartier Berg[1,25]	Stuttgart	50.0		EUR	– 1,223.21	– 28.56
88	Bad Kreuznacher Entwicklungsgesellschaft mbH i.L. (BKEG)[1,25]	Bad Kreuznach	50.0		EUR	335.89	– 41.63
89	GIZS GmbH & Co. KG[25]	Stuttgart	33.3		EUR	2,828.01	– 13,742.90
90	OVG MK6 Komplementär GmbH i.L.[1,25]	Berlin	50.0		EUR	111.00	– 0.92
91	Parcul Banatului SRL[1,25]	Bucharest, Romania	50.0		RON	17.97	3.54

No.	Name	Place of business	Share of capital	Non-prop. voting rights	Currency	Equity in EUR th.	Result in EUR th.
3. Associates accounted for using the equity method							
92	Altstadt-Palais Immobilien GmbH & Co. KG[1,25]	Höchstädt an der Donau	40.0	50.0	EUR	– 71.04	– 4.79
93	BWK GmbH Unternehmensbeteiligungsgesellschaft [25]	Stuttgart	40.0		EUR	256,222.32	43,821.61
94	BWK Holding GmbH Unternehmensbeteiligungsgesellschaft[25]	Stuttgart	40.0		EUR	14,225.04	– 26.94
95	EGH Entwicklungsgesellschaft Heidelberg GmbH & Co. KG[1,25]	Heidelberg	33.3		EUR	5,682.09	– 781.50
96	Hypo Vorarlberg Bank AG[1,7,25]	Bregenz, Austria	23.1		EUR	1,263,226.86	50,331.97
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)							
97	Berlin Hyp Immobilien GmbH[1,25]	Berlin	100.0		EUR	102.83	– 19.45
98	Berlin Lützowstraße Komplementär GmbH[1,25]	Stuttgart	100.0		EUR	5.93	– 4.76
99	DEBTVISION GmbH[1,25]	Stuttgart	100.0		EUR	3,546.56	– 705.10
100	German Centre for Industry and Trade Beijing Co.Ltd.[25]	Beijing, China	100.0		CNY	5,330.68	405.06
101	Heurika Mobilien-Leasing GmbH[1,25]	Mannheim	100.0		EUR	244.03	– 3.28
102	Karin Mobilien-Leasing GmbH i.L.[1,25]	Mannheim	100.0		EUR	884.31	0.00
103	Kröpeliner-Tor-Center Rostock Verwaltungsgesellschaft mbH[1,9,23]	Berlin	100.0		EUR	33.20	1.47
104	Laurus Grundstücksverwaltungsgesellschaft mbH i.L.[25]	Stuttgart	100.0		EUR	1,288.59	– 5.22
105	LBBW (Schweiz) AG i.L.[25]	Zurich, Switzerland	100.0		CHF	8,682.56	– 392.41
106	LBBW Gastro Event GmbH[5,25]	Stuttgart	100.0		EUR	130.00	0.00
107	LBBW Pensionsmanagement GmbH[5,25]	Stuttgart	100.0		EUR	25.00	0.00
108	LBBW REPRESENTAÇÃO LTDA.[2,25]	São Paulo, Brazil	100.0		BRL	189.33	– 6.20
109	LEG Osiris 4 GmbH[1,25]	Stuttgart	100.0		EUR	23.13	– 1.24
110	LGZ-Anlagen-Gesellschaft mit beschränkter Haftung i.L.[25]	Mainz	100.0		EUR	2,830.18	– 5.90
111	LLC German Centre for Industry and Trade[25]	Moscow, Russia	100.0		RUB	1,282.52	– 234.04
112	m+m Gebäudetechnik GmbH[1,25]	Berlin	100.0		EUR	3,220.96	2,136.88
113	m+m Gebäudetechnik Holding GmbH[1]	Berlin	70.0		n/s	n/s	n/s
114	MLP Verwaltungs GmbH i.L.[1,25]	Mannheim	100.0		EUR	106.31	0.00
115	MMV-Mittelrheinische Leasing Gesellschaft mit beschränkter Haftung[1,6,25]	Koblenz	100.0		EUR	26.00	0.00
116	Pollux Vierte Beteiligungsgesellschaft mbH[25]	Stuttgart	100.0		EUR	2,268.68	– 26.24
117	SL Bayern Verwaltungs GmbH i.L.[1,25]	Mannheim	100.0		EUR	65.00	0.00
118	SL Bremen Verwaltungs GmbH[1,25]	Mannheim	100.0		EUR	1,382.91	134.91
119	SL BW Verwaltungs GmbH i.L.[1,25]	Mannheim	100.0		EUR	39.64	0.00
120	SL Düsseldorf Verwaltungs GmbH[1,25]	Mannheim	100.0		EUR	593.49	– 1.38
121	SL Operating Services GmbH i.L.[1,25]	Mannheim	100.0		EUR	80.41	0.00
122	SL RheinMainSaar Verwaltungs GmbH[1,25]	Mannheim	100.0		EUR	55.63	– 0.62
123	SL Schleswig-Holstein Verwaltungs GmbH i.L.[1,25]	Mannheim	100.0		EUR	91.56	0.00
124	SL Ventus GmbH & Co. KG i.L.[1,25]	Mannheim	100.0		EUR	458.37	– 3.70
125	Städtische Pfandleihe Stuttgart GmbH[25]	Stuttgart	100.0		EUR	5,057.50	5,078.71
126	Süd Mobilien-Leasing GmbH i.L.[1,25]	Stuttgart	100.0		EUR	28.28	0.00
127	SüdLeasing Finance GmbH[1,25]	Stuttgart	100.0		EUR	22.33	– 0.62
128	SüdLeasing Finance-Holding GmbH i.L.[1,25]	Stuttgart	100.0		EUR	174.58	0.00
129	Yankee Properties II LLC[9]	Wilmington, USA		100.0	n/s	n/s	n/s
130	Yankee Properties LLC[18]	New York, USA	100.0		USD	588.42	– 23.89
131	Zenon Mobilien-Leasing GmbH i.L.[1,25]	Mannheim	100.0		EUR	36.61	0.00
132	Zorilla Mobilien-Leasing GmbH i.L.[1,25]	Mannheim	100.0		EUR	33.79	0.00
133	Zweite Karl-Scharnagl-Ring Immobilien Verwaltung GmbH[1,25]	Munich	100.0		EUR	48.61	1.57

