CREDIT OPINION
9 December 2024

Update

Send Your Feedback

RATINGS

Landesbank Baden-Wuerttemberg

Domicile	Stuttgart, Germany
Long Term CRR	Aa2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Aa2
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Aa2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Bernhard Held, CFA +49.69.70730.973
VP-Sr Credit Officer
bernhard.held@moodys.com

Alexander Hendricks, CFA +49.69.70730.779
Associate Managing Director
alexander.hendricks@moodys.com

Carola Schuler +49.69.70730.766
MD-Banking
carola.schuler@moodys.com

» Contacts continued on last page

Landesbank Baden-Wuerttemberg

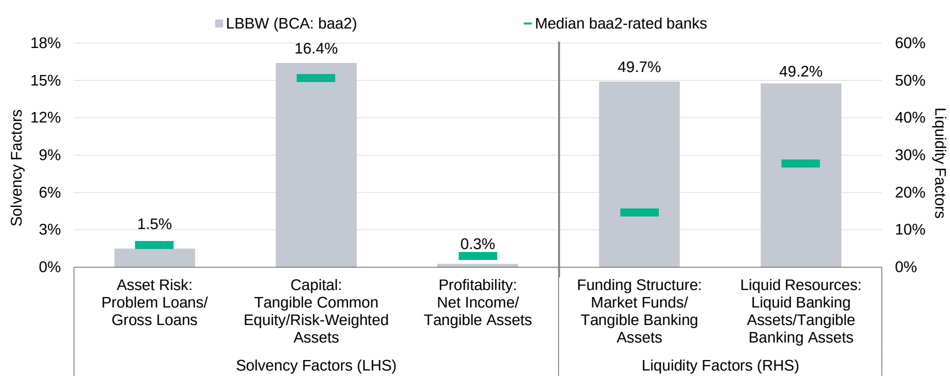
Update to credit analysis

Summary

Landesbank Baden-Wuerttemberg (LBBW)'s Aa2 deposit and senior unsecured debt ratings reflect the bank's baa2 Baseline Credit Assessment (BCA), two notches of rating uplift from affiliate support because of its membership in Sparkassen-Finanzgruppe's (S-Finanzgruppe, Aa2 stable, a2[1]) institutional protection scheme (IPS), three notches of rating uplift from our Advanced Loss Given Failure (LGF) analysis, which incorporates the relative loss severity of a liability class; plus a one-notch rating uplift resulting from government support, given its membership in systemically relevant S-Finanzgruppe.

LBBW's baa2 BCA reflects the improvement in the bank's pre-provision income generation capacity but also the emerging credit risks in the bank's concentration risks in commercial real estate (CRE) loans as well as LBBW's exposure to the strained German economy. At the same time, the BCA incorporates the bank's sustained sound capitalisation, which provides LBBW with headroom to withstand continued adverse economic developments. The BCA also takes into account LBBW's elevated market funding dependence, which remains significant despite the bank's access to funding from the savings bank sector and development banks. LBBW's ample liquid resources continue to provide a strong mitigant against potential funding challenges.

Exhibit 1
Rating Scorecard - Key financial ratios



Sources: Company filings and Moody's Ratings

Credit strengths

- » Low problem loan ratio, despite weakening asset quality in the real estate sector.
- » High coverage ratio and solid capitalisation, which provide a substantial buffer against downside risks.
- » Sound liquidity balances and access to savings bank sector funding.

Credit challenges

- » Risk concentrations in cyclical sectors, primarily CRE, as well as substantial exposures to energy-intensive industries.
- » Subdued profitability and efficiency metrics in an international context.
- » Significant dependence on confidence-sensitive capital market funding.

Outlook

The stable outlook reflects the stable outlook of S-Finanzgruppe. The stable outlook further incorporates the rating agency's expectation of a broadly unchanged liability structure.

Factors that could lead to an upgrade

- » An upgrade of LBBW's long-term ratings could be triggered by an improvement in the financial strength of S-Finanzgruppe.
- » LBBW's junior senior unsecured and subordinated ratings could also be upgraded if LBBW were to issue higher volumes of junior senior unsecured (in the case of junior senior debt only), subordinate or preferred shares liabilities than we currently expect.
- » An upgrade of LBBW's BCA could result from a sustained improvement in the bank's financial profile, in particular an improved business diversification and reduced sector concentration risks, higher capital ratios along with a further strengthening of the bank's earnings.

