A company of LBBW

Berlin Hyp

Focus on the Future

Annual Report 2023

Annual Financial Statements

Finanzgruppe

A partnership built on trust

Contents

Annual Financial Statements

Balance Sheet of Berlin Hyp AG as at 31. Dezember 2023

Assets

	€	31.12.2023 €	31.12.2022 T€
1. Cash reserves			
a) Cash in hand	–		–
b) Central bank balances	38,536,544.82		26,722
of which: at Deutsche Bundesbank €38,536,544.82 (previous year: T€26,722)		**38,536,544.82**	26,722
2. Public-sector debt and bills of exchange admitted for refinancing at central banks		–	–
3. Claims against banking institutions			
a) Mortgage loans	–		–
b) Public-sector loans	–		–
c) Other claims	285,446,662.57		211,186
of which: due on demand €1,584,948.54 (previous year: T€101,270)		**285,446,662.57**	211,186
with securities as collateral €0.00 (previous year: T€0)			
4. Claims against customers			
a) Mortgage loans	28,654,353,509.36		27,503,415
b) Public-sector loans	419,482,605.50		419,504
c) Other claims	145,107,449.65		79,968
of which: with securities as collateral €0.00 (previous year: T€0)		**29,218,943,564.51**	28,002,887
5. Debentures and other fixed-interest securities			
a) Money market securities			
aa) Issued by public institutions	–		–
of which: eligible as security at Deutsche Bundesbank €0.00 (previous year: T€0)			
ab) From other issuers	–		148,068
of which: eligible as security at Deutsche Bundesbank €0.00 (previous year: T€123,103)			
	–		148,068
b) Bonds and debentures			
ba) Issued by public institutions	1,996,378,423.45		2,120,711
of which: eligible as security at Deutsche Bundesbank €1,996,378,423.45 (previous year: T€2,120,711)			
bb) From other issuers	3,326,253,651.80		3,285,212
of which: eligible as security at Deutsche Bundesbank €3,303,183,258.29 (previous year: T€3,278,510)			
	5,322,632,075.25		5,405,923
c) Own debentures	–		–
Nominal amount €0.00 (previous year: T€0)		**5.322,632,075.25**	5,553,991
6. Shares and other non-fixed-interest securities		–	–
6a. Trading portfolio		–	–
7. Participations		**3,962,520.63**	4,764
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		**34,869,521,367.78**	**33,799,550**

Liabilities

	€	31.12.2023 €	31.12.2022 T€
1. Liabilities to banking institutions			
a) Registered mortgage Pfandbriefe issued	214,945,186.59		249,401
b) Registered public Pfandbriefe issued	15,432,173.47		24,774
c) Other liabilities	2,481,010,346.12		4,565,260
of which: due on demand €14,493,177.49 (previous year: T€34)		**2,711,387,706.18**	4,839,435
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	1,475,600,270.95		1,391,921
b) Registered public Pfandbriefe issued	131,151,457.78		181,530
c) Other liabilities	4,424,655,830.94		3,103,171
of which: due on demand €262,817,191.65 (previous year: T€279,749)		**6,031,407,559.67**	4,676,622
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	16,057,738,518.69		14,462,114
ab) Public Pfandbriefe	39,267.20		39
ac) Other debentures	7,083,968,528.65		7,625,026
	23,141,746,314.54		22,087,179
b) Other securitised liabilities	–		–
of which: money market securities €0.00 (previous year: T€0)		**23,141,746,314.54**	22,087,179
3a. Trading portfolio		**–**	–
4. Trust liabilities		**–**	–
of which: trust loans €0.00 (previous year: T€0)			
5. Other liabilities		**509,727,878.18**	381,103
6. Deferred income			
a) From issue and loan business	132,230,949.72		137,988
b) Other	–		35
		132,230,949.72	138,023
6a. Deferred tax liabilities		**–**	–
7. Reserves			
a) Provisions for pensions	240,868,562.00		229,871
b) Tax provisions	11,732,000.00		11,700
c) Other provisions	80,415,039.21		88,145
		333,015,601.21	329,716
8. Subordinated liabilities		**786,296,704.60**	232,896
Carryover		**33,645,812,714.10**	**32,684,974**

Balance Sheet of Berlin Hyp AG as at 31. Dezember 2023

Assets

		31.12.2023	31.12.2022
	€	€	T€
Carryover		**34,869,521,367.78**	**33,799,550**
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		–	–
of which: trust loans €0.00 (previous year: T€0)			
10. Equalisation claims against public-sector institutions, including debentures arising from their exchange		–	–
11. Intangible investment assets			
a) Internally produced industrial property rights and similar rights and values	–		–
b) Purchased concessions, industrial property rights and similar rights and values as well as licences for such rights and values	32,344,845.96		30,932
c) Goodwill	–		–
d) Payments in advance	32,233,976.56		22,811
		64,578,822.52	53,743
12. Tangible fixed assets		**100,437,311.79**	62,155
13. Unpaid called-up contributions to the subscribed capital		–	–
14. Other assets		**317,574,102.51**	398,123
15. Deferred income			
a) From issue and loan business	102,806,957.02		95,503
b) Other	1,911,290.43		2,790
		104,718,247.45	98,293
16. Deferred tax assets		–	–
17. Surplus arising from offsetting		–	–
18. Deficits not covered by equity capital		–	–
Total assets		**35,456,855,498.66**	34,411,890

