

Create the future

**Management Report for the short financial year
from 01.07.2022 to 31.12.2022**

Report for the short financial year

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Balance Sheet of Berlin Hyp AG as at 31. Dezember 2022

Assets	€	31.12.2022 €	30.06.2022 T€
1. Cash reserves			
a) Cash in hand	0.00		0.00
b) Central bank balances	26,722,246.77		4,057,389
of which: at Deutsche Bundesbank		26,722,246.77	4,057,389
€ 26,722,246.77 (previous year: T€ 4,057,389)			
2. Public-sector debt and bills of exchange admitted for refinancing at central banks		0.00	0
3. Claims against banking institutions			
a) Mortgage loans	0.00		0
b) Public-sector loans	0.00		0
c) Other claims	211,185,653.69		784,698
of which: due on demand € 101,270,386.42 (previous year: T€ 905)		211,185,653.69	784,698
with securities as collateral € 0.00 (previous year: T€ 500,079)			
4. Claims against customers			
a) Mortgage loans	27,503,415,141.47		26,356,164
b) Public-sector loans	419,503,864.15		415,200
c) Other claims	79,968,157.54		169,557
of which: with securities as collateral € 0.00 (previous year: T€ 0)		28,002,887,163.16	26,940,921
5. Debentures and other fixed-interest securities			
a) Money market securities			
aa) Issued by public institutions	0.00		66,414
of which: eligible as security at Deutsche Bundesbank			
€ 0.00 (previous year: T€ 66,414)			
ab) From other issuers	148,068,195.03		386,289
of which: eligible as security at Deutsche Bundesbank			
€ 123,103,021.28 (previous year: T€ 386,289)			
	148,068,195.03		452,703
b) Bonds and debentures			
ba) Issued by public institutions	2,120,710,851.35		2,205,121
of which: eligible as security at Deutsche Bundesbank			
€ 2,120,710,851.35 (previous year: T€ 2,205,121)			
bb) From other issuers	3,285,212,123.65		3,167,950
of which: eligible as security at Deutsche Bundesbank			
€ 3,278,510,011.15 (previous year: T€ 3,161,192)			
	5,405,922,975.00		5,373,071
c) Own debentures	0.00		3,019
Nominal amount € 0.00 (2016: T€ 3,800)		5,553,991,170.03	5,828,793
6. Shares and other non-fixed-interest securities		0.00	0
6a. Trading portfolio		0.00	0
7. Participations		4,764,365.41	4,190
of which: in banking institutions € 0.00 (previous year: T€ 0)			
in financial services institutions € 0.00 (previous year: T€ 0)			
in securities institutions € 0.00 (previous year: T€ 0)			
Carryover		33,799,550,599.06	37,615,991

Liabilities

	€	31.12.2022 €	30.06.2022 T€
1. Liabilities to banking institutions			
a) Registered mortgage Pfandbriefe issued	249,401,208.13		209,037
b) Registered public Pfandbriefe issued	24,773,600.80		24,619
c) Other liabilities	4,565,259,688.69		8,922,963
of which: due on demand € 34,418.83 (previous year: T€ 2,673)		4,839,434,497.62	9,156,619
Registered mortgage Pfandbriefe delivered to the lender as collateral for loans taken up €0.00 (previous year: T€0) and public registered Pfandbriefe delivered €0.00 (previous year: T€0)			
2. Liabilities to customers			
a) Registered mortgage Pfandbriefe issued	1,391,920,999.30		1,400,352
b) Registered public Pfandbriefe issued	181,530,167.12		178,737
c) Other liabilities	3,103,171,051.84		3,315,848
of which: due on demand € 279,748,795.08 (previous year: T€ 759,745)		4,676,622,218.26	4,894,937
Registered mortgage Pfandbriefe delivered to the lender as collateral for loans taken up €0.00 (previous year: T€0) and public registered Pfandbriefe delivered €0.00 (previous year: T€0)			
3. Securitised liabilities			
a) Debentures issued			
aa) Mortgage Pfandbriefe	14,462,113,855.93		13,738,395
ab) Public Pfandbriefe	39,267.20		39
ac) Other debentures	7,625,026,110.03		7,700,101
	22,087,179,233.16		21,438,535
b) Other securitised liabilities	0.00		0
of which: money market securities €0.00 (previous year: T€0)		22,087,179,233.16	21,438,535
3a. Trading portfolio		0.00	0
4. Trust liabilities		0.00	0
of which: trust loans €0.00 (previous year: T€0)			
5. Other Liabilities		381,102,453.91	311,559
6. Deferred Income			
a) From issue and loan business	137,988,162.21		108,738
b) Other	34,355.48		0
		138,022,517.69	108,738
6a. Deferred tax liabilities		0.00	0
7. Reserves			
a) Provisions for pensions and similar obligations	229,871,496.00		231,267
b) Tax provisions	11,699,567.00		106
c) Other provisions	88,145,032.17		77,943
		329,716,095.17	309,316
8. Subordinated liabilities		232,896,359.19	230,837
Carryover		32,684,973,375.00	36,450,541

Balance Sheet of Berlin Hyp AG as at 31. Dezember 2022

Assets	€	31.12.2022 €	30.06.2022 T€
Carryover		33,799,550,599.06	37,615,991
8. Shares in affiliated enterprises		25,646.61	26
of which: in banking institutions €0.00 (previous year: T€0)			
in financial services institutions €0.00 (previous year: T€0)			
in securities institutions €0.00 (previous year: T€0)			
9. Trust assets		0.00	0
of which: trust loans €0.00 (previous year: T€0)			
10. Equalisation claims against public-sector institutions, including debentures arising from their exchange		0.00	0
11. Intangible Investment Assets			
a) Internally produced industrial property rights and similar rights and values	0.00		0
b) Purchased concessions, industrial property rights and similar rights and values as well as licences for such rights and values	30,931,396.96		29,912
c) Goodwill	0.00		0
d) Payments in advance	22,811,126.51		17,750
		53,742,523.47	47,662
12. Tangible assets		62,155,160.28	53,813
13. Unpaid called-up contributions to the subscribed capital		0.00	0
14. Other Assets		398,123,141.36	318,084
15. Deferred Income			
a) From issue and loan business	95,502,531.75		73,113
b) Other	2,790,245.52		2,755
		98,292,777.27	75,868
16. Deferred tax assets		0.00	0
17. Surplus arising from offsetting		0.00	0
18. Deficits not covered by equity capital		0.00	0
Total assets		34,411,889,848.05	38,111,444

Liabilities

	€	31.12.2022 €	30.06.2022 T€
Carryover		32,684,973,375.00	36,450,541
9. Profit-sharing rights capital		0.00	0
of which: due within two years €0.00 (previous year: T€0)			
10. Fund for general banking risks		750,000,000.00	725,000
11. Equity			
a) Called-up capital			
aa) Subscribed capital	753,389,240.32		753,389
ab) Less unpaid contributions not called up	0.00		0
	753,389,240.32		753,389
b) Capital reserve	158,316,268.74		158,316
c) Profit reserves			
ca) Statutory reserve	22,022,655.29		22,023
cb) Reserve for own shares in companies with a controlling or majority holding	0.00		0
cc) Articles of Association reserve	0.00		0
cd) Other profit reserves	2,174,992.78		2,175
	24,197,648.07		24,198
d) Balance sheet profit	0.00		0
		976,916,473.05	935,903
Total liabilities		34,411,889,848.05	38,111,444
1. Contingent liabilities			
a) Liabilities from guarantees and warranty contracts		321,085,639.37	360,470
2. Other obligations			
a) Irrevocable loan commitments		3,331,199,583.38	3,357,569

Profit and Loss Account

of Berlin Hyp AG for the period from 1 January to 31 Dezember 2022

Expenditure	€	01.07. – 31.12.22 €	01.01. – 30.06.22 T€
1. Interest expenditure	129,357,993.69		87,416
less positive interest	7,751,080.60	121,606,913.09	67,788
	197,353,273.09		19,628
2. Commission expenditure	12,476,091.97	8,101,253.51	7,118
	12,476,091.97		
3. Net expenditure of the trading portfolio		0.00	0
4. General operating expenditure			
a) Staff expenditure			
aa) Wages and salaries	36,039,643.29		31,737
ab) Social security contributions and expenses for retirement pensions and other employee benefits of which: for retirement pensions € 540,443.97 (previous year: T€ 13,642)	4,940,213.82		18,184
	40,979,857.11		49,921
b) Other administrative expenses of which: Expenditure for bank levy € 0.00 (previous year: T€ 25,459)	43,180,008.86		61,918
		84,159,865.97	111,839
5. Amortisation on and depreciation of and valuation adjustments On intangible investment assets and tangible assets		5,755,682.19	4,907
6. Other operating expenditure		2,844,527.62	13,115
7. Depreciation and valuation adjustments on claims and specific securities as well as additions to provisions made for lending		25,010,613.58	61,409
8. Depreciation and valuation adjustments on investments, shares in affiliated companies and securities treated as investment assets		0.00	0
9. Expenditure for loss assumptions		0.00	0
10. Contribution to the fund for general banking risks		25,000,000.00	50,000
11. Extraordinary expenditure		0.00	0
12. Taxes on income and earnings		28,731,063.47	43
13. Other taxes not shown under Item 6		-7,239.96	84
14. Profits transferred based on a profit pool, a profit transfer agreement or a partial profit transfer agreement		0.00	30,000
15. Net income for the year		41,013,315.92	0
Total expenditure		342,215,995.39	298,143

Expenditure

	€	01.07. – 31.12.22 €	01.01. – 30.06.22 T€
1. Net income for the year		41,013,315.92	0
2. Profit/loss carryforward from the previous year		0.00	0
3. Withdrawals from the capital reserve		0.00	0
4. Withdrawals from retained earnings			
a) from the statutory reserve	0.00		
b) from the reserve for shares in companies with a controlling interest or majority holding	0.00		
c) from the Articles of Association reserves	0.00		
d) from other retained earnings	0.00		
		0.00	0
5. Transfers to retained earnings			
a) to the statutory reserve	0.00	0.00	
b) to the reserve for shares in companies with a controlling interest or majority holding	0.00	0.00	
c) to the Articles of Association reserves	0.00	0.00	
d) to other retained earnings	0.00		
		0.00	0
6. Balance sheet profit		41,013,315.92	

Income

	€	01.07. – 31.12.22 €	01.01. – 30.06.22 T€
1. Interest income from			
a) Lending and money market business	303,592,342.58		289,133
less negative interest from lending and money market transactions	1,989,639.75		9,611
	301,602,702.83		279,522
b) Fixed interest securities and book-entry securities	17,357,483.35		-1,373
		318,960,186.18	278,149
2. Current income from			
a) Shares and other non-fixed interest securities	0.00		0
b) Interests	0.00		145
c) Shares in affiliated companies	0.00		0
		0.00	145
3. Income from profit pooling, profit transfer or partial profit transfer agreements		0.00	0
4. Commission income		20,577,345.48	18,548
5. Net earnings of the trading portfolio		0.00	0
6. Income from attributions to claims and specific securities and the dissolution of provisions made for lending		0.00	0
7. Income from attributions to interests, shares in affiliated enterprises and securities treated as investment assets		0.00	0
8. Other operating income		2,678,463.73	1,301
9. Income from the dissolution of the fund for general banking risks		0.00	0
10. Net loss for the year		0.00	0
Total income		342,215,995.39	298,143

Statement of Changes in Equity and Cash Flow Statement

T€	Subscribed capital	Capital reserve	Profit reserves	Balance sheet profit	Total equity capital
As of 01.07.2022	753,389	158,316	24,198	0	935,903
Capital increases	0	0	0	0	0
Dividend payments	0	0	0	0	0
Annual surplus/net loss for the year	0	0	0	41,013	41,013
Other changes – pursuant to Section 152 (3) No. 1 German Stock Corporation Act (AktG)	0	0	0	0	0
Stand 31.12.2022	753,389	158,316	24,198	41,013	976,916

Cash Flow Statement in T€ (+ = cash inflow, - = cash outflow)

	01.07. – 31.12.2022	01.01. – 30.06.2022
Net income for the year	41,013	0
Depreciations, value adjustments/attributions to claims and items of investment assets	25,211	11,633
Increase/decrease in provisions	20,400	13,547
Other non-cash expenditure/income	0	0
Profit/loss from the sale of investment asset items	0	0
Profit and Loss Transfer Agreement	0	30,000
Other adjustments (on balance)	-10,075	5,633
Increase/decreases in		
Claims against banking institutions	598,768	-649,861
Claims against customers	-1,029,027	-767,252
Securities (unless they are financial investments)	232,456	966,625
Other assets from current business operations	-101,557	-70,603
Liabilities to banking institutions	-4,358,448	118,233
Liabilities to customers	-240,088	919,825
Securitised liabilities	613,671	844,862
Other liabilities from current business operations	128,690	-22,626
Interest expenditure/interest income	-197,353	-258,521
Expenditure/income from extraordinary items	0	0
Income tax expenditure/earnings	28,731	42
Interest payments and dividend payments received	281,243	299,674
Interest paid	-21,400	-22,208
Extraordinary in-payments	0	0
Extraordinary disbursements	0	0
Income tax payments	-17,137	-549
Cash flow from operating activities	-4,004,902	1,418,454
In-payments from disposals of		
financial investment assets	0	0
tangible assets	0	0
intangible investment assets	0	0
Disbursements for investments in		
financial investment assets	-574	-70
tangible assets	-9,463	-6,768
intangible investment assets	-10,728	-7,934
Change of funds from other investment activity (balance)	0	0
In-payments from extraordinary items	0	0
Disbursements from extraordinary items	0	0
Cash flow from investment activities	-20,765	-14,772
In-payments from equity contributions by shareholders of the parent company	0	0
In-payments from equity contributions by other shareholders	0	0
Disbursement from reductions in equity to shareholders of the parent company	0	0
Disbursement from reductions in equity to other shareholders	0	0
In-payments from extraordinary items	0	0
Disbursements from extraordinary items	0	0
Dividends paid to shareholders of the parent company	0	0
Dividends paid to other shareholders	0	0
Change of funds from other capital (balance)	25,000	50,000
Change of funds from previous year's profit and loss transfer	-30,000	-50,009
Cash flow from financing activities	-5,000	-9
Cash and cash equivalents at the end of the previous period	4,057,389	2,653,716
Cash flow from operating activities	-4,004,902	1,418,454
Cash flow from investment activities	-20,765	-14,772
Cash flow from financing activities	-5,000	-9
Cash and cash equivalents at the end of the period	26,722	4,057,389

Notes

Berlin Hyp AG is a public company under German law and is headquartered in Berlin. It is registered in the Commercial Register of the District Court of Charlottenburg under HRB 56530 and is licensed to provide banking business and financial services.

