Landeskreditbank Baden-Württemberg – Förderbank - (L-Bank)

Rating Report

Foreign currency

Long-term issuer rating/Outlook
AAA/Stable

Senior unsecured debt/Outlook
AAA/Stable

Short-term issuer rating/Outlook
S-1+/Stable

Local currency

Long-term issuer rating/Outlook
AAA/Stable

Senior unsecured debt/Outlook
AAA/Stable

Short-term issuer rating/Outlook
S-1+/Stable

Rating rationale and Outlook

The AAA rating of Landeskreditbank Baden-Württemberg – Förderbank – (L-Bank) is equalised with the AAA/Stable rating of the German Federal State of Baden-Württemberg (Baden-Württemberg), given the state's explicit, unconditional, unlimited, statutory, direct, and irrevocable guarantee for L-Bank's existing and future obligations with respect to money borrowed, bonds issued, and derivative transactions entered into by the bank.

The rating is further underpinned by i) a mature and very supportive legal set-up, which makes changes to L-Bank's business model or guarantee structure unlikely; ii) the bank's high strategic importance to the Federal State as a key government-related entity implementing economic and social policies with a countercyclical role, supported by the stability of its resources; iii) high capitalisation and asset quality, and iv) a strong liquidity and funding profile with strong capital market access.

Challenges are modest and refer to the bank's moderate, but stable profitability, and concentration of its exposure to the financial sector and the regional economy, as foreseen by its public policy mandate.

Figure 1: Scope's approach to rating L-Bank

L-Bank		
Public sponsor	**Federal State of Baden-Württemberg (AAA/Stable)**	
Step 1: Integration with the public sponsor (QS1)	Rating approach	Top-down
Step 2: Equalisation factor	Rating equalisation?	Yes (AAA)
Final rating	**AAA/Stable**	

Source: Scope Ratings

Lead Analyst

Julian Zimmermann
+49 69 6677389-89
j.zimmermann@scoperatings.com

Team Leader

Alvise Lennkh-Yunus
+49 69 6677389-85
a.lennkh@scoperatings.com

Credit strengths and challenges

Credit strengths	Credit challenges
• Explicit guarantee from the Federal State of Baden-Württemberg • Supportive legal framework • High strategic importance to Baden-Württemberg • Sound asset quality and high capitalisation • Strong liquidity and funding profile	• Modest but stable profitability, driven by mandate • Sectoral and geographical concentration of loan portfolio, driven by regional development mandate

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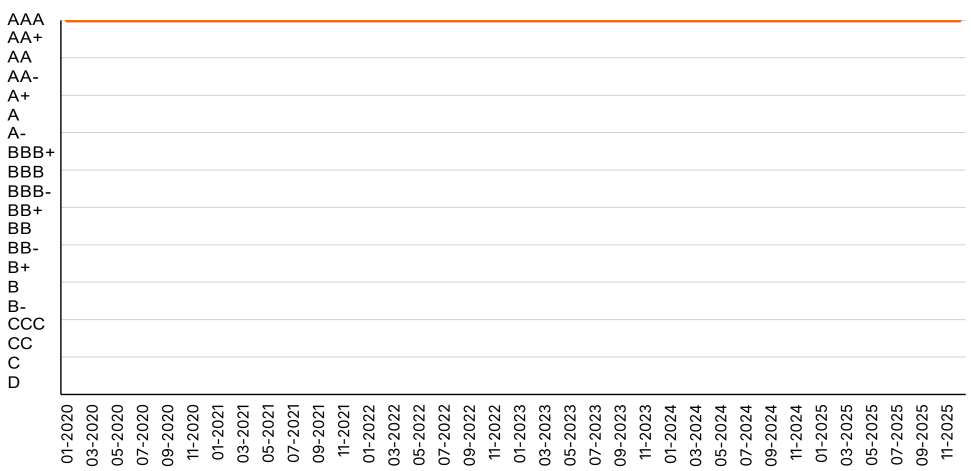
Outlook and rating triggers

The Stable Outlook is aligned with the Stable Outlook on the rating of Baden-Württemberg and reflects our assessment that risks to the ratings are balanced.

Positive rating-change drivers	Negative rating-change drivers
• Not applicable	• Downgrade of the Federal State of Baden-Württemberg • Changes to guarantee framework, leading to weaker government support

Figure 2: Rating history*



* Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment. Source: Scope Ratings.