Liabilities

	€	31.12.2023 €	31.12.2022 T€
Carryover		**33,645,812,714.10**	**32,684,974**
9. Profit-sharing rights capital		**–**	–
of which: due within two years €0.00 (previous year: T€0)			
10. Fund for general banking risks		**800,000,000.00**	750,000
11. Equity			
a) Called-up capital			
aa) Subscribed capital	753,389,240.32		753,389
ab) Less unpaid contributions not called up	–		–
	753,389,240.32		753,389
b) Capital reserve	158,316,268.74		158,316
c) Retained earnings			
ca) Statutory reserve	22,022,655.29		22.023
cb) Reserve for own shares in companies with a controlling or majority holding	–		–
cc) Articles of Association reserve	–		–
cd) Other retained earnings	2,174,992.78		2,175
	24,197,648.07		24,198
d) Balance sheet profit	75,139,627.43		41,013
		1,011,042,784.56	976,916
Total liabilities		**35,456,855,498.66**	34,411,890
1. Contingent liabilities			
a) Liabilities from guarantees and warranty contracts		**283,362,611.79**	321,086
2. Other obligations			
a) Irrevocable loan commitments		**2,042,158,805.12**	3,331,200

Profit and Loss Account

of Berlin Hyp AG for the period from 1 January to 31 Dezember 2023

Expenditure	€	31.12.23 €	Pro forma figures	01.01. – 31.12.22 T€		01.07. – 31.12.22 T€
1. Interest expenditure	611,907,447.05		216,774		129,358	
less positive interest	944.44	**611,906,502.61**	75,539	**141,235**	7,751	121,607
2. Commission expenditure		**15,344,124.39**		**15,219**		8,101
3. Net expenditure of the trading portfolio		**–**		**–**		–
4. General operating expenditure						
a) Staff expenditure						
aa) Wages and salaries	70,011,475.22			**67,777**		36,040
ab) Social security contributions and expenses for retirement pensions and other employee benefits of which: for retirement pensions €13,849,505.45 (01.01. – 31.12.2022 T€14,182; 01.07. – 31.12.2022 T€540)	23,725,245.17			**23,124**		4,940
	93,736,720.39			**90,901**		40,980
b) Other administrative expenses	99,758,526.79			**105,098**		43,180
of which: Expenditure for bank levy €16,350,155.91 (01.01. – 31.12.2022 T€25,459; 01.07. – 31.12.2022 T€0)						
		193,495,247.18		**195,999**		84,160
5. Amortisation/depreciation and valuation adjustments on intangible investment assets and tangible assets		**13,511,908.36**		**10,663**		5,756
6. Other operating expenditure		**6,779,955.43**		**15,960**		2,844
7. Depreciation and valuation adjustments on claims and specific securities as well as additions to provisions made for lending		**135,260,510.30**		**86,420**		25,011
8. Depreciation and valuation adjustments on investments, shares in affiliated companies and securities treated as fixed assets		**1,340,995.78**		**–**		–
9. Expenditure for loss assumptions		**–**		**–**		–
10. Contribution to the fund for general banking risks		**50,000,000.00**		**75,000**		25,000
11. Extraordinary expenditure		**–**		**–**		–
12. Taxes on income and earnings		**48,941,221.60**		**28,773**		28,731
13. Other taxes not shown under Item 6		**86,348.92**		**77**		–7
14. Profits transferred based on a profit pool, a profit transfer agreement or a partial profit transfer agreement		**–**		**30,000**		–
15. Net income for the year		**75,032,992.92**		**41,013**		41,013
Total expenditure		**1,151,699,807.49**		**640,359**		**342,216**

Expenditure			Pro forma figures	
			01.01. –	01.07. –
		31.12.23	31.12.22	31.12.22
	€	€	T€	T€
1. Net income for the year		**75,032,992.92**	41,013	41,013
2. Profit/loss carryforward from the previous year		**106,634.51**	–	–
3. Withdrawals from the capital reserve		**–**	–	–
4. Withdrawals from retained earnings				
a) from the statutory reserve	–			
b) from the reserve for shares in companies with a controlling interest or majority holding	–			
c) from the Articles of Association reserves	–			
d) from other retained earnings	–			
		–	–	–
5. Transfers to retained earnings				
a) to the statutory reserve	–			
b) to the reserve for shares in companies with a controlling interest or majority holding	–			
c) to the Articles of Association reserves	–			
d) to other retained earnings	–			
		–	–	–
6. Balance sheet profit		**75,139,627.43**	41,013	41,013

Income

				Pro forma figures			
			31.12.23		01.01. – 31.12.22		01.07. – 31.12.22
		€	€		T€		T€
1. Interest income from							
a) Lending and money market business	963,870,235.28			592,725		303,593	
less negative interest from lending and money market transactions	–	963,870,235.28		11,600	581,125	1,990	301,603
b) Fixed interest securities and book-entry securities		146,395,284.70			**15,984**		17,357
			1,110,265,519.98		**597,109**		318,960
2. Current income from							
a) Shares and other non-fixed interest securities		–			–		–
b) Interests		–			**145**		–
c) Shares in affiliated companies		–			–		–
			–		**145**		–
3. Income from profit pooling, profit transfer or partial profit transfer agreements			–		–		–
4. Commission income			**33,516,799.15**		**39,126**		20,577
5. Net earnings of the trading portfolio			–		–		–
6. Income from attributions to claims and specific securities and the dissolution of provisions made for lending			–		–		–
7. Income from attributions to interests, shares in affiliated enterprises and securities treated as fixed assets			–		–		–
8. Other operating income			**7,917,488.36**		**3,979**		2,679
9. Income from the dissolution of the fund for general banking risks			–		–		–
10. Net loss for the year			–		–		–
Total income			**1,151,699,807.49**		**640,359**		342,216