b. Subsidiaries not included (authority over contractual agreements)

134	Humboldt Multi Invest B SICAV-FIS Sachsen LB Depot A i.L.[15]	Luxembourg, Luxembourg	100.0		EUR	5,897.89	– 248.71
135	LBBW AM-Start[9]	Stuttgart			n/s	n/s	n/s
136	Weinberg Capital LLC[9]	Wilmington, USA			n/s	n/s	n/s

2. Joint ventures not accounted for using the equity method

137	German Centre for Industry and Trade India Holding-GmbH i.L.[1,25]	Munich	50.0		EUR	422.48	411.01
138	GIZS Verwaltungs-GmbH[25]	Stuttgart	33.3		EUR	59.67	10.74
139	Projektgesellschaft Hangweide GbR[1,9]	Stuttgart		33.3	n/s	n/s	n/s
140	SHS Gesellschaft für Beteiligungen mbH & Co. Mittelstand KG[1,25]	Tübingen	75.0		EUR	1,343.40	– 719.14
141	SWIAT GmbH	Frankfurt am Main	30.0		n/s	n/s	n/s

3. Associates not accounted for using the equity method

142	21st Real Estate GmbH[1,23]	Berlin	24.5		EUR	775.17	– 1,870.92
143	AGVS Holding GmbH[1,25]	Villingen-Schwenningen	45.0		EUR	22,555.40	2,279.65
144	Deharde GmbH[1,7,25]	Varel	48.9		EUR	– 2,446.34	– 3,424.84
145	EURAMCO Immobilien GmbH[1,25]	Aschheim-Dornach	49.0		EUR	– 3.85	– 9.76
146	Fischer Panda GmbH[1,25]	Paderborn	49.0		EUR	14,459.03	939.41
147	Grundstücks- Vermögens- und Verwaltungs-GbR Stuttgart/Leinfelden-Echterdingen[1,25]	Stuttgart	29.1		EUR	200.57	– 11.57
148	Grundstücks-, Vermögens- und Verwaltungs-GbR Wolfstor 2, Esslingen i.L.[1,25]	Stuttgart	31.0		EUR	112.82	– 0.84
149	Grundstücks-, Vermögens- und Verwaltungs-GbR Ludwigsburg "Am Schloßpark" i.L.[1,25]	Stuttgart	44.6		EUR	141.44	– 0.67
150	Grundstücks-, Vermögens- und Verwaltungs-GbR Stuttgart/Fellbach i.L.[1,25]	Stuttgart	42.6		EUR	120.66	– 1.18
151	Janoschka AG[1,25]	Kippenheim	39.8		EUR	32,417.09	3,532.59
152	Kiesel Finance GmbH & Co. KG[1,9,25]	Baienfurt		75.0	EUR	1,031.65	996.65
153	KKL Holding GmbH[1,25]	Düsseldorf	48.3	47.2	EUR	24,415.34	2,331.76
154	Kreditgarantiegemeinschaft in Baden-Württemberg Verwaltungs-GmbH[25]	Stuttgart	20.0		EUR	1,022.58	0.00
155	Mittelständische Beteiligungsgesellschaft Sachsen mbH[25]	Dresden	25.3		EUR	49,636.40	189.34
156	OnSite ImmoAgent GmbH[1,25]	Berlin	49.0		EUR	605.49	– 250.97
157	Siedlungswerk GmbH Wohnungs- und Städtebau[7,25]	Stuttgart	25.0	25.0	EUR	314,681.06	21,855.43
158	SL Mobilien-Leasing GmbH & Co. ENERCON KG[1,9,25]	Mannheim		80.0	EUR	18,125.37	111.93
159	SLN Maschinen Leasing GmbH & Co. OHG[1,9,25]	Stuttgart		75.0	EUR	– 2,099.61	984.52
160	SLP Mobilien-Leasing GmbH & Co. OHG in Liquidation[1,9,25]	Mannheim		75.0	EUR	230.08	23.30
161	Sovereign Speed Holding GmbH[1,25]	Hamburg	35.0		EUR	22,469.42	1,335.40
162	Xavin GmbH[1,23]	Stuttgart	29.3		EUR	– 512.46	– 368.44

III. Equity investments within the meaning of Section 271 (1) HGB[8]

163	3YOURMIND GmbH[1,25]	Berlin	6.4		EUR	3,158.61	– 2,474.70
164	ABE Clearing S.A.S. à capital variable[25]	Paris, France	2.1		EUR	46,639.23	3,997.82
165	Abingworth Bioventures III L. P.[1,25]	London, Great Britain	0.4		USD	1,217.00	0.00
166	Achte Real Estate Poolgesellschaft mbH & Co. Wohnungs-KG i.L.[1,23]	Berlin	0.4		EUR	10,180.31	575.81
167	Acousia Therapeutics GmbH[1,25]	Tübingen	12.3		EUR	– 5,381.29	– 4,365.06
168	ActiTrexx GmbH[1,25]	Mainz	19.4		EUR	947.99	– 801.93
169	ADLATUS Robotics GmbH[1,25]	Ulm	0.6		EUR	– 1,444.15	– 1,284.49
170	African Export-Import Bank[24]	Cairo, Egypt	0.0		USD	4,722,956.06	411,975.38
171	AKA Ausfuhrkredit-Gesellschaft mit beschränkter Haftung[25]	Frankfurt am Main	3.3		EUR	283,796.10	10,195.00
172	ALPHA CEE II L.P. i.L.[1,25]	Grand Cayman, Cayman Islands	2.4		EUR	24,188.00	– 18,822.00
173	amcure GmbH i.L.[1,25]	Stutensee	18.3		EUR	– 4,366.71	– 988.53
174	Biametrics GmbH i.I.[1,19]	Tübingen	17.5		EUR	– 508.59	– 1,218.76
175	Bluu GmbH[1,25]	Berlin	4.5		EUR	– 4,779.46	– 3,159.07