1. Integration with the Federal State of Baden-Württemberg

Strong integration with Baden-Württemberg

L-Bank is the promotional bank of the Federal State of Baden-Württemberg, with total assets of EUR 91.8bn at YE 2024, making it the fourth largest development bank in Germany. It operates out of its headquarters in Karlsruhe and a branch in Stuttgart with 1,503 staff on average in 2024.

L-Bank is an institution under public law and delivers essential, competition-neutral services, making it a GRE as defined[1] by our GRE methodology. Its key area of promotion is the regional economy, to which it delivers services which are instrumental to the Federal State's implementation of policy objectives. Further details on L-Bank's business and financial profile are provided in the **supplementary analysis**.

Top-down approach for rating analysis

We have used a 'top-down' approach to assign L-Bank's ratings, with Baden-Württemberg's AAA rating as the starting point. This is driven by our assessment of L-Bank's 'strong' integration with Baden-Württemberg (see **Qualitative Scorecard 1** in **Appendix 1**) based on the following considerations:

- L-Bank's public legal status as an 'Anstalt des öffentlichen Rechts' (public law institution) legally exempts it from insolvency procedures and German income tax, in line with most other German regional development banks. Any changes to the bank's legal form are only permissible via a legal act of Baden-Württemberg which we deem an unlikely scenario.
- L-Bank's operating activities are performed on behalf of Baden-Württemberg and are governed and regulated by the L-Bank Act.[2]

  The bank's activities have a 'high' strategic importance for its public sponsor. It fulfils a central role in supporting regional economic and social objectives by financing economic development, housing developments and infrastructure projects, and providing financial aid. L-Bank's strategic relevance and adaptability have been highlighted in recent years. During the Covid-19 pandemic, the bank paid out emergency funds on behalf of the central and state governments. In response to the energy and cost-of-living shock in 2022, the bank established programmes to support municipalities and businesses, and to further support investments in renewables to increase energy resilience. With ongoing, targeted adjustments to existing products, the bank is actively supporting the regional green and digital transition.

  Risks to L-Bank's position as the Federal State's development bank and its provision of competition-neutral activities (underpinned by a stable and supportive legal framework on national and European levels[3]) are remote.
- The Federal State of Baden-Württemberg is L-Bank's sole owner and exerts comprehensive strategic, operational and financial control.

1.1 Rating equalisation with the Federal State of Baden-Württemberg

Equalisation with Baden-Württemberg's AAA rating

L-Bank's rating is equalised with Baden-Württemberg's AAA/Stable rating. This is because the Federal State provides an explicit, unconditional, unlimited, statutory, direct and irrevocable guarantee for existing and future obligations with respect to money borrowed, bonds issued, and derivative transactions entered into by the bank. As the guarantee is set in public law, it can only be amended, revoked or restricted through a parliamentary act of the Federal State of Baden-Württemberg, which would only apply to future transactions entered into after the act is enacted. Any such change is unlikely.

Extensive guarantee framework provided by Baden-Württemberg

As is the case with other German regional development banks, L-Bank benefits from two additional ownership liability support mechanisms:

- 'Anstaltslast' (maintenance liability), requiring Baden-Württemberg (and entitling the bank, but no third party, to demand from its owner) to safeguard the bank's economic basis at all times,

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1 See point 1.1 of our Government Related Entity Rating Methodology for the definition of a GRE.
2 L-Bank Act, a specific law governing L-Bank.
3 An agreement called 'Verständigung II' in 2002 between the European Commission and the German federal government defines regulations for legally independent development banks engaging in competition-neutral infrastructure and development business. This ensures that German development banks will continue to benefit from state support. We therefore do not expect changes in the bank's ownership status, business model, policy role or guarantee structure that would be subject to amendments in the respective laws.

to pursue its operations and to enable it in case of financial difficulties, through the allocation of funds or in some other appropriate manner, to perform its obligations when due; and

- 'Gewährträgerhaftung' (guarantor liability), which comprises Baden-Württemberg's unlimited legal liability for all obligations of L-Bank. However, creditors of the bank can assert claims against the federal state of Baden-Württemberg only after not having been compensated from the bank's assets. The guarantor liability is only relevant in certain and unlikely circumstances as L-Bank is exempt from insolvency procedures as it is chartered under public law and benefits from the maintenance liability described above

2. Supplementary analysis

Business profile determined by public policy mandate

L-Bank is a credit institution subject to the German Banking Act as well as prudential regulation and supervision by the German Federal Financial Supervisory Authority BaFin and the German Bundesbank. Since the implementation of CRD V in June 2019, which includes an explicit exemption for all German development banks, L-Bank is no longer subject to the Single Supervisory Mechanism.