Statement of Changes in Equity and Cash Flow Statement

T€	Subscribed capital	Capital reserve	Profit reserves	Balance sheet profit	Total equity capital
As at 01.01.2023	**753,389**	**158,316**	**24,198**	**41,013**	**976,916**
Capital increases	–	–	–	–	–
Dividend payments	–	–	–	–40,906	–40,906
Net income/net loss for the year	–	–	–	75,033	75,033
Other changes – pursuant to Section 152 (3) No. 1 German Stock Corporation Act (AktG)	–	–	–	–	–
As at 31.12.2023	**753,389**	**158,316**	**24,198**	**75,140**	**1,011,043**

Cash Flow Statement in T€ (+ = Cash inflow, – = Cash outflow)		2023	2022
Net income for the year		**75,033**	**41,013**
Depreciations, valuation adjustments/attributions to claims and fixed asset items		161,325	36,844
Increase/decrease in provisions		3,299	33,947
Other non-cash expenditure/income		–	–
Profit/loss from the sale of fixed asset items		–	–
Profit and Loss Transfer Agreement		–	30.000
Other adjustments (on balance)		1,053	–4,443
Increase/decreases in			
Claims	against banking institutions	49,699	–51,094
	against customers	–1,368,185	–1,796,279
Securities (unless they are financial assets)		264,893	1,199,081
Other assets from current business operations		86,288	–172,160
Liabilities	to banking institutions	–2,209,534	–4,240,215
	to customers	1,290,797	679,737
Securitised liabilities		983,472	1,458,533
Other liabilities from current business operations		122,733	106,064
Interest expenditure/interest income		–498,359	–455,874
Expenditure/income from extraordinary items		–	–
Income tax expenditure/earnings		48,941	28,773
Interest payments and dividend payments received		957,377	580,917
Interest paid		–391,834	–43,608
Extraordinary in-payments		–	–
Extraordinary disbursements		–	–
Income tax payments		–61,099	–17,687
Cash flow from operating activities		**–484,099**	**–2,586,449**
In-payments from disposals of			
financial assets		–	–
tangible fixed assets		–	–
intangible assets		–	–
Disbursements for investments in			
financial assets		–539	–644
tangible fixed assets		–40,797	–16,231
intangible assets		–21,844	–18,662
Change of funds from other investment activity (balance)		–	–
In-payments from extraordinary items		–	–
Disbursements from extraordinary items		–	–
Cash flow from investment activities		**–63,180**	**–35,537**
In-payments from equity contributions by shareholders of the parent company		–	–
In-payments from equity contributions by other shareholders		–	–
Disbursement from reductions in equity to shareholders of the parent company		–	–
Disbursement from reductions in equity to other shareholders		–	–
In-payments from extraordinary items		–	–
Disbursements from extraordinary items		–	–
Dividends paid to shareholders of the parent company		–40,906	–
Dividends paid to other shareholders		–	–
Change of funds from other capital (balance)		600,000	75,000
Change of funds from transfer of profit		–	–80,009
Cash flow from financing activities		**559,094**	**–5,009**
Cash and cash equivalents at the end of the previous period		**26,722**	**2,653,716**
Cash flow from operating activities		–484,099	–2,586,449
Cash flow from investment activities		–63,180	–35,537
Cash flow from financing activities		559,094	–5,009
Exchange rate, consolidation group and valuation-related		–	–
Cash and cash equivalents at the end of the period		**38,537**	**26,722**

Cash Flow Statement
Berlin Hyp AG

The cash flow statement provides information on the status and development of the Bank's funds, separated according to the divisions of operating business activities, investment activities and finance activities. It is prepared in accordance with German Accounting Standard No. 21.

Cash flows for operating business activities are allocated by separating them from operating results. The cash flow from investment activities largely results from deposits and withdrawals in connection with the disposal or acquisition of financial and/or tangible fixed assets. In assessing the change of funds from financing activity, changes in subordinated liabilities are taken in consideration alongside relations to equity suppliers.

The cash and cash equivalent shown includes the cash reserve, which is composed of cash holdings and credit balances with central banks.

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 in accordance with Section 290 in connection with Section 296 (2) of the German Commercial Code (HGB).

The acquisition of Berlin Hyp by LBBW, with effect from 1 July 2022, resulted in two short financial years in the 2022 calendar year. The period-specific year-on-year comparison figures (pro forma figures) relate in each case to the entire 2022 calendar year and result from the addition of the figures from the two short financial years (01.01.2022 to 30.06.2022 and 01.07.2022 to 31.12.2022). No required adjusted entries were made during the year, as any associated changes were by their nature of minor importance.

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 2023 as were applied in the annual accounts as at 31 December 2022 (short financial year 01.07.2022 to 31.12.2022).

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.

Valuation changes brought about by creditworthiness considerations are shown as valuation allowances on likely claim defaults. The amounts of the valuation allowances are calculated on the basis of the determined amount that is actually in danger of default in each case, taking into account collateral values calculated on the basis of expectations regarding the break-up or continuation of the business in question. With regard to the calculation of collateral values, a distinction is made between the going concern approach (restructuring) and the gone concern approach (initiation of compulsory liquidation). In the case of the going concern approach, the collateral value basically corresponds to the loan value of the financed property; in exceptional cases, the market value less an individual risk premium may be used with the approach, provided it is possible to present knowledge that is specific to the property in question and can influence its value. With the gone concern approach, the market value determined by the court is reduced by 30 % (old federal states, Berlin and abroad) or 50 % (new federal states). Interest claims on value-adjusted exposures are set as due and recognised in a corresponding manner. If no payment is received, the value of the interest claim is adjusted; in the case of irrecoverable interest, a non-accrual is usually entered. In line with the principle of prudence in accordance with the German Commercial Code (HGB), principal repayments are currently not taken into account until the follow-up rather than during the determination of the valuation allowance.

The valuation adjustment overhang that results from the principal repayments is written off on an annual basis.

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 impairments 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 ten basis points is considered to be minor (trivial). In such cases, the expected losses for the following twelve 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.