176	Bürgschaftsbank Sachsen GmbH[25]	Dresden	28.0	18.4	EUR	44,936.44	499.89
177	CCP Systems AG i.I.[1,17]	Stuttgart	1.0		EUR	9,182.77	– 10,654.37
178	Cedalo GmbH[1,25]	Freiburg im Breisgau	14.1		EUR	2,675.32	– 860.28
179	CME Group Inc.[26]	Wilmington, USA	0.0		USD	24,327,917.82	2,435,624.75
180	Code Intelligence GmbH[1,25]	Bonn	15.5		EUR	7,773.13	– 3,383.41
181	Computomics GmbH[1,25]	Tübingen	0.9		EUR	344.28	– 1,022.39
182	CorTec GmbH[1,25]	Freiburg	5.7		EUR	– 6,101.95	– 6,173.51
183	crealytics GmbH[1,25]	Passau	9.9		EUR	8,932.24	– 1,085.75
184	CVC European Equity Partners IV (A . L. P.)[1,25]	Grand Cayman, Cayman Islands	0.3		EUR	1,246.35	– 205.96
185	Depository Trust & Clearing Corporation[26]	New York, USA	0.0	0.0	USD	3,093,588.27	301,025.48
186	Deutscher Sparkassen Verlag GmbH[7,25]	Stuttgart	8.1		EUR	239,397.52	24,935.66
187	Dritte SHS Technologiefonds GmbH & Co. KG i.L.[1,25]	Tübingen	4.9		EUR	23,019.53	54,526.04
188	Erste IFD geschlossener Immobilienfonds für Deutschland GmbH & Co. KG i.L.[1,22]	Hamburg	0.2		EUR	1,550.77	0.00
189	EXCIVA GmbH[1,25]	Heidelberg	15.8		EUR	876.39	– 2,839.26
190	FL FINANZ-LEASING GmbH[25]	Wiesbaden	17.0		EUR	– 705.92	– 108.76
191	Fludicon GmbH i.I.[1,17]	Darmstadt	7.9		EUR	516.90	– 2,184.41
192	GbR VÖB-ImmobilienAnalyse[11]	Bonn	25.0	20.0	n/s	n/s	n/s
193	GLB GmbH & Co. OHG[10,23]	Frankfurt am Main	30.1		EUR	2,846.56	– 59.02
194	GLB-Verwaltungs-GmbH[10,23]	Frankfurt am Main	30.0		EUR	61.61	1.99
195	Grundstücks- Vermögens- und Verwaltungs-GbR Leonberg/ Ditzingen i.L.[1,25]	Stuttgart	0.4		EUR	188.91	– 1.08
196	Grundstücks-, Vermögens- und Verwaltungs-GbR Esslingen-Stuttgart i.L.[1,25]	Stuttgart	13.6		EUR	159.11	– 0.92
197	Grundstücks-, Vermögens- und Verwaltungs-GbR Sillenbucher Markt i.L.[1,25]	Stuttgart	0.0		EUR	254.81	– 0.84
198	Grundstücks-Vermögens- und Verwaltungs-GbR, Leinfelden-Echterdingen/Stuttgart-Möhringen i.L.[1,25]	Stuttgart	0.1		EUR	135.44	8.28
199	HANSA TREUHAND Dritter Beteiligungsfonds GmbH & Co. KG i.L.[1,23]	Hamburg	0.0		EUR	645.54	– 1.35