General Information on the Structure of the Annual Accounts and on the Balance Sheet and Evaluation Methods

The annual accounts of Berlin Hyp are prepared according to the provisions of the German Commercial Code (HGB), supplemented by the German Stock Corporation Act (AktG) and taking into consideration the German Pfandbrief Act (PfandBG) and the German Credit Institutions Accounting Regulation (RechKredV).

The balance sheet and profit and loss account are structured in accordance with the RechKredV. They were supplemented by the items prescribed for Pfandbrief banks.

Berlin Hyp holds shares in a subsidiary and three strategic investments that have no material influence on the representation of the financial, assets and earnings situation of Berlin Hyp either individually or as a whole. Berlin Hyp has no legal obligation to produce consolidated annual accounts according to Section 290 in connection with Section 296 (2) of the German Commercial Code (HGB).

Reporting and Valuation Principles

The valuation of assets and liabilities occurs according to the provisions of Sections 252 et seq. of the German Commercial Code (HGB), taking into account the special regulations for banking institutions pursuant to Sections 340 et seq. of the German Commercial Code (HGB).

Unless otherwise stated below, the same reporting and valuation principles were applied in the annual accounts as at 31 December 2022 (short financial year 01.07.2022 – 31.12.2022) as were applied in the annual accounts as at 30 June 2022 (short financial year 01.01.2022 – 30.06.2022).

Claims and Liabilities

Claims are shown at their nominal amount, taking into account risk provisioning, and liabilities are shown at their settlement amount, each taking into account accrued interest. The difference between amounts paid out and nominal amounts where claims in the lending business are concerned is reported as prepaid expenses and prepaid income, respectively, to the extent that it is classified as interest and for the most part released at consistent interest rates over the entire loan term as interest income or interest paid, respectively.

Existing cash reserves are shown at their nominal amount.

Discounted debentures are displayed with their issue amount including accrued interest on the basis of issue yields.

Recognisable risks in the lending business were taken into proper consideration through the formation of specific valuation allowances and reserves in the lending business. Lump-sum value adjustments are in place for latent risks in the accounts receivable – in addition to the fund for general banking risks in accordance with Section 340g of the German Commercial Code (HGB) reported in the balance sheet.

When identifying income and expenses related to risk provisioning in the lending business and the valuation and disposal result in the securities business, the right to choose full compensation is exercised (Section 340f (3) of the German Commercial Code (HGB) in connection with Section 340c (2) of the German Commercial Code (HGB)). Interest is not recognised for irrecoverable claims.

Itemised allowances are determined on the basis of the amount actually in danger of default, taking into account collateral values.

Since 1 July 2022, the lump-sum value adjustment has been determined according to the regulations contained in IDW RS BFA 7 (accounting standard; lump-sum value adjustment for banking institutions) on the basis of the IFRS 9 methodology. This methodology calls for valu-

ation adjustments to be recorded on the basis of expected credit losses. For every individual transaction, the lump-sum value adjustment corresponds at the time of the entry to the credit loss expected for the subsequent 12 months.

The assessment as to whether a significant increase in the default risk is to be recorded for a financial instrument is made on the basis of three criteria:

- Quantitative transfer criterion: first, the initial rating and segment-specific defined and expected migrations are used to calculate the default probability as at the reporting date. If the current risk assessment is significantly worse than the expected value for that date, a transfer will be performed.
- “Trivial limit” criterion: on the basis of the initial rating, a change to the default probability of no more than 10 basis points is considered to be minor (trivial). In such cases, the expected losses for the following 12 months are determined.
- “Warning signal” qualitative transfer criterion: if certain warning signals are identified, the expected losses throughout the financial instrument’s residual term are determined. This includes internal warnings, 30-day arrears, active increased support and so-called forbearance measures.

Macroeconomic upheavals (e.g. a sharp increase in energy prices or an abrupt increase in interest rates) whose effects on the credit standing of the financial instruments cannot yet be predicted in a specific and individualised manner do not directly trigger a significant increase in the default risk. In order to adequately take the overall risk of loss into account, the valuation adjustments for assets fundamentally impacted in such exceptional situations are determined on the basis of the expected credit loss over the residual term in each case.

With regard to the financial assets mentioned, the expected loss is calculated in relation to the probability of default (PD), the estimation of the loss given default (LGD) and the anticipated exposure at default (EaD) over the applicable period of time in each case. The basis for the

calculation are the regulatory parameters made available by Berlin Hyp, which are suitably transformed by LBBW. Various scenarios are weighted by their probability within the framework of the risk provision model used. The expected losses, which are calculated as the product of the three parameters mentioned, are discounted to the reporting date using the effective interest rate of the specific transaction or an approximation of the same.

The changeover to the IFRS 9 methodology led to an increase in risk provisions of €5.8 million.

Along with the parameter-specific consideration of forward-looking information, LBBW also regularly conducts for all of its business areas qualitative and quantitative analyses regarding whether an exceptional situation has in fact occurred, thereby necessitating an adjustment of risk provisions. Exceptional situations are defined as exceptional temporary circumstances in which the models are not capable of creating suitable parameters for IFRS 9 risk provision calculations (e.g. due to extensive macroeconomic or political upheavals). In such cases, qualitative information, estimates, scenario observations and simulations are used as a basis to determine the extent to which risk provisions need to be adjusted so as to ensure all risks are adequately covered.

Suitable clusters are created if this cannot be done at the level of the individual financial instruments. In order to identify and take into account exceptional situations, an expert group at LBBW with members from the Research, Market, Back Office and Risk Control divisions examines either regularly or on an ad hoc basis (as needed) all relevant events that can influence business activities.

At the reporting date, the sharp and regionally asymmetrical increase in energy prices and the inflation rate due to the Russian war of aggression against Ukraine, and the associated threat of an economic recession in Europe, were particularly viewed as being an exceptional situation as described above.

The effects this situation might have on the loan quality within Berlin Hyp's loan portfolio are still uncertain and therefore not yet contained in the ratings and default rates. This means that given the forward looking information requirement in accordance with BFA 7, the lump-sum value must be adjusted in accordance with commercial law by means of a model adjustment.

In order to reflect the latent counterparty default risks in the lending business in connection with the Russia-Ukraine war in a manner which adequately reflects the risks, the model adjustment for valuated loans was, within the framework of the lump-sum value adjustments, increased by €51.8 million to €79.1 million and, through the creation of additional reserves for irrevocable lending commitments, by €6.1 million to €8.8 million. When assessing the loan portfolio, Berlin Hyp thus takes into account all uncertainties regarding possible further developments in the war in Ukraine, as well as uncertainties relating to supply chain bottlenecks, the possible impact of various developments on energy-intensive industries, high inflation rates or the increased production costs associated with the turnaround in interest rates, and the digital and sustainable transformation.

The differences between the issue and the settlement amount are recognised as prepaid expenses or prepaid in-come, respectively and recorded as interest income or interest paid, respectively, over the entire term.

Repurchase Agreements

The financial instruments that the Bank, in its capacity as a pension provider, transfers within the framework of genuine repurchase agreements are entered in the balance sheet and evaluated according to their classification. The corresponding liability is carried in the amount of the agreed redemption price, taking into account accrued interest. The difference between the redemption price and the amount received is considered in the interest result on a pro rata basis.

Securities

With the exception of the accounting units pursuant to Section 254 of the German Commercial Code (HGB) and the investment portfolio, the amounts included in the "Debentures and other fixed-interest securities" item are evaluated according to the strict lower-of-cost-or-market principle (Section 253 of the German Commercial Code (HGB)). They are consequently

recognised at fair value to the extent it does not exceed the amortised cost. Fair value in active markets corresponds to the stock market or market price on the reporting date. Please refer to the information provided in the "Calculating Fair Values" section.

Investments and Shares in Affiliated Companies

Investments and shares in affiliated enterprises are included at cost. Where a loss of value is expected to be permanent, they are written down to the lower fair value. If the reasons for the decrease in value no longer exist, write-ups are undertaken to an amount which may not exceed the amortised cost.

Tangible Assets and Intangible Assets

Tangible and intangible assets with limited useful lives are reported at amortised cost, less impairment losses to the lower fair value. Planned amortisation and depreciation are spread over the useful economic life of the assets.

The buildings as well as operating and business equipment are depreciated using the following depreciation periods:

Buildings	60 years
IT equipment	3 – 5 years
Other operating and business equipment	5 – 13 years

The periods of amortisation for the software and licences listed under "Intangible investment assets" range between three and five years. Payments in advance are recognised at their nominal amounts.

Interest on debt capital relating to the financing for the construction of the headquarters at Budapester Strasse 1, Berlin, is not included in the production costs.

There has been no compound item formation for low-value assets. For reasons of simplification, up to an amount of €800 net, these assets are immediately depreciated with an effect on expenses.

Reserves

For contingent liabilities, reserves are formed for the settlement amounts required according to prudent commercial judgement, taking into account expected price and cost increases. The

Bank determines the amount of these liabilities using estimates, which take into account the respective circumstances and relevant determining factors appropriately. Reserves for strategic resources planning are based on the results of the related works agreement and operative procedural planning.

The materiality of the discounting of reserves with residual terms of more than one year is reviewed regularly. Items with a remaining term of over one year are discounted in accordance with Section 253 (2) of the German Commercial Code (HGB).

Pension reserves are assessed based on actuarial principles employing a discount rate of 1.79 per cent (1.78 per cent) of the cash value of the obligations already accrued. The difference between the recognition of reserves in accordance with the actuarial interest rates of the past ten financial years and the recognition of reserves in accordance with the corresponding average market interest rates for the past seven financial years (discount rate of 1.45 per cent (1.37 per cent)) amounts to €16.1 million (€20.1 million). This difference is not taken into account as being blocked from distribution.

The pension obligations are based on the projected unit credit method. The 2018 G Heubeck Guideline Tables is used as the biometric basis for calculation. It is calculated with a salary and career trend of 2.65 per cent per annum. Depending on the pension scheme involved, the projected pension trend is between 1.00 and 2.00 per cent p.a. and starting from 2024, between 1.00 and 2.15 per cent p.a. Active members of the Board of Management have a calculated salary and career trend of 0.0 per cent, as in the previous year. Fluctuation is taken into account at a rate of 4.00 per cent.

Another pension plan of the bank involves a pension commitment as a complement to reinsurance, the amount of which is exclusively determined by the fair value of a life reinsurance plan (plan assets according to Section 246 (2)(2) of the German Commercial Code [HGB]); this pension commitment is therefore treated as a pension commitment linked to securities in the balance sheet. The corresponding obligation should therefore be recognised in the amount of the fair value of the plan assets (insofar as it exceeds a guaranteed minimum

amount) and should be netted with the plan assets. An actuarial interest rate of 1.78 per cent (1.78 per cent) is calculated for this pension plan. The actuarial interest rate refers to the interest rate determined by the Deutsche Bundesbank as at 31 December 2022, which results as a ten-year average interest rate from an assumed residual term of 15 years (Section 253 (2)(2) of the German Commercial Code (HGB)). It is calculated with a salary and pension trend of 2.00 per cent per annum. The difference not taken into account as blocked from distribution according to Section 253 (6) of the German Commercial Code (HGB) amounts to T€0.0 (T€0.0).

In accordance with Section 253 (1)(4) of the German Commercial Code (HGB), the plan assets are assessed at fair value and amounted to €2.0 million (€1.8 million) as at 31 December 2022 at an amortised cost of €2.0 million (€1.8 million). This was determined based on the calculation basis of the contribution calculation within the meaning of Section 169 (3) of the German Insurance Contract Act (VVG).

Since the settlement amount of the obligation stemming from this commitment corresponds to the fair value of the plan assets, the obligation and the plan assets balance out to zero.

The interest paid from this commitment corresponds to the earnings from the associated reinsurance. The amount to be settled according to Section 246 (2)(2) of the German Commercial Code (HGB) amounted to T€34 (T€32) as at 31 December 2022.

The reserve for early retirement obligations is set at cash value calculated using a maturity-linked discounting factor of future earnings. The 2018 G Heubeck Guideline Tables are used as a biometric accounting basis.

The expenses from the compounding of reserves from the non-lending business are included in the "Other operating result" item, while income from the adjustment of parameters is reported under "Operating expenditure".

Derivatives

The reporting of derivative financial instruments occurs in off-balance-sheet accounts. There are no trading positions. In terms of derivative contracts, both banking institutions and the Bank's borrowers (customer derivatives) are possible counterparties. Accrued

interest from interest and currency swaps is treated as deferred interest according to period and reported as claims or liabilities in the respective items.