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 calculation is outsourced to the parent company – LBBW. 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.

When calculating the expected credit loss (ECL), LBBW uses a single-scenario approach in the standard process, whereby it employs statistical models that are fundamentally parametrised on the basis of through-the-cycle averages and therefore only reflect to a limited extent the effects of the current macroeconomic situation on the ECL parameters PD, LGD and EAD.

This approach is adequate without restriction in normal economic situations in which ECL parameters that are calculated on the basis of through-the-cycle averages and those that are adjusted in line with the latest economic developments do not statistically deviate from one another in a significant manner. However, in the current economic situation, in which numerous cyclical shocks and structural impediments are adversely affecting the creditworthiness of many companies, this methodology that is fundamentally based on through-the-cycle averages is not adequate. An adjustment of the ECL parameters PD and LGD in line with economic developments as part of a multi-scenario model is absolutely necessary here. In the case of commercial real estate financing, the adjustment of PD in line with economic developments is in this respect linked to scenario projections for the value of the property and the development of market rents that are made with the help of a rating simulation.

LGD has, historically speaking, proved to be less influenced by cyclical developments. At the same time, due to the increase in interest rates, the effects of the structural transformation and the incentives for shortening the workout period, a systematic LGD increase can be assumed, whereby this increase is not reflected in the loss data history and is thus not adequately quantified in the productive model parametrisation. For this reason, a sector-specific but scenario-independent premium is attached to the LGDs, and these premiums are to be classified as in-model adjustments.

As an interim solution, Berlin Hyp LGDs have been calculated by LBBW on the basis of an updated RSU LGD model since 30 November 2023. This changeover to the interim solution results in a decrease in the LGDs and thus a reduction of risk provisioning in the amount of approximately €4.4 million (as at the date of the impact analysis: 30.09.2023). Full synchronisation of the modelling is planned for the future, whereby the calibration level is to be kept constant as compared to the interim solution.

The rules contained in IFRS 9 stipulate that the analysis of a significant increase in the default risk (SICR) must in principle be conducted on the basis of a lifetime PD adjusted in line with economic developments. The productive transfer criterion, which at its core is linked to the regulatory through-the-cycle rating, is only adequate without restriction in normal economic situations in which PD adjusted in line with economic developments and PD calculated on the basis of through-the-cycle averages do not statistically deviate from one another in a significant manner. In the current exceptional situation, the reclassification to a different level is examined on the basis of a new transfer criterion, which in turn is based on the macro-adjusted lifetime point in time PD and thus meets the requirements of IFRS 9 and the ECB.

In addition to the structural and economic risks, there are currently a large number of potential risks that could result from a possible escalation of geopolitical conflicts, political instability in the USA and Europe, disruptive technology breakthroughs in generative artificial intelligence and the unforeseeable consequences of climate change. The events that are associated with these risks and which can trigger major economic upheavals have not yet manifested themselves and their probability of occurrence appears extremely low when viewed individually. Nevertheless, the probability that at least one of these very large number of events might occur is not negligible. In view of this situation, these risks, which at the moment are still abstract, should, because of their nature, at the very least be taken into account in IFRS 9 risk provisioning. Still, a model-based quantification of the associated expected credit loss is not possible. An assignment of these abstract risks to specific financial instruments or partial portfolios is also ruled out. This means that the requirements for a reclassification to a different level in accordance with IFRS 9 are not met. Still, there are parallels with the SICR criterion in IFRS 9 here in terms of content: the commercial real estate financing portfolio is exposed to significantly heightened default risks due to these risks that remain abstract for the moment. All transactions in this portfolio that remain at level 1 following the execution of the level reclassification in line with economic developments are provisioned with the lifetime ECL.

In order to reflect the latent counterparty default risks in the lending business in connection with the aforementioned risks in a manner which adequately reflects those risks, the model adjustment for valuated loans was, within the framework of the lump-sum value adjustments, increased by €47.9 million to €127.0 million. Conversely, as a result of the decrease in irrevocable loan commitments, the reserves for these were reduced by €4.0 million to €4.8 million. When assessing the loan portfolio, Berlin Hyp thus continues to take into account the intensification of the crisis and the resulting significant and longer-term market dysfunctionalities.

For liabilities, the differences between the issue and the settlement amount are recognised as prepaid expenses or prepaid income, 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 Fixed Assets and Intangible Assets

Tangible fixed assets 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 1.83 % (previous year: 1.79 %) 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 1.76 per cent (previous year: 1.45 per cent)) amounts to €3.3 million (previous year: €16.1 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 2.15 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 1.82 per cent (previous year: 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 2023, 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 to be taken into account in accordance with Section 253 (6)(1) HGB amounts to T€ 0 (previous year: T€0). The amounts subject to the payout block codified in Section 268 (8) HGB do not arise here.

In accordance with Section 253 (1)(4) of the German Commercial Code (HGB), the plan assets are assessed at fair value and amounted to €2.6 million (€2.0 million) as at 31 December 2023 at an amortised cost of €2.6 million (€2.0 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€ 100 (previous year: T€34) as at 31 December 2023.

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.

Derivatives

The reporting of derivative financial instruments occurs in off-balance-sheet accounts. There are no trading positions. Derivative contracts are concluded with both banking institutions and the Bank’s borrowers (customer derivatives) as 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 using evaluation models based on a tenor-specific swap yield curve, taking into account counterparty risks. Here, the value of a plain vanilla swap is calculated using the discounted cash flow method, while callable swaps and zero-coupon swaps are valued with the Hull-White model and caps/floors are appraised in accordance with the Bachelier/Black model.