Factors that could lead to a downgrade

- » LBBW's ratings would be downgraded following a downgrade of the Adjusted BCA, either as a result of a deterioration in the financial strength of S-Finanzgruppe or caused by a significantly weaker BCA of LBBW. Further, a shift in the liability structure towards non-bail-in-able instruments, such that it increases the loss severity for a respective debt class and results in reduced rating uplift from our Advanced LGF analysis could exert downwards ratings pressure.
- » LBBW's BCA could be downgraded in case of a sharp decline in its asset quality, particularly if CRE markets underperformance leads to a more pronounced problem loan formation than the rating agency currently anticipates. LBBW's BCA could also be downgraded in case of a concurrent decline in capitalization and profitability, and a deterioration of the bank's combined liquidity profile.

Key indicators

Exhibit 2
Landesbank Baden-Wuerttemberg (Consolidated Financials) [1]

	06-24[2]	12-23[2]	12-22[2]	12-21[2]	12-20[2]	CAGR/Avg.[3]
Total Assets (EUR Billion)	348.4	320.1	308.7	267.4	255.0	9.3[4]
Total Assets (USD Billion)	373.4	353.6	329.5	303.0	312.0	5.3[4]
Tangible Common Equity (EUR Billion)	15.5	15.4	14.7	13.2	13.0	5.2[4]
Tangible Common Equity (USD Billion)	16.6	17.0	15.7	15.0	15.9	1.2[4]
Problem Loans / Gross Loans (%)	1.5	1.3	0.8	0.9	0.9	1.1[5]
Tangible Common Equity / Risk Weighted Assets (%)	16.4	16.6	15.7	15.7	15.8	16.1[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	12.7	10.7	7.2	6.9	6.7	8.8[5]
Net Interest Margin (%)	0.8	0.9	0.8	0.7	0.7	0.8[5]
PPI / Average RWA (%)	1.9	1.8	2.4	1.0	1.0	1.6[6]
Net Income / Tangible Assets (%)	0.3	0.3	0.3	0.2	0.1	0.2[5]
Cost / Income Ratio (%)	58.5	59.9	52.4	71.0	69.6	62.3[5]
Market Funds / Tangible Banking Assets (%)	50.4	49.7	52.3	54.9	52.4	51.9[5]
Liquid Banking Assets / Tangible Banking Assets (%)	53.4	49.2	49.7	52.8	52.8	51.6[5]
Gross Loans / Due to Customers (%)	114.5	123.0	131.9	124.0	116.1	121.9[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Ratings and company filings

Profile

LBBW is a German universal bank, providing retail and commercial banking, leasing, factoring, asset management, real estate, capital market, and equity and project finance services, either directly or through its subsidiaries. As of June 2024, the group reported consolidated assets of €360.4 billion and employed 10,603 staff. The bank is designated an "other systemically important institution" (O-SII) by the German regulator BaFin, because of its relatively high interconnectedness and complexity.

The owners of LBBW (Träger) are the Savings Bank Association (Sparkassenverband) of Baden-Wuerttemberg (Aa3 stable[2]) with a stake of 40.5%, the Land of Baden-Wuerttemberg (25.0%; Aaa stable[3]), the state capital of Stuttgart (19.0%) and Landesbeteiligungen Baden-Wuerttemberg (15.5%), the latter also being an entity of the Land of Baden-Wuerttemberg.

For more information, please see LBBW's most recent Issuer Profile, our German Banking System Outlook and our Banking System Profile Germany.

Weighted Macro Profile of Strong (+)

We derive the Strong (+) Weighted Macro Profile of LBBW from its regional net exposures, which takes into consideration the gross market value of loans to customers and credit commitments, net of collateral, credit risk hedges and netting agreements. As of June 2024, Germany (Aaa stable[4]), which has a Strong (+) Macro Profile, accounted for 68% of net exposures, while European net exposures outside of Germany represented 18%. North America and Asia-Pacific contributed a further 8% and 3% to net exposures, respectively, while other international exposures accounted for the remaining 2%. The exposure-weighted average of the German and respective regional macro profiles results in a Strong (+) Weighted Macro Profile for LBBW.

Detailed credit considerations

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

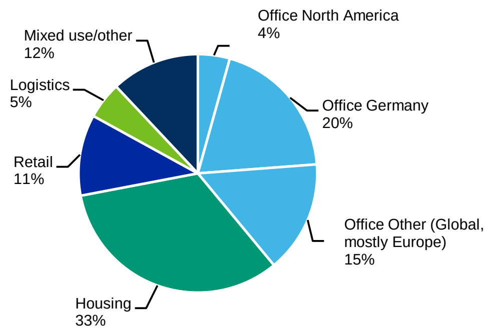
We assign a baa2 Asset Risk score, five notches below the aa3 initial score. The assigned score reflects primarily LBBW's exposure concentration to CRE lending, but also concentrations in cyclical corporate sectors which are exposed to the weak economic environment in Germany, and the bank's market risk exposures stemming from its capital markets business.