Among other instruments, the Bank uses swaptions, forward rate agreements and occasional capital market futures to manage its interest-bearing operations at macro level. Paid option premiums are presented under the balance sheet item "Other assets" and received option premiums under "Other liabilities" and are accrued on a time basis immediately following the termination of the option period in case of expiry or utilisation in respect of the term of the underlying transactions over prepaid expenses and deferred income. Paid and received non-recurring payments (upfront payments) and premiums for caps/floors/collars are entered in the balance sheet as deferred income and deferred on a pro-rata basis over their respective terms. The compensation payments due from forward rate agreements following the termination of the waiting period are recognised immediately in profit. The daily fluctuations in the market value of the capital market futures are offset by the payments of variation margins, which appear in the balance sheet as either "Other assets" or "Other liabilities". The Bank does not hold any credit derivatives.

The market values of the derivatives are calculated on the basis of a tenor-specific swap yield curve, taking into consideration counterparty risks; valuation techniques appropriate to the particular instrument are applied.

Embedded derivatives that are part of structured financial instruments are recognised separately in accordance with the IDW RS HFA 22 accounting standards if the embedded derivative has substantially increased or it shows additional (other) risks or opportunities compared to the underlying instrument.

Accounting Units

As accounting units for hedging interest change risks pursuant to Section 254 of the German Commercial Code (HGB), underlying debentures and other fixed-income securities are designated at the level of the individual transactions with a total nominal holding value of €3.2 billion (€2.6 billion) as at 31 December 2022. Accounting units are only formed at the micro level, meaning that changes in values

from the hedged risk are offset by the underlying transactions of the individual hedging instruments; the hedging relationships in questions are perfect hedging relationships. No ineffectiveness relevant to the accounting can arise on account of the correlation of all factors affecting value between the hedged portion of the underlying transaction and the portion of the hedging instrument to be hedged. As a result, the critical term match method is used to assess the effectiveness of the accounting units. Risks hedged by the accounting units amounted to €-272.8 million as at the reporting date (€-172.4 million). The Bank applies the net hedge presentation method. The changes in value attributed to the hedged risk are expected to be offset by the end of the designation or maturity of the transactions due to the correlation of factors affecting value between the hedged portion of the underlying transaction and the portion of the hedging instrument to be hedged. Changes in the value of underlying transactions and hedging instruments attributable to unsecured risks are not offset and recognised in accordance with general provisions. In addition, please refer to the statement of changes in derivatives.

Interest income and expenses from secured swap transactions are settled with the interest income and expenses of the respective secured item; thus the interest result from the entire hedging relationship is displayed in the corresponding item of the profit and loss account, provided that the respective underlying and hedging transactions are part of accounting units.

Loss-Free Evaluation of the Banking Book

Berlin Hyp conducts an audit of the loss-free evaluation of interest rate-related transactions on the banking book (interest book) on the basis of IDW RS BFA 3 n. V. As Berlin Hyp did not allocate any transactions to the trading book, the banking book includes all interest-bearing transactions, including derivative financial instruments. From a periodic (P&L-based) and static (cash value) point of view, two equivalent methods are currently available for determining the provision for contingent losses. The Bank applies the bar value method. The interest rate-related cash values are compared with the carrying amounts, taking into account the risk, inventory management and fictitious refinancing costs. There was no need to create a provision for contingent losses in accordance with Section 340a of the German

Commercial Code (HGB) in connection with Section 249 (1)(1) alt. 2 HGB.

Calculating Fair Values

In individual cases where prices for securities and claims were not available as at the balance sheet date on the basis of active markets via external market suppliers, the market values for such financial instruments were determined on the basis of evaluation models. These are standard discounted cash flow procedures that consider issuer and asset class-specific interest curves and credit spreads.

Currency Translation

The valuation of assets, debts and off-balance-sheet transactions in foreign currencies is undertaken on the basis of Section 256a of the German Commercial Code (HGB) in connection with Section 340h of the German Commercial Code (HGB). The translation is carried out at the ECB reference prices provided by Berliner Sparkasse, Berlin, on a daily basis. Currency swaps used to hedge interest-bearing balance sheet items denominated in foreign currencies are translated at the split forward rate, with the swap rate being discounted over the term of the swap and recognised as interest income on a pro rate basis. Currency effects from currency translation are reported net within the framework of special coverage either in the item "Other operating income" or "Other operating expenditures". The peculiarities from foreign currency valuation in accordance with commercial law (IDW RS BFA 4) are taken into account.

Negative Interest

Negative interest on financial assets and/or financial liabilities are deducted in the profit and loss account from the relevant interest income or interest paid, respectively.

Contingent Liabilities and Other Obligations

Contingent liabilities from guarantees and warranty contracts as well as other obligations are recorded in the balance sheet at their nominal amount minus provisions made for lending.

Tax Liabilities

The temporary differences between the valuations of assets, liabilities and prepaid expenses or deferred income in the commercial and the tax balance sheet lead to latent tax burden and tax relief effects that were calculated on the basis of a corporate tax rate (including the "solidarity surcharge") of 15.83 per cent and a trade tax rate of 14.35 per cent. Notable

temporary differences in amounts relate to the following balance sheet items in particular:

- Claims against customers
- Debentures and other fixed-interest securities
- Property, plant and equipment, investments in other companies
- Prepaid expenses and deferred income
- Reserves

Furthermore, deferred tax assets on loss carry-forwards whose usability, taking into account minimum taxation, appeared sufficiently likely for the coming five years, are calculated for corporate tax purposes. The assessment here made use of current medium-term planning with consideration of tax discrepancies.

With regard to the net asset (lending) position that results from the overall examination of deferred tax assets and deferred tax liabilities, a capitalisation option exists, while in the case of a net liability (deposits) position a recognition obligation exists. In accordance with the right to choose under Section 274 (1)(2) of the German Commercial Code (HGB), Berlin Hyp forgos the recognition of deferred tax assets.

Explanations of the Profit and Loss Account and the Balance Sheet
Condensed Profit and Loss Account

Net Interest Income in T€	01.07. – 31.12.2022	01.01. – 30.06.2022
Interest income from		
Mortgage loans	264,161	204,517
Public-sector loans	8,838	8,742
Other receivables	12,641	2,011
<i>less negative interest</i>	-1,990	-9,610
Money market transactions	244	-489
Fixed-income securities and book-entry securities	17,357	-1,373
Derivative transactions	17,710	74,351
	318,960	278,149
Interest expenditure for		
Deposits and registered Pfandbriefe	62,090	47,194
<i>less positive interest</i>	-7,751	-67,788
Securitised liabilities	62,932	35,958
Subordinated liabilities	4,335	4,264
Derivative transactions	0	0
	121,607	19,628
Net Interest Income	197,353	258,521

Net interest income was lower than in the 01.01.2022 – 30.06.2022 reporting period. This decline was mainly due to the lower interest rate reduction for TLTRO-III liabilities that is part of the interest expense for deposits and registered Pfandbriefe. An interest rate reduction amounting to €5.1 million (compared to €64.5 million in the first short financial year) resulted from participation in the targeted longer-term refinancing operations of the Deutsche Bundesbank. The interest rate reduction in the first short financial year included additional income in the amount of €43.0 million from the “additional special interest period” that was recognised in a profit and loss relevant manner in the first half of 2022. Interest income includes prepayment charges amounting to €2.2 million (€3.5 million).

Along with an increase to the average mortgage loan portfolios of €0.8 billion, the higher interest rate level also led to an increase in interest income from mortgage loans to €264.2 million (€204.5 million). On the other hand, interest income from derivative transactions in particular fell to €17.7 million (€74.4 million). Interest expenditure resulting from securitised liabilities increased to €62.9 million (€36.0 million), due to the increase in interest rates.

In accordance with the IDW provisions, negative interest is openly deducted from interest paid or interest income, respectively, in an additional preliminary column.

Net Commission Income in T€	01.07. – 31.12.2022	01.01. – 30.06.2022
Commission income		
Lending	19,517	17,683
Sureties	920	850
Other	140	15
	20,577	18,548
Commission expenditure		
Sureties	4,022	4,232
Credit brokerage	3,415	2,155
Securities business	644	709
Other	20	22
	8,101	7,118
Net Commission Income	12,476	11,430

Net interest and commission income and other operating income are predominantly generated in Germany.

Other Operating Expenditure in T€	01.07. – 31.12.2022	01.01. – 30.06.2022
IT expenditure	17,642	13,430
Services by third parties	17,593	14,743
Staff-related material costs	2,749	1,823
Building and premises costs	2,687	2,301
Advertising and marketing	1,358	1,244
Business operation costs	687	2,063
Operating and business equipment	464	493
Bank levy	0	25,359
Group payment set-off	0	361
	43,180	61,918

Expenses associated with the bank levy were already fully incurred in the first short financial year in 2022.

Auditor's Fees

Deloitte GmbH Wirtschaftsprüfungsgesellschaft audited the annual accounts of Berlin Hyp for the second short financial year 2022. The audit of the IFRS reporting packages needed for the consolidated annual accounts of Landesbank Baden-Württemberg was integrated into the audit. Furthermore, other certification services were performed in connection with an audit in accordance with Section 16j of the FinDAG (Federal Financial Supervisory Authority Act), an audit in accordance with ISAE 3000 in connection with the non-financial statement, agreed-upon investigative procedures in accordance with ISRS 4400 in connection with the bank levy and an audit of the reporting of figures within the framework of risk monitoring activities in accordance with IDW PS 490.

The disclosures pursuant to Section 285 No. 17 of the German Commercial Code (HGB) are not undertaken, with reference here to the inclusion of the Bank in the consolidated annual accounts of LBBW with the corresponding provision of information on expenditure at Berlin Hyp.

Other Operating Result

Other operating result, consisting of the items "Other operating expenses" and "Other operating income", mainly includes in "Other operating income" proceeds from the reversal of other provisions in the amount of €2.4 million (€1.1 million). The compounding of provisioning reserves results in effects on the result totalling €2.3 million (€1.8 million), of which €0.0 million (€0.3 million) are income and €2.3 million (€2.1 million) are expenditure.

Depreciation and Valuation Adjustments on Claims and Specific Securities as well as Additions to Provisions Made for Lending

The balance shown results from the settlement of expenditure and income items shown in the profit and loss account items "Depreciation and valuation adjustments on claims and specific securities as well as additions to provisions made for lending" and "Income from attributions to claims and specific securities and the dissolution of re-serves for lending".

The balance of risk provisioning expenditure is comprised as follows:

in T€	01.07. – 31.12.2022	01.01. – 30.06.2022
Risk provisioning for lending business	-19,933	6,726
Valuation and disposal result in the securities business	44,944	54,683
	25,011	61,409

Earnings with negative signs

Risk provisioning for the lending business developed as follows:

in T€	Counterparty risk exposure							Profit and loss relevant	
	Direct write-down	EWB	PWB and other adjustments RP	Valuations	RST	RST	Total	01.07. – 31.12.22	01.01. – 30.06.22
As at 1 January		42,139	266,208	8,617	7,148	324,112	316,917		
Net allocations and write-backs		-8,805	-11,247	-6,282	5,406	-20,927	7,195	-20,927	7,195
Utilisation		0			0	0	0		
Direct write-downs and exchange rate losses	2,500							2,500	0
Receipts on written-off receivables and capital gains	-1,506							-1,506	-468
Foreign currency effects		0	0	0	0	0	0		
As at 30 June	994	33,334	254,961	2,335	12,555	303,185	324,112	-19,933	6,726

Earnings with negative signs

In connection with the crisis factors that continue to prevail, a model adjustment of €79.1 million was taken into account within the framework of the lump-sum value adjustment and €8.8 million within the framework of provisions made for lending.

Other Information

The annual surplus includes a balance of aperiodic income and expenses of €3.7 million (€1.8 million), which primarily includes income from the reversal of reserves of €2.4 million (€1.1 million) as well as receipts on receivables written off in the previous year of €1.5 million (€0.5 million) and expenses associated with the scrapping of assets in the amount of €0.3 million (€0.0 million).

Balance Sheet

As of the balance sheet date, the Bank does not hold any securities that are evaluated as fixed assets, as was the case in the previous year. The securities portfolio as at 31 December 2022 is fully assigned to the liquidity reserve.

Negotiable Securities and Interests
in T€

	Listed	Listed	Unlisted	Unlisted
	31.12.22	30.06.22	31.12.22	30.06.22
Debentures and other fixed-interest securities	5,553,991	5,828,793	0	0

Security for the Bank's Own Liabilities

Within the European System of Central Banks (ESCB), securities with a nominal value of €2,091.7 million (€8,012.9 million) and loans in the amount of €1,877.2 million (€1,045.7 million) are pledged as security to the Deutsche Bundesbank. The volume of related open market transactions at the balance sheet date was €2,454.7 million (€8,326.6 million). At the balance sheet date, the Bank repaid debentures with a total book value of €1,671.2 million (€0.0 million).

Schedules of Shares Held under Sections 285 Nos. 11 and 11a, 313 (2) of the German Commercial Code (HGB)

Company	Share of capital Total %	Voting rights %	Equity	Result	Financial statements deviating from 31.12.22
Affiliated enterprises					
Berlin Hyp Immobilien GmbH, Berlin	100	100	T€ 122	T€ -27	31.12.2021
Participations					
OnSite ImmoAgent GmbH, Berlin	49,00	49,00	T€ 756	T€ -322	31.12.2021
PropTech 1 Fund I GmbH & Co. KG, Berlin	6,97	6,97	T€ 22.080	T€ -2.325	31.12.2021
BrickVest Ltd., London*	13,75	13,83	T€ 1.921	T€ -1.947	31.12.2017
21st Real Estate GmbH, Berlin	24,52	24,52	T€ 775	T€ -1.871	31.12.2021

* The company has been under British insolvency administration since 7 November 2019.

Intangible Investment Assets

This item only shows the software and licences used by the Bank as well as payments in advance in connection therewith.

