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Ratings**Landesbank Baden-Württemberg**

	Rating	Rating
Fitch	AA-	Stable
Moody's	Aa2	Stable
S&P	-	-

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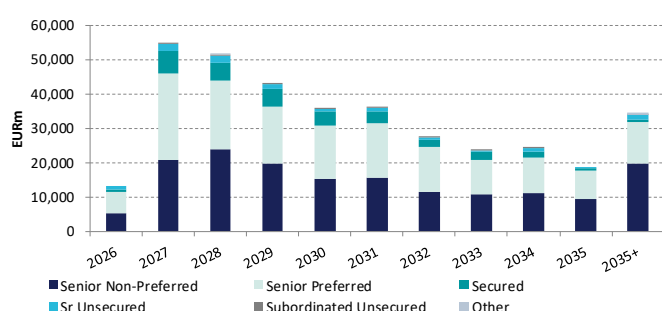
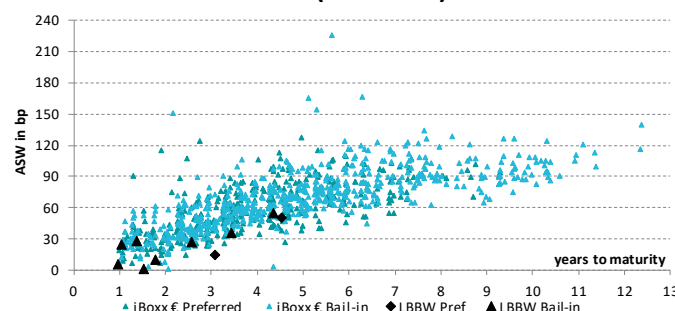
Landesbank Baden-Württemberg (LBBW) is a German universal bank with a focus on retail and corporate customers, real estate and project financing, as well as the capital market business. As at H1/2026, LBBW has total assets of EUR 358.9bn and employs 10,700 staff. LBBW is categorised by the Federal Financial Supervisory Authority (BaFin) as an O-SII (other systemically important institution), which points to its elevated significance within the financial system. The ownership structure reflects the bank's strong ties with the public sector, led by the Sparkassenverband Baden-Württemberg and federal state of Baden-Württemberg (with 40.5% each) and the city of Stuttgart (18.9%). The regional focus is on the federal states of Baden-Württemberg, Rhineland-Palatinate and Saxony, supplemented by an international presence that extends across 15 jurisdictions. The reporting segments encompass "Corporate Customers" (FY/2025: 47.1% of pre-tax profit; excl. "Corporate Items/Reconciliation/Consolidation"), "Real Estate and Infrastructure Financing" (20.1%), "Capital Market Operations" (19.5%) and "Retail Customers and Savings Banks" (13.2%). The funding mix of LBBW is based on a diversified refinancing structure, whereby capital market instruments constitute the largest source of funding at 54.7%, followed by customer deposits at 45.3% (FY/2025). Within wholesale funding, medium to long-term capital market liabilities (60.7%) play the most prominent role, while short-term refinancing sources account for a share of 39.3%. In terms of medium to long-term capital market funding, covered bonds (specifically Pfandbriefe) played a significant role and accounted for 22% of new issuances in FY/2025.

Balance Sheet

(EURm)	2024Y	2025Y	2026H1
Net Loans to Customers	157,898	158,816	162,407
Total Securities	87,355	85,703	87,396
Total Deposits	140,765	136,563	134,636
Tier 1 Common Capital	14,113	14,691	14,759
Total Assets	356,355	347,288	358,894
Total Risk-weighted Assets	96,995	86,689	91,655

Income Statement

(EURm)	2024Y	2025Y	2026H1
Net Interest Income	2,631	2,730	1,547
Net Fee & Commission Inc.	635	689	354
Net Trading Income	688	735	203
Operating Expense	2,430	2,634	1,263
Credit Commit. Impairment	360	332	121
Pre-tax Profit	1,232	1,284	708

Redemption Profile**Senior Unsecured Bonds (EUR BMK)****Company Ratios**

	2024Y	2025Y	2026H1		2024Y	2025Y	2026H1
Net Interest Margin	0.78	0.79	0.89	Liquidity Coverage Ratio	149.00	180.00	139.10
ROAE	5.27	5.54	5.52	IFRS Tier 1 Leverage Ratio	4.10	4.39	4.25
Cost-to-Income	60.24	61.83	60.34	NPL/Loans at Amortised Cost	1.65	2.25	2.06
Core Tier 1 Ratio	14.55	16.95	16.10	Reserves/Loans at Amort. Cost	1.24	1.27	1.20