The bank's risk concentrations in cyclical industries within its corporate loan and CRE book remain high and leave the bank vulnerable to the weak economic growth in Germany and potential structural shifts in the economy that represent increasing challenges for the corporate and small- and medium-sized enterprise (SME) sector. Following the acquisition of Berlin Hyp, LBBW's gross CRE exposure represents more than four times the group's tangible common equity (TCE), which is a significant concentration to a highly cyclical sector.

Exhibit 3

LBBW's CRE loan book breakdown as of June 2024

Office exposures had the highest concentration with 39%



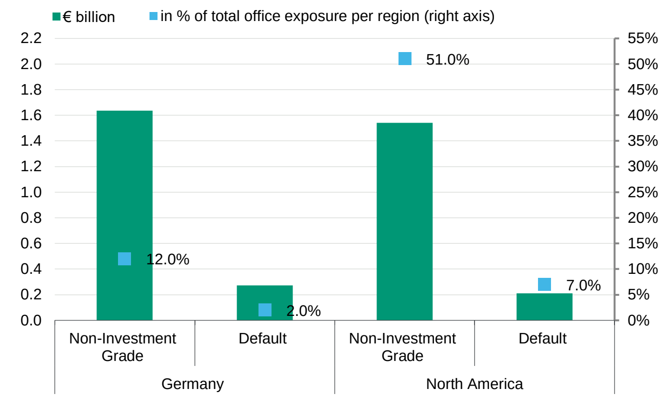
May include rounding effects.

Source: Company filings and Moody's Ratings

Exhibit 4

LBBW's German and North American office portfolio as of June 2024

The performance of the US office portfolio has been notably weaker



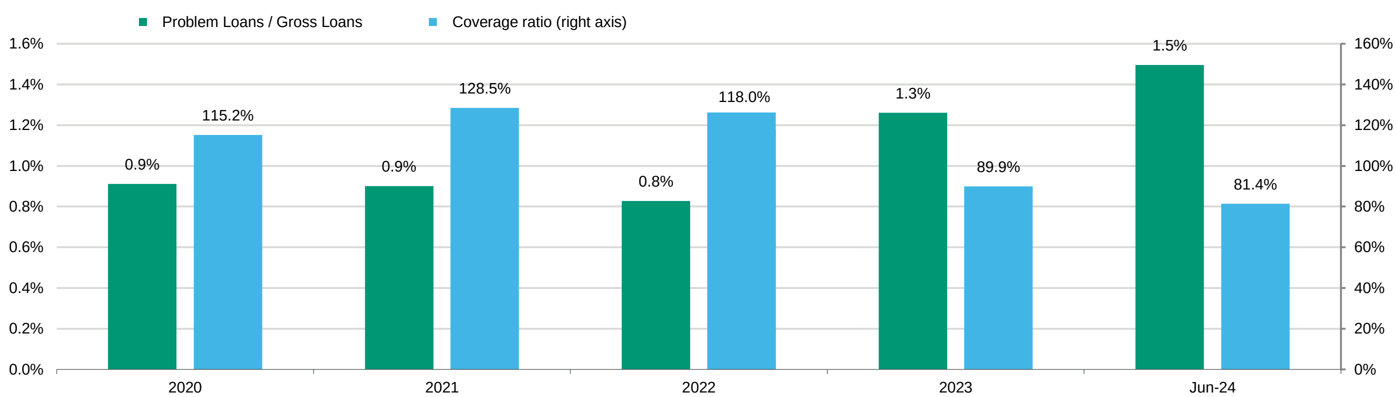
Non-Investment Grade and Default categorisations are based on LBBW's own disclosures. May include rounding effects.

Source: Company filings and Moody's Ratings

Following sizable value corrections in the US CRE loan books of other German banks with large exposures in light of which LBBW's CRE exposures have held up remarkably well in 2024, the performance and valuation of LBBW's US CRE loan book of €4.6 billion will remain a watchpoint for 2025 and 2026, when [loans originated at the peak of the property cycle in 2021 and 2022 mature](). While so far less pronounced, we also expect the pressure from high refinancing rates and an object-specific divergence in vacancy rates to materialize in some subsegments of European CRE, in particular within the office space.

Exhibit 5

LBBW's problem loan ratio and coverage levels remain strong, but have weakened since 2022



Problem loan ratio in accordance with our definition. Coverage ratio = Loan loss reserves/problem loans.