Development of Fixed Assets

Statement of Changes in Assets in T€

	Acquisition/ manufacturing costs 01.07.2022	Additions	Disposals	Account transfers	Acquisition/ manufacturing costs 31.12.2022	Cumulative Depreciations 01.07.2022	Attributions	Depreciations	Disposals	Account transfers	Cumulative Depreciations 31.12.2022	Residual book value 31.12.2022	Residual book value 30.06.2022
Intangible investment assets													
b) Concessions and licenses acquired commercially	88,075	1,133	0	4,533	93,741	58,163	0	4,647	0	0	62,810	30,931	29,912
d) Down-payments made	17,750	9,595	0	-4,533	22,812	0	0	0	0	0	0	22,812	17,750
Total intangible investment assets	105,825	10,728	0	0	116,553	58,163	0	4,647	0	0	62,810	53,743	47,662
Tangible assets													
a) Sites and buildings for own use	52,151	5,837	0	0	57,988	5,363	0	168	0	0	5,531	52,457	46,788
b) Operating and business equipment and installations under construction	16,479	3,626	686	0	19,419	9,454	0	941	674	0	9,721	9,698	7,025
Total tangible assets	68,630	9,463	686	0	77,407	14,817	0	1,109	674	0	15,252	62,155	53,813
Total intangible investment assets and tangible assets	174,455	20,191	686	0	193,960	72,980	0	5,756	674	0	78,062	115,898	101,475

	Book value 01.07.2022	Changes*	Book value 31.12.2022	Book value 30.06.2022
Participations	4,190	574	4,764	4,190
Shares in affiliated enterprises	26	0	26	26

* Summary pursuant to Section 34 (3) RechKredV

Other Assets

These figures largely contain claims from collateral in relation to derivatives amounting to €344.6 million (€248.0 million), unrealised gains from forward exchange deals with extra cover amounting to €48.8 million (€65.1 million) and paid option premiums of €4.1 million (€4.4 million).

Other Liabilities

The item includes, amongst other things, liabilities from collateral received in relation to derivatives amounting to €365.5 million (€272.1 million), unrealised losses of €12.7 million (€0.1 million) from forward exchange deals with extra cover and trade payables amounting to €1.3 million (€6.6 million).

Other provisions comprise

in T€	31.12.2022	30.06.2022
Provisions for human resources	33,751	26,675
Provisions for litigation cost risks	444	747
Other	53,950	50,521
Total	88,145	77,943

Other reserves primarily include reserves for strategic resource planning in the amount of €25.1 million (€27.8 million), reserves for the lending business in the amount of €12.6 million (€7.1 million), reserves for real property acquisition tax in connection with the acquisition by LBBW in the amount of €7.5 million (€7.5 million) and reserves for advisory services and appraisals amounting to €3.8 million (€2.0 million).

The ten per cent of the loans and debentures surpassing the total stock was assumed under the following conditions:

Nominal amount T€	Interest rate p. a. %	Repayment on
99,500	4.12	04.03.2024
28,000	3.00	16.10.2034

Subordinated Liabilities

Interest is paid on subordinate liabilities at the nominal rate of between 2.55 per cent to 4.23 per cent and is only to be reimbursed in the case of the Bank's bankruptcy or liquidation after satisfaction of all non-subordinate creditors. Early repayment is excluded. The repayments are to occur in the years 2024 to 2034. Based on a stock of €227.5 million (€227.5 million), €141.1 million (€152.5 million) fulfil the requirements of the CRR for recognition as applicable equity capital.

In the second short financial year 2022, interest paid amounted to €4.3 million (€4.3 million).

Equity

The subscribed capital of €753.4 million is composed of 294,292,672 non-par value bearer shares with a rounded nominal value of €2.56.

The Board of Management, with the Supervisory Board's consent, is authorised to increase the company's subscribed capital by issuing new non-par shares in return for contributions in cash once or several times, but only up to €205.8 million (authorised capital 2020), by 31 May 2025.

Proposal for Appropriation of Net Earnings

The profit and loss account for the second short financial year in 2022 shows a balance sheet profit of €41,013,315.92. The Board of Management and the Supervisory Board will propose to the Annual General Meeting that a total amount of €40,906,681.41 be used to pay a dividend of 13.9 cents per share, with the remaining balance sheet profit of €106,634.51 to be carried forward to new account.

Classification by Remaining Maturity in T€	31.12.2022	30.06.2022
Assets		
Claims against banking institutions		
a) Due on demand	101,270	905
b) Less than three months	109,916	783,794
c) Between three months and one year	0	0
d) Between one year and five years	0	0
e) More than five years	0	0
Total	211,186	784,699
Claims against customers		
a) Less than three months	755,531	796,724
b) Between three months and one year	2,694,335	2,583,069
c) Between one year and five years	11,343,678	10,881,942
d) More than five years	13,209,343	12,679,186
Total	28,002,887	26,940,921
Of which: claims with an indefinite term	0	0
Bonds and debentures		
due in the following year	970,866	1,538,108
Liabilities		
Liabilities to banking institutions		
a) Due on demand	34	2,673
b) Less than three months	1,753,278	498,778
c) Between three months and one year	2,620,090	7,214,036
d) Between three months and one year	194,839	1,167,720
e) More than five years	271,193	273,412
Total	4,839,434	9,156,619
of which non-preferred senior liabilities*	103,730	113,263
Liabilities to customers		
a) Due on demand	279,749	759,745
b) Less than three months	515,894	324,361
c) Between three months and one year	913,500	842,400
d) Between one year and five years	574,875	452,375
e) More than five years	2,392,604	2,516,056
Total	4,676,622	4,894,937
of which non-preferred senior liabilities*	1,201,557	1,204,117
Securitised liabilities		
a) Less than three months	1,114,357	1,648,031
b) Between three months and one year	2,544,314	2,357,074
c) Between one year and five years	10,138,662	8,149,402
d) More than five years	8,289,846	9,284,028
Total	22,087,179	21,438,535
of which non-preferred senior liabilities*	2,594,087	2,619,404
due in the following year	3,658,671	4,005,105

* debt securities within the meaning of Section 46 f (6)(1) of the German Banking Act (KWG) as amended on 10 July 2018.

Claims from and Liabilities to Affiliated Enterprises and Related Companies

in T€	31.12.2022		30.06.2022	
	Affiliated enterprises	Companies with which a shareholding relationship exists	Affiliated enterprises	Companies with which a shareholding relationship exists
Claims against banking institutions	3	0	74	0
Claims against customers	86,695	0	29,822	0
Debentures and other fixed-interest securities	27,499	0	0	0
Other Assets	113,361	0	0	0
Liabilities to banking institutions	1,635,866	0	0	0
Liabilities to customers	12,810	0	487	0
Securitised liabilities	0	0	0	0
Other Liabilities	0	0	32,234	0
Subordinated liabilities	0	0	0	0

Deferred Income

in T€	31.12.2022	30.06.2022
Deferred income from issuing and lending operations includes:		
Discount from issuing and lending operations	49,725	40,669
Premium from issuing and lending operations	3,345	4,930
Other	42,433	27,514
	95,503	73,113
Prepaid expenses for issuing and lending operations includes:		
Premium from issuing and lending operations	42,498	48,100
Discount from lending operations	4,268	4,662
Other	91,223	55,976
	137,988	108,738

Deferred income recognised under “Other” includes accrued up-front payments from swaps and premium payments from caps, floors and collars in the amount of €25.0 million (€5.6 million). Analogously, prepaid expenses

recognised under “Other” include in particular accrued up-front payments from swaps and premium payments from caps, floors and collars in the amount of €34.2 million (€16.5 million).

Foreign Currency Volumes

in T€	31.12.2022	30.06.2022
Assets	111,700	118,961
Liabilities	1,136,987	1,045,025
Irrevocable loan commitments	0	1,903

Price risks are predominantly neutralised through fixed-term deposits, currency futures and currency swaps.

Information Pursuant to Section 285 of the German Commercial Code (HGB) Regarding Obligations Arising from Transactions and Financial Obligations Not Included in the Balance Sheet

Taking into account the deducted reserves, irrevocable lending commitments as part of real estate and capital market business amount to €3,331.2 million (€3,357.6 million) as at the balance sheet date. Contingent liabilities consist of the assumption of guarantees for largely mortgage-backed loans of €321.1 million (€360.5 million). Identifiable risks have already been taken into account through reserves. In light of the credit ratings and the collateralisation, no acute default risks in the irrevocable loan commitments and contingent liabilities can be identified.

In connection with Berlin Hyp's investments, payment obligations result for PropTech 1 Fund I GmbH & Co. KG in the amount of T€875 (€1.4 million) and for OnSite ImmoAgent GmbH in the amount of T€0 (T€49)).

Berlin Hyp has concluded rental and leasing agreements for buildings used for banking operations as well as for the vehicle fleet and certain operating and business equipment. No significant risks with an impact on the assessment of the Bank's financial position arise from these agreements. All contracts concluded by the Bank in this form are within the normal scope of business, even when taking into account the higher rental costs for interim offices in connection with the construction of the main building, both individually and in total.

Berlin Hyp is an affiliated member of the security reserve of the Landesbanken and therefore also a member of the guarantee system of the Sparkassen-Finanzgruppe, which is recognised under the German Deposit Protection Act (EinSG). Berlin Hyp's annual contributions are calculated according to the amount of its covered deposits. In the event of compensation or support being reported by a member institution, one-off or additional payments can be levied; however, the amount of the payments is also calculated according to the amount of Berlin Hyp's covered deposits and is therefore not currently foreseeable.

Derivates as at 31.12.2022

Statement of changes in derivatives in €m	Nominal amount/Remaining term			Total Nominal	Total of negative market values	Total of positive market values	Total of negative book values (liabilities)	Balance sheet items (liabilities)	Total of positive book values (assets)	Balance sheet items (assets)
	up to 1 year	From 1 to 5 years	More than 5 years							
Interest-related transactions										
Interest rate swaps of which in valuation units	11,550 278	29,844 2,316	22,055 648	63,449 3,242	-2,929 -1	3,134 244	-51 0	P6	16 0	A15
FRA sales	0	0	0	0	0	0	0		0	
Swaptions	0	0	240	240	0	15	0	P5	4	A14
Securities future	0	0	0	0	0	0	0		0	
Caps	227	4,212	402	4,841	-216	56	-31	P6	25	A15
Floors	2,797	438	0	3,235	0	0	-2	P6	0	A15
Collar caps	0	46	0	46	-3	0	-1		0	
Collar floors	0	46	0	46	0	0	0		0	
Other transactions	0	0	500	500	0	0	0		0	
	14,574	34,586	23,197	72,357	-3,148	3,205	-85		45	
Currency-related transactions										
Forward exchange dealings	289	0	0	289	-12	3	-13	P5	3	A14
Interest and currency swaps	0	386	513	899	-35	6	-1	P5	47	A14
	289	386	513	1,188	-47	9	-14		50	
Total	14,863	34,972	23,710	73,545	-3,195	3,214	-99		95	

Derivates as at 30.06.2022

Statement of changes in derivatives in €m	Nominal amount/Remaining term			Total Nominal	Total of negative market values	Total of positive market values	Total of negative book values (liabilities)	Balance sheet items (liabilities)	Total of positive book values (assets)	Balance sheet items (assets)
	up to 1 year	From 1 to 5 years	More than 5 years							
Interest-related transactions										
Interest rate swaps of which in valuation units	8,253 252	25,351 1,762	22,158 624	55,762 2,638	-1,943 -6	2,095 135	-33 0	P6	20 0	A15
FRA sales	0	0	0	0	0	0	0		0	
Swaptions	19	0	240	259	-2	14	0	P5	4	A14
Securities future	0	0	0	0	0	0	0		0	
Caps	341	4,019	47	4,407	-101	16	-14	P6	6	A15
Floors	1,425	2,643	0	4,068	-1	0	-3	P6	0	A15
Collar caps	0	0	0	0	0	0	0		0	
Collar floors	0	0	0	0	0	0	0		0	
Other transactions	0	0	500	500	0	0	0		0	
	10,038	32,013	22,945	64,996	-2,047	2,125	-50		30	
Currency-related transactions										
Forward exchange dealings	401	0	0	401	0	20	-1	P5	22	A14
Interest and currency swaps	0	183	507	690	-16	4	0		46	A14
	401	183	507	1,091	-16	24	-1		68	
Total	10,439	32,196	23,452	66,087	-2,063	2,149	-51		98	

Completed business transactions largely serve to hedge interest and exchange rate risks of financial underlying transactions. The market values of the derivative financial instruments are shown on the basis of the interest rate applicable on 31 December 2022 without taking into account interest accruals. The market values of the derivatives are counteracted by

the valuation advantages of the balance sheet operations not assessed at market price. All derivatives – with the exception of customer derivatives – are hedged by collaterals. In the case of customer derivatives, the land charges assigned as collateral for the underlying loans also serve as collateral for derivatives transactions.

Number of Staff

Annual average	Male	Female	31.12.2022 Total	30.06.2022 Total
Full-time employees	286	191	477	465
Part-time employees	33	95	128	135
School-leaver trainees/BA students	1	3	4	2
Total	320	289	609	602

Group Affiliation

Since 1 July 2022, Berlin Hyp has been included in the consolidated annual accounts of Landesbank Baden-Württemberg as a subsidiary of the latter with its four headquarters in Stuttgart, Karlsruhe, Mainz and Mannheim (smallest and largest consolidation group as defined in Section 285 Nos. 14 and 14a of the German Commercial Code (HGB)). The consolidated annual accounts of Landesbank Baden-Württemberg will be published in the business register.