As of: 12 October 2026; Source: Bloomberg, S&P Global Market Intelligence, NORD/LB Floor Research

Strengths / Opportunities

- Low NPL ratio
- Refinancing options via the savings bank sector

Risks / Weaknesses

- High CRE concentration negatively impacts risk profile
- Profitability remains improvable

Covered Bonds

Represented in the iBoxx EUR Covered with 32 issues from two Pfandbrief programmes

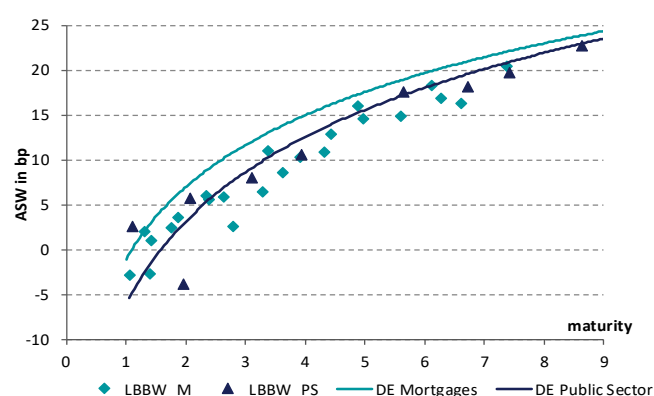
LBBW operates both a Mortgage Pfandbrief programme and a Public Sector Pfandbrief programme. As at 30 June 2026, mortgage-backed Pfandbriefe totalling EUR 25.0bn and Public Sector Pfandbriefe totalling EUR 11.1bn were outstanding. With overcollateralisation ratios of 35.6% (Mortgage Pfandbriefe) and 33.0% (Public Sector Pfandbriefe), respectively, the statutory minimum overcollateralisation requirement of 2% is exceeded by a wide margin. In both sub-segments, LBBW ranks among the largest Pfandbrief issuers in Germany. In the current October composition of the iBoxx EUR Covered Index, LBBW is represented by 32 Pfandbriefe. A further nine benchmark issues are no longer included in the index due to their remaining maturities being below one year.

Programme data

30 June 2026	Mortgage	Public Sector
Covered bonds outstanding	EUR 25.002bn	EUR 11.136bn
Cover pool volume	EUR 33.894bn	EUR 14.810bn
Current OC (nominal / legal)	35.6% / 2.0%	33.0% / 2.0%
Type primary cover	57.2% Commercial	50.9% Municipality
Main country	75.3% Germany	90.9% Germany
Main region	22.5% BaWue	52.0% BaWue
Number of loans	32,789	7,043
Share top 10 exposures	6.7%	23.0%
NPL	0.0%	0.0%
Fixed interest (Cover Pool / CBs)	80.2% / 92.7%	78.1% / 90.9%
WAL (Cover Pool / CBs)	3.4y / 4.2y	6.1y / 4.6y
CB Rating (Fitch / Moody's / S&P)	- / Aaa / -	- / Aaa / -

Source: Issuer, rating agencies, Bloomberg, NORD/LB Floor Research

Spread overview (BMK) – Germany



Cover assets are predominantly located in Germany

Both the Mortgage Cover Pool (75.3%) and the Public Sector Cover Pool (90.9%) are predominantly backed by assets located in Germany. At 57.2%, the Mortgage Cover Pool consists primarily of commercial assets. Residential assets amount to EUR 13.9bn (42.8% of primary cover assets), of which the majority (70.6%) relates to multi-family residential properties. Within the commercial portfolio, office buildings represent the most significant property type, accounting for 62.6% of assets. Regionally, the largest share of mortgage cover assets is located in Baden-Württemberg (22.5%), followed by Berlin (16.4%) and NRW (15.0%). While the ten largest individual exposures within the Mortgage Cover Pool account for only 6.7% of total cover assets, the “Top 10” exposures in the Public Sector Cover Pool are considerably more significant, representing 23.0% of the pool. Within the latter, local authorities constitute the most important debtor category, accounting for 50.9% of cover assets. Neither the Public Sector Cover Pool nor the Mortgage Cover Pool contains any non-performing loans.

Rating and regulatory treatment

Both programmes are rated Aaa, the highest rating level assigned by Moody's. Moody's also assigns a TPI Leeway of six notches to both programmes. In our view, EUR benchmark issues of LBBW meet the relevant requirements to qualify as Level 1 assets for LCR management purposes. [BaFin](#) authorises LBBW to use the designation “European Covered Bond (Premium)” for issuances since 08 July 2022. In addition, all Pfandbriefe issued by LBBW benefit from a 10% risk weight under the CRR due to their rating and are also eligible as collateral in ECB refinancing operations.

Appendix

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