Sources: Company filings and Moody's Ratings

LBBW's capital ratios have been strong

Our assigned a2 Capital score is three notches below the aa2 initial score, reflecting the bank's elevated leverage, moderate longer-term effects stemming from the implementation of the Basel III finalisation, and our expectation of further negative rating migrations in LBBW's CRE and corporate loan book.

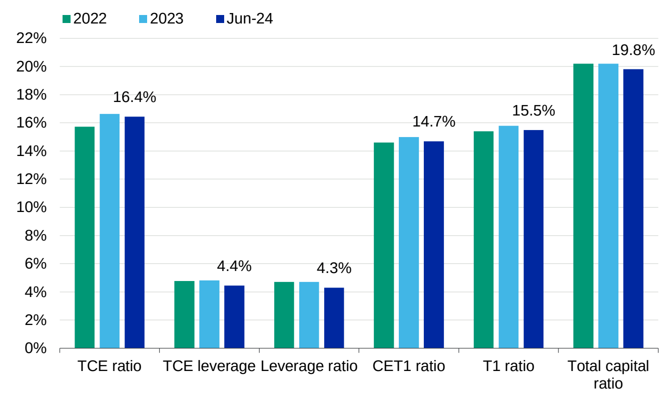
LBBW has maintained strong risk-weighted capital ratios, both considering tangible common equity (TCE) and regulatory capital. The later recognition of profits and the full recognition of the cumulative other comprehensive income capital account, including unrealized losses on securities classified as available for sale that are excluded by our TCE metric account for the majority of the difference between regulatory and TCE metrics.

LBBW's total Pillar 2 requirement has been moderately increased in 2024 to 1.87% from 1.83% of its RWA where it had been set since 2022 (2021: 1.75%), but it still remains at a moderate level within the ECB-supervised peer group.

The bank's regulatory Tier 1 leverage ratio benefits from the inclusion of €750 million of low-trigger Additional Tier 1 capital. In conjunction with calling this instrument for the first optional call date in April 2025, LBBW refinanced this instrument in November 2024.

Exhibit 6

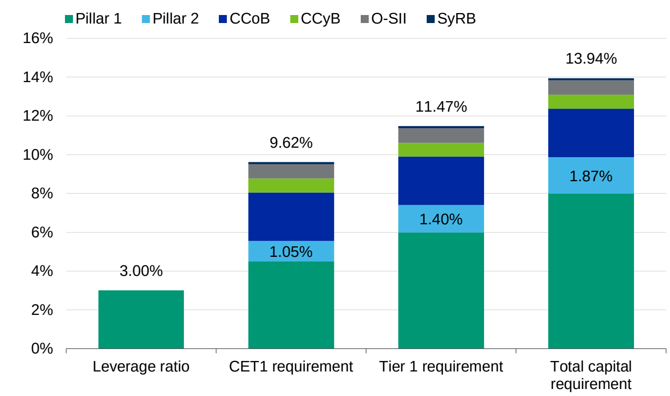
LBBW's strong risk-weighted capital ratios coincide with elevated leverage, a result of low risk-weighted asset density.



TCE = Tangible common equity (our calculation); CET1 = Common Equity Tier 1; T1 = Tier 1; TCE leverage ratio compares TCE to tangible assets.
Sources: Company filings and Moody's Ratings

Exhibit 7

LBBW's regulatory capital requirements as of June 2024



Pillar 1 = Pillar 1 requirement; Pillar 2 = Pillar 2 requirement; CCoB = capital conservation buffer; CCyB = countercyclical capital buffer; O-SII = other systemically important institutions buffer; SyRB = systemic risk buffer.
Sources: Company filings and Moody's Ratings

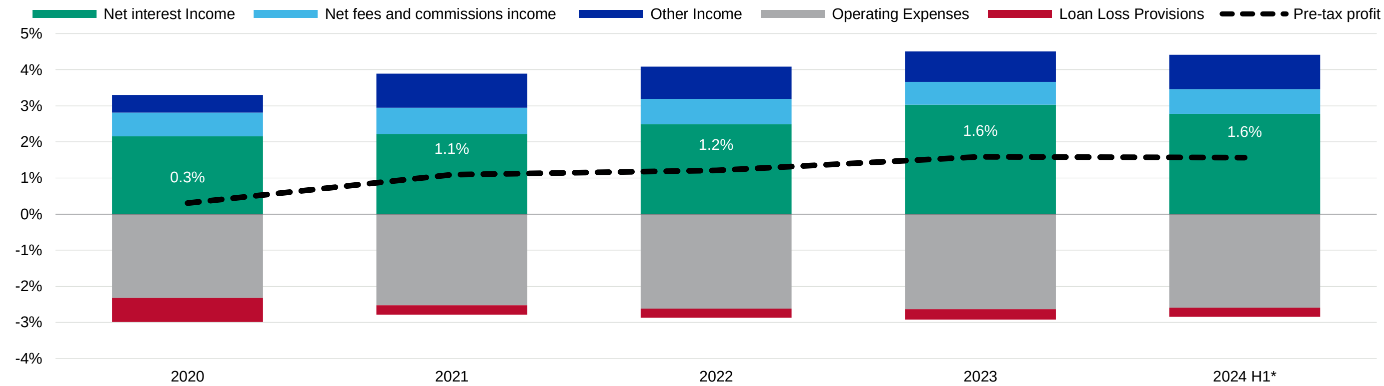
Profitability has improved in the higher interest rate environment