The bank's business model is driven by its regional development banking, non-profit-maximising mandate leading to modest, although stable, profitability, earnings concentrated on net interest and some sectoral and regional concentration of its exposures. L-Bank is self-supporting and funds itself via capital markets and credit facilities from other development banks, including KfW (AAA/Stable), as it does not take private-sector retail deposits. The bank's funding costs are low, underpinned by the extensive guarantee framework. L-Bank has never required financial support, and we do not consider that financial support will be needed. Other strengths are its high capitalisation, prudent risk management, strong asset quality, and high liquidity buffers with excellent market access.

2.1 Business model and strategy

L-Bank business focused on regional economy, housing

L-Bank's promotional banking activities focus on the regional economy and housing market and are grouped into four development pillars. Across its offerings, L-Bank has demonstrated an ability to adapt to current needs of the economy and society, and its public sponsor's longer-term green and digital policy agenda, underpinning its high strategic relevance to the federal state.

- First, the bank provides development loans for regional economic development, renewable energy and energy efficiency, the promotion of affordable housing and home ownership, and municipal infrastructure development. Loans are either on-lent to businesses via commercial banking partners or lent directly to public sector borrowers or for housing-related loans.
- L-Bank offers equity participations and guarantee products;
- The bank invests in and manages technology parks to promote the business location; and
- L-Bank acts as the Land's agent for financial assistance, such as parental allowance.

Business volumes dropped further in 2024

In 2024, business volumes dropped further after declining in 2023 from elevated levels in 2022. For economic development, activity amounted to EUR 3.2bn, down from EUR 3.7bn in 2023 and EUR 5.9bn in 2022, falling below pre-Covid levels. The decline in 2024 activity was driven by timid investment sentiment and high base interest rates set by the European Commission. Demand for the 'Liquiditätskredit Plus', a dedicated programme for businesses facing liquidity risks due to higher energy costs, normalised at around EUR 160m after record volumes of over EUR 400m in 2023.

Volumes for housing activity increased by almost 15% to EUR 1.7bn (**Figure 3**). This reflects a partial recovery after the decline in 2023, which was driven by a drop in new constructions due to unfavourable macroeconomic and interest rate conditions as well as limited state funds.

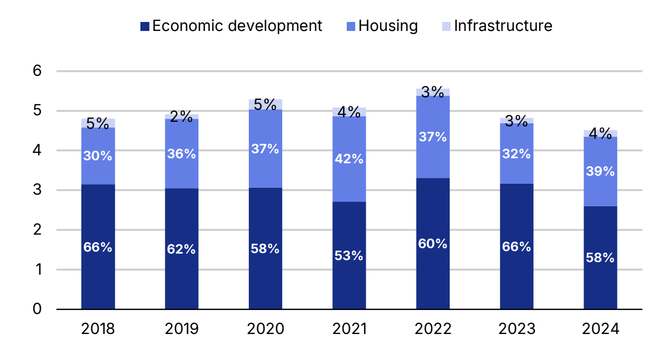
2025 business volume to pick up

In 2025, we expect business volume to pick up again. In the first six months of the year, business volume for economic development amounted to EUR 1.74bn, compared to EUR 1.68bn over the same period in 2024. Programmes supporting the transition and innovation were the driving force, with the volume granted in the 'Innovationsfinanzierung 4.0' increasing by 46% to EUR 514m. The programme has been continued as the 'Innovationsfinanzierung' and 'Digitalisierungsfinanzierung' programmes from 1 July 2025, with three different stages of subsidies depending on the intensity of the digitalisation effort, including big data and artificial intelligence (AI) innovations. Volumes in start-up programmes remain robust. Generally, interest-rate conditions are driven by state-aid EU base rates. A decline in the base rate in 2025 to currently 2.21% from 4.11% in September 2024 generally supports the attractiveness of the bank's lending.

L-Bank supports the regional economy's green and digital transitions, in line with key policy priorities of the Federal State. Demand for the sustainability bonus ('Nachhaltigkeitsbonus'), introduced in 2022, remains robust. With the bonus, L-Bank grants interest rate reductions on its loan programmes for businesses that report on their emissions and introduce emission reduction plans. Finally, the bank introduced a similar bonus for investments in digitalisation efforts, including in AI.