200	HANSA TREUHAND Zweiter Beteiligungsfonds GmbH & Co. KG i.I.[1,12]	Hamburg	0.2		EUR	– 1,784.66	– 528.00
201	Kreditgarantiegemeinschaft der Freien Berufe Baden-Württemberg Verwaltungs-GmbH[25]	Stuttgart	4.8		EUR	153.39	0.00
202	Kreditgarantiegemeinschaft der Industrie, des Verkehrsgewerbes und des Gastgewerbes Baden-Württemberg Verwaltungs-GmbH[25]	Stuttgart	15.3		EUR	1,299.87	0.00
203	Kreditgarantiegemeinschaft des Gartenbaues Baden-Württemberg Verwaltungs-GmbH[25]	Stuttgart	4.5		EUR	138.31	0.00
204	Kreditgarantiegemeinschaft des Handels Baden-Württemberg Verwaltungs-GmbH[25]	Stuttgart	9.1		EUR	1,021.91	0.00
205	Kreditgarantiegemeinschaft des Handwerks Baden-Württemberg Verwaltungs-GmbH[25]	Stuttgart	9.8		EUR	1,001.05	0.00
206	Kunststiftung Baden-Württemberg gGmbH[25]	Stuttgart	2.1	0.6	EUR	10,028.65	– 1,344.89
207	Marco Polo Network Operations (Ireland) Limited i.I.[1,23]	Cork, Ireland	1.7		USD	5,056.49	– 26,827.93
208	MBG Mittelständische Beteiligungsgesellschaft Baden-Württemberg Gesellschaft mit beschränkter Haftung[25]	Stuttgart	9.9	8.3	EUR	99,597.76	7,387.29
209	MFP Munich Film Partners New Century GmbH & Co. HAM Productions KG i.L.[1,21]	Grünwald	0.5		EUR	3,779.73	141.17
210	Oska Health GmbH[1]	Bad Homburg v.d. Höhe	10.8		n/s	n/s	n/s
211	PARAMOUNT GROUP, INC.[1,25]	Lutherville, USA	3.3	3.6	USD	3,992,185.36	– 32,948.36
212	Phenex Pharmaceuticals AG in liquidation[1,25]	Heidelberg	8.9		EUR	1,794.36	1,908.38
213	Poldergesellschaft Neumühlen-Westkai mbH[1,25]	Hamburg	16.7		EUR	178.56	0.00
214	PropTech1 Fund I GmbH & Co. KG[1,25]	Berlin	7.0		EUR	30,336.79	– 3,008.57
215	Reha-Klinik Aukammtal GmbH & Co Betriebs-KG i.I.[1]	Wiesbaden	5.5		n/s	n/s	n/s
216	RSU GmbH & Co. KG[25]	Munich	18.8		EUR	10,919.52	241.08
217	RWSO-Grundstücksgesellschaft TBS der Württembergischen Sparkassenorganisation[25]	Stuttgart	10.0	8.5	EUR	5,758.51	367.34
218	Schiffahrts-Gesellschaft "HS ALCINA" mbH & Co. KG i.L.[1,14]	Hamburg	0.0		EUR	351.16	– 3,497.00
219	Schiffahrts-Gesellschaft "HS MEDEA" mbH & Co. KG i.L.[1,20]	Hamburg	0.2		EUR	648.43	– 9.50