We assign a ba3 Profitability score, one notch below the initial score. The assigned score considers both the bank's improving pre-provision results trend supported by a higher interest rate environment and our expectation that the weak operating environment will prompt further moderate increases in problem loans. At the same time, future loan loss provisioning needs will be cushioned by the bank's ample buffer of management overlay reserves set aside mainly in anticipation of yet unrecognised problem loan formation.

Rising interest rates have supported LBBW's profitability, but lower rates and a less favorable credit environment could offset some of the gains going forward. While LBBW has a generally sound history of low credit losses, we expect the structural challenges for Germany's economy to result in higher future loan loss provisions. In combination with rising investments in digital banking services and infrastructure, there will likely be persistent pressure on the bank's profitability despite efforts to control costs.

LBBW's model adjustment reserves grew to €925 million as of June 2024, which is a multiple of the €254 million of loan loss provisions booked in 2023 (2022: €239 million) and which themselves contained a model adjustment add-on of €107 million.

Exhibit 8
LBBW's profitability improved in 2023 and remained stable in the first half of 2024



Data in % of average risk weighted assets (RWA). Reported revenues, expenses and RWA are subject to standard[5] and non-standard adjustments. In particular LBBW's 2022 "other income" includes significant expenses related to its defined benefit pension plans that are not included in reported profit and loss accounts.
*2024 H1 data is annualised
Sources: Company filings and Moody's Ratings

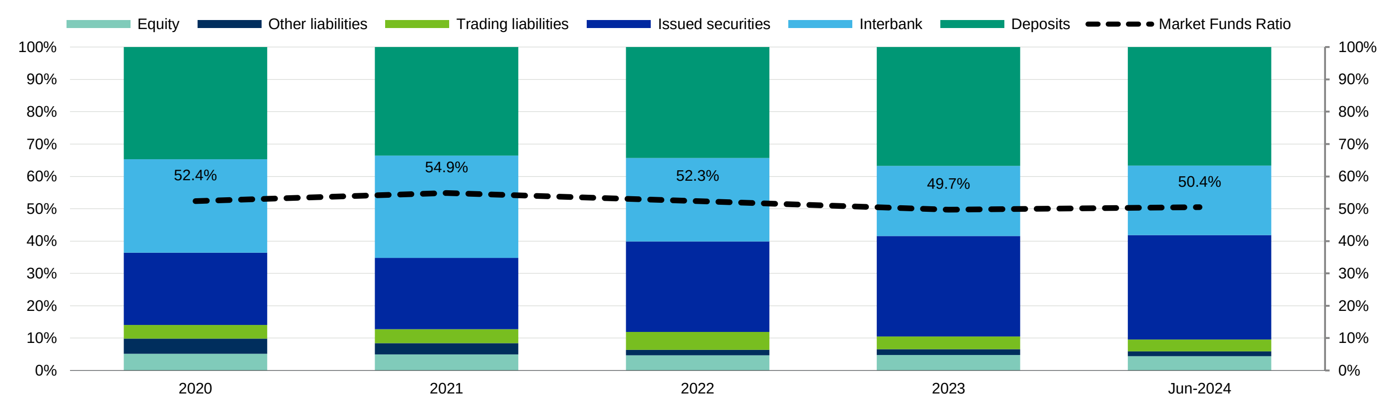
Funding profile supported by access to savings bank sector funding

We assign a ba2 Funding Structure score, which is two notches above the b1 initial score. The upward adjustment reflects that LBBW's market funds ratio contains development bank funding, as well as sector funding. Development bank funding generally matches the profile of the bank's pass-through loans and sector funds also do not represent a confidence-sensitive market funding source.

LBBW benefits from good access to stable funding resources provided for example through bond investments by savings banks and retail clients, the strong covered bond franchises, and access to development bank loans[6]. However, the bank also relies on more confidence-sensitive funding sources, such as interbank, money market, bond, and promissory note funding, as well as institutional client deposits, which exposes the bank to refinancing risks in less favorable market environments. In addition, LBBW's large derivatives book, and the related risk of volatile collateralisation requirements, creates funding risk for the bank.

