11/3/2021

Breaking new ground

LBBW Group

Preliminary Results as of 31 December 2020

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LBBW's strategy has also proven itself in the crisis year – Improved operating performance in spite of Corona pandemic

With its strategic approach as **best mittelstands-minded universal bank, LBBW operates successfully in the market** – in spite of Corona pandemic **consolidated profit before tax at a good level and with € 252 mln clearly positive**

LBBW benefits from its **customer-oriented and diversified business model** and **supports its customers as strong partner in the crisis** – current **strategic cornerstones** digitalization, sustainability and agility **have gained further relevance**

Improved operating performance in the segments with **continuation of the growth course** – overall **stable earnings and significantly reduced costs** can compensate for risk provisioning – **increased risk provisioning** mainly due to **model adjustments** for anticipated effects of the Corona pandemic and due to a significant **single exposure**

Sustainability activities significantly expanded once again – LBBW is among the **most sustainable universal banks in Europe** inter alia as largest ESG bank issuer in Europe and thanks to its newly established sustainability advisory unit – sustainability ratings reflect the **good starting position**

Comfortable capital and liquidity situation reflected in a **CET1 ratio of 14.8%** and **LCR of 135.4%**

LBBW benefits from its **continued good portfolio quality – NPL ratio of 0.6%**

LBBW has responded consistently to the effects of the crisis and has **adjusted and focused** its **strategic orientation in certain areas**

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01 Strategic orientation Page 4
02 Development of earnings Page 13
03 Capital, risk and liquidity Page 21
04 Outlook and strategic targets Page 31
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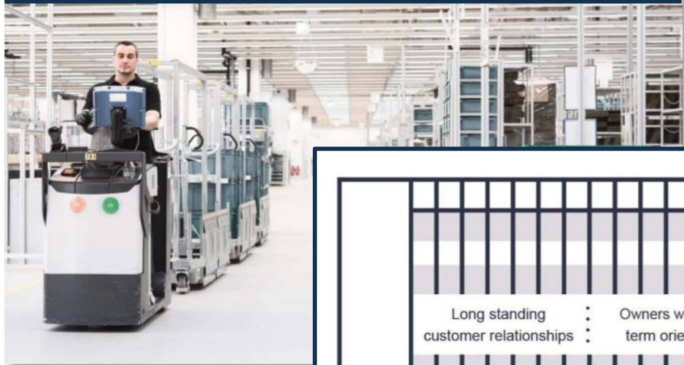
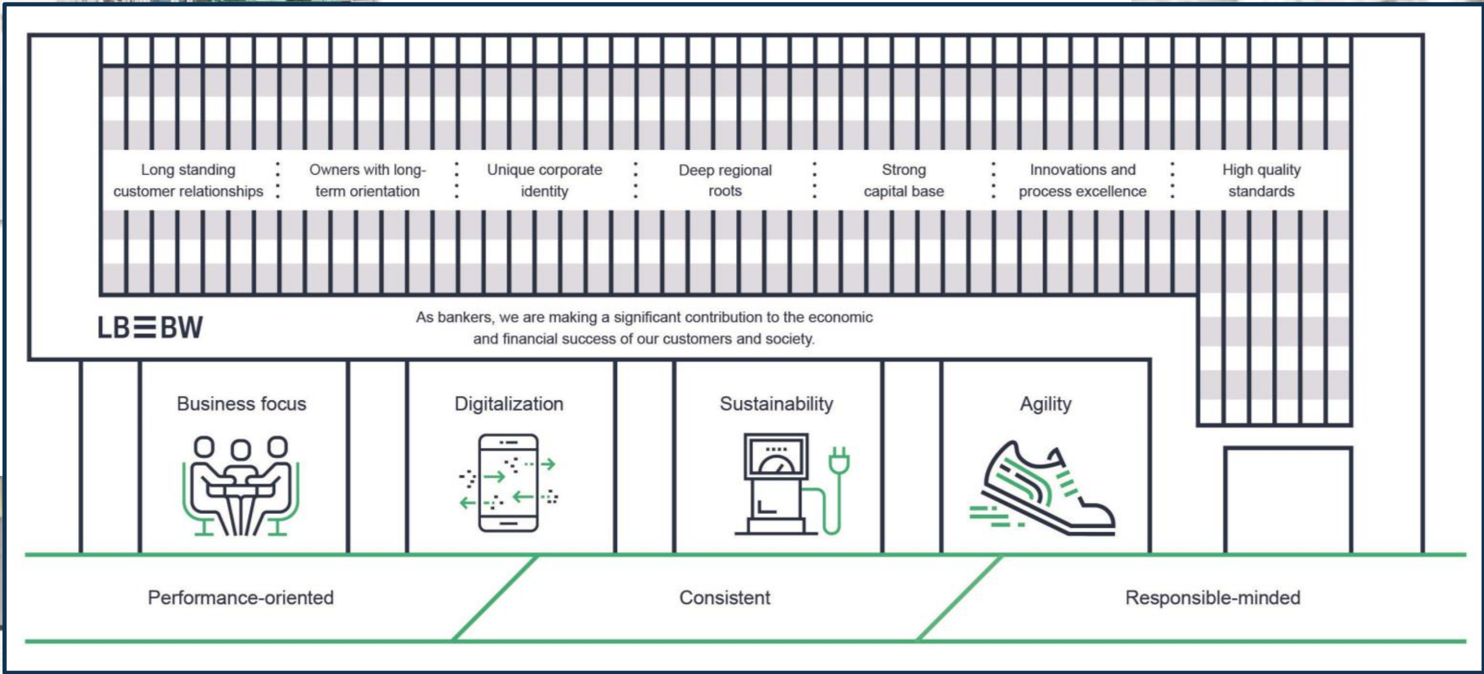
With its strategic orientation as best mittelstands-minded universal bank, LBBW operates successfully in the market

Corporate Customers



LBBW
the best mittelstands-minded universal bank

Real Estate/Project Finance



Capital Markets Business

Customer-oriented and **well diversified business model** proves its worth even in the crisis

Private Customers/Savings Banks

LBBW can rely on its diversified customer business even in the crisis – Further expansion of customer business

- **Increase in financing margins** and **further expansion of revenues from cross-selling**
- Further **expansion** of **corporate finance business** by +6% to € 12.8 bn
- Further portfolio diversification due to **expansion** of **focus sectors** by +9% to € 20.8 bn

- **Further growth** in real estate and project financings by +8% to more than € 29 bn financing volume
- **High and profitable new business**:
  - Commercial Real Estate **€ 8.5 bn**
  - Project Finance **€ 1.7 bn**, **thereof >50% for renewable energies**

- Revenue from **hedging and investment products** increased by +46%
- **Significant growth of AuM** in the new business area LBBW **Asset and Wealth Management** by +8% to € 119.4 bn
- **Lead manager** on two **Social Bonds** benchmark transactions under the **EU** SURE program
- **Acquisition of interest rate, currency and commodity management for savings banks** from **BayernLB**
- **Advisory and research services** as well as **liquidity facilities for savings banks**

- **Lending to Private Customers expanded** by +7% to more than € 10 bn mainly high-net-worth customers
- **Significant expansion of development loan business** with savings banks by +13% to more than € 24 bn
- **Revenue from securities business** increased by +13%

Differences due to rounding

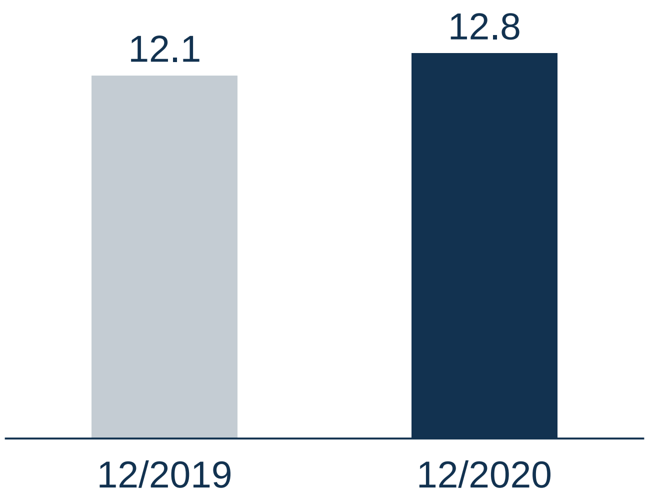
Expansion of growth areas successfully continued despite the crisis in 2020