220	Schiffahrts-Gesellschaft "HS MOZART" mbH & Co. KG i.I.[1,18]	Hamburg	0.2		EUR	– 7,619.62	0.00
221	Schiffahrts-Gesellschaft "HS ONORE" mbH & Co. KG i.I.[1,18]	Hamburg	0.0		EUR	16,149.92	– 2,644.00
222	SE.M.LABS GmbH i.I.[1,19]	Stuttgart	0.8		EUR	– 474.89	– 331.64
223	SI-BW Beteiligungsgesellschaft mbH & Co. KG[25]	Stuttgart	4.0	4.0	EUR	42,514.92	– 17.31
224	Specter Automation GmbH[1,25]	Cologne	4.6		EUR	– 581.35	– 572.55
225	stimOS GmbH[1,25]	Konstanz	1.0		EUR	– 923.47	– 422.49
226	Synapticon GmbH[1,23]	Schönaich	0.4		EUR	3,794.57	– 5,032.09
227	tado GmbH[1,25]	Munich	1.1		EUR	31,257.47	– 23,405.94
228	Technologiegründerfonds Sachsen Plus GmbH & Co. KG[1,25]	Leipzig	7.1	7.1	EUR	27,965.44	0.00
229	Technologiegründerfonds Sachsen Seed GmbH & Co. KG[1,25]	Leipzig	3.3		EUR	3,918.67	0.00
230	Technologiegründerfonds Sachsen Start up GmbH & Co. KG[1,25]	Leipzig	10.8		EUR	6,796.08	0.00
231	Teralytics Holding AG[1]	Zurich, Switzerland	6.1		n/s	n/s	n/s
232	Visa Inc.[13]	San Francisco, USA	0.0		USD	32,204,371.63	13,537,584.29
233	VRP Venture Capital Rheinland-Pfalz GmbH & Co. KG i.L.[1,25]	Mainz	16.7		EUR	892.19	1,198.82
234	VRP Venture Capital Rheinland-Pfalz Nr. 2 GmbH & Co. KG i.L.[1,25]	Mainz	16.7		EUR	626.32	320.20
235	Wachstumsfonds Mittelstand Sachsen Plus GmbH & Co. KG[1,25]	Leipzig	12.7	13.7	EUR	11,798.71	0.00
236	Wirtschaftsförderung Region Stuttgart GmbH[1,25]	Stuttgart	16.1		EUR	3,289.22	– 4,165.32
237	Zweiundfünfzigste IFH geschlossener Immobilienfonds für Holland GmbH & Co. KG i.I.[1,16]	Hamburg	1.1		EUR	25,654.00	– 14,921.34