Information on a Reported Holding (Section 160 (1) No. 8 German Stock Corporation Act (AktG))

In a letter dated 4 July 2022, Landesbank Baden-Württemberg, Stuttgart, announced that it directly holds all shares in Berlin Hyp AG – following the transfer of the shares in Berlin Hyp AG from Landesbank Berlin Holding AG to Landesbank Baden-Württemberg as at 1 July 2022. Therefore, its share in the voting rights relating to the subscribed capital amounted to 100.00 per cent.

Letter of Comfort of Landesbank Berlin AG

The letter of comfort issued by Landesbank Berlin AG in favour of Berlin Hyp ended as at 31 December 2014. The guarantee remains in force for the obligation entered into until 31 December 2014.

Organs of Berlin Hyp

Board of Management

Sascha Klaus, Chair of the Board of Management

Maria Teresa Dreö-Tempsch, Chief Market Officer

Alexander Stuwe, Chief Financial Officer

Supervisory Board

Thorsten Schönenberger (since 01.07.2022)

→ Chair (since 04.07.2022)

→ Member of the Board of Management of Landesbank Baden-Württemberg, Real Estate and Project Financing

Helmut Schleweis

→ (until 01.07.2022) Chair

→ President of the Deutscher Sparkassen- und Giroverband e.V. (German Savings Banks and Giro Association)

Andrea Schlenzig

→ Deputy Chair

→ Bank employee

→ Employee representative

Anastasios Agathagelidis (since 01.07.2022)

→ Member of the Board of Management of Landesbank Baden-Württemberg, Risk Management and Compliance

Thomas Esterle (until 01.07.2022)

→ Bank employee

→ Employee representative

Bernd Fröhlich (until 01.07.2022)

→ Chair of the Board of Management of Sparkasse Mainfranken Würzburg

Jan Magnus Hausadel (until 01.07.2022)

→ Bank employee

→ Employee representative

Dr Harald Langenfeld (until 01.07.2022)

→ Chair of the Board of Management of Stadt- und Kreissparkasse Leipzig

Thomas Mang

→ President of the Sparkassenverband Niedersachsen (Savings Banks Association of Lower Saxony)

Thomas Meister

→ Bank employee

→ Employee representative

→ Chair of the Works Council of Berlin Hyp AG

Stefanie Münz (since 01.07.2022)

→ Member of the Board of Management of Landesbank Baden-Württemberg, Finances and Operations

Jana Pabst

→ Bank employee

→ Employee representative

→ Member of the Works Council of Berlin Hyp AG

Stefan Reuß (until 01.07.2022)

→ Managing President of the Sparkassen- und Giroverband Hessen-Thuringia

Dr Christian Ricken (since 01.07.2022)

→ Member of the Board of Management of Landesbank Baden-Württemberg, Capital Market Business and Asset Management/ International Business

Reinhard Sager (until 01.07.2022)
 → President of the Deutscher Landkreistag
 (German County Council)
 → Landrat Kreis Ostholstein

Peter Schneider (until 01.07.2022)
 → President of the Sparkassenverband
 Baden-Württemberg

Walter Strohmaier (until 01.07.2022)
 → Chair of the Board of Management of
 Sparkasse Niederbayern-Mitte
 → Federal Chair (Bundesobmann) of the
 German Savings Banks

Ulrich Voigt (until 01.07.2022)
 → Chair of the Board of Management of
 Sparkasse KölnBonn

Thomas Weiß (since 01.07.2022)
 → Division Head Financial Controlling of
 Landesbank Baden-Württemberg

Dieter Zimmermann (since 01.07.2022)
 → Chair of the Board of Management of
 Kreissparkasse Ahrweiler
 → Landesobmann of the Rhineland-Palatinate
 Savings Banks Board of Management
 Members

Loans to Members of the Bodies

As in the previous year, there were no loans
 receivable from members of the bodies.

Remuneration of the Members of the Bodies

Remuneration of the Board of Management

Disclosures on total remuneration (in T€)	01.07. – 31.12.22	01.01. – 30.06.22
Board of Management	1,033	1,530
of which expended or deferred in the financial year for pension liabilities	226	431
Former members of the Board of Management and their surviving dependants	1,565	1,537
Cash value of pension liabilities for former members of the Board of Management and their surviving dependants (in T€)	44,627	45,255
of which is reserved	44,627	45,255

Remuneration of the Supervisory Board

The remuneration payable to the members of
 the Supervisory Board for the second 2022 short
 financial year, including committee activity,
 amounts to T€42 (T€156)). The remuneration
 payable to former members of the Supervisory
 Board, including for their committee activity,
 amounts to T€1 (T€0).

Mandates of the Board of Management Members

Maria Teresa Dreo-Tempsch
 → Member of the Supervisory Board of
 Hamborner Reit AG

No employees had mandates in statutory
 supervisory boards of large corporations (with
 the exception of employee representatives in
 Berlin Hyp's Supervisory Board) in the short
 financial year 2022.

Statement of Cover Assets in € millions	31.12.2022	30.06.2022
in €m		
A. Mortgage Pfandbriefe		
Ordinary cover		
1. Claims against banking institutions		
Mortgage loans	0.0	0.0
2. Claims against customers		
Mortgage loans	16,039.6	16,338.8
3. Tangible assets (land charges on Bank-owned real estate)	0,0	0,0
Total	16,039.6	16,338.8
Additional cover		
1. Other claims against banking institutions	738.0	2,119.0
2. Debentures and other fixed-interest securities	410.0	1,026.2
Total	1,148.0	3,145.2
Total cover	17,187.6	19,484.0
Total mortgage Pfandbriefe requiring cover	16,045.7	18,107.5
Excess cover	1,141.9	1,376.6
B. Public Pfandbriefe		
Ordinary cover		
1. Claims against banking institutions		
a) Mortgage loans	0.0	0.0
b) Public-sector loans	0.0	0.0
2. Claims against customers		
a) Mortgage loans	8.1	8.4
b) Public-sector loans	200.4	200.4
3. Debentures and other fixed-interest securities	0.0	0.0
Total	208.4	208.8
Additional cover		
1. Other claims against banking institutions	0.0	30.8
2. Debentures and other fixed-interest securities	24.0	30.4
Total	24.0	61.2
Total cover	232.4	270.0
Total public Pfandbriefe requiring cover	200.0	200.0
Excess cover	32.4	69.9

Publication in accordance with Section 28 German Pfandbrief Act (PfandBG)
Section 28 (1) Nos. 1 to 3
Amounts in €m

	Nominal value		Present value		Risk-adjusted present value*	
	Q4 2022	Q2 2022	Q4 2022	Q2 2022	Q4 2022	Q2 2022
Total amount of outstanding						
Mortgage Pfandbriefe	16,045.7	18,107.5	14,672.4	17,394.3	16,220.1	20,606.3
of which derivatives	–	–	–	–	–	–
Cover assets	17,187.6	19,484.0	16,511.3	19,400.2	17,646.8	21,214.4
of which derivatives	–	–	–	–	–	–
Excess cover	1,141.9	1,376.6	1,838.9	2,005.9	1,426.7	608.1
Excess cover as % of outstanding Pfandbriefe	7.1	7.6	12.5	11.5	8.8	3.0
Statutory excess cover**, 1	620.8	–	293.5	–	–	–
Contractual excess cover**, 2	–	–	–	–	–	–
Voluntary excess cover**, 3	521.1	–	1,545.4	–	–	–
Excess cover under consideration of the vdp credit quality differentiation model	1,141.9	1,376.6	1,838.9	2,005.9		
Excess cover as % of outstanding Pfandbriefe	7.1	7.6	12.5	11.5		

	Nominal value		Present value		Risk-adjusted present value*	
	Q4 2022	Q2 2022	Q4 2022	Q2 2022	Q4 2022	Q2 2022
Total amount of outstanding						
Public Pfandbriefe	200.0	200.0	216.7	227.9	198.5	193.7
of which derivatives	–	–	–	–	–	–
Cover assets	232.4	270.0	247.0	300.2	212.8	212.7
of which derivatives	–	–	–	–	–	–
Excess cover	32.4	69.9	30.2	72.3	14.3	19.0
Excess cover as % of outstanding Pfandbriefe	16.2	34.9	14.0	31.7	7.2	9.8
Statutory excess cover**, 1	8.6	–	4.3	–	–	–
Contractual excess cover**, 2	–	–	–	–	–	–
Voluntary excess cover**, 3	23.8	–	25.9	–	–	–
Excess cover under consideration of the vdp credit quality differentiation model	32.4	69.9	30.2	72.3		
Excess cover as % of outstanding Pfandbriefe	16.2	34.9	14.0	31.7		

* For the calculation of the stress scenarios, the static amount reported is taken for currencies and the dynamic amount reported is taken for interest pursuant to Section 5 of the Net Present Value Regulation (PfandBarwertV).

** Article 2 G. from 12 May 2021 Federal Law Gazette (BGBl) I p. 1063 changes Section 28 PfandBG and the new version has been valid since 8 July 2022.

The initial publication of new/changed mandatory information took place at the reporting date of 30 September 2022. Pursuant to the transitional provision in Section 55 PfandBG, the publication of previous year's figures will thus not be possible until the reporting date of 30 September 2023.

¹ In accordance with

Nominal value: Sum of the nominal value of excess cover in accordance with Section 4 (2) PfandBG and the nominal value of the present value securing excess cover in accordance with Section 4 (1) PfandBG

Present value: Present value securing excess cover in accordance with Section 4 (1) PfandBG

² Contractually assured excess cover

³ Residual, depending on statutory and contractual excess cover; present value includes the cash value of nominal securing excess cover in accordance with Section 4 (2) PfandBG

Section 28 (1)(1) Nos. 4 and 5

Maturity Structure of Outstanding Pfandbriefe (Nominal) and the Cover Assets Used for Them

4. Quartal 2022

Mortgage Pfandbriefe Residual term	Q4 2022		Q2 2022		Q4 2022 Fäv (12 month)*	Q2 2022 Fäv (12 month)**
	Outstanding Pfandbriefe	Cover assets	Outstanding Pfandbriefe	Cover assets	Outstanding Pfandbriefe	Outstanding Pfandbriefe
Up to 0.5 years	1,370.8	1,034.5	1,550.2	2,834.0	–	–
Between 0.5 and 1 year	568.0	1,029.9	1,370.3	987.1	–	–
Between 1 and 1.5 years	1,082.0	928.8	718.0	917.9	1,370.8	–
Between 1.5 and 2 years	166.0	1,261.9	1,082.0	1,133.1	568.0	–
Between 2 and 3 years	2,455.0	2,178.3	2,234.0	1,927.2	1,248.0	–
Between 3 and 4 years	1,473.1	2,328.3	2,251.0	2,579.0	2,455.0	–
Between 4 and 5 years	1,987.0	2,004.6	1,297.0	2,291.9	1,473.1	–
Between 5 and 10 years	5,535.5	5,975.7	6,221.5	6,341.5	6,694.0	–
Longer than 10 years	1,408.3	445.6	1,383.5	472.3	2,236.8	–

Public Pfandbriefe	Outstanding Pfandbriefe	Cover assets	Outstanding Pfandbriefe	Cover assets	Outstanding Pfandbriefe	Outstanding Pfandbriefe
Up to 0.5 years	9.0	0.4	–	47.5	–	–
Between 0.5 and 1 year	–	0.3	9.0	0.4	–	–
Between 1 and 1.5 years	10.0	10.4	–	4.3	9.0	–
Between 1.5 and 2 years	–	0.4	10.0	0.5	–	–
Between 2 and 3 years	35.0	14.5	–	3.7	10.0	–
Between 3 and 4 years	–	5.3	35.0	7.5	35.0	–
Between 4 and 5 years	96.0	50.5	96.0	5.5	–	–
Between 5 and 10 years	–	0.6	–	50.6	96.0	–
Longer than 10 years	50.0	150.1	50.0	150.1	50.0	–

Information on extending the maturity of Pfandbriefe

	31.12.2022	30.06.2022**
Requirements for extending the maturity of Pfandbriefe	The extension of maturity is required in order to avoid the insolvency of the Pfandbrief bank with limited business activities (prevention of insolvency); the Pfandbrief bank with limited business activities is not over-indebted (no existing over-indebtedness) and there is reason to believe that the Pfandbrief bank with limited business activities will, at least after the longest possible extension period and with consideration of further extension possibilities, be able to pay the liabilities that will then be due (positive fulfillment forecast). See also Section 30 (2b) PfandBG.	
Powers of the cover pool administrator when Pfandbriefe maturity is extended	The cover pool administrator can extend the due date of principle repayments if the relevant conditions pursuant to Section 30 (2b) PfandBG for this have been met. The duration of the extension, which may not exceed 12 months, is set by the cover pool administrator in line with the given requirements. The cover pool administrator can extend the due date of principle repayments and interest payments that are due within one month after the appointment of the cover pool administrator up until the end of this one-month period. If the cover pool administrator decides to implement such an extension, the existence of the conditions pursuant to Section 30 (2b) PfandBG are irrefutably assumed. The maximum extension period of 12 months is to be taken into account when such an extension is considered. The cover pool administrator may use their authorisation only uniformly for all Pfandbriefe in an issue, whereby the due dates can be extended either fully or in part. The cover pool administrator is to extend the maturity in such a manner as to ensure that the original sequence of the servicing of the Pfandbriefe, which could be altered ("overtaking") by the extension, is not changed ("ban on overtaking"). This can lead to a situation in which the maturity of issues that are due at a later time must also be extended in order to ensure that the ban on overtaking is complied with. See also Section 30 (2a, 2b) PfandBG.	

* Effects of a maturity extension on the maturity structure of Pfandbriefe / extension scenario: 12 months. This is an extremely unlikely scenario that could only materialise after a cover pool administrator has been appointed.