+6% Expansion of **corporate finance** business

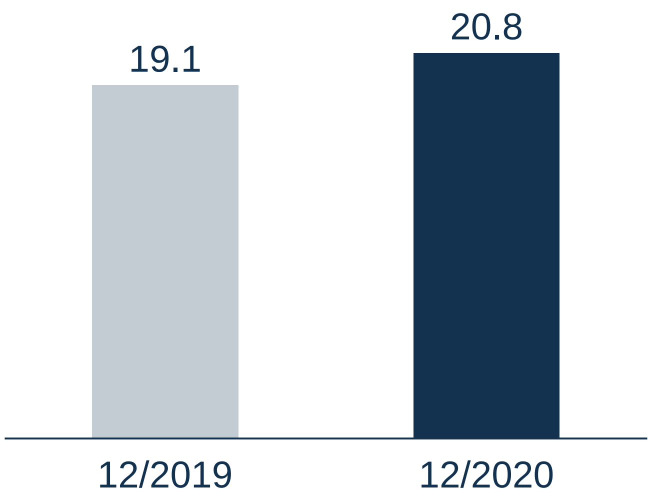
+9% Expansion of the **focus sectors**

+8% **Increase AuM** in **Asset and Wealth Management**

Financing volume
€ bn

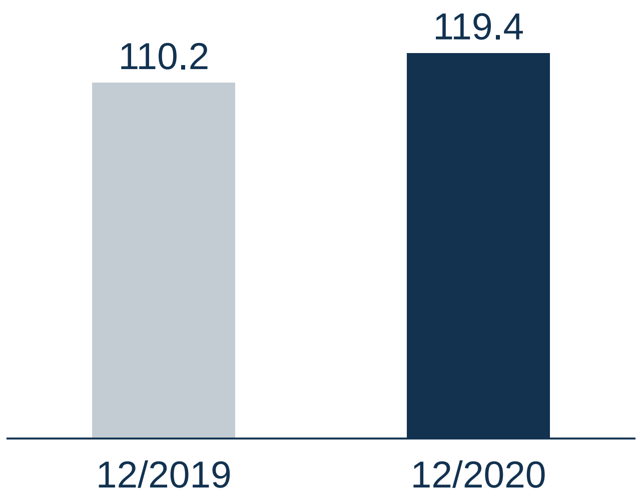


Net exposure
€ bn



Focus sectors:
Pharmaceuticals and Healthcare /
TM and Electronics/ IT /
Utilities and Energy

Assets under Management
€ bn

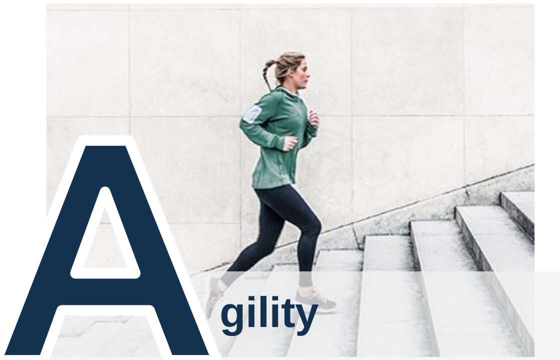


Differences due to rounding

Significant progress also achieved in the strategic cornerstones digitalization, sustainability and agility

- Inaugural transaction of a **completely digital promissory note loan**
- Successful piloting and preparation of roll-out of **digital signature**
- Further **digitalization of internal processes**
- Continuous **further development of the online portal** for corporate customers

- Establishment of **sustainability advisory function** in corporate finance and **expansion of sustainable advisory expertise for institutional clients and savings banks**
- Signing the **voluntary climate protection commitment** of the German finance sector
- LBBW subsidiary SüdLeasing offers **climate neutral leasing** to its customers



- Further establishment of **agile working methods** and increased use of **collaboration tools**
- Increased **use of interdisciplinary teams** for the development of innovative solutions
- Extensive **training and development measures** for agile project management methods

Thanks to its focus on sustainability, LBBW is one of the most sustainable universal banks in Europe

26%

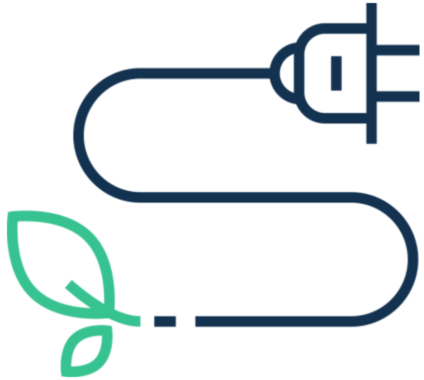
of Assets under Management meet **sustainable investment criteria**

60%

of LBBW's project financings are sustainable, with 3.8 bn Euro we finance **renewable energies**

5.8 bn €

Volume of outstanding **green and social bonds.** This makes **LBBW the largest ESG bank issuer** in Europe



-40%

Reduction of CO_2-emissions[1] vs. PY – compensation of remaining emissions starting 2021

[1] Scope 1 and Scope 2 emissions

Very good sustainability ratings reflect LBBW's sustainability activities

ISS ESG	Sustainalytics	imug	MSCI ESG Ratings
Overall rating C+ – highest transparency level "very high"	**82 of 100 points**	**Overall rating "positive" (BB)**	**Assessment "AA"**
• internationally rank 3 of 277 • Germany rank 2	• internationally: rank 19 of 362	• in Europe rank 2 in the Landesbanks sector • Germany rank 1 of 10 in Landesbanks/ Savings Banks sector	

Ratings as of: 11/03/2021
Rankings as of: ISS ESG 11/2020; Sustainalytics 07/2020; imug 03/2020; MSCI ESG 08/2020

LBBW has responded consistently to the crisis and made targeted adjustments to its strategy

LBBW adheres to its fundamental **strategic orientation** of the **best mittelstands-minded universal bank** with the **four strategic cornerstones**

Strengthen the focus of the strategy

- Seizing selective **growth opportunities**
  inter alia corporate finance business, expansion of focus sectors, further development of Asset and Wealth Management
- Consistent increase in **profitability** and **capital efficiency**
- Overall **cost optimization**
  inter alia through increasing process efficiency
- Stricter **sector focus** and r**isk policy**

The adjustments ensure a **sustainably stable setup of LBBW for customers, owners and employees**

Targeted adjustment and stricter focus also aimed at Digitalization, Sustainability and Agility

LBBW continues with three clear priorities

- **Strengthening of the customer relationships** by following the changed customer behavior
- **Sustainable increase in efficiency** due to consistent automation/digitalization of internal processes
- **Selective generating of new earnings contributions**

Good positioning of LBBW is further expanded

- **Further expansion** of the **sustainable product range** and **advisory expertise** (sustainability advisory)
- **Transformation of the credit portfolio** and anchoring of **sustainability principles in risk management**
- Further **increase** of the **sustainably managed investment volume**

Agile and flexible working methods have proven to be essential factors of success in the crisis

- **Strengthening** of interdisciplinary and customer-oriented **organizational or working structures**
- Systematic **employee development and training** focusing on agile working methods

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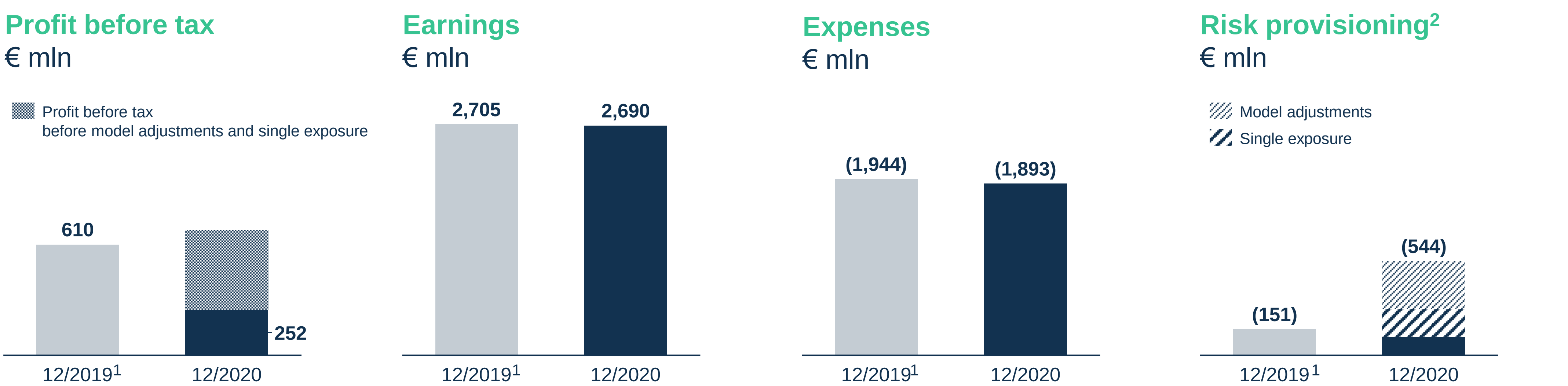
LBBW Group: Improved operating performance can partially compensate for risk provisioning

Profit at good level and at € 252 mln **significantly positive**

Earnings held stable in crisis thanks to reliable customer business

Costs significantly reduced through successful implementation of cost measures developed