Figure 3: Development loan volume

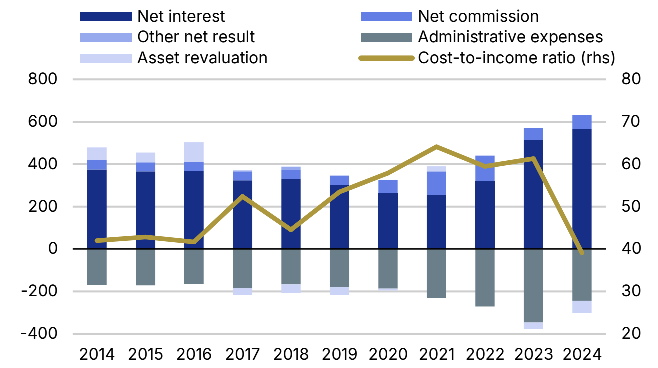
EUR bn; % of total



Sources: L-Bank, Scope Ratings

Figure 4: Operating result breakdown

EUR m (LHS), % (RHS)



Sources: L-Bank, Scope Ratings

Net interest is the main income source, supported by high interest rates in euro area

L-Bank's earnings have historically been stable and relatively undiversified, reflecting its mandate. Net interest income (NII) is the primary source of revenue, at around 80% of total operating income on average over the past five years. NII increased markedly in 2023 and 2024, rising to EUR 565.9m (+10.1% YoY) (**Figure 4**). We expect the bank's net interest income to continue to benefit from relatively high interest rates prevailing in the euro area, with 2025 interest income likely remaining high but slightly below 2024 volumes. We expect NII to see a further small decline in 2026 but remain at relatively high levels, above pre-Covid averages, in the following years.

Net commission income, which mainly comprises compensation for the management of payments by Baden-Württemberg for the distribution of family benefits and financial aid, totalled EUR 67.3m in 2024, up from EUR 56.1m in 2023. For the largest subsidy programme, the 'Elterngeld', the L-Bank now offers a comprehensive online planning and application tool that can be used by parents in Baden-Württemberg and beyond.

IT and regulatory requirements lead to necessary investments and increased costs

L-Bank's operating expenses mainly consist of administrative expenses, which decreased to EUR 241.7m in 2024 from EUR 344.3m in 2023. This was in line with expectations as the increase in 2023 was primarily due to a provision for balancing Covid-19 related costs and associated compensation payments received in previous years.

Overall, net income saw record levels of EUR 150.1m in 2024, due to high interest income coupled with lower administrative expenses. Thus, L-Bank's cost-to-income ratio decreased significantly to 39.1% in 2024 from 61.3% in 2023. Still, we expect cost pressures to persist on staff and other expenses, and ongoing investments in IT infrastructure and digitalisation. The bank remains committed to a modernisation and efficiency programme launched in 2022.

2.2 Profitability and capitalisation

Modest and stable profitability due to mandate

We assess L-Bank's profitability as moderate, albeit stable, reflecting its public development banking mandate. Profitability benefits from L-Bank's excellent access to capital markets, itself underpinned by the explicit state guarantee. In past years, net profits have been retained. This is in line with the bank's statutes, stipulating that at least half of annual net profits must be retained.

CET1 ratio of 22.5% at YE 2024, ample regulatory buffers

Continued earnings retention supports L-Bank's capitalisation. It's Common Equity Tier 1 (CET1) capital of EUR 4.0bn against risk-weighted assets (RWAs) of EUR 17.8bn results in a 22.5% CET1 capital ratio as of end-2024 (**Figure 5**).

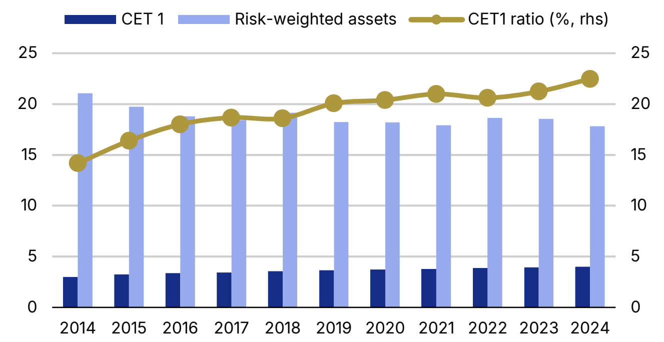
Low average risk weight of 19%, manageable increase from Basel IV in 2025

L-Bank's asset risk intensity (RWAs over total assets) is relatively low at 19.4% at YE 2024. The implementation of CRR III from 1 January 2025, led to a manageable increase in RWAs. This mainly relates to risk weights on certain unrated bank exposures.

