

MOODY'S

RATINGS

Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of Landesbank Baden-Wuerttemberg

20 Feb 2025

Frankfurt am Main, February 20, 2025 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of Landesbank Baden-Wuerttemberg and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 17 February 2025 in which we reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Please see the Issuer page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

Landesbank Baden-Wuerttemberg (LBBW)'s ratings, including the bank's Aa2 long-term deposit and senior unsecured debt ratings and all assigned rating inputs remain unchanged. All assigned relevant outlooks remain stable.

LBBW's long-term 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, Corporate Family Rating Aa2 stable, BCA a2) 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 still good, but from very strong levels slightly deteriorating credit quality amid the changed interest rate environment, which provides particular challenges for the bank's sizeable commercial real estate lending

book. We acknowledge sufficient risk buffers in the form of LBBW's sound capitalization and improved, albeit still modest, profitability, and take into account LBBW's significant reliance on market funding, which is mitigated by the bank's access to savings banks' excess deposits and in case of need by a significant volume of liquid assets.

This document summarizes our view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Banks published in November 2024. Please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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