Substantial risk provisioning from **model adjustments** mainly due to anticipated effects of the Corona pandemic and due to a significant **single exposure**



Differences due to rounding

[1] PY incl. adjustments

[2] Relates only to the category "Financial assets measured at amortized cost". In addition, a net allocation of € 0.6 mln in the current year and a net allocation of € 0.5 mln in the previous year relates to the category "Financial assets measured at fair value through other comprehensive income"

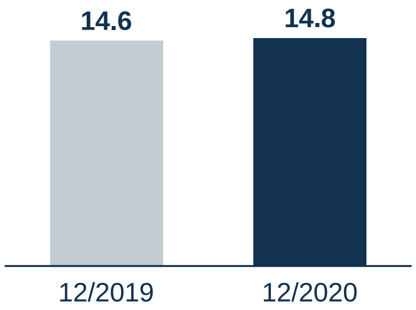
LBBW Group: Comfortable capital situation and improved cost efficiency get LBBW well through the crisis

CET1 ratio in spite of crisis **improved to 14.8%** through retained earnings and active RWA management – thus remaining comfortably and clearly above the requirements

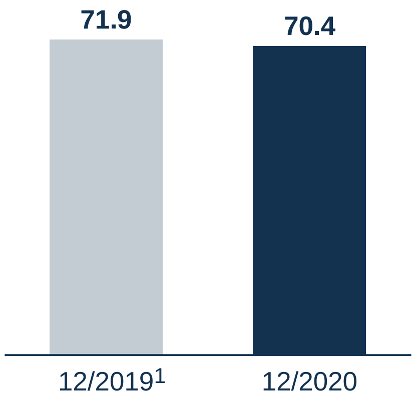
Improved operating performance reflected in **improved CIR**

RoE in line with the development of profit **below PY**

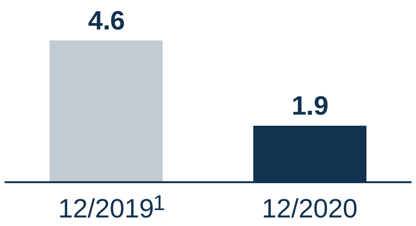
CET1 ratio
Fully loaded, %



Cost/income ratio (CIR)
%

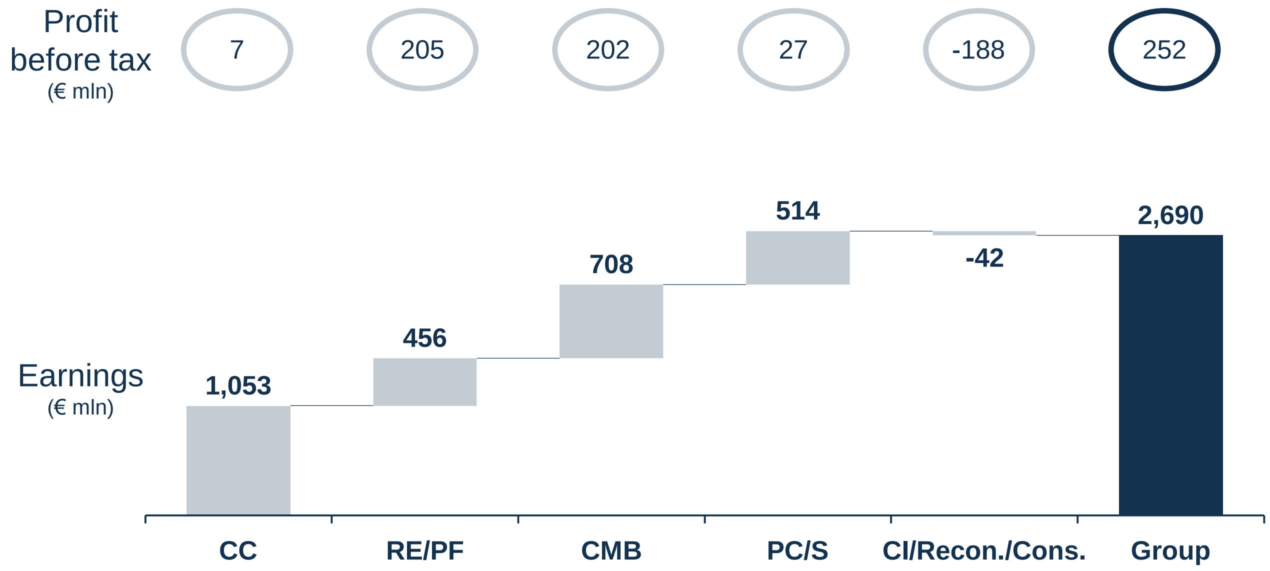


Return on Equity (RoE)
%



Differences due to rounding
[1] PY incl. adjustments

Customer-oriented and well-diversified business model pays off even in the crisis



	CC	RE/PF	CMB	PC/S	CI/Recon./Cons.	Group
RWA (€ bn)	38.4	13.8	16.2	8.3	5.7	82.3
RoE (%)	0.1	10.7	8.4	2.5		1.9
CIR (%)	60.3	40.1	71.5	98.6		70.4

Corporate Customers (CC)
Very good operating earnings and cost performance – but risk provisioning impacts earnings

Real Estate/Project Finance (RE/PF)
New business again high – segment with significant earnings contribution

Capital Markets Business (CMB)
Strong customer business and significant increase in profit after an already strong PY

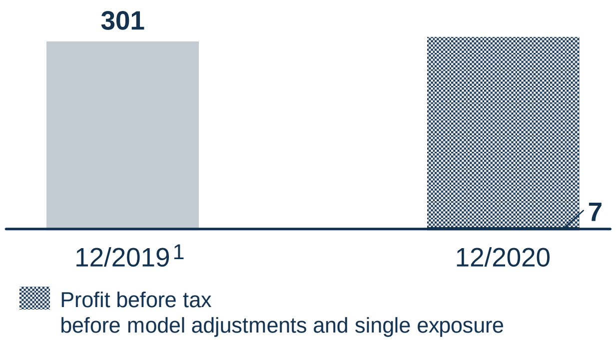
Private Customers/Savings Banks (PC/S)
Growth with high-net-worth customers and strong securities business

Corporate Items (CI/Recon./Cons.)
Result at PY's level despite impacts from a part of the model adjustments in the risk provisioning

Differences due to rounding

Corporate Customers: Very good operating earnings and cost performance – but risk provisioning impacts earnings

Profit before tax
€ mln



€ mln	12/2019[1]	Δ %	12/2020
Total operating income/expenses	939	-32%	642
of which income	1,067	-1%	1,053
of which allowances for losses on loans and securities[2]	-128	>100	-411
Expenses	-638	0%	-635
of which administrative expenses	-608	-2%	-596
Consolidated profit/loss before tax	**301**	-98%	**7**

Differences due to rounding
[1] PY incl. adjustments
[2] Relates only to the category "Financial assets measured at amortized cost"

Profit before tax impacted by substantial risk provisioning from model adjustments and by a single exposure

Very good operating development

Increase in margins in lending business due to stringent profitability management

Cross-selling expanded, mainly corp. finance and hedging transactions

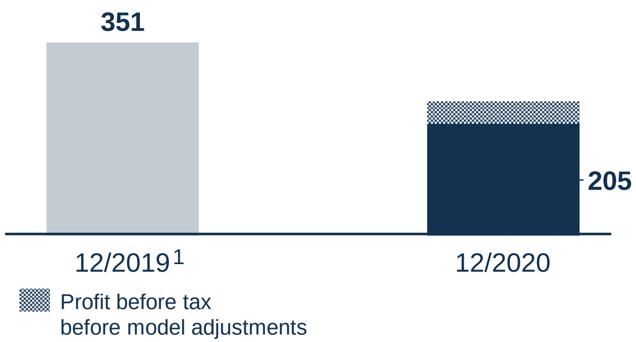
Further expansion of the **corporate finance business** by +6% to € 12.8 bn and the **focus sectors** Pharmaceuticals and Health Care, TM and Electronics/IT, Utilities and Energy by +9% to € 20.8 bn

Expenses stable due to high cost discipline

Significant additions to risk provisions for anticipated effects of the Corona pandemic **(model adjustments)** and for a substantial **single exposure**

Real Estate/Project Finance: New business again high – Segment with significant earnings contribution

Profit before tax
€ mln



€ mln	12/2019[1]	Δ %	12/2020
Total operating income/expenses	520	-25%	388
of which income	499	-8%	456
of which allowances for losses on loans and securities[2]	21	-	-68
Expenses	-168	9%	-183
of which administrative expenses	-156	7%	-166
Consolidated profit/loss before tax	**351**	-42%	**205**

Differences due to rounding
[1] PY incl. adjustments
[2] Relates only to the category “Financial assets measured at amortized cost“