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 (Kapitalgesellschaft) with a share of over 5% in voting rights (Section 340a (4) no. 2 HGB).
8 Financial instruments pursuant to IFRS.
9 No shareholdings within the meaning of section 285 no. 11 HGB.
10 Classification as equity investment, as no relevant decisions are made any longer and liquidation is expected.
11 Classification as equity investment, as the company does not generate any commercial activities.
12 The information is based on the last available annual financial statements as at 25/07/2017.
13 The information is based on the last available annual financial statements as at 30/09/2022. Consolidated financial statements.
14 The information is based on the last available annual financial statements as at 30/11/2018.
15 The information is based on the last available annual financial statements as at 31/07/2014.
16 The information is based on the last available annual financial statements as at 31/12/2012.
17 The information is based on the last available annual financial statements as at 31/12/2014.
18 The information is based on the last available annual financial statements as at 31/12/2015.
19 The information is based on the last available annual financial statements as at 31/12/2017.
20 The information is based on the last available annual financial statements as at 31/12/2018. Short financial year from 01/12/2018 to 31/12/2018
21 The information is based on the last available annual financial statements as at 31/12/2019.
22 The information is based on the last available annual financial statements as at 31/12/2020.
23 The information is based on the last available annual financial statements as at 31/12/2021.
24 The information is based on the last available annual financial statements as at 31/12/2022 in accordance with IFRS.
25 The information is based on the last available annual financial statements as at 31/12/2022.
26 The information is based on the last available annual financial statements as at 31/12/2022. Consolidated financial statements.
27 The information is based on the last available annual financial statements as at 31/12/2022. Short financial year from 01/07/2022 to 31/12/2022

42. Positions held

Offices held by legal representatives of LBBW and members of the AidA 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
AVAG Holding SE, Augsburg	Supervisory Board	Karl Manfred Lochner until 31/12/2023
Berlin Hyp AG, Berlin	Chairman of the Supervisory Board	Thorsten Schönenberger
	Deputy Chairwoman of the Supervisory Board	Andrea Schlenzig
	Supervisory Board	Dr Christian Ricken
	Supervisory Board	Anastasios Agathagelidis
	Supervisory Board	Stefanie Münz
	Supervisory Board	Thomas Weiß
	Supervisory Board	Jana Papst
	Supervisory Board	Thomas Meister
Deutscher Sparkassenverlag GmbH, Stuttgart	Supervisory Board	Andreas Götz
Eurex Clearing Aktiengesellschaft, Frankfurt am Main	Supervisory Board	Dr Thilo Roßberg
EUWAX AG, Stuttgart	Chairman of the Supervisory Board	Dr Christian Ricken
HAMBORNER REIT AG, Duisburg	Supervisory Board	Maria Teresa Dreo-Tempsch
HERRENKNECHT AKTIENGESELLSCHAFT, Schwanau	Supervisory Board	Karl Manfred Lochner until 31/12/2023
Hypo Vorarlberg Bank AG, Bregenz, Austria	Supervisory Board	Karl Manfred Lochner 31/05/2023 to 31/12/2023
KIC InnoEnergy SE, Eindhoven	Supervisory Board	Axel Weisheit
Kreditanstalt für Wiederaufbau, Frankfurt am Main	Administrative Board	Rainer Neske
Landeskreditbank Baden-Württemberg – Förderbank –, Karlsruhe	Administrative Board	Claudia Diem until 31/03/2023
LBBW Asset Management Investmentgesellschaft mbH, Stuttgart	Chairman of the Supervisory Board	Dr Christian Ricken
	Supervisory Board	Cara Friederike Schulze until 11/09/2023
	Supervisory Board	Andreas Götz
LRI Invest S.A., Munsbach, Luxembourg	Supervisory Board	Dr Dirk Franz
	Supervisory Board	Karen Armenakyan from 01/09/2023
Mainzer Stadtwerke AG, Mainz	Supervisory Board	Hannsgeorg Schönig
MMV Bank GmbH, Koblenz	Chairman of the Supervisory Board	Karl Manfred Lochner until 31/12/2023
	Deputy Chairman of the Supervisory Board	Anastasios Agathagelidis
	Supervisory Board	Peter Hähner
MMV Leasing GmbH, Koblenz	Chairman of the Advisory Board	Karl Manfred Lochner until 31/12/2023
	Deputy Chairman of the Advisory Board	Anastasios Agathagelidis
	Advisory Board	Peter Hähner
Siedlungswerk GmbH Wohnungs- und Städtebau, Stuttgart	Deputy Chairman of the Supervisory Board	Thorsten Schönenberger
	Supervisory Board	Andreas Götz
	Supervisory Board	Thomas Christian Schulz
SüdFactoring GmbH, Stuttgart	Chairman of the Supervisory Board	Karl Manfred Lochner until 31/12/2023
	Deputy Chairman of the Supervisory Board	Anastasios Agathagelidis
	Supervisory Board	Dr Jürgen Harengel from 22/05/2023
	Supervisory Board	Norwin Graf Leutrum von Ertingen
SüdLeasing GmbH, Stuttgart	Chairman of the Supervisory Board	Karl Manfred Lochner until 31/12/2023
	Deputy Chairman of the Supervisory Board	Anastasios Agathagelidis
	Supervisory Board	Dr Jürgen Harengel from 22/05/2023
	Supervisory Board	Norwin Graf Leutrum von Ertingen