** Article 2 G. from 12 May 2021 Federal Law Gazette (BGBl) I p. 1063 changes Section 28 PfandBG and the new version has been valid since 8 July 2022. The initial publication of new/changed mandatory information took place at the reporting date of 30 September 2022. Pursuant to the transitional provision in Section 55 PfandBG, the publication of previous year's figures will thus not be possible until the reporting date of 30 September 2023.

**Section 28 (2) No. 1a PfandBG, Section 28 (3) No. 1 PfandBG
and Section 28 (4) No. 1a PfandBG**

**Claims Used as Cover for Mortgage Pfandbriefe
Classified According to Size**

4. Quartal 2022

Cover in € m	Q4 2022	Q2 2022
Up to and including €300,000	21.8	24.5
More than €300,000 Up to and including €1 million	76.9	89.1
From €1 million up to and including €10 million	2,239.4	2,263.9
More than €10 million	13,701.5	13,961.4
Total	16,039.6	16,338.8

**Claims Used as Cover for Public Pfandbriefe
Classified According to Size**

4. Quartal 2022

Cover in € m	Q4 2022	Q2 2022
Including to and including €10 million	21.4	22.8
From €10 million including to and including €100 million	211.0	216.4
More than €100 million	–	–
Total	232.4	239.2

Section 28 (2) No. 1b and c and No. 2 PfandBG

**Claims Used as Cover for Mortgage Pfand-
briefe Classified According to Areas in which
the Mortgaged Property is Allocated and Type
of Use, as Well as Total Amount of Payments in
Arrears for at Least 90 days and Total of Such
Claims Where the Respective Arrears Amount
to at Least 5% of the Claim**

4. Quartal 2022

Total – all countries in € m

	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		25.3		16.8
Single and two-family houses		144.9		154.1
Residential buildings for several families		5,099.7		5,360.9
Office buildings	5,734.6		5,630.2	
Retail buildings	3,079.7		3,231.1	
Industrial buildings	202.9		110.7	
Other commercially used buildings	1,648.3		1,676.7	
Unfinished, as yet unprofitable new buildings	52.2	–	106.4	–
Building sites	51.8	–	52.0	–
Total amount of payments in arrears for at least 90 days	0.0		0.0	
Total of such claims where the respective arrears amount to at least 5 % of the claim	–		–	
Total	10,769.6	5,269.9	10,807.0	5,531.8
	16,039.6		16,338.8	

Germany in € m

	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		25.1		16.6
Single and two-family houses		8.9		9.1
Residential buildings for several families		4,482.6		4,833.4
Office buildings	2,847.8		2,777.2	
Retail buildings	1,713.8		1,891.5	
Industrial buildings	198.9		106.7	
Other commercially used buildings	1,214.0		1,274.3	
Unfinished, as yet unprofitable new buildings	52.2	-	106.4	-
Building sites	51.8	-	52.0	-
Total amount of payments in arrears for at least 90 days	-		0.0	
Total of such claims where the respective arrears amount to at least 5 % of the claim	-		-	
Total	6,078.5	4,516.6	6,208.1	4,859.1
	10,595.1		11,067.2	

Belgium in € m

	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		-		-
Single and two-family houses		-		-
Residential buildings for several families		-		-
Office buildings	55.7		55.7	
Retail buildings	-		-	
Industrial buildings	-		-	
Other commercially used buildings	-		-	
Unfinished, as yet unprofitable new buildings	-	-	-	-
Building sites	-	-	-	-
Total amount of payments in arrears for at least 90 days	-		-	
Total of such claims where the respective arrears amount to at least 5 % of the claim	-		-	
Total	55.7	-	55.7	-
	55.7		55.7	

France in € m

	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		-		-
Single and two-family houses		-		-
Residential buildings for several families		-		-
Office buildings	953.8		865.3	
Retail buildings	319.3		292.6	
Industrial buildings	-		-	
Other commercially used buildings	94.0		94.1	
Unfinished, as yet unprofitable new buildings	-	-	-	-
Building sites	-	-	-	-
Total amount of payments in arrears for at least 90 days	-		-	
Total of such claims where the respective arrears amount to at least 5 % of the claim	-		-	
Total	6,078.5	-	6,208.1	-
	1,367.1		1,252.1	

Great Britain in € m

	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		–		–
Single and two-family houses		–		–
Residential buildings for several families		–		–
Office buildings	64.3		66.4	
Retail buildings	–		–	
Industrial buildings	–		–	
Other commercially used buildings	–		–	
Unfinished, as yet unprofitable new buildings	–	–	–	–
Building sites	–	–	–	–
Total amount of payments in arrears for at least 90 days	–		–	
Total of such claims where the respective arrears amount to at least 5 % of the claim	–		–	
Total	64.3	–	66.4	–
	64.3		66.4	

The Netherlands in € m

	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		0.2		0.2
Single and two-family houses		136.0		145.0
Residential buildings for several families		617.1		527.5
Office buildings	1,019.1		1,131.8	
Retail buildings	704.4		704.0	
Industrial buildings	4.0		4.0	
Other commercially used buildings	273.2		241.1	
Unfinished, as yet unprofitable new buildings	–	–	–	–
Building sites	–	–	–	–
Total amount of payments in arrears for at least 90 days	0.0		–	
Total of such claims where the respective arrears amount to at least 5 % of the claim	–		–	
Total	2,000.8	753.3	2,081.0	672.7
	2,754.1		2,753.7	

Poland in € m

	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		–		–
Single and two-family houses		–		–
Residential buildings for several families		–		–
Office buildings	618.2		558.1	
Retail buildings	270.6		271.2	
Industrial buildings	–		–	
Other commercially used buildings	67.1		67.1	
Unfinished, as yet unprofitable new buildings	–	–	–	–
Building sites	–	–	–	–
Total amount of payments in arrears for at least 90 days	–		–	
Total of such claims where the respective arrears amount to at least 5 % of the claim	–		–	
Total	955.8	–	896.4	–
	955.8		896.4	

Czech Republic in € m

	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		-		-
Single and two-family houses		-		-
Residential buildings for several families		-		-
Office buildings	175.7		175.7	
Retail buildings	71.7		71.7	
Industrial buildings	-		-	
Other commercially used buildings	-		-	
Unfinished, as yet unprofitable new buildings	-	-	-	-
Building sites	-	-	-	-
Total amount of payments in arrears for at least 90 days	-		-	
Total of such claims where the respective arrears amount to at least 5 % of the claim	-		-	
Total	247.4	-	247.4	-
	247.4		247.4	

Section 28 (3) No. 2 PfandBG

**Claims Used as Cover for Public Pfandbriefe
4. Quartal 2022**

Total – all countries in € m

	Q4 2022		Q2 2022	
	of which owed by	of which guaranteed by	of which owed by	of which guaranteed by
Federal governments	50.0	-	50.0	-
Regional authorities	164.0	8.4	180.4	8.8
Local authorities	-	-	-	-
Other	10.0	-	-	-
Total	232.4		239.2	
Amount of the total accounted for by guarantees for reasons of export promotion	-		-	

Germany in € m

	Q4 2022		Q2 2022	
	of which owed by	of which guaranteed by	of which owed by	of which guaranteed by
Federal governments	-	-	-	-
Regional authorities	164.0	8.4	180.4	8.8
Local authorities	-	-	-	-
Other	10.0	-	-	-
Total	182.4		189.2	
Amount of the total accounted for by guarantees for reasons of export promotion	-		-	

Austria in € m

	Q4 2022		Q2 2022	
	of which owed by	of which guaranteed by	of which owed by	of which guaranteed by
Federal governments	50.0	-	50.0	-
Regional authorities	-	-	-	-
Local authorities	-	-	-	-
Other	-	-	-	-
Total	50.0		50.0	
Amount of the total accounted for by guarantees for reasons of export promotion	-		-	

Section 28 (3) No. 3 PfandBG

Total Amount of Payments in Arrears for at Least 90 Days – Public Pfandbriefe and Total of Such Claims Where the Respective Arrears Amount to at Least 5% of the Claim
4. Quartal 2022

Total – all countries in € m	Q4 2022		Q2 2022	
	Total amount of payments in arrears for at least 90 days	Total of such claims where the respective arrears amount to at least 5% of the claim	Total amount of payments in arrears for at least 90 days	Total of such claims where the respective arrears amount to at least 5% of the claim
Federal governments	–	–	–	–
Regional authorities	–	–	–	–
Local authorities	–	–	–	–
Other	–	–	–	–
Total	–	–	–	–

Germany in € m	Q4 2022		Q2 2022	
	Total amount of payments in arrears for at least 90 days	Total of such claims where the respective arrears amount to at least 5% of the claim	Total amount of payments in arrears for at least 90 days	Total of such claims where the respective arrears amount to at least 5% of the claim
Federal governments	–	–	–	–
Regional authorities	–	–	–	–
Local authorities	–	–	–	–
Other	–	–	–	–
Total	–	–	–	–

Austria in € m	Q4 2022		Q2 2022	
	Total amount of payments in arrears for at least 90 days	Total of such claims where the respective arrears amount to at least 5% of the claim	Total amount of payments in arrears for at least 90 days	Total of such claims where the respective arrears amount to at least 5% of the claim
Federal governments	–	–	–	–
Regional authorities	–	–	–	–
Local authorities	–	–	–	–
Other	–	–	–	–
Total	–	–	–	–

Section 28 (1)(1) Nos. 8, 9 and 10 PfandBG

Additional Cover – Detailed Depiction for Mortgage Pfandbriefe

4. Quartal 2022

Additional cover for mortgage Pfandbriefe pursuant to Section 19 (1)(1) No. 2a and b, Section 19 (1)(1) No. 3a to c, Section 19 (1)(1) No. 4*

Total – all countries in € m	Q4 2022			Q2 2022		
	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	302.5	435.5		–	–	
Total	302.5	435.5	410.0	–	–	–
Total		1,148.0			–	

Germany in € m	Q4 2022			Q2 2022		
	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	302.5	93.0		–	–	
Total	302.5	93.0	380	–	–	–
Total		775.5			–	

Poland in € m	Q4 2022			Q2 2022		
	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	0.0	0.0		–	–	
Total	0.0	0.0	30.0	–	–	–
Total		30.0			–	

Sweden in € m	Q4 2022			Q2 2022		
	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	0.0	30.0		-	-	
Total	0.0	30.0	0.0	-	-	-
Total		30.0			-	

Canada in € m	Q4 2022			Q2 2022		
	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	0.0	312.5		-	-	
Total	0.0	312.5	0.0	-	-	-
Total		312.5			-	

* Article 2 G. from 12 May 2021 Federal Law Gazette (BGBl) I p. 1063 changes Section 28 PfandBG and the new version has been valid since 8 July 2022. The initial publication of new/changed mandatory information took place at the reporting date of 30 September 2022. Pursuant to the transitional provision in Section 55 PfandBG, the publication of previous year's figures will thus not be possible until the reporting date of 30 September 2023.

Section 28 (1)(1) Nos. 8 and 9 PfandBG

Additional Cover – Detailed Depiction for Public Pfandbriefe

4. Quartal 2022

Additional cover for public Pfandbriefe pursuant to Section 20 (2)(1) No. 2, Section 20 (2)(1) No. 3a to c, Section 20 (2)(1) No. 4*

Total – all countries in € m	Q4 2022			Q2 2022		
	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1) (1) No. 2a nd b	Claims pursuant to Section 19 (1) (1) No. 3a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	-	-	-	-	-	-
Total	-	-	-	-	-	-
Total		-			-	

* Article 2 G. from 12 May 2021 Federal Law Gazette (BGBl) I p. 1063 changes Section 28 PfandBG and the new version has been valid since 8 July 2022. The initial publication of new/changed mandatory information took place at the reporting date of 30 September 2022. Pursuant to the transitional provision in Section 55 PfandBG, the publication of previous year's figures will thus not be possible until the reporting date of 30 September 2023.