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 €3.7 billion (previous year: €3.2 billion) as at 31 December 2023. Accounting units are only formed at the micro level, meaning that changes in values from the hedged risk of the underlying transaction are offset by individual hedging instruments, whereby the hedging relationships in question 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 €–104.2 million as at the reporting date (previous year: €–272.8 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 are recognised in accordance with the general provisions contained in Section 252 (HGB). Please also see 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. Operating expenditure comprises all staff and material expenses directly attributable to interest management expenditure, as well as allocated indirect operating expenditure and the allocation of overhead costs. There is 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)(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.

Income Taxes

On the basis of profit before income tax in accordance with commercial law, a reconciliation with taxable income occurs by taking into account balance sheet and off-balance sheet deviations. Tax loss carryforwards are settled subject to the regulations on minimum taxation. In the reconciliation of profits from commercial operations to commercial income for the purpose of the commercial tax, additions and reductions are estimated as closely as possible. The actual taxes thus determined are netted with the prepayments made and then recognised.

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 carryforwards 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 forgoes 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€	2023	2022[1]
Interest income from		
Mortgage loans	866,352	468,678
Public-sector loans	17,576	17,580
Other receivables	79,841	14,652
less negative interest	*–*	*–11,600*
Money market transactions	102	–245
Fixed-income securities and book-entry securities	146,395	15,984
Derivative transactions	–	92.060
	1,110,266	**597,109**
Interest expenditure for		
Deposits and registered Pfandbriefe	334,082	109,285
less positive interest	*–1*	*–75,539*
Securitised liabilities	247,035	98,891
Subordinated liabilities	12,001	8,599
Derivative transactions	18,790	–
	611,907	**141,235**
Income from investments in other companies	–	145
Net Interest Income	**498,359**	**456,019**

[1] Sum of the items from Short Financial Year I and Short Financial Year II

Compared to the previous year, net interest income increased by €42.4 million to €498.4 million.

Along with an increase to the average mortgage loan portfolios of €2.1 billion, the higher interest rate level also led to an increase in interest income from mortgage loans to €866.4 million (previous year: €468.7 million). A positive earnings effect in the amount of €45.2 million (previous year: €35.6 million) resulted from the closing of the swap options that are no longer required to hedge termination rights in accordance with the German Civil Code (BGB), as well as from the closing of additional derivative items. This amount is included in interest expenditure (previous year: interest income) from derivative transactions.

The increase in interest income from fixed-interest and variable interest securities and book-entry securities compared to the previous year can be attributed in particular to higher interest rates.

The high level of the portfolio of liabilities and the higher interest rate level led to an increase in interest expenditure for deposits and registered Pfandbriefe to €334.1 million (previous year: €109.3 million) and an increase in interest expenditure for securitised liabilities to €247.0 million (previous year: €98.9 million).

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€	2023	2022[1]
Commission Income		
Lending	31,610	37,200
Sureties	1,879	1,770
Other	28	155
	33,517	**39,125**
Commission expenditure		
Sureties	8,710	8,254
Credit brokerage	5,576	5,570
Securities business	1,019	1,353
Other	39	42
	15,344	15,219
Net Commission Income	**18,173**	**23,906**

[1] Sum of the items from Short Financial Year I and Short Financial Year II

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

Other Administrative Expenses in T€	2023	2022[1]
Services by third parties	36,269	32,336
IT expenditure	30,712	31,072
Bank levy	16,350	25,459
Staff-related material costs	5,458	4,572
Building and premises costs	5,132	4,988
Advertising and marketing	2,681	2,602
Business operation costs	1,939	2,750
Operating and business equipment	953	957
Group payment set-off	264	361
	99,758	**105,098**

[1] Sum of the items from Short Financial Year I and Short Financial Year II

Auditor's Fees

Deloitte GmbH Wirtschaftsprüfungsgesellschaft audited the annual accounts of Berlin Hyp for the 2023 financial year and also performed the audit review of the interim financial statements for the period 01.01.2023 to 30.06.2023. The audit of the IFRS reporting packages needed for the consolidated annual accounts of Landesbank Baden-Württemberg was integrated into the audit in each case. 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, a submission of credit claims (KEV/MACCs), an audit of the reporting of figures within the framework of risk monitoring activities in accordance with IDW PS 490, an audit in accordance with Section 84 of the framework statutes for the Institutional Protection Scheme of the Sparkassen-Finanzgruppe, and the issue of a comfort letter in accordance with IDW PS 910.

In addition, advisory services were provided within the framework of a workshop that addressed the topic of purchasing.

With regard to disclosures pursuant to Section 285 No. 17 of the German Commercial Code (HGB), we refer to the consolidated annual accounts of LBBW and Berlin Hyp's incorporation into the same.

Other Operating Result

The other operating result comprises the "Other operating expenditure" and "Other operating income" items. Other operating income mainly resulted from compensation for damages in connection with the liquidation of the minority interest in BrickVest Ltd. in the amount of €5.6 million and the reversal of other provisions in the amount of €1.5 million (previous year: €3.5 million). Other operating expenditure mainly consists of expenditure from additions to strategic resource planning in the amount of €1.5 million (previous year: €3.2 million) and demolition costs in connection with B-One in the amount of €0.8 million (previous year: €0.6 million). The compounding of provisioning reserves results in effects on the result totalling €4.2 million (previous year: €4.1 million), of which €0.0 million (previous year: €0.3 million) are income and €4.2 million (previous year: €4.4 million) are expenditure.

Depreciation and Valuation Adjustments on Claims and Specific Securities and 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 reserves for lending".