Profit before tax as expected below strong PY, inter alia due to risk provisioning from model adjustments, in addition, follow-on effects

Further growth in real estate and project financing – financing volume increased by +8% to more than € 29 bn

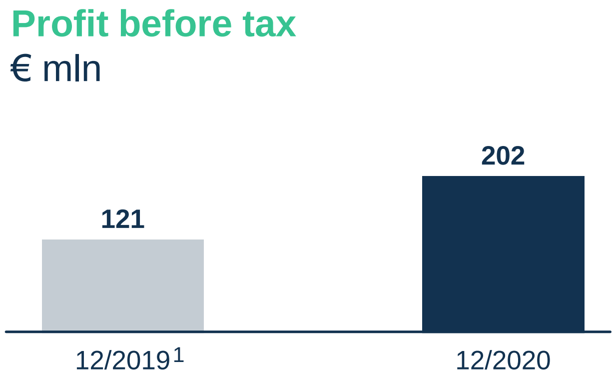
High and profitable new business – commercial real estate with € 8.5 bn – project financing with € 1.7 bn, thereof more than 50% related to renewable energies

Expenses increased due to continued growth initiatives

High additions to risk provisions for anticipated effects of the Corona pandemic **(model adjustments)** have a negative impact

In addition, **follow-on effects** due to early loan repayments in the PY

Capital Markets Business: Strong customer business and significant increase in profit after an already strong PY



€ mln	12/2019[1]	Δ %	12/2020
Total operating income/expenses	628	13%	708
of which income	627	13%	708
of which allowances for losses on loans and securities[2]	1	-86%	0
Expenses	-507	0%	-506
of which administrative expenses	-462	-3%	-449
Consolidated profit/loss before tax	**121**	67%	**202**

Profit before tax significantly above PY thanks to strong operating performance

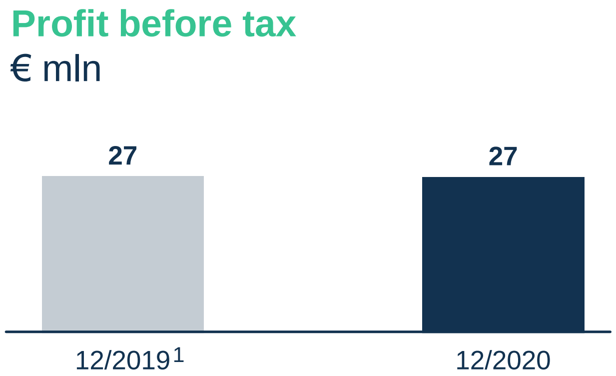
Overall **increased earnings with simultaneous cost discipline**

Strong customer business with hedging and investment products – income in this area increased by +46%

Increase in Assets under Management (AuM) of LBBW Asset Management by 8% to more than € 86 bn

Differences due to rounding
[1] PY incl. adjustments
[2] Relates only to the category “Financial assets measured at amortized cost“. In addition, a net allocation of € 0.5 mln in the current year and a net allocation of € 0.5 mln in the previous year relates to the category “Financial assets measured at fair value through other comprehensive income”

Private Customers/Savings Banks: Growth with high-net-worth customers and strong securities business



€ mln	12/2019[1]	∆ %	12/2020
Total operating income/expenses	558	-4%	534
of which income	562	-8%	514
of which allowances for losses on loans and securities[2]	-4	-	20
Expenses	-532	-5%	-507
of which administrative expenses	-528	-4%	-508
Consolidated profit/loss before tax	**27**	0%	**27**

Differences due to rounding
[1] PY incl. adjustments
[2] Relates only to the category "Financial assets measured at amortized cost"

Profit before tax held stable in crisis

Expansion of financing volume to private customers by 7% to more than € 10bn, mainly with **high-net-worth customers**

Substantial expansion of development loan business with savings banks by +13% to more than € 24 bn

Increase in earnings in securities business by +13% are offset by **declining earnings in brokerage business** due to the crisis and increased legal risks

Margin pressure in the deposit business has a negative impact

Expenses significantly reduced

Risk provisioning with net release and thus better than PY burdened by individual cases

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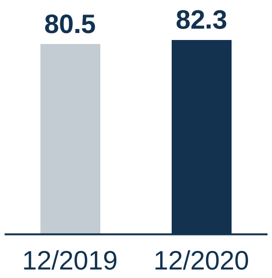
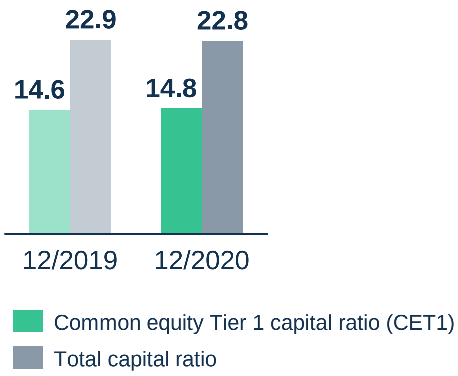
Throughout the entire Corona crisis comfortable capitalization – Requirements clearly exceeded

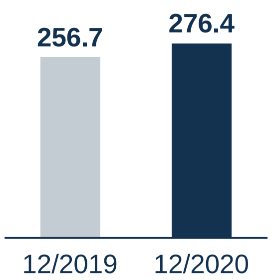
RWA
€ bn



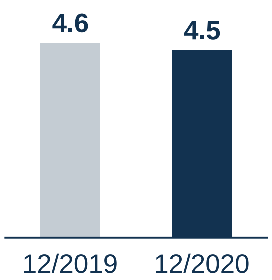
Capital ratios
Fully loaded, %



Total assets
€ bn



Leverage ratio
%



RWA with increase to € 82.3 bn

- **Growth** mainly due to corona-induced **rerating effects**
- **Partially offset** inter alia by **active RWA management**

Common equity Tier 1 capital ratio with increase to 14.8%

- **Increase in common equity Tier 1**, mainly due to accumulation from 2019 and because of reduced deductions due to substantial provisioning
- Thus even in the crisis **comfortable capitalization** and **requirements clearly exceeded**

Balance sheet assets with increase to € 276.4 bn

- Increase apart from **growth in customer business** and **strengthening of the liquidity portfolio** mainly due to **increase in central bank assets** with the participation in ECB's TLTRO-III with € 20 bn

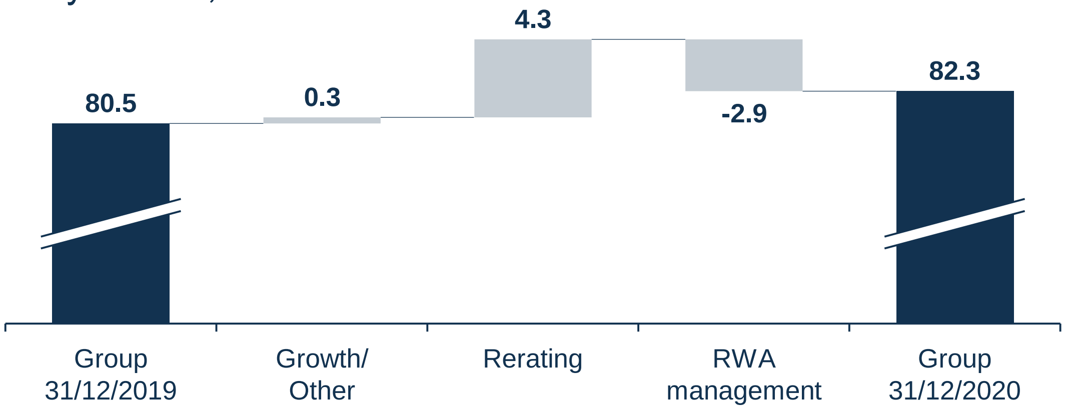
Leverage ratio almost unchanged at 4.5%

- Decline due to **increase in total assets**
- **Minimum requirement** of 3.0% **clearly exceeded**