Finally, the bank's leverage ratio stood at 7.4% at end-2024, up from 4.6% in 2020 due to changes in the Capital Requirements Regulation 2 lowering L-Bank's total exposure via the deduction of promotional loans.

Figure 5: CET 1 development

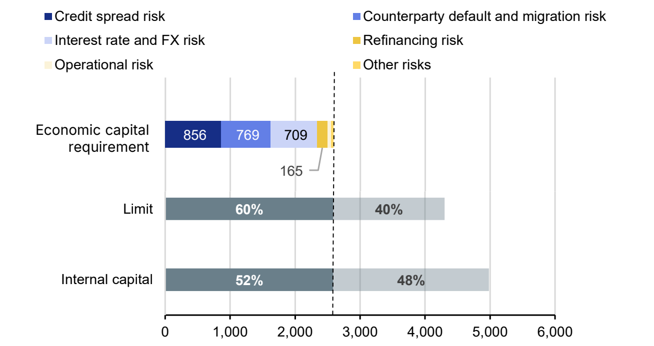
EUR bn (LHS); % of of RWA (RHS)



Sources: SNL Financial, Scope Ratings

Figure 6: L-Bank's risk-bearing capacity, YE 2024

EUR m, %



Sources: L-Bank, Scope Ratings

Prudent risk management ensures capital adequacy

The bank's risk management follows national prudential regulation, including BaFin's MaRisk requirements. L-Bank manages its capital according to the Internal Capital Adequacy Assessment Process, which is equivalent to the risk-bearing concept as defined in Article 25a of the German Banking Act. Under the normative approach, this ensures compliance with minimum regulatory capital ratios.

Significant capital buffers

Under the economic capital requirement approach, L-Bank ensures sufficient internal capital to meet risks stemming from activities that may entail economic losses. At YE 2024, the bank identified almost EUR 2.6bn of value-at-risk, comprised mostly of credit and interest rate risk (**Figure 6**). While usage increased compared to the previous year, L-Bank retains ample buffers both to internal limits (60% utilised at YE 2024) and its capital (52%).

In addition to the economic capital requirement approach, the bank sets limits for its risk-weighted assets per business unit to ensure compliance with minimum regulatory capital requirements. For 2025, the aggregate RWA limit was further reduced to EUR 20.25bn, from EUR 21.5bn, implying a CET1 ratio of 19.8% under maximum utilisation and given current capitalisation, against the actual ratio of 22.5% at YE 2024.

2.3 Portfolio risk and asset quality

Portfolio concentrated on financial and public sectors

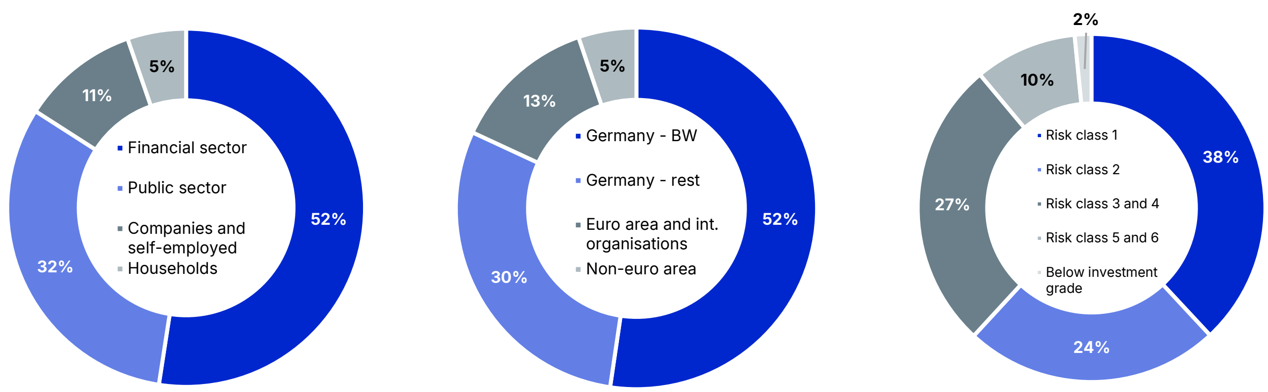
L-Bank's aggregate exposure is mostly towards financial institutions (52% of total exposure) and public sector entities (32%) (**Figure 7**). L-Bank's portfolio is geographically concentrated, with 82% attributable to Germany and 52% to Baden-Württemberg. The high degree of sectoral and geographical concentration is a direct consequence of L-Bank's mandate and prudently managed via single obligor and concentration limits.