LBBW's June 2024 regulatory Net Stable Funding Ratio of 112.2% was low in the context of its peers, but still had a satisfactory buffer to the 100% minimum requirement. The bank's available stable funds accounted for only about half of its total assets, which reflects the dominant role of short-term wholesale funding and limited role of retail deposits.

Exhibit 9
LBBW's funding structure relies to a significant extent on interbank lines and debt issuance
TLTRO drawings had temporarily inflated interbank borrowings



Market funding ratio = Market funds/tangible banking assets.
Sources: Company filings and Moody's Ratings

Ample liquidity is a strong mitigant for market funding risks

We assign an a2 Liquid Resources score, two notches below the aa3 initial score. The downward adjustment reflects some degree of asset encumbrance which is partly offset by LBBW's overcollateralised cover pools, which the bank could use to source additional liquidity at short notice.

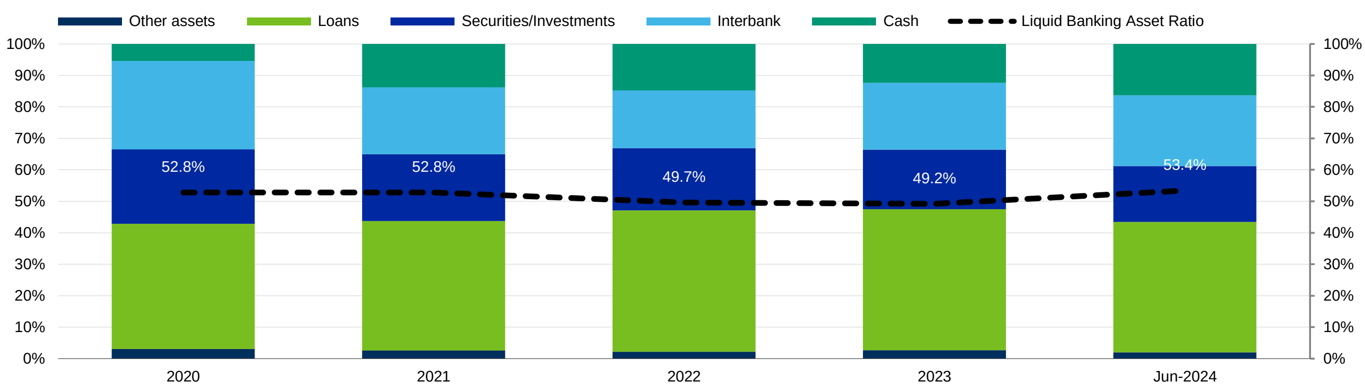
Together with LBBW's diversified funding mix, the bank's ample liquidity reserves provide it with significant flexibility in a more adverse market environment, not only mitigating potential funding challenges, but also supporting the bank's growth strategy because it provides sufficient flexibility to transform the liquid resources into higher-yielding lending assets.

As of year-end 2023, both interbank claims and LBBW's securities portfolio, which exhibited only very limited unrealised losses recognized in the "other comprehensive income" capital account, each represented more than one third of the bank's liquid banking assets. LBBW could generate additional liquidity through the issuance of covered bonds under currently still two covered bond programs of each Berlin Hyp and LBBW. LBBW maintained its LCR at a sound level of 141.1% as of June 2024, down from 150.5% as of year-end 2023.

Exhibit 10

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

The liquid banking assets ratio remained mostly unchanged compared to 2022



Liquid banking assets ratio = Liquid banking assets/tangible banking assets.

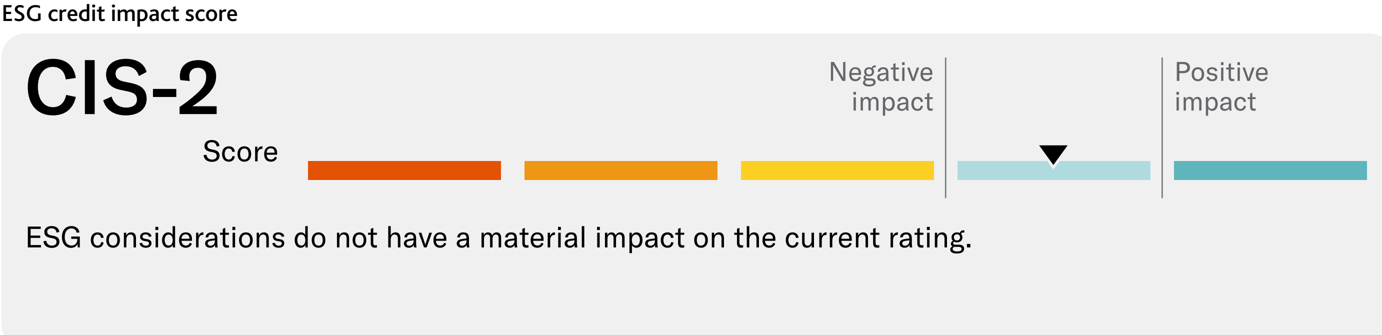
Sources: Company filings and Moody's Ratings