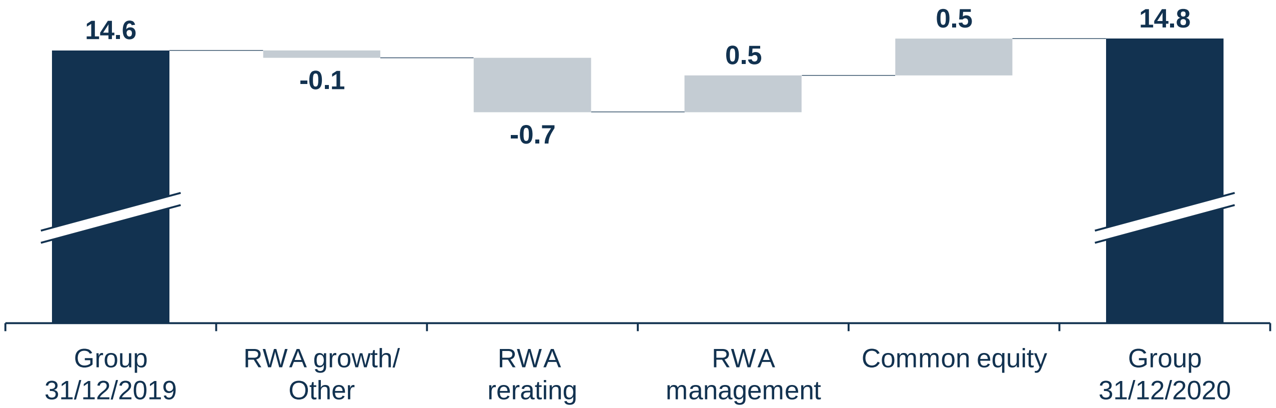
Differences due to rounding

Effects of Corona on RWA moderate so far – Capital ratio further improved

RWA
Fully loaded, € bn



CET 1 capital ratio (CET1)
Fully loaded, %



Differences due to rounding

RWA with increase to € 82.3 bn

- **Selective qualitative growth** in customer business
- First r**erating effects** due to the Corona crisis can be seen
- **Active RWA management** due to focus on core activities (inter alia sale of a non-strategic investment) and **focus on RWA profitability** compensate partially

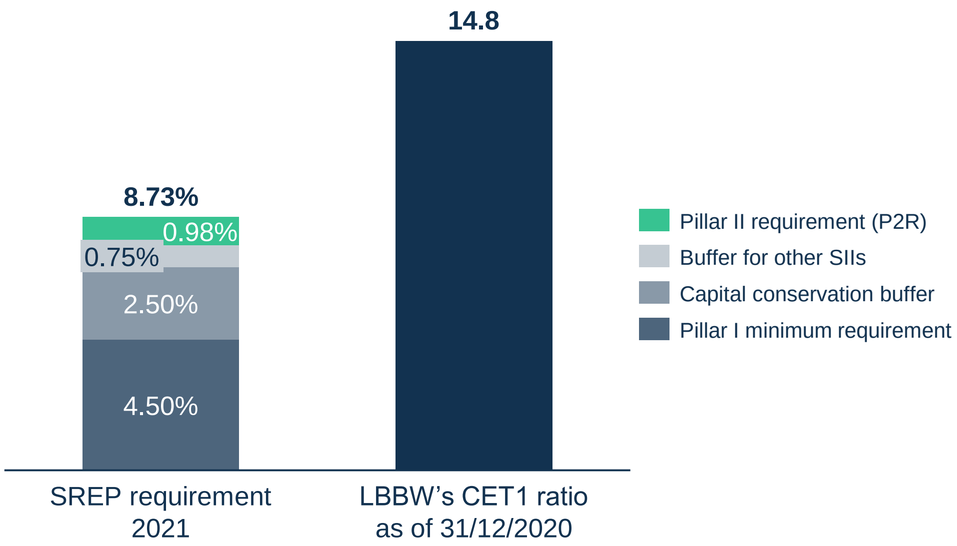
Common equity Tier 1 capital ratio improved to 14.8%

- **Strengthening of the capital base** mainly due to accumulation from 2019 and because of reduced deductions due to substantial provisioning

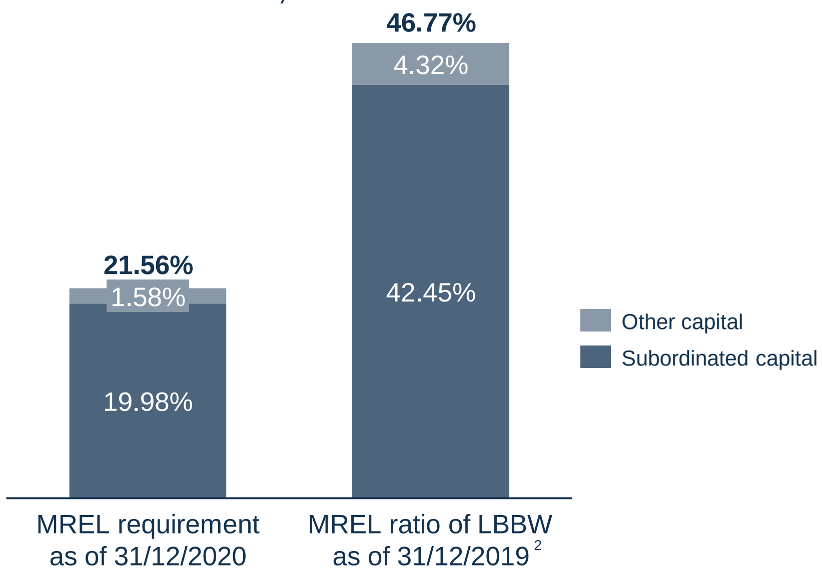
LBBW

LBBW clearly exceeds CET1 SREP- and MREL requirements

CET1 SREP requirement and CET1 ratio of LBBW
Fully loaded, %



MREL requirement and MREL ratio of LBBW
related to TREA[1], %



LBBW clearly exceeds SREP requirement

- Also taking into account the **countercyclical capital buffer**
- And the **pillar II guidance (P2G)** which exceeds the minimum requirements

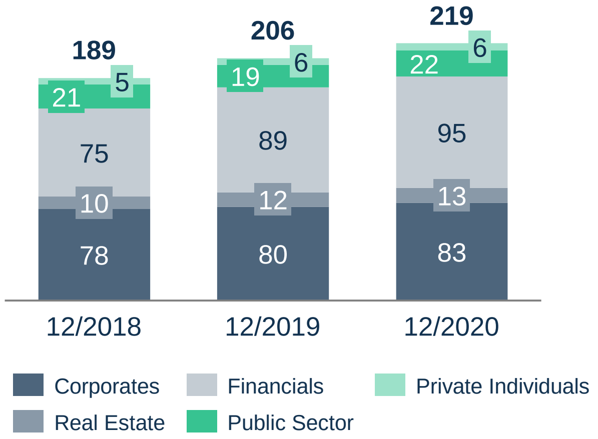
LBBW substantially exceeds MREL requirement

- Also related to **LRE[1]** the **requirements are clearly exceeded: MREL requirement** at 7.00% (thereof subordinated 7.00%), **MREL ratio of LBBW** at 13.92% (thereof subordinated 12.64%)

Differences due to rounding
[1] TREA: Total Risk Exposure Amount; LRE: Leverage Ratio Exposure
[2] More current requirement or ratio is not yet available

Further expansion of net exposure with unchanged regional focus on Germany and Western Europe

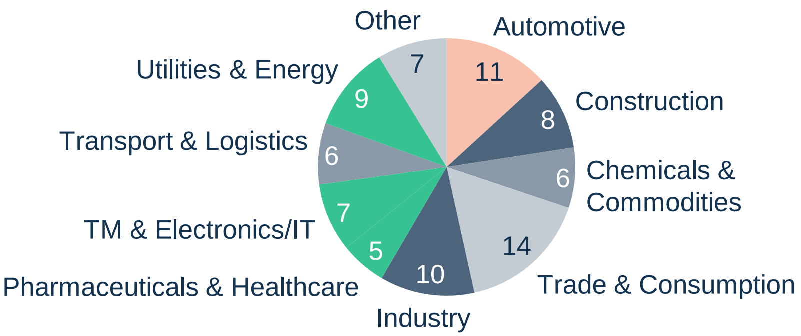
Net exposure by sector
€ bn



Net exposure in 2020 with increase of € +13 bn to € 219 bn

- **Corporates: Increase** in 2020 of € +3 bn **inter alia in the focus sectors** (in total € +1.7 bn), further successful **reduction of the automotive portfolio (**€ -0.9 bn)
- **Financials:** Increase in 2020 of € +5 bn mainly due to increase in **central banks** (€ +3.8 bn) and **savings banks** (€ +1.8 bn)
- **Regional focus** mainly on **Germany** (65%) and **Western Europe** (22%)

Sector Corporates
€ bn



Differences due to rounding

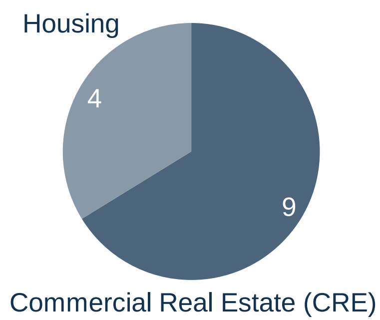
Sector Corporates

- Corporate portfolio **well diversified** across several industries

Sector Real Estate

- **Commercial Real Estate (CRE)** contains type of use office – in total **share of Germany >50%**
- **Commercial Housing** with **share of Germany >90%**