VPV Lebensversicherungs-Aktiengesellschaft, Stuttgart	Supervisory Board	Claudia Diem until 31/03/2023
Württembergische Versicherung Aktiengesellschaft, Stuttgart	Supervisory Board	Claudia Diem until 31/03/2023

43. Events after the end of the reporting period

After the end of the financial year, there were no further 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

Members

Anastasios Agathagelidis

Risk Management and Compliance

Stefanie Münz

Finance and Operations

Joachim Erdle (from 01/01/2024)

Corporate Customers

Dr. Christian Ricken

Capital Markets Business and Asset Management/International Business

Andreas Götz

Private and Business Customers/Savings Banks

Thorsten Schönenberger

Real Estate and Project Finance

Karl Manfred Lochner (until 31/12/2023)

Corporate Customers

Supervisory Board

Chairman

Christian Brand

Former Chairman of the Board of Management of L-Bank

Deputy Chairman

Dr. Danyal Bayaz

Minister of Finance of the State of Baden-Württemberg

Members

Jörg Armborst

Employee Representative of Landesbank Baden-Württemberg

Bettina Kies-Hartmann

Employee Representative of Landesbank Baden-Württemberg

Dr. Florian Stegmann

State secretary at the Baden-Württemberg State Ministry, Head of the State Chancellery

Jens Baumgarten

Employee Representative of Landesbank Baden-Württemberg

Dr. Frank Nopper

Lord Mayor of the state capital of Stuttgart

Thomas Strobl

Minister of the Interior, Digitalisation and Local Government for the State of Baden-Württemberg

Wolfgang Dietz

Lord Mayor of the town of Weil am Rhein

Dr. Fritz Oesterle

Attorney at law

Dr. Jutta Stuible-Treder

Attorney at law, German Public Auditor

Christian Hirsch (from 22/02/2023)

Employee Representative of Landesbank Baden-Württemberg

Martin Peters

Managing Partner; Chairman of the Board Eberspächer Gruppe GmbH & Co. KG

Burkhard Wittmacher

Chairman of the Board of Managing Directors of Kreissparkasse Esslingen-Nürtingen

Bernhard Ilg

Lord Mayor (retired)

B. Jutta Schneider

Shareholder of Schneider & Peters Consulting GbR

Norbert Zipf

Employee Representative of Landesbank Baden-Württemberg

Gabriele Kellermann

Deputy Chairman of the Board of Managing Directors at BBBank eG

Peter Schneider

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

Marc Oliver Kiefer (from 22/02/2023)

Employee Representative of Landesbank Baden-Württemberg

Wiebke Sommer

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, 27 February 2024

The Board of Managing Directors

Rainer Neske
Chairman

Anastasios Agathagelidis

Joachim Erdle

Andreas Götz

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 2023, and the income statement for the financial year from 1 January to 31 December 2023, 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 2023. In accordance with the German legal requirements, we have not audited the content of the combined non-financial statement contained in the “Combined non-financial statement” 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 applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 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 content of the combined non-financial statement contained in the “Combined non-financial statement” section of the combined management report.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (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 accord-ance 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 State-ments 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 2023. 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.