**Section 28 (1)(1) Nos. 6, 7, 11, 12, 13, 14, 15
PfandBG and Section 28 (1)(1) Nos. 6, 7, 11,
12, 13, 14, 15**

**Figures on Outstanding Pfandbriefe
and Cover Used**

4. Quartal 2022

Mortgage Pfandbriefe		Q4 2022	Q2 2022
Outstanding Pfandbriefe	€ m	16,045.7	18,107.5
of which share of fixed-interest Pfandbriefe Section 28 (1) No. 13 (weighted average)	%	99.6	84.2
Cover assets	€ m	17,187.6	19,484.0
of which total claims in accordance with Section 12 (1) that exceed the limits pursuant to Section 13 (1)(2) 2nd clause Section 28 (1)(1) No. 11	€ m	–	–
of which total values in accordance with Section 19 (1) that exceed the limits pursuant to Section 19 (1)(7) Section 28 (1)(1) No. 11	€ m	–	–
Claims that exceed the limit pursuant to Section 19 (1)(2) Section 28 (1)(1) No. 12	€ m	–	–
Claims that exceed the limit pursuant to Section 19 (1)(3) Section 28 (1)(1) No. 12	€ m	–	–
Claims that exceed the limit pursuant to Section 19 (1)(4) Section 28 (1)(1) No. 12	€ m	–	–
of which share of fixed-interest cover assets Section 28 (1) No. 13	%	74.9	78.0
Net present value pursuant to Section 6 Pfandbrief Net Present Value Regulation (PfandBarwertV) per foreign currency in €m Section 28 (1) No. 14 (balance from assets/liabilities)	CAD	–	–
	CHF	–211.7	–
	CZK	–	–
	DKK	–	–
	GBP	65.9	68.9
	HKD	–	–
	JPY	–	–
	NOK	–	–
	SEK	–	–
	USD	–	–
	AUD	–	–
Volume-weighted average of the age of the claims (lapsed term since lending – seasoning) Section 28 (2) No. 4	Years	4.3	4.1
Average weighted loan-to-value ratio Section 28 (2) No. 3	%	57.0	57.2
Average weighted loan-to-value ratio on a market value basis – voluntary disclosure – (average)	%	–	–

Mortgage Pfandbriefe		Q4 2022	Q2 2022
Liquidity figures in accordance with Section 28 (1)(1) No. 6 PfandBG*			
Largest negative amount that will result within the next 180 days within the meaning of Section 4 (1a)(3) PfandBG for Pfandbriefe (liquidity requirement)	€ m	779.5	–
Day on which the largest negative amount will result	Day (1 – 180)	148.0	–
Total amount of cover that meets the requirements under Section 4 (1a)(3) PfandBG (liquidity cover)	€ m	998.3	–
Figures in accordance with Section 28 (1)(1) No. 7 PfandBG			
Share of cover assets accounted for by derivatives transactions pursuant to Section 19 (1)(1) No. 1 (creditworthiness level 3)	%	–	–
Share of cover assets accounted for by derivatives transactions pursuant to Section 19 (1)(1) No. 2 c (creditworthiness level 2)	%	–	–
Share of cover assets accounted for by derivatives transactions pursuant to Section 19 (1)(1) No. 3 d (creditworthiness level 1)	%	–	–
Share of liabilities to be covered that are accounted for by derivatives transactions pursuant to Section 19 (1)(1) No. 1 (creditworthiness level 3)	%	–	–
Share of liabilities to be covered that are accounted for by derivatives transactions pursuant to Section 19 (1)(1) No. 2 c (creditworthiness level 2)	%	–	–
Share of liabilities to be covered that are accounted for by derivatives transactions pursuant to Section 19 (1)(1) No. 3 d (creditworthiness level 1)	%	–	–
Figures in accordance with Section 28 (1)(1) No. 15 PfandBG			
Share of cover assets accounted for by cover for which, or for its debtor, a default within the meaning of Art. 178 (1) CRR is considered to have occurred.	%	0.3	–

* Article 2 G. from 12 May 2021 Federal Law Gazette (BGBl) I p. 1063 changes Section 28 PfandBG and the new version has been valid since 8 July 2022. The initial publication of new/changed mandatory information took place at the reporting date of 30 September 2022. Pursuant to the transitional provision in Section 55 PfandBG, the publication of previous year's figures will thus not be possible until the reporting date of 30 September 2023.

Public Pfandbriefe		Q4 2022	Q2 2022
Outstanding Pfandbriefe	€ m	200.0	200.0
of which share of fixed-interest Pfandbriefe Section 28 (1) No. 13 (weighted average)	%	100.0	100.0
Cover assets	€ m	232.4	270.0
of which total claims in accordance with Section 20 (1 and 2) that exceed the limits pursuant to Section 20 (3) Section 28 (1)(1) No. 11	€ m	–	–
Claims that exceed the limit pursuant to Section 20 (2)(2) Section 28 (1)(1) No. 12		–	–
Claims that exceed the limit pursuant to Section 20 (2)(3) Section 28 (1)(1) No. 12		–	–
of which share of fixed-interest cover assets Section 28 (1) No. 13	%	100.0	100.0
Net present value pursuant to Section 6 Pfandbrief Net Present Value Regulation (PfandBarwertV) per foreign currency in € m Section 28 (1) No. 14 (balance from assets/liabilities)	CAD	–	–
	CHF	–	–
	CZK	–	–
	DKK	–	–
	GBP	–	–
	HKD	–	–
	JPY	–	–
	NOK	–	–
	SEK	–	–
	USD	–	–
	AUD	–	–
Liquidity figures in accordance with Section 28 (1)(1) No. 6 PfandBG*			
Largest negative amount that will result within the next 180 days within the meaning of Section 4 (1a)(3) PfandBG for Pfandbriefe (liquidity requirement)	€ m	14.2	–
Day on which the largest negative amount will result	Day (1 – 180)	113.0	–
Total amount of cover that meets the requirements under Section 4 (1a)(3) PfandBG (liquidity cover)	€ m	22.9	–
Figures in accordance with Section 28 (1)(1) No. 7 PfandBG			
Share of cover assets accounted for by derivatives transactions pursuant to Section 20 (2)(1) No. 1 (creditworthiness level 3)	%	–	–
Share of cover assets accounted for by derivatives transactions pursuant to Section 20 (2)(1) No. 2 (creditworthiness level 2)	%	–	–
Share of cover assets accounted for by derivatives transactions pursuant to Section 20 (2)(1) No. 3 c (creditworthiness level 1)	%	–	–
Share of liabilities to be covered that are accounted for by derivatives transactions pursuant to Section 20 (2)(1) No. 1 (creditworthiness level 3)	%	–	–
Share of liabilities to be covered that are accounted for by derivatives transactions pursuant to Section 20 (2)(1) No. 2 (creditworthiness level 2)	%	–	–
Share of liabilities to be covered that are accounted for by derivatives transactions pursuant to Section 20 (2)(1) No. 3 c (creditworthiness level 1)	%	–	–

Public Pfandbriefe		Q4 2022	Q2 2022
Figures in accordance with Section 28 (1)(1) No. 15 PfandBG			
Share of cover assets accounted for by cover for which, or for its debtor, a default within the meaning of Art. 178 (1) CRR is considered to have occurred.	%	–	–

* Article 2 G. from 12 May 2021 Federal Law Gazette (BGBl) I p. 1063 changes Section 28 PfandBG and the new version has been valid since 8 July 2022. The initial publication of new/changed mandatory information took place at the reporting date of 30 September 2022. Pursuant to the transitional provision in Section 55 PfandBG, the publication of previous year's figures will thus not be possible until the reporting date of 30 September 2023.

Section 28 (1)(1) No. 2 PfandBG
International Securities Identification
Numbers of the International Organisation for
Standardisation (ISIN) by Pfandbrief Type
4. Quartal 2022

Mortgage Pfandbriefe	Q4 2022	Q2 2022*
ISIN	CH1202242249, DE000BHY0AU8, DE000BHY0BC4, DE000BHY0BE0, DE000BHY0BN1, DE000BHY0BQ4, DE000BHY0BV4, DE000BHY0BZ5, DE000BHY0B14, DE000BHY0C47, DE000BHY0C70, DE000BHY0C88, DE000BHY0GC3, DE000BHY0GD1, DE000BHY0GE9, DE000BHY0GH2, DE000BHY0GK6, DE000BHY0GL4, DE000BHY0GX9, DE000BHY0HC1, DE000BHY0HK4, DE000BHY0HM0, DE000BHY0HN8, DE000BHY0HP3, DE000BHY0HW9, DE000BHY0HZ2, DE000BHY0H34, DE000BHY0JB9, DE000BHY0JC7, DE000BHY0JD5, DE000BHY0JJ2, DE000BHY0JS3, DE000BHY0JU9, DE000BHY0JW5, DE000BHY0JX3, DE000BHY0MQ1, DE000BHY0MT5, DE000BHY0MW9, DE000BHY0MX7, DE000BHY0SB0, DE000BHY0150, DE0002180064, DE0002190097, DE0002190204, DE0002190220, DE0002190253, DE0002190295, DE0002190303, DE0002190329, DE0002190337, DE0002190345, DE0002190402, DE0002190436, DE0002190444, DE0002190485, DE0002190543, DE0002190659, DE0002190725, DE0002190741, DE0002190782, DE0002190832, DE0002190972, DE0002191020, DE0002200003, DE0002200250, DE0002200359, DE0002200375, DE0002200409, DE0002200417, DE0002200425, DE0002200441, DE0002200458, DE0002200466, DE0002200516, DE0002200532, DE0002200557, DE0002200565, DE0002200573, DE0002200599, DE0002200615, DE0002200623, DE0002200649, DE0002200664, DE0002200672, DE0002200680, DE0002200698, DE0002200706, DE0002200714, DE0002200763, DE0002210028	

Public Pfandbriefe	Q4 2022	Q2 2022*
ISIN	DE0002193315, DE0002193372, DE0002193646, DE0002203213, DE0002206737	

* Article 2 G. from 12 May 2021 Federal Law Gazette (BGBl) I p. 1063 changes Section 28 PfandBG and the new version has been valid since 8 July 2022. The initial publication of new/changed mandatory information took place at the reporting date of 30 September 2022. Pursuant to the transitional provision in Section 55 PfandBG, the publication of previous year's figures will thus not be possible until the reporting date of 30 September 2023.

Section 28 (2) No. 4 PfandBG

Section 28 (2) No. 4a and b PfandBG: Information on Foreclosures and Administrative Receivership Proceedings, Overdue Interest and Repayments of Mortgage Loans

Section 28 (2) No. 4a and b PfandBG in Number	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
No. 4a Pending foreclosures	-	-	1	-
Pending administrative receiverships	-	-	1	-
Of which included	-	-	1	-
in the pending foreclosures	-	-	-	-
No. 4b Cases in which property has been seized to prevent losses	-	-	-	-

Section 28 (2) No. 4c PfandBG in € m	Q4 2022		Q2 2022	
	Commercial	Residential	Commercial	Residential
No. 4c Total interest in arrears	0.0	0.0	-	0.0

Berlin, 21 February 2023



Sascha Klaus



Maria Teresa Dreio-Tempsch



Alexander Stuwe

Independent Auditor's Report

To Berlin Hyp AG, Berlin/Germany

Report on the Audit of the Annual Financial Statements and of the Management Report

Audit Opinions

We have audited the annual financial statements of Berlin Hyp AG, Berlin/Germany, which comprise the balance sheet as at 31 December 2022, and the statement of profit and loss, the statement of cash flows and the statement of changes in equity for the abridged reporting period from 1 July to 31 December 2022, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Berlin Hyp AG, Berlin/Germany, for the abridged reporting period from 1 July to 31 December 2022. In accordance with the German legal requirements, we have not audited the content of the corporate governance statement included in section VI "Corporate governance statement in accordance with Sec. 289f HGB" and the separate non-financial statement included in section VII "Non-financial statements in accordance with Sec. 289b and c HGB", each of which is made reference to in the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2022 and of its financial performance for the abridged reporting period from 1 July to 31 December 2022 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of

future development. Our audit opinion on the management report does not cover the contents of the corporate governance statement included in section VI "Corporate governance statement in accordance with Sec. 289f HGB" and the separate non-financial statement included in section VII "Non-financial statements in accordance with Sec. 289b and c HGB", each of which is made reference to in the management report.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most signifi-

cance in our audit of the annual financial statements for the abridged reporting period from 1 July to 31 December 2022. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following we present the determination of specific and general risk provisioning in the lending business, which we have determined to be a key audit matter in the course of our audit.

Our presentation of these key audit matters has been structured as follows:

- a) description (including reference to corresponding information in the annual financial statements)
- b) auditor's response

Determination of specific and general risk provisioning

a) As at 31 December 2022, a total of bEUR 28.2 in loans and advances to customers and other banks are recognised in the annual financial statements of Berlin Hyp AG, which makes up 82.0% of total assets. The existing risk provisioning of mEUR 303.2 has already been deducted from these loans and advances. The risk provision includes both individually determined specific allowances of mEUR 33.3 and model-based fixed-rate allowances of mEUR 109.2, which also include a model-based management adjustment of mEUR 79.1 due to the uncertainties of the further economic developments in connection with the energy and inflation crisis. Additional contingent liabilities and other commitments amount to bEUR 3.7. Provisions of mEUR 12.6 have been set up for these, which amount to mEUR 3.8 based on provisions determined on a model basis and to mEUR 8.8 related to the model-based management adjustment. The management adjustment thus totals mEUR 87.9.

The Bank assesses the recoverability of loans and advances in the lending business on a regular basis and whenever there are objective indications that the assets may be

impaired. The allowance requirement corresponds to the amount at risk of default taking into account the respective collaterals, which is determined according to the internal regulations of the Bank. Where applicable, corresponding provisions are made for off-balance sheet transactions subject to either an imminent risk of utilisation by doubtful borrowers (guarantees, warranties) or to expected impairments due to payment obligations (irrevocable loan commitments).

The computation of the general risk provision was outsourced by the Bank to the Landesbank Baden-Wuerttemberg, Stuttgart, Karlsruhe, Mannheim and Mainz. It is carried out by means of mathematical-statistical procedures on the basis of the expected credit loss, using regulatory risk parameters (probability of default, recovery rate from the liquidation of collateral and the recovery rate on the unsecured portion) as a basis.

Due to the existing economic uncertainties in connection with the impacts of the Russian-Ukraine war, in particular in combination with the energy and inflation crisis, the Bank increased its general risk provisions by a management adjustment of mEUR 87.9 as at the reporting date 31 December 2022. The calculation of the general risk provision is based on an overall expected increase in the probability of default of existing borrowers through an adjustment of the parameters used for the determination.

Given the fact that the lending business is one of the Bank's core business activities and both individual and model-based measurement of receivables and contingent liabilities and other commitments requires the executive directors to make judgements and estimates and is thus subject to uncertainties and discretion, this matter was of particular relevance as part of our audit.

The disclosures on the determination of risk provisioning in the lending business can be found in the notes to the financial statements in the chapter "Receivables and liabilities".

b) As part of our risk-oriented audit approach, we have both audited the relevant internal control system and performed substantive audit procedures based on our risk assessment. The test of design and implementation and of operating effectiveness comprised the controls with respect to the processes for identifying indications for impairment (risk early recognition process), customer ratings as well as individual loan-related determination of impairment (determination of specific allowances) under considering the provided collaterals.