The balance of risk provisioning expenditure is comprised as follows:

in T€	2023	2022
Risk provisioning for the lending business	152,134	–13,207
Valuation and disposal result in the securities business	–16,873	99,627
	135,261	**86,420**

Earnings with negative signs

Risk provisioning for the lending business developed as follows:

in T€		Counterparty risk exposure							
	Direct write-down	EWB	PWB and other adjustments RP	Valuations	RST	Total	Total	Profit and loss relevant	
	01.01. – 31.12.23	01.01. – 31.12.23	01.01. – 31.12.23	01.01. – 31.12.23	01.01. – 31.12.23	01.01. – 31.12.23	01.01. – 31.12.22	01.01. – 31.12.23	01.01. – 31.12.22
As at 1 January		33,334	254,961	2,335	12,555	303,185	316,917		
Net allocations and write-backs		129,625	31,033	–2,303	–5,146	153,209	–13,732	153,209	–13,732
Utilisation		–13,338			–	–13,338	–		
Direct write-downs and exchange rate losses	–							–	2,500
Receipts on written-off receivables and capital gains	–1,076							–1,076	–1,974
Foreign currency effects		–	–	–	–	–	–		
As at 31 December	**–1,076**	**149,621**	**285,994**	**32**	**7,408**	**443,057**	**303,185**	**152,134**	**–13,207**

Earnings with negative signs

In order to reflect the latent counterparty default risks in connection with the economic and structural risks in a manner which adequately reflects those risks, model adjustments in the form of lump-sum value adjustments in the amount of €127.0 million (previous year: €79.1 million) were made for valuated loans; in the case of irrevocable lending commitments, such adjustments were made in the form of reserves in the amount of €4.8 million (previous year: €8.8 million).

Other Information

Net income includes a balance of aperiodic income and expenses of €2.9 million (previous year: €5.5 million), which primarily includes income from the reversal of reserves of €1.8 million (previous year: €3.5 million) as well as receipts on receivables written off in the previous year of €1.1 million (previous year €2.0 million).

Balance Sheet

Negotiable Securities and Interests in T€	Listed 31.12.23	Listed 31.12.22	Non-Listed 31.12.23	Non-Listed 31.12.22
Debentures and other fixed-interest securities	5,322,632	5,553,991	–	–

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 2023 is fully assigned to the liquidity reserve.

Security for the Bank's Own Liabilities

Within the European System of Central Banks (ESCB), securities with a nominal value of €524.4 million (previous year: €2,091.7 million) and loans in the amount of €1,008.8 million (previous year: €1,877.2 million) are pledged as security to the Deutsche Bundesbank. The volume of related open market transactions at the balance sheet date was €0.0 million (previous year: €2,454.7 million). At the balance sheet date, the Bank repaid debentures with a total book value of €2,057.2 million (previous year: €1,671.2 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 December 2023
Affiliated enterprises					
Berlin Hyp Immobilien GmbH, Berlin	100	100	T€ 103	T€ −20	31.12.2022
Participations					
OnSite ImmoAgent GmbH, Berlin	49.00	49.00	T€ 605	T€ −251	31.12.2022
PropTech 1 Fund I GmbH & Co. KG, Berlin	6.97	6.97	T€ 30,337	T€ −3,009	31.12.2022
21st Real Estate GmbH, Berlin*	24.52	24.52	T€ 775	T€ −1,871	31.12.2021

* Berlin Hyp AG's shares in 21st Real Estate GmbH were sold with effect from 02.01.2024.

Intangible Investment Assets

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

Statement of Changes in Assets
in T€

	Acquisition/ manufacturing costs 01.01.2023	Additions	Disposals	Transfers	Acquisition/ manufacturing costs 31.12.2023	Cum. depreciations 01.01.2023	Attributions	Depreciations	Disposals	Transfers	Cum. depreciations 31.12.2023	Book value 31.12.2023	Book value 31.12.2022
Intangible Investment Assets													
b) Concessions and licenses acquired commercially	93,741	7,265	11,309	5,157	94,854	62,810	–	11,002	11,303	–	62,509	32,345	30,931
d) Down-payments made	22,812	14,579	–	–5,157	32,234	–	–	–	–	–	–	32,234	22,812
Total intangible investment assets	**116,553**	**21,844**	**11,309**	**–**	**127,088**	**62,810**	**–**	**11,002**	**11,303**	**–**	**62,509**	**64,579**	**53,743**
Tangible fixed assets													
a) Sites and buildings for own use	57,988	31,700	–	–	89,688	5,531	–	336	–	–	5,867	83,821	52,457
b) Operating and business equipment and installations under construction	19,419	9,097	277	–	28,239	9,721	–	2,174	272	–	11,623	16,616	9,698
Total tangible fixed assets	**77,407**	**40,797**	**277**	**–**	**117,927**	**15,252**	**–**	**2,510**	**272**	**–**	**17,490**	**100,437**	**62,155**
Total intangible assets and tangible fixed assets	**193,960**	**62,641**	**11,586**	**–**	**245,015**	**78,062**	**–**	**13,512**	**11,575**	**–**	**79,999**	**165,016**	**115,898**

	Book value	Changes*	Book value	
	01.01.23		31.12.23	31.12.22
Participations	4,764	–802	3,962	4,764
Shares in affiliated enterprises	26	–	26	26

* Summary pursuant to Section 34 (3) RechKredV

Other Assets

These figures largely contain claims from collateral in relation to derivatives amounting to €195.3 million (€344.6 million), unrealised gains from forward exchange deals with extra cover amounting to €104.6 million (€48.8 million) and tax receivables of €12.5 million (€0.1 million). This item also includes cash collateral of €4.7 million (€0.0 million) in connection with the bank levy.

Other Liabilities

The item includes, amongst other things, liabilities from collateral received in relation to derivatives amounting to €498.8 million (previous year: €365.5 million), unrealised losses of €4.0 million (previous year: €12.7 million) from forward exchange deals with extra cover and trade payables amounting to €5.2 million (previous year: €1.3 million).