Sector Real Estate
€ bn



Unchanged focus to further diversification of the portfolio

€ bn	12/2018		12/2019		12/2020		Δ vs. 12/2018	Δ vs. 12/2018
	Net exposure	Share of main sector in %	Net exposure	Share of main sector in %	Net exposure	Share of main sector in %	Net exposure	Share of main sector in %
Corporates	**78.0**		**79.8**		**82.9**		**4.9**	
Automotive	**13.5**	**17%**	**11.9**	**15%**	**10.9**	**13%**	**-2.6**	**-4.1%**
Pharmaceuticals and Healthcare	**4.1**	**5%**	**4.5**	**6%**	**4.8**	**6%**	**0.7**	**0.5%**
TM and Electronics/IT	**6.2**	**8%**	**6.5**	**8%**	**7.1**	**9%**	**1.0**	**0.7%**
Utilities and Energy	**7.6**	**10%**	**8.1**	**10%**	**8.9**	**11%**	**1.2**	**0.9%**

Focus sectors Pharmaceuticals and Healthcare / TM and Electronics/IT / Utilities and Energy

- Also **in 2020 growth course continued** – expansion of focus sectors in total **€ +1.7 bn**
- **Since 12/2018 thus € +2.9 bn** – growth course will be pursued further

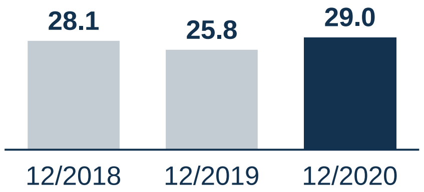
Automotive

- Also **in 2020 continued efforts to diversify** the portfolio – cutback Automotive **€ -0.9 bn** in spite of Corona induced new business
- **Since 12/2018 thus € -2.6 bn** – downsizing strategy and diversification targets to be maintained

Differences due to rounding

Risk indicators reflect continuously good portfolio quality

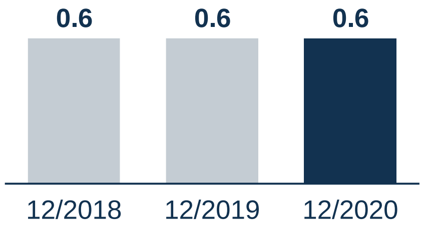
Ø PD net exposure
bp



Ø PD net exposure increased, but **still low at 29.0 bp**

- About 90% of the net exposure in investment grade area

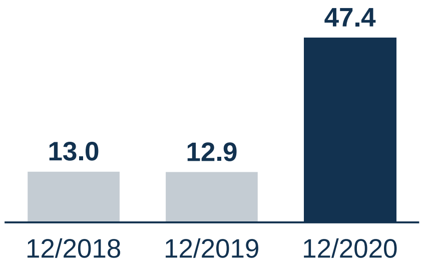
NPL ratio
%



NPL ratio with **0.6%** still at a **low level**

- NPLs still low despite Corona
- Without change in methodology[1] by EBA in 2020 the ratio would be even lower

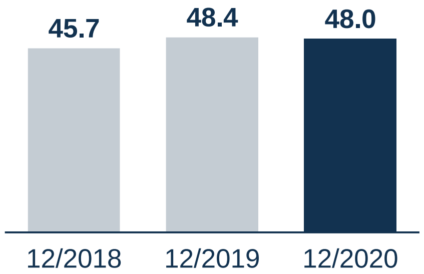
Cost of risk
bp



Cost of risk substantially **increased** to **47.4 bp**

- Model adjustments mainly for anticipated effects of the Corona pandemic and negative impact due to a significant single exposure

Coverage ratio
%



Coverage ratio with **48.0%** at **PY's level**

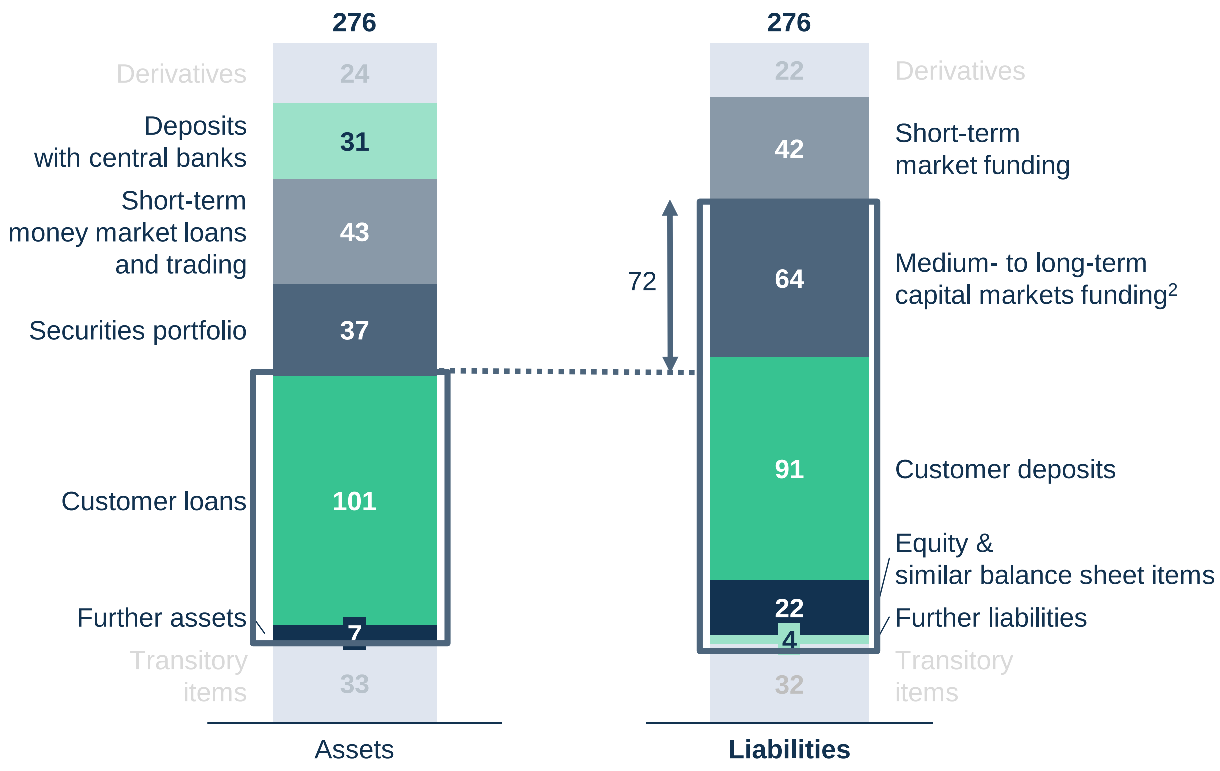
- In addition, substantial model adjustments for anticipated effects of the Corona pandemic built

Differences due to rounding
[1] Change in methodology as of 30/06/2020 leads to a substantial decline in loan volume and thus to an increase of the ratio; figures stated for PY are not adjusted

Strong LBBW balance sheet with conservative funding structure from stable funding sources

LBBW balance sheet as of 31/12/2020

€ bn



Stable funding sources

- LBBW's funding comes far **predominantly from stable funding sources**[1]
- **Structural surplus on the liabilities side**
- **Securities portfolio** mainly consists of **HQLA**
- Short-term money market loans and trading primarily **customer-focused**

Structural liquidity surplus

- Stable and medium- to long-term liabilities exceed medium- to long-term assets by **€ 72 bn**

Differences due to rounding

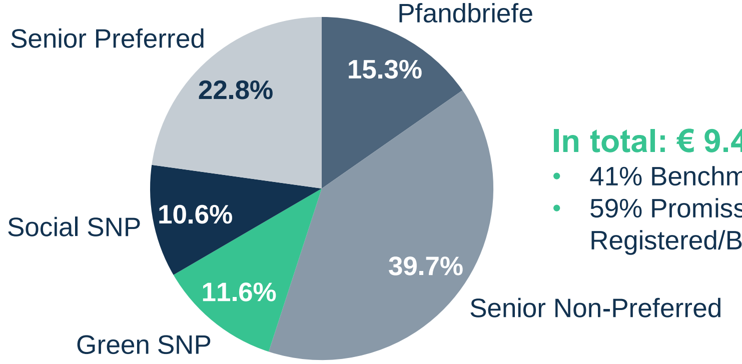
[1] Equity, customer deposits, medium to long-term capital markets funding and further liabilities / liabilities without short-term market funding, derivatives and transitory items. Customer deposits have proven to be stable funding sources in the past

[2] Thereof € 20 bn from participation in targeted longer-term refinancing operations with the central bank (TLTRO-III)

Primary market issues in 2020 across a broad product base – high and well diversified liquidity reserve of LBBW