In addition, we assessed, on the basis of individual cases selected according to risk-oriented criteria, the appropriate identification of indications of impairment as well as the valuation of receivables for which an impairment test was required by the Bank, including the reasonableness of the estimated values. Within the scope of this evaluation, we particularly reviewed those methods, assumptions and data used by the client for determining the estimated values. For the valuation of receivables, we assessed the underlying assumptions, in particular the valuation of collateral.

In order to examine the outsourcing of the calculation of the general risk provisions to Landesbank Baden-Wuerttemberg, Stuttgart, Karlsruhe, Mannheim and Mainz/ Germany, we have in particular examined the calculation processes carried out at LBBW and traced the data flows between LBBW and Berlin Hyp as well as the plausibility checks carried out at Berlin Hyp. In addition, we verified the calculated general risk provision on the basis of representatively selected samples and assessed the methodology used to derive the management adjustment and the appropriateness of the key assumptions underlying the calculation.

For the purpose of assessing the determination of the general risk provision including the management adjustment and assessing the measurement of collaterals, we called in our internal specialists.

Furthermore, we have examined the disclosures within the notes for their correctness and completeness.

Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises:

- the report of the supervisory board,
- the separate non-financial statement pursuant to Sections 289b to 289e HGB, which is included in chapter VII "Non-financial statement pursuant to Sections 289b to c HGB",
- the corporate governance statement pursuant to Section 289f HGB included in chapter VI "Corporate governance statement pursuant to Section 289f HGB" of the management report,
- the executive directors' confirmation regarding the annual financial statements and the management report pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB, and
- all other parts of the annual report,
- but not the annual financial statements, not the audited content of the management report and not our auditor's report thereon.

The supervisory board is responsible for the report of the supervisory board. Otherwise the executive directors are responsible for the other information.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information is materially inconsistent with the annual financial statements, with the audited content of the management report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply all material respects, with the requirements of German commercial law applicable, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally

Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that

includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be

thought to bear on our independence, and where applicable, the measures taken to eliminate independence threats or the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB

Audit Opinion

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the provided file, which has the SHA-256 value ..., meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the management report prepared for publication contained in the provided file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying management report for the abridged reporting period from 1 July to 31 December 2022 contained in the "Report on the Audit of the Annual Financial Statements and of the Management Report" above, we

do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

Basis for the Audit Opinion

We conducted our audit of the electronic reproductions of the annual financial statements and of the management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the “Auditor’s Responsibilities for the Audit of the ESEF Documents” section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QS 1).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor’s Responsibilities for the Audit of the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited management report.

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the general meeting on 20 October 2022. We were engaged by the supervisory board on 15 December 2022. We have been the auditor of Berlin Hyp AG, Berlin/Germany, since the abridged reporting period from 1 January to 30 June 2022.

We declare that the audit opinions expressed in this auditor’s report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the Auditor’s Report

Our auditor’s report must always be read together with the audited annual financial statements and the audited management report as well as with the audited ESEF documents. The annual financial statements and the management report converted into the ESEF format – including the versions to be published in the corporate register – are merely electronic reproductions of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with

the audited ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Björn Grüneberg.

Berlin, 22. February 2023

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

sig. Grüneberg
Wirtschaftsprüfer
(German Public Auditor)

sig. Wissel-Schaldach
Wirtschaftsprüferin
(German Public Auditor)

Vermerk des unabhängigen Wirtschaftsprüfers über eine betriebswirtschaftliche Prüfung zur Erlangung begrenzter Sicherheit in Bezug auf die nichtfinanzielle Berichterstattung

An die Berlin Hyp AG, Berlin

Unser Auftrag

Wir haben die im Lagebericht enthaltene nichtfinanzielle Erklärung der Berlin Hyp AG, Berlin (im Folgenden „die Gesellschaft“), für das Rumpfgeschäftsjahr vom 1. Juli bis zum 31. Dezember 2022 (im Folgenden „nichtfinanzielle Berichterstattung“) einer betriebswirtschaftlichen Prüfung zur Erlangung begrenzter Sicherheit unterzogen.

Nicht Gegenstand unserer Prüfung sind die in der zusammengefassten nichtfinanziellen Berichterstattung im Folgenden genannten externen Dokumentationsquellen oder Expertenmeinungen:

- Gesondert veröffentlichter GRI-Index
- TCFD-Index
- Website der Berlin Hyp www.berlinhyp.de (inkl. Unterseiten)
- BMWi (Dezember 2021): Energieeffizienz in Zahlen – Entwicklungen und Trends in Deutschland 2021
- Materialitätsanalyse (Risikomanagement) durch vdpResearch
- Naturgefahrenanalyse durch K.A.R.L. der Köln Assekuranz Agentur
- Ratings/Bewertungen der RepRisk
- Impact-Reporting von Drees & Sommer; Reporting und Re-Verification durch ISS-ESG

Verantwortung der gesetzlichen Vertreter

Die gesetzlichen Vertreter der Gesellschaft sind verantwortlich für die Aufstellung der nichtfinanziellen Berichterstattung in Übereinstimmung mit den §§ 340a Abs. 1a i.V.m. 289c bis 289e HGB und Artikel 8 der Verordnung (EU) Nr. 2020/852 des Europäischen Parlaments und des Rates vom 18. Juni 2020 über die Einrichtung eines Rahmens zur Erleichterung nachhaltiger Investitionen und zur Änderung der Verordnung (EU) Nr. 2019/2088 (im Folgenden die „EU-Taxonomieverordnung“) und den hierzu erlassenen delegierten Rechtsakten sowie mit deren eigenen in Abschnitt 4 der nichtfinanziellen

Berichterstattung dargestellten Auslegung der in der EU-Taxonomieverordnung und den hierzu erlassenen delegierten Rechtsakten enthaltenen Formulierungen und Begriffe.

Diese Verantwortung der gesetzlichen Vertreter der Gesellschaft umfasst die Auswahl und die Anwendung angemessener Methoden zur nichtfinanziellen Berichterstattung sowie das Treffen von Annahmen und die Vornahme von Schätzungen zu einzelnen nichtfinanziellen Angaben des Konzerns, die unter den gegebenen Umständen angemessen sind. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachtet haben, um die Aufstellung einer nichtfinanziellen Berichterstattung zu ermöglichen, die frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen (Manipulation der nichtfinanziellen Berichterstattung) oder Irrtümern ist.

Die EU-Taxonomieverordnung und die hierzu erlassenen delegierten Rechtsakte enthalten Formulierungen und Begriffe, die noch erheblichen Auslegungsunsicherheiten unterliegen und für die noch nicht in jedem Fall Klarstellungen veröffentlicht wurden. Daher haben die gesetzlichen Vertreter ihre Auslegung der EU-Taxonomieverordnung und der hierzu erlassenen delegierten Rechtsakte in Abschnitt 4 der nichtfinanziellen Berichterstattung niedergelegt. Sie sind verantwortlich für die Vertretbarkeit dieser Auslegung. Aufgrund des immanenten Risikos, dass unbestimmte Rechtsbegriffe unterschiedlich ausgelegt werden können, ist die Rechtskonformität der Auslegung mit Unsicherheiten behaftet.

Die Genauigkeit und Vollständigkeit der Umweltdaten der nichtfinanziellen Berichterstattung unterliegen inhärent vorhandenen Grenzen, welche aus der Art und Weise der Datenerhebung und -berechnung sowie getroffenen Annahmen resultieren.

Unabhängigkeit und Qualitätssicherung der Wirtschaftsprüfungsgesellschaft

Wir haben die deutschen berufsrechtlichen Vorschriften zur Unabhängigkeit sowie weitere berufliche Verhaltensanforderungen eingehalten.

Unsere Wirtschaftsprüfungsgesellschaft wendet die nationalen gesetzlichen Regelungen und berufsständischen Verlautbarungen – insbesondere der Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer (BS WP/vBP) sowie des vom Institut der Wirtschaftsprüfer (IDW) herausgegebenen IDW Qualitätssicherungsstandards: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis (IDW QS 1) – an und unterhält dementsprechend ein umfangreiches Qualitätssicherungssystem, das dokumentierte Regelungen und Maßnahmen in Bezug auf die Einhaltung beruflicher Verhaltensanforderungen, beruflicher Standards sowie maßgebender gesetzlicher und anderer rechtlicher Anforderungen umfasst.

Verantwortung des Wirtschaftsprüfers

Unsere Aufgabe ist es, auf Grundlage der von uns durchgeführten Prüfung ein Prüfungsurteil mit begrenzter Sicherheit über die nichtfinanzielle Berichterstattung abzugeben.

Wir haben unsere betriebswirtschaftliche Prüfung unter Beachtung des International Standard on Assurance Engagements (ISAE) 3000 (Revised): „Assurance Engagements Other than Audits or Reviews of Historical Financial Information“, herausgegeben vom IAASB, durchgeführt. Danach haben wir die Prüfung so zu planen und durchzuführen, dass wir mit begrenzter Sicherheit beurteilen können, ob uns Sachverhalte bekannt geworden sind, die uns zu der Auffassung gelangen lassen, dass die nichtfinanzielle Berichterstattung der Gesellschaft mit Ausnahme der dort genannten externen Dokumentationsquellen oder Expertenmeinungen nicht in allen wesentlichen Belangen in Übereinstimmung mit den

§§ 340a Abs. 1a i.V.m. 289c bis 289e HGB und der EU-Taxonomieverordnung und den hierzu erlassenen delegierten Rechtsakten sowie der in Abschnitt 4 der nichtfinanziellen Berichterstattung dargestellten Auslegung durch die gesetzlichen Vertreter aufgestellt worden ist.

Bei einer betriebswirtschaftlichen Prüfung zur Erlangung einer begrenzten Sicherheit sind die durchgeführten Prüfungshandlungen im Vergleich zu einer betriebswirtschaftlichen Prüfung zur Erlangung einer hinreichenden Sicherheit weniger umfangreich, sodass dementsprechend eine erheblich geringere Prüfungssicherheit erlangt wird. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Wirtschaftsprüfers. Im Rahmen unserer Prüfung, die wir in den Monaten Januar und Februar 2023 durchgeführt haben, haben wir u.a. im unserem pflichtgemäßen Ermessen folgende Prüfungshandlungen ausgewählt und sonstige Tätigkeiten durchgeführt:

- Verschaffung eines Verständnisses über die Struktur der Nachhaltigkeitsorganisation des Konzerns und über die Einbindung von Stakeholdern
- Befragung der gesetzlichen Vertreter und relevanter Mitarbeiter*innen, die in den Aufstellungsprozess einbezogen wurden, über den Aufstellungsprozess, über das auf diesen Prozess bezogene interne Kontrollsystem sowie über Angaben in der nichtfinanziellen Berichterstattung
- Identifikation wahrscheinlicher Risiken wesentlicher falscher Angaben in der nichtfinanziellen Berichterstattung
- Analytische Beurteilung von ausgewählten Angaben der nichtfinanziellen Berichterstattung,
- Abgleich von ausgewählten Angaben mit den entsprechenden Daten im Jahresabschluss und Lagebericht
- Beurteilung der Darstellung der nichtfinanziellen Berichterstattung,

→ Beurteilung des Prozesses zur Identifikation der taxonomiefähigen Wirtschaftsaktivitäten und der entsprechenden Angaben in der nichtfinanziellen Berichterstattung.

Die gesetzlichen Vertreter haben bei der Ermittlung der Angaben gemäß Artikel 8 der EU-Taxonomieverordnung unbestimmte Rechtsbegriffe auszulegen. Aufgrund des immanenten Risikos, dass unbestimmte Rechtsbegriffe unterschiedlich ausgelegt werden können, sind die Rechtskonformität der Auslegung und dementsprechend unsere diesbezügliche Prüfung mit Unsicherheiten behaftet.

Prüfungsurteil

Auf der Grundlage der durchgeführten Prüfungshandlungen und der erlangten Prüfungsnachweise sind uns keine Sachverhalte bekannt geworden, die uns zu der Auffassung gelangen lassen, dass die nichtfinanzielle Erklärung der Gesellschaft für das Rumpfgeschäftsjahr vom 1. Juli bis zum 31. Dezember 2022 nicht in allen wesentlichen Belangen in Übereinstimmung mit den §§ 340a Abs. 1a i.V.m. 289c bis 289e HGB und der EU-Taxonomieverordnung und den hierzu erlassenen delegierten Rechtsakten sowie der in Abschnitt 4 der nichtfinanziellen Berichterstattung dargestellten Auslegung durch die gesetzlichen Vertreter aufgestellt worden ist.

Wir geben kein Prüfungsurteil zu den in der nichtfinanziellen Berichterstattung genannten und in dem Abschnitt „Unser Auftrag“ dieses Dokuments genannten externen Dokumentationsquellen oder Expertenmeinungen ab.

Verwendungsbeschränkung

Wir erteilen den Vermerk auf Grundlage unserer mit der Gesellschaft geschlossenen Auftragsvereinbarung (einschließlich der „Allgemeinen Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften“ vom 1. Januar 2017 des Instituts der Wirtschaftsprüfer in Deutschland e.V.). Wir weisen darauf hin, dass die Prüfung für Zwecke der Gesellschaft durchgeführt und der Vermerk nur zur Information der Gesellschaft über das Ergebnis der Prüfung bestimmt ist. Folglich ist er möglicherweise für einen anderen als den vorgenannten Zweck nicht geeignet. Somit ist der Vermerk nicht dazu bestimmt, dass Dritte hierauf gestützt (Vermögens-)Entscheidungen treffen.

Unsere Verantwortung besteht allein der Gesellschaft gegenüber. Dritten gegenüber übernehmen wir dagegen keine Verantwortung. Unser Prüfungsurteil ist in dieser Hinsicht nicht modifiziert.

Berlin, den 22. Februar 2023

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

gez. Grüneberg
Wirtschaftsprüfer

gez. Wissel-Schaldach
Wirtschaftsprüferin