Other provisions comprise

in T€	31.12.2023	31.12.2022
Provisions for human resources	38,122	33,751
Provisions for strategic resource planning	20,095	25,089
Provisions for lending business	7,408	12,555
Provisions for property acquisition taxes	7,500	7,500
Provisions for advisory services and appraisals	3,249	3,806
Other	4,041	5,444
Total	**80,415**	**88,145**

Subordinated Liabilities

Interest is paid on subordinate liabilities at the nominal rate of between 2.55 per cent to 4.29 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 €777.5 million (previous year: €227.5 million), €118.4 million (previous year: €141.1 million) fulfil the requirements of the CRR for recognition as applicable equity capital.

In the financial year 2023, interest paid amounted to €12.0 million (previous year: €8.6 million).

The 10 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
550,000	4.285	09.11.2028
99,500	4.120	04.03.2024

Equity

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

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 financial year in 2023 shows a balance sheet profit of € 75,139,627.43. The Board of Management and the Supervisory Board will propose to the Annual General Meeting that a total amount of € 75,044,631.36 be used to pay a dividend of 25.5 cents per share, with the remaining balance sheet profit of € 94,996.07 to be carried forward to new account.

Classification by Remaining Maturity in T€	31.12.2023	31.12.2022
Assets		
Claims against banking institutions		
a) Due on demand	1,585	101,270
b) Less than three months	283,862	109,916
c) Between three months and one year	–	–
d) Between one year and five years	–	–
e) More than five years	–	–
Total	**285,447**	**211,186**
Claims against customers		
a) Less than three months	629,295	755,531
b) Between three months and one year	4,248,862	2,694,335
c) Between one year and five years	13,258,450	11,343,678
d) More than five years	11,082,337	13,209,343
Total	**29,218,944**	**28,002,887**
of which: Claims with an indefinite term	–	–
Bonds and debentures		
- due in the following year	1,126,830	970,866
Liabilities		
Liabilities to banking institutions		
a) Due on demand	14,493	34
b) Less than three months	2,190,254	1,753,278
c) Between three months and one year	25,401	2,620,090
d) Between one year and five years	296,400	194,839
e) More than five years	184,840	271,193
Total	**2,711,388**	**4,839,434**
of which non-preferred senior liabilities*	78,324	103,730
Liabilities to customers		
a) Due on demand	262,817	279,749
b) Less than three months	1,538,615	515,894
c) Between three months and one year	1,122,555	913,500
d) Between one year and five years	460,355	574,875
e) More than five years	2,647,066	2,392,604
Total	**6,031,408**	**4,676,622**
of which non-preferred senior liabilities*	1,196,028	1,201,557
Securitised liabilities		
a) Less than three months	1,182,291	1,114,357
b) Between three months and one year	1,499,146	2,544,314
c) Between one year and five years	12,577,337	10,138,662
d) More than five years	7,882,972	8,289,846
Total	**23,141,746**	**22,087,179**
of which non-preferred senior liabilities*	2,068,092	2,594,087
due in the following year	2,681,437	3,658,671

* 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€

	2023		2022	
	Affiliated enterprises	Companies with which a shareholding relationship exists	Affiliated enterprises	Companies with which a shareholding relationship exists
Claims against banking institutions	107	–	3	–
Claims against customers	83,970	–	86,695	–
Debentures and other fixed interest securities	27,407	–	27,499	–
Other assets	47,308	–	113,361	–
Liabilities to banking institutions	1,847,325	–	1,635,866	–
Liabilities to customers	4,790	–	12,810	–
Securitised liabilities	204,347	–	–	–
Other liabilities	–	–	–	–
Subordinated liabilities	553,413	–	–	–

Deferred Income
in T€

	2023	2022
Deferred income from issuing and lending operations includes:		
Discount from issuing and lending operations	54,509	49,725
Premium from issuing and lending operations	2,107	3,345
Other	46,191	42,433
	102,807	**95,503**
Prepaid expenses for issuing and lending operations includes:		
Premium from issuing and lending operations	33,388	42,498
Discount from lending operations	15,434	4,268
Other	83,409	91,223
	132,231	**137,988**

Deferred income recognised under “Other” includes accrued up-front payments from swaps and premium payments from caps, floors and collars in the amount of €36.3 million (previous year: €25.0 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 €41.5 million (previous year: €34.2 million).

Foreign Currency Volumes
in T€

	2023	2022
Assets	86,224	111,700
Liabilities	1,377,325	1,136,987
Irrevocable loan commitments	–	–

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 €2,042.2 million (previous year: €3,331.2 million) as at the balance sheet date. Contingent liabilities consist of the assumption of guarantees for largely mortgage-backed loans of €283.4 million (previous year: €321.1 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€ 630 (previous year: T€875) and for OnSite ImmoAgent GmbH in the amount of T€ 98 (T€0)).

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.

In connection with the European bank levy, Berlin Hyp entered into irrevocable payment obligations in the amount of €4.7 million in the 2023 financial year (cumulative figure since 2023: €4.7 million). These are included in the "Other financial obligations" item. Receivables in connection with paid cash collateral were capitalised in the same amount. With regard to the European General Court (EGC) ruling in connection with the bank levy, reference is made to our statements in the Management Report (Risk Report/Legal Risks).

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.