Most loans benefit from double recourse protection

Most of L-Bank's exposure towards financial institutions are loans for on-lending to businesses at around EUR 21.5bn (22.1% of total exposure). Here, commercial banks assume the credit risk on the ultimate borrower (i.e. the 'house-bank principle'). L-Bank's double-recourse loan protection – that is, its direct claim against the ultimate borrower as well as the intermediary bank to whom it provided the initial loan – shields L-Bank's asset quality from adverse developments. In addition to on-lent funds, exposure to financial institutions includes central bank deposits of EUR 12.5bn, unsecured claims on banks of EUR 7.9bn and other development business with companies in the financial sector of EUR 8.9bn.

Figure 7: Exposure concentration and asset quality, YE 2024

A. Total exposure per sector (%) | **B. Total exposure per region (%)** | **C. Total exposure per risk class* (%)**



* Note: Risk class 1 corresponds to an AAA rating, class 2 to the AA category, classes 3 and 4 to the A category and classes 5 and 6 to the BBB category.
Source: L-Bank, Scope Ratings

Direct lending also well protected

In addition to on-lent funds via intermediary commercial banks, L-Bank's other, direct exposures also benefit from strong asset quality and protection. First, around EUR 30.7bn of total exposure was towards public sector entities of high credit quality. Second, the Bank's mortgage lending benefits from security of the underlying real estate.

Strong asset quality with low non-performing exposures

L-Bank's loan book benefits from strong asset quality. Non-performing exposures of EUR 124m at YE 2024 represented 0.1% of L-Bank's total exposure, largely unchanged from EUR 128m in 2023. The strong average borrower quality is also reflected by the large share of exposures internally rated as risk class 1 or 2, i.e. AA- or above, of 62%, while only around 2% was internally assigned non-investment grade, i.e. grade 7 (BB+) or below.

Overall conservative risk profile supports resilience to shocks

The bank's asset quality is resilient due to conservative lending and sizeable federal and state government financial support for the real economy. We expect L-Bank's asset quality to remain very robust, able to withstand macroeconomic uncertainties. The bank has held its risk provisions at prudent levels, including via management adjustments to account for increased uncertainty. For its general provisioning, L-Bank adopted the simplified approach under IDW RS BFA 7 as of 2022, in line with peers, which did not result in a material change to the level of provisions.

In addition to its development-banking related assets, L-Bank holds a conservatively managed portfolio of fixed-income securities totalling around EUR 34bn (vs EUR 32bn in 2023 and EUR 25bn in 2022). Investments are usually held until maturity. The bank's usage of derivatives is limited to managing interest rate and foreign exchange risks. For its treasury portfolio, L-Bank follows ESG-related guidelines, including exclusion criteria and the UN PRIs.

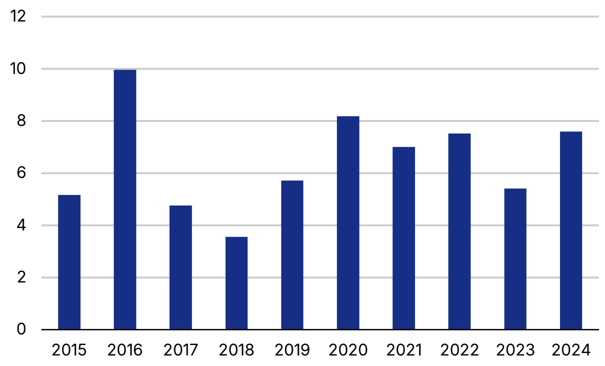
2.4 Funding and liquidity

Excellent capital market access

Given the explicit liability support from the Federal State of Baden-Württemberg, L-Bank benefits from strong market access and the preferential regulatory treatment of its debt obligations. The bank predominantly funds its operations by issuing short- and long-term debt securities. L-Bank has a long-term debt issuance programme with an authorised size of EUR 30bn (of which EUR 22.6bn was utilised at YE 2024). In 2024, the limit for the commercial paper programme was increased by EUR 10bn to EUR 30bn and utilisation at YE 2024 was EUR 19.3bn. In line with other German development banks, refinancing conditions are very favourable. Funding volumes averaged around EUR 6.8bn in the last three years (**Figure 8).**