New issues[1] 2020 by products

%

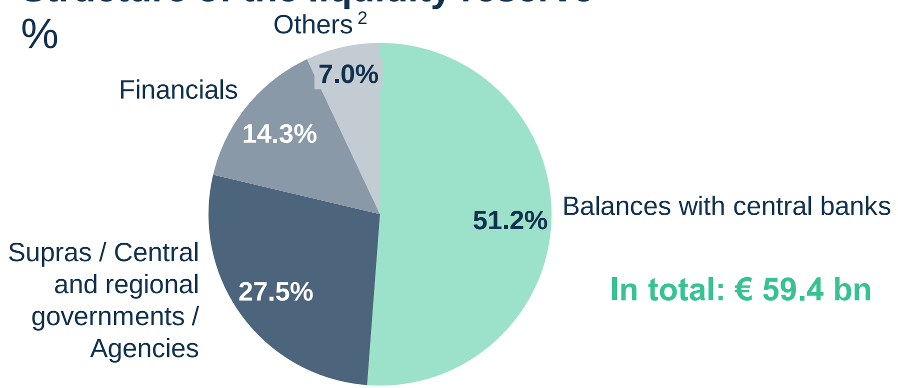


In total: € 9.4 bn

- 41% Benchmarks/MTNs
- 59% Promissory notes/ Registered/Bearer Bonds

Structure of the liquidity reserve

%



In total: € 59.4 bn

Pfandbriefe

- Mainly **benchmark issues**

Senior Preferred

- **Tailor-made private placements** for retail customers and institutional clients

Senior Non-Preferred

- 56% promissory notes, registered and bearer bonds especially for German investors and 44% benchmarks/MTNs for international investors
- **2 green benchmarks in GBP** (in total: GBP 750 mln)
- **36% of all SNP issues are ESG bonds** (Green and Social)

LCR at 135.4%; NSFR > 100%[3]

- **Comfortably above regulatory requirement**
- **Liquidity reserve** primarily **HQLA category 1 and well balanced** due to high liquidity and good diversification

Differences due to rounding
[1] Funding raised on the capital markets and renewals; ECB's exchange rates as at reporting date 31 December 2020 are underlying; initial maturities > 1 year are mentioned
[2] Includes mainly level 2a sovereigns, corporate bonds and stocks
[3] Both according to current Short-Term Exercise (STE) and according to future CRR II criteria

Ratings reflect the good creditworthiness of LBBW

Moody's Investors Service

Long-term Issuer Rating	Aa3, stable
Senior Unsecured Bank Debt	Aa3, stable
Junior Senior Unsecured Bank Debt	A2
Subordinate Rating	Baa2
Short-term Ratings	P-1
Public-Sector Covered Bonds	Aaa
Mortgage-backed Covered Bonds	Aaa

Fitch Ratings

Long-term Issuer Default Rating	A-, negative
Long-term Senior Preferred Debt Rating	A
Long-term Senior Non-Preferred Debt Rating	A-
Non-guaranteed Tier 2 Subordinated Debt Rating	BB+
Short-term Issuer Default Rating	F1
Public-Sector Covered Bonds	-
Mortgage-backed Covered Bonds	-

Ratings as of: 11/03/2021

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Outlook[1] 2021 – LBBW well positioned with its adjusted strategic alignment and comfortable capitalization

Strategic positioning of **LBBW** as **best mittelstands-minded universal bank** with **four strategic cornerstones** has proven itself – **LBBW is sticking to it**

Universal bank model plays to its strengths in the crisis and will **continue to be of essential importance**

The **strategic cornerstones** have gained further relevance in the crisis and will be **pursued with even greater focus** – digitalization, sustainability and agility

LBBW makes **targeted adjustments for stronger focus**: use of selective **growth opportunities**, consistent focus on **profitability**, stronger **focus on costs** and targeted **risk policy**

LBBW provides **a sustainably stable setup for its customers, owners and employees** and in combination with its **comfortable capitalization finds itself well equipped** for the ongoing challenges

Fiscal year 2021 will continue to be characterized by **Corona induced uncertainties** – as of today, **LBBW** expects for the fiscal year 2021 a **positive consolidated profit before tax above the previous year's level in the three digit million range**

[1] Based on management calculations and expectations

LBBW focuses its strategic targets on long-term profitability, solid capitalization and efficiency increase

Strategic company targets of LBBW

Targets	Key figure	Long-term target
Long-term profitability	Return on Equity before tax (ROE)	~6%
Solid capitalization	Common equity Tier 1 capital ratio	13%
Efficiency increase	Cost/income ratio (CIR)	<60%

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Customer-oriented and well diversified business model pays off even in the crisis

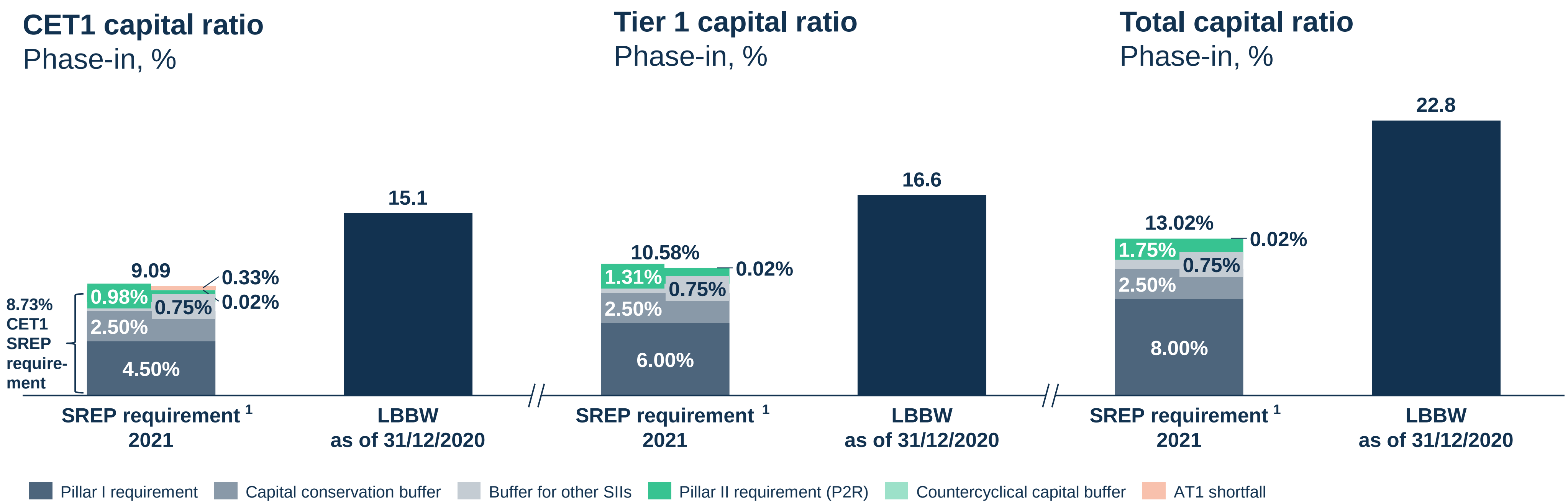
Group				Corporate Customers			Real Estate/ Project Finance			Capital Markets Business			Private Customers/ Savings Banks			Corporate Items/ Reconciliation/Consolidatio		
12/2019[1]	**Δ %**	**12/2020**	€ mln	**12/2019[1]**	**Δ %**	**12/2020**	**12/2019[1]**	**Δ %**	**12/2020**	**12/2019[1]**	**Δ %**	**12/2020**	**12/2019[1]**	**Δ %**	**12/2020**	**12/2019[1]**	**Δ %**	**12/2020**
1,676	5.7	1,771	Net interest income	806	-0.6	802	376	-17.6	310	207	96.6	406	306	-8.7	279	-19	33.0	-26
558	-3.6	538	Net fee and commission income	177	-3.5	171	20	-12.3	17	130	5.3	137	244	1.5	248	-13	>100	-35
172	-	-362	Net gains/losses on remeasurement and disposal	-57	>100	-356	26	-	-64	283	-45.7	153	0	>100	22	-79	46.6	-116
148	34.0	198	Other operating income/expenses	13	92.9	26	98	27.7	125	8	37.1	12	9	-	-14	20	>100	50
2,553	**-16.0**	**2,146**	**Total operating income/expenses**	**939**	**-31.7**	**642**	**520**	**-25.3**	**388**	**628**	**12.8**	**708**	**558**	**-4.3**	**534**	**-92**	**37.8**	**-127**
2,705	-0.5	2,690	of which income	1,067	-1.3	1,053	499	-8.5	456	627	13.0	708	562	-8.5	514	-50	-15.9	-42
-151	>100	-544	of which allowances for losses on loans and securities[2]	-128	>100	-411	21	-	-68	1	-85.8	0	-4	-	20	-42	>100	-84
-1,944	-2.6	-1,893	Expenses	-638	-0.4	-635	-168	8.8	-183	-507	-0.1	-506	-532	-4.5	-507	-99	-37.9	-61
-1,810	-3.7	-1,743	of which administrative expenses	-608	-2.0	-596	-156	6.5	-166	-462	-2.8	-449	-528	-3.8	-508	-56	-58.1	-24
-102	15.5	-118	of which expenses for bank levy and deposit guarantee system	-29	10.0	-32	-13	36.6	-17	-44	25.8	-56	-2	-	0	-14	-3.5	-13
-31	5.7	-32	of which net income/expenses from restructuring	0	>100	-7	0	-	0	0	-	-1	-2	-	0	-29	-15.0	-25
610	**-58.6**	**252**	**Consolidated profit/loss before tax**	**301**	**-97.8**	**7**	**351**	**-41.6**	**205**	**121**	**67.1**	**202**	**27**	**-0.4**	**27**	**-191**	**-1.5**	**-188**
12/2019[1]	**Δ p.p.**	**12/2020**	%	**12/2019[1]**	**Δ p.p.**	**12/2020**	**12/2019[1]**	**Δ p.p.**	**12/2020**	**12/2019[1]**	**Δ p.p.**	**12/2020**	**12/2019[1]**	**Δ p.p.**	**12/2020**	**12/2019[1]**	**Δ p.p.**	**12/2020**
4.6	-2.8	1.9	RoE	6.3	-6.2	0.1	20.9	-10.3	10.7	4.8	3.5	8.4	2.5	0.0	2.5			
71.9	-1.5	70.4	CIR	59.8	0.6	60.3	33.8	6.4	40.1	80.9	-9.4	71.5	94.6	4.0	98.6			
12/2019[1]	**Δ %**	**12/2020**	€ bn	**12/2019[1]**	**Δ %**	**12/2020**	**12/2019[1]**	**Δ %**	**12/2020**	**12/2019[1]**	**Δ %**	**12/2020**	**12/2019[1]**	**Δ %**	**12/2020**	**12/2019[1]**	**Δ %**	**12/2020**
80.5	2.2	82.3	RWA	36.0	6.6	38.4	12.7	8.8	13.8	16.0	1.1	16.2	8.5	-2.2	8.3	7.4	-22.9	5.7
256.7	7.7	276.4	Total assets	62.5	-5.4	59.1	28.6	8.2	31.0	126.0	14.7	144.5	35.0	8.8	38.1	4.5	-16.6	3.8