ESG considerations

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

Exhibit 11

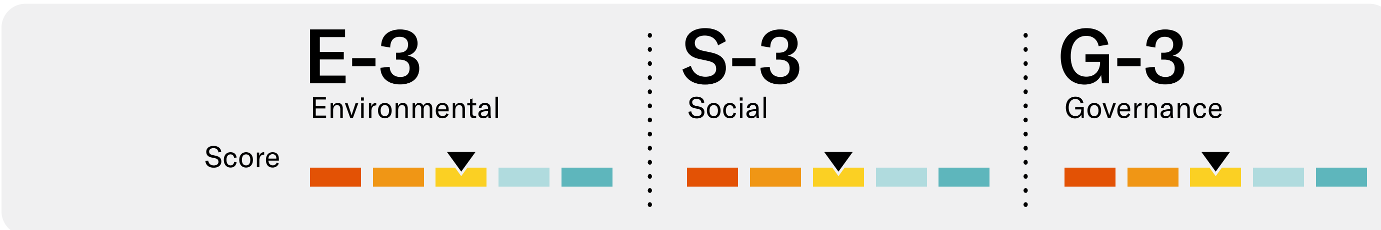
ESG credit impact score



Source: Moody's Ratings

LBBW's **CIS-2** indicates that ESG considerations have no material impact on the current ratings. This reflects the mitigating rating impact of affiliate support from Sparkassen-Finanzgruppe (S-Finanzgruppe) over LBBW's ESG risk profile. Environmental and social factors have had a limited impact on the bank's credit profile to date. The bank's corporate governance risks mainly stem from the bank's subdued operational efficiency and concentration risks in its loan book, which are inherent to its business profile.

Exhibit 12
ESG issuer profile scores



Source: Moody's Ratings

Environmental

LBBW faces moderate exposure to environmental risks primarily because of its exposure to carbon transition risk as a large, mostly regional banking group. In line with its peers, LBBW is facing mounting business risks and stakeholder pressure to meet broader carbon transition goals. Carbon transition risks relate from LBBW's credit exposure to CO2-intensive sectors, e.g. automotive and energy. In response, LBBW is actively engaging in optimising its loan portfolio towards a targeted reduction of clients' carbon intensity, especially through the definition of science-based, sector specific CO2-reduction paths shared with clients. While accompanying its clients on the way to sustainable business models along this CO2-reduction path, LBBW tracks and discloses overall financed emissions.

Social

LBBW faces moderate social risks mainly related to customer relations as well as to demographic and societal trends. The bank's developed policies and procedures mitigate conduct risk associated with the distribution of financial products such as regulatory and reputational risks, as well as exposure to litigation. Continued investments in technology and the bank's long track record of handling sensitive customer data, as well as appropriate culture and governance that ensure adherence to regulatory standards, help to manage high cyber and personal data risks. LBBW operates mostly in Germany, which faces challenges from adverse demographic trends affecting long-term economic growth prospects and impacting the demand for certain banking products. Product diversity as well as an ability to adapt to consumer preferences, regulatory changes and societal trends such as digitization are key to address these risks.

Governance

LBBW's governance risks are moderate, reflecting higher concentration risk appetite inherent in its business model as a universal bank with a strategic focus on commercial real estate. Its strategy, risk management function and organisational structure are in line with industry practices. The bank's subdued profitability remains a concern because it provides only a limited buffer against adverse developments and limits the bank's capital generation capacity and, hence, growth prospects. Finally, as a public-sector bank, LBBW is owned by the federal state of Baden-Württemberg (40.5%) and the state capital of Stuttgart (18.9%), which is reflected in the composition of its board of directors, which also includes representatives from S-Finanzgruppe's regional savings bank association, the Sparkassenverband Baden-Württemberg, which owns the remaining 40.5%. Germany's developed institutional framework mitigates associated governance risks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

We believe that the probability of LBBW receiving cross-sector support has risen following the strengthening of the institutional protection scheme (IPS) of S-Finanzgruppe, whose statutes were updated earlier in 2024. The revised statutes result in a more rule-based IPS that implements an early intervention system with clearly identified triggers and timely escalation of decision-making steps as well as increased ex-ante funds over time, which, in our view, increase the likelihood and timeliness of support for LBBW. In our assessment, we considered the likelihood of support based on the new and improved governance structure of the IPS, the economic rationale to improve sector cohesion through swift and positive support decisions, and the capacity of the sector in different scenarios, including a situation in which a number of larger members require capital support concurrently.