Figure 8: Annual market funding

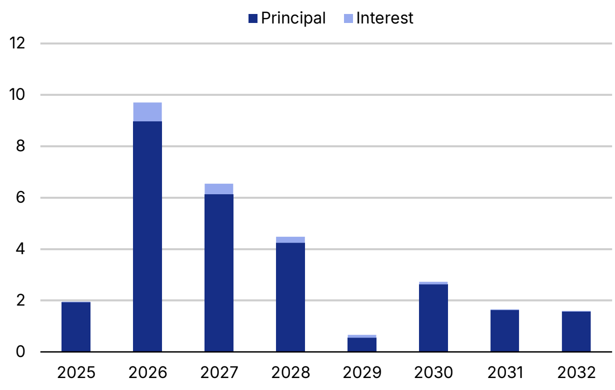
EUR bn



Sources: L-Bank, Scope Ratings

Figure 9: Bond redemption profile

EUR bn, as of 1 December 2025



Sources: Bloomberg Financial L.P., Scope Ratings

L-Bank's debt securities carry a 0% regulatory risk weight, are recognised as Level 1 high-quality liquid assets for liquidity coverage ratio requirements and are eligible for preferential treatment under Solvency II. The bank's bonds are also eligible for the ECB's monetary policy operations, including its asset purchase programmes.

Assured liquidity, high level of ECB-eligible securities

In addition to debt capital markets, L-Bank has access to central bank facilities, with a stock of EUR 30.0bn available in securities that can be pledged as collateral with the central bank.

The bank's established capital market access with a diversified investor base and its portfolio of highly liquid securities ensure ample liquidity. Liquidity adequacy is ensured from a VaR perspective as well as via liquidity coverage ratios and survival horizons under stress scenarios.

Advancements in digital issuance

Finally, L-Bank is taking steps towards digitalising its capital market activities. In addition to the digital issue of various fixed-income securities, the bank issued a DLT-based commercial paper within the ECB's trial.

3. Environmental, Social and Governance Factors (ESG)

Material ESG factors are captured by Scope's rating approach through several analytical areas.

Governance and social considerations

Governance and social considerations are material to L-Bank's credit rating and are included in the assessment of: i) the level of integration with the public sponsor, highlighting the supportive legal framework that requires the bank to comply with its statutes and fulfil its role as a competition-neutral public-law institution, including the provision of key services to support regional economic and social objectives; and ii) L-Bank's standalone fundamentals in the supplementary analysis, highlighting its conservative risk profile and management.

L-Bank supports federal state's climate agenda

Environmental considerations include the bank's role in fostering and enabling the public sponsor's climate protection agenda. The Federal State of Baden-Württemberg's Climate Protection and Climate Change Adaptation Act (Climate Act) foresees a reduction in greenhouse gas emissions of 65% versus 1990 levels, and net neutrality by 2040, five years earlier than the German central government. In 2023, L-Bank updated its sustainability strategy incorporating the Climate Act which expanded the bank's promotional mandate to include climate change adaptation programmes and measures. The strategy was further refined in light of annual review processes in 2024 with a focus on impact management.

As regards its development activity, L-Bank reports on their impact in relation to the UN's Sustainable Development Goals. The bank's activities positively impact 13 out of the 17 goals, with a particular focus on "decent work and economic growth", "industry, innovation and infrastructure" and "sustainable cities and communities". Further, as part of the federal state's Climate Act, any new, renewed or altered development programme has to undergo a compatibility check with the Climate Act. Further initiatives to report on impact are progressing.

The bank is expanding its development loan products to support its public sponsor's sustainability agenda, for example via adding an 'Energiefinanzierung' loan product targeted at funding sustainable investments. Further, the bank is broadening its 'sustainability bonus', i.e. interest-rate deductions to businesses with CO_2 reporting and/or emissions reduction plans. In 2024, tourism financing can benefit from the bonus, and a third stage was introduced, with businesses reporting on their emission reductions benefitting from further interest rate deductions.

Finally, the bank produces non-financial reports, including on its efforts to be climate-neutral by 2030 for its own operations, and by 2040 for its overall banking activities, considering the impact of its lending, investing and refinancing operations. In 2025, the bank published the first report voluntarily guided by the European Sustainability Reporting Standards (ESRS) as introduced in the CSRD, covering the year 2024.