Differences due to rounding

[1] PY incl. adjustments

[2] Relates only to the category “Financial assets measured at amortized cost.” In addition, for LBBW Group a net allocation of € 0.6 mln in the current year and a net allocation of 0.5 mln in the previous year relates to the category “Financial assets measured at fair value through other comprehensive income”, which relates almost exclusively to the segment Capital Markets Business with a net allocation of € 0.5 mln in the current year and a net allocation of € 0.5 mln in the previous year

Current SREP capital requirements for LBBW clearly exceeded



LBBW clearly exceeds SREP capital requirements even in the year of crisis

- LBBW's CET1 requirement of 9.09% clearly exceeded – consisting of the SREP requirement of 8.73% plus countercyclical capital buffer and AT1 shortfall
- It was not necessary to make use of temporary relief measures such as the shortfall of the capital conservation buffer and of the Pillar II Guidance

Differences due to rounding

[1] For the sustainable capital management in the following years, the ECB's supervision furthermore expects the availability of further common equity Tier 1 capital according to Pillar II Guidance (P2G)

Higher shares in level 2 inter alia due to uncertainties automotive industry and economic risks from the Corona pandemic

€ bn	Gross exposure or financial instruments under the scope of application of the impairment rules of IFRS 9				
	Stage 1 12-month expected credit loss	Stage 2 Life-time expected credit loss	Stage 3 Credit impairment after recognition	Credit impairment at recognition	Total
Financials	**119.7**	**1.2**	**0.0**	**0.0**	**120.9**
Corporates	**37.4**	**55.1**	**1.1**	**0.0**	**93.6**
Automotive	1.2	9.9	0.4	0.0	11.5
Construction	2.8	5.7	0.1	0.0	8.6
Chemicals and Commodities	1.3	5.5	0.1	0.0	6.8
Trade and Consumption	10.1	6.6	0.2	0.0	16.9
Industry	2.8	8.1	0.1	0.0	11.0
Pharmaceuticals and Healthcare	3.3	2.2	0.0	0.0	5.4
TM and Electronics/IT	3.4	4.1	0.0	0.0	7.5
Transport and Logistics	1.4	6.4	0.0	0.0	7.8
Utilities and Energy	5.2	4.2	0.1	0.0	9.5
Other	5.9	2.6	0.0	0.0	8.5
Real Estate	**21.4**	**10.9**	**0.0**	**0.0**	**32.3**
Commercial Real Estate (CRE)	14.0	9.0	0.0	0.0	23.0
Housing	7.4	1.9	0.0	0.0	9.3
Public Sector	**16.7**	**0.1**	**0.0**	**0.0**	**16.7**
Private Individuals	**10.1**	**1.4**	**0.0**	**0.0**	**11.5**
LBBW Group	**205.1**	**68.6**	**1.2**	**0.0**	**275.0**

- **Financials and Public Sector:** very stable and with low share of level 2
- **Corporate and Real Estate portfolio:** higher shares of level 2, inter alia uncertainties regarding change in the automotive industry and economic risks resulting from the Corona pandemic

Differences due to rounding

Glossary

Segments of LBBW Group	CC = Corporate Customers; RE/PF = Real Estate/Project Finance; CMB = Capital Markets Business; PC/S = Private Customers/Savings Banks; CI/Recon./Cons. = Corporate Items/Reconciliation/Consolidation
Expenses	Administrative expenses + Expenses for bank levy and deposit guarantee system + Net income/expenses from restructuring
Income	Net interest income + net fee and commission income + net gains/losses on remeasurement and disposal before allowances for losses on loans and securities + other operating income/expenses
RoE	Return on Equity Group: (Annualized) consolidated profit/loss before tax / average equity on the balance sheet adjusted for the unappropriated profit for the current reporting period Segments: (Annualized) consolidated profit/loss before tax / maximum planned average restricted equity and average tied-up equity in the current reporting period
CIR	Cost Income Ratio Group/segments: Expenses / Income
CET1 / AT1 / T2	CET1: Core Equity Tier 1; AT1: Additional Tier 1; T2: Tier 2
RWA	Risk weighted assets
Capital ratios	Phase-In: In consideration of transitional rules of CRR Fully Loaded: Without consideration of transitional rules of CRR
SREP	Supervisory Review and Evaluation Process
P2R	Pillar 2 Requirement / Institution-specific additional capital requirement to cover risks which are not already covered by the general regulatory requirements (CRR, Pillar 1), set by the competent authority
P2G	Pillar 2 Guidance / To ensure a sustainable capital management in the subsequent years the ECB Supervision expects the maintenance of further Common Equity Tier 1 in line with a Pillar II Guidance
SREP ratio	Capital ratio requirement set by ECB based on the Supervisory Review and Evaluation Process (SREP): This ratio includes the Pillar I capital requirement, the Pillar II capital requirement (Pillar 2 Requirement (P2R)), the common equity Tier 1 capital to be held as a capital conservation buffer in accordance with German Banking Act (KWG) and as a capital buffer for other systemically important financial institutions in accordance with § 10g KWG; in addition, a countercyclical capital buffer in accordance with § 10d KWG must be held, the Pillar II Guidance (P2G) of the ECB and potential shortfalls from the other capital classes
MREL	Minimum Requirement for own funds and Eligible Liabilities; TREA: Total Risk Exposure Amount; LRE: Leverage Ratio Exposure measure
Net exposure	Drawdown plus free external credit lines less capital market-related collateral (collateral, netting, etc.) less loan collaterals
Gross exposure (IFRS 9)	Drawdown plus free external credit lines; in this presentation only related to financial instruments under the scope of application of the impairment rules of IFRS 9
Ø PD	Average Probability of Default
Cost of risk	(Annualized) Allowances for losses on loans and securities related to categories “Financial assets measured at amortized cost" and “Financial assets measured at fair value through other comprehensive income” / Average net balance-sheet figure of loans and advances to customers based on quarterly average figures
NPL ratio	NPL ratio according to the EBA definition based on Finrep: Non-performing loans and advances / Total gross loans and advances
Coverage Ratio	Coverage ratio of non-performing loans and advances according to the EBA definition based on Finrep: Accumulated impairment and accumulated negative changes in fair value due to credit risk for non-performing loans and advances / Total gross non-performing loans and advances
LCR	Liquidity Coverage Ratio; HQLA: High Quality Liquid Assets
NSFR	Net Stable Funding Ratio; STE: Short Term Exercise; CRR II: Capital Requirements Regulation II

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