Loss Given Failure (LGF) analysis

LBBW is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider an Operational Resolution Regime. Thus, we apply our Advanced LGF analysis, using our standard assumptions.

Our LGF analysis indicates that LBBW's deposit and senior unsecured debt are likely to face extremely low loss-given-failure, resulting in a three-notch uplift from the bank's Adjusted BCA.

Government support

For member banks of S-Finanzgruppe we generally assume a moderate likelihood of government support for instruments ranking above junior senior unsecured, given the importance of the sector for financial system stability in Germany, resulting in one notch notch of uplift.

Methodology and scorecard

Methodology

The principal methodology we used in rating LBBW is our Banks Methodology.

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by unadjusted accounting data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 13
Rating Factors

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	1.5%	aa3	↔	baa2	Sector concentration	Market risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	16.4%	aa2	↔	a2	Nominal leverage	Risk-weighted capitalisation
Profitability						
Net Income / Tangible Assets	0.3%	ba2	↓	ba3	Expected trend	Return on assets
Combined Solvency Score		a1		baa2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	49.7%	b1	↔	ba2	Extent of market funding reliance	Deposit quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	49.2%	aa3	↔	a2	Asset encumbrance	Additional liquidity resources
Combined Liquidity Score		baa3		baa2		
Financial Profile				baa2		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				A2		
BCA Scorecard-indicated Outcome - Range				baa1 - baa3		
Assigned BCA				baa2		
Affiliate Support notching				2		
Adjusted BCA				a3		

Balance Sheet is not applicable.

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	-	-	-	-	-	-	-	3	0	aa3
Counterparty Risk Assessment	-	-	-	-	-	-	-	3	0	aa3 (cr)
Deposits	-	-	-	-	-	-	-	3	0	aa3
Senior unsecured bank debt	-	-	-	-	-	-	-	-	-	-
Junior senior unsecured bank debt	-	-	-	-	-	-	-	1	0	a2
Dated subordinated bank debt	-	-	-	-	-	-	-	-1	0	baa1
Non-cumulative bank preference shares	-	-	-	-	-	-	-	-1	-2	baa3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	1	Aa2	Aa2
Counterparty Risk Assessment	3	0	aa3 (cr)	1	Aa2(cr)	
Deposits	3	0	aa3	1	Aa2	Aa2
Senior unsecured bank debt	-	-	-	1	Aa2	Aa2
Junior senior unsecured bank debt	1	0	a2	0	A2	A2
Dated subordinated bank debt	-1	0	baa1	0	Baa1	Baa1
Non-cumulative bank preference shares	-1	-2	baa3	0	Baa3 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 14

Category	Moody's Rating
LANDESBANK BADEN-WUERTTEMBERG	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa2/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	Aa2
Senior Unsecured -Dom Curr	Aa2
Junior Senior Unsecured	A2
Junior Senior Unsecured MTN -Dom Curr	(P)A2
Subordinate	Baa1
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term -Dom Curr	(P)P-1
BERLIN HYP AG	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa2/P-1
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	Aa2
Senior Unsecured	Aa2
Junior Senior Unsecured -Dom Curr	A2
Junior Senior Unsecured MTN -Dom Curr	(P)A2
Subordinate MTN -Dom Curr	(P)Baa1
Commercial Paper -Dom Curr	P-1

Source: Moody's Ratings

Endnotes

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

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

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

4 The rating shown is the German government's issuer rating and outlook.

5 Please refer to our cross-sector methodology for Financial Statement Adjustments in the Analysis of Financial Institutions.

6 As of 31 December 2023, LBBW had sourced €35.9 billion of development bank loans from Kreditanstalt of Wiederaufbau (backed senior unsecured: Aaa stable), L-Bank (backed senior unsecured: Aaa stable), and other German development banks, which LBBW mostly passes on to the savings banks in Baden-Wuerttemberg, Rhineland-Palatinate and Saxony, but also directly to its own customers. Because the funding from development banks will be available to LBBW irrespective of market conditions, given the development banks' status as quasi sovereign or sub-sovereign prime issuers in the capital markets, we do not deem development bank funding to represent confidence-sensitive market funding.

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Contacts

Ibrahim Kara
Sr Ratings Associate

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454