Appendix 1. Qualitative Scorecards

Qualitative Scorecard 1: Integration with the Federal State of Baden-Württemberg (AAA/Stable) and Rating Approach

Analytical component (weight)	Assessment (score)	Analytical rationale
Legal status (40%)	High (100)	L-Bank's public legal status as an 'Anstalt des öffentlichen Rechts' (public law institution) legally exempts it from insolvency procedures, in line with most other German state development banks. Any changes to the bank's legal form are permissible only via a legal act of the Federal State of Baden-Württemberg. In addition, as is the case with its peers, L-Bank can only be dissolved by law and is not directly subject to the Capital Requirement Regulation (CRR), the Single Resolution Mechanism, the Recovery and Resolution Act and the Restructuring Fund Act. This releases the bank from the obligation to draw up recovery plans. L-Bank is not subject to the German Deposit Guarantee Act.
Purpose & activities (20%)	High (100)	L-Bank is the promotional bank of the German Federal State of Baden-Württemberg (AAA/Stable) and delivers essential, competition-neutral services. Its key area of promotion is the regional economy. The bank's promotional activity takes the form of subsidised loans and grants, generally funded with state subsidies and contributions from its own profits. L-Bank tends to channel its promotional lending through commercial banks, which as intermediaries carry associated credit risk related to end borrowers.
Shareholder structure (20%)	High (100)	The German Federal State of Baden-Württemberg is L-Bank's sole owner.
Financial interdependencies (20%)	High (100)	L-Bank provides a substantial volume of direct loans to municipalities in Baden-Württemberg, thereby directly supporting the public sponsor's related entities. L-Bank is financially self-sustaining and does not depend on regular contributions from the public sponsor for its operations, investments, or debt service.
Approach adopted		**Top down**

Sources: Scope Ratings

Appendix 2. Balance sheet and income statement summary

	2020	2021	2022	2023	2024
Balance sheet summary (EUR m)					
Assets					
Cash and interbank assets	37,216	43,062	44,286	39,807	34,329
Total securities	25,491	22,955	25,248	31,817	33,854
Net loans to customers	22,941	21,571	22,042	22,031	21,244
Other assets	1,112	2,009	1,650	1,463	2,410
Total assets	**86,760**	**89,597**	**93,227**	**95,118**	**91,838**
Liabilities					
Interbank liabilities	28,812	30,216	35,727	31,133	28,458
Senior debt	39,822	42,376	36,959	43,341	46,156
Deposits from customers	10,133	10,593	14,021	14,114	10,687
Subordinated debt	229	229	229	121	111
Other liabilities	3,999	2,341	2,356	2,404	2,192
Total liabilities	**82,995**	**85,755**	**89,292**	**91,114**	**87,603**
Ordinary equity	3,764	3,842	3,934	4,005	4,235
Total liabilities and equity	86,760	89,597	93,227	95,118	91,838
Core tier 1/ common equity tier 1 capital	*3,712*	*3,761*	*3,839*	*3,933*	*4,004*
Income statement summary (EUR m)*					
Net interest income	263.2	254.8	320.0	513.9	565.9
Net fee and commission income	61.2	110.4	119.4	56.1	67.3
Net result from other income/expenses	2.5	-2.0	-0.8	-2.4	-2.0
Administrative expenses	187.1	229.6	269.9	344.3	241.7
Operating result before risk provisions	***139.8***	***133.6***	***168.7***	***223.3***	***389.5***
Net income from asset revaluation	-8.8	24.2	4.4	-31.9	-58.7
Operating result	***131.0***	***157.8***	***173.1***	***191.4***	***330.8***
Taxes on income	0.6	0.5	0.5	1.1	0.7
Addition to development funds	80.0	80.0	80.0	120.0	100.0
Addition to general banking risk funds	0.0	40.0	50.0	20.0	80.0
Net income	**50.4**	**37.3**	**42.6**	**50.3**	**150.1**
Profit carried forward	1.0	1.4	0.7	0.3	0.6
Net profit	**51.4**	**38.7**	**43.3**	**50.6**	**150.7**

* Summary ('betriebswirtschaftliche Betrachtung') of the income statement. The key difference to the income statement according to the German Commercial Code (HGB) is the treatment of the 'addition to development funds' line, which is treated as either interest expenses or other administrative expenses according to the HGB.
Source: L-Bank, SNL Financial, Scope Ratings

Lead Analyst

Julian Zimmermann
+49 69 6677389-89
j.zimmermann@scoperatings.com

Associate Analyst

Elena Klare
+49 69 6677389-21
e.klare@scoperatings.com

Team Leader

Alvise Lennkh-Yunus
+49 69 6677389-85
a.lennkh@scoperatings.com

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Scope Ratings GmbH

Lennéstraße 5, D-10785 Berlin
Phone: +49 30 27891-0
Fax: +49 30 27891-100
info@scoperatings.com

Scope Ratings UK Limited

52 Grosvenor Gardens
London SW1W 0AU
Phone: +44 20 7824 5180
info@scoperatings.com

in
Bloomberg: RESP SCOP
Scope contacts
scoperatings.com