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

Determination of fair values of trading transactions using generally accepted measurement methods

a) Landesbank Baden-Württemberg concludes trading transactions, particularly for securities, borrower’s note loans, securities repurchase transactions and derivative financial instruments which are measured in the annual financial statements at fair value minus a risk premium pursuant to Section 340e (3) sentence 1 HGB and recognized in the “Trading portfolio” item on the assets side of the balance sheet at EUR 23.9 billion and on the liabilities side at EUR 16.2 billion. For the purposes of accounting and measurement and the disclosures in the notes, Landesbank Baden-Württemberg determines the fair values for these portfolios 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 different acceptable ranges of the judgments and assumptions needed in measuring the trading trans-actions. For this reason, 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 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 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. Calling in 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 the basis of a representative sample, 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.

Determination of allowances for credit losses

a) As at 31 December 2023, in its annual financial statements Landesbank Baden-Württemberg reported loans and advances to banks and customers totaling EUR 213.8 billion, corresponding to 70.5% of total assets. Existing allowances for credit losses have already been deducted from these loans and advances. Allowances for credit losses contain specific valuation allowances and also model-based general valuation allowances and portfolio valuation allowances. There are also contingent liabilities and other obligations of EUR 51.2 billion, for which credit business-related provisions have been set up. In the financial year 2023, the allowances for credit losses (including credit business-related provisions) include net additions to loss allowance adjustments totaling EUR 71.5 million.

   Landesbank Baden-Württemberg checks regularly, or in the case of objective indications, as to whether there is ongoing recoverability of the receivables in the lending business. A possible impairment loss, i.e., the write-down to the lower of cost or market value, is calculated using the method stipulated by the Bank 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 set up 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 as well as for the calculation of the necessary settlement amount of provisions according to sound business judgment, there is an increased risk that the level 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 (risk early recognition), of assessing customer credit ratings, of measuring collateral and of determining impairments based on cash flows (calculation of specific value adjustment). In addition, we implemented 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 considered 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 addition, we verified the calculated general valuation allowances and portfolio valuation allowances on the basis of a randomly selected sample and assessed the derivation of the loss allowance adjustments established and the appropriateness of the level of allowances on the basis of evidence. In addition, we checked the disclosures in the notes for completeness and accuracy.

Other Information

The executive directors are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the combined non-financial report pursuant to Sections 289b to 289e in conjunction with 315b and 315c HGB contained in the "Combined non-financial report" section of the combined management report,
- the executive directors' confirmation regarding the annual financial statements and the combined management report pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB,
- the annex to the non-financial statement pursuant to Sections 289b to 289e in conjunction with 315b and 315c HGB, 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. Otherwise 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 identified above and, in doing so, 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 (i.e., fraudulent financial reporting and misappropriation of assets) 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 re-port 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 the risk of not detecting a material misstatement 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 provide those charged with governance with a statement that we have complied with the relevant inde-pendence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

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 for 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 Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value f39a212bc5a3723213628250050c986e7583c65055744b0bad57de8255608814, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for 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 2023 contained in the "Report on the Audit of the Annual Financial Statements and of the Combined Management Report" above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the "Auditor's Responsibilities for the Audit of the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents 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 controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

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

Auditor's Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, 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 documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the annual general meeting on 21 April 2023. We were engaged by the supervisory board on 16 May 2023. 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).

Other matter – use of the auditor's report

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Stefan Trenzinger.

Stuttgart/Germany, 4 March 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

Signed
Herbert Apweiler
Wirtschaftsprüfer (German Public Auditor)

Signed:
Stefan Trenzinger
Wirtschaftsprüfer (German Public Auditor)

Translation
– German version prevails –

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

LBBW

Breaking new ground

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