Derivatives as at 31.12.2023

Derivatives €m	Nominal amount/ Remaining term									
	Up to 1 year	From 1 to 5 years	More than 5 years	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)
Interest-related transactions:										
Interest rate swaps of which in valuation units	7,427 *421*	33,467 *2,469*	22,450 *788*	63,344 *3,678*	–1,971 *–36*	2,128 *132*	–38 –	P6	9 –	A15
FRA sales	–	–	–	–	–	–	–		–	
Swaptions	–	–	–	–	–	–	–	P5	–	A14
Securities future	–	–	–	–	–	–	–		–	
Caps	1,103	3,798	933	5,834	–130	39	–39	P6	36	A15
Floors	14	486	–	500	–	–	–1	P6	–	A15
Collar caps	–	46	–	46	–1	–	–1		–	
Collar floors	–	46	–	46	–	–	–		–	
Other transactions	–	–	500	500	–	–	–		–	
	8,544	**37,843**	**23,883**	**70,270**	**–2,102**	**2,167**	**–79**		**45**	
Currency-related transactions										
Forward exchange dealings	236	–	–	236	–5	2	–5	P5	2	A14
Interest and currency swaps	82	788	351	1,221	–6	76	–	P5	104	A14
	318	**788**	**351**	**1,457**	**–11**	**78**	**–5**		**106**	
Total	**8,862**	**38,631**	**24,234**	**71,727**	**–2,113**	**2,245**	**–84**		**151**	

Derivatives as at 31.12.2022

Derivates €m	Nominal amount/ Remaining term									
	Up to 1 year	From 1 to 5 years	More than 5 years	Total Nominal	Total of negative market values	Total of positive market values	Total of negative book values (liabili-ties)	Balance sheet items (liabilities)	Total of positive book values (assets)	Balance sheet items (assets)
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 –	P6	16 –	A15
FRA sales	–	–	–	–	–	–	–		–	
Swaptions	–	–	240	240	–	15	–	P5	4	A14
Securities future	–	–	–	–	–	–	–		–	
Caps	227	4,212	402	4,841	–216	56	–31	P6	25	A15
Floors	2,797	438	–	3,235	–	–	–2	P6	–	A15
Collar caps	–	46	–	46	–3	–	–1		–	
Collar floors	–	46	–	46	–	–	–		–	
Other transactions	–	–	500	500	–	–	–		–	
	14,574	**34,586**	**23,197**	**72,357**	**–3,148**	**3,205**	**–85**		**45**	
Currency-related transactions										
Forward exchange dealings	289	–	–	289	–12	3	–13	P5	3	A14
Interest and currency swaps	–	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**	

Completed business transactions largely serve to hedge interest and exchange rate risks of underlying transactions. The market values of the derivative financial instruments are shown on the basis of the interest rate applicable on 31 December 2023 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	2023 Total	2022 Total
Full-time employees	295	207	502	477
Part-time employees	37	85	122	128
School-leaver trainees / BA students	2	2	4	4
Total	**334**	**294**	**628**	**609**

Group Affiliation

Berlin Hyp is 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 Dreo-Tempsch,
Chief Market Officer
Alexander Stuwe,
Chief Financial Officer

Supervisory Board

Thorsten Schönenberger (Chair)
→ Member of the Board of Management of Landesbank Baden-Württemberg, Real Estate and Project Financing

Andrea Schlenzig (Deputy Chair)
→ Bank employee
→ Employee representative

Anastasios Agathagelidis
→ Member of the Board of Management of Landesbank Baden-Württemberg, Risk Management and Risk Controlling

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

Jana Pabst
→ Bank employee
→ Employee representative
→ Member of the Works Council of Berlin Hyp AG

Dr. Christian Ricken
→ Member of the Board of Management of Landesbank Baden-Württemberg, Capital Market Activities, Asset Management, International Business, Treasury, LBBW Research

Thomas Weiß
→ Division Head Financial Controlling of Landesbank Baden-Württemberg

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€	2023	2022
Board of Management	2,964	2,563
of which expended or deferred in the financial year for pension liabilities	785	657
Former members of the Board of Management and their surviving dependants	3,039	3,102
Cash value of pension liabilities for former members of the Board of Management and their surviving dependants	**47,226**	**44,627**
of which is reserved	47,226	44,627

Remuneration of the Supervisory Board

The remuneration payable to the members of the Supervisory Board for the 2023 financial year, including committee activity, amounts to T€ 83 (T€198)). The total remuneration does not contain the remuneration for former members of the Supervisory Board (previous year: T€1), as no resignations occurred in the 2023 financial year.

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 employees' representatives in Berlin Hyp's Supervisory Board) in the financial year 2023.

Statement of Cover Assets in €m	2023	2022
A. Mortgage Pfandbriefe		
Ordinary cover		
1. Claims against banking institutions		
Mortgage loans	–	–
2. Claims against customers		
Mortgage loans	17,477.8	16,039.6
3. Tangible fixed assets (land charges on Bank-owned real estate)	–	–
Total	17,477.8	16,039.6
Additional cover		
1. Other claims against banking institutions	50.0	738.0
2. Debentures and other fixed-interest securities	990.0	410.0
Total	1,040.0	1,148.0
Total cover	18,517.8	17,187.6
Total mortgage Pfandbriefe requiring cover	17,620.6	16,045.7
Excess cover	**897.3**	**1,141.9**
B. Public Pfandbriefe		
Ordinary cover		
1. Claims against banking institutions		
a) Mortgage loans	–	–
b) Public-sector loans	–	–
2. Claims against customers		
a) Mortgage loans	7.4	8.1
b) Public-sector loans	150.4	200.4
3. Debentures and other fixed-interest securities	–	–
Total	157.8	208.4
Additional cover		
1. Other claims against banking institutions	–	–
2. Debentures and other fixed-interest securities	15.5	24.0
Total	15.5	24.0
Total cover	173.3	232.4
Total public Pfandbriefe requiring cover	141.0	200.0
Excess cover	**32.3**	**32.4**

Publication in accordance with Section 28 German Pfandbrief Act (PfandBG)

Section 28 (1)(1) Nos. 1 and 3 of the German Pfandbrief Act (PfandBG)
Q4 2023

Amounts in €m

	Nominal value		Present value		Risk-adjusted present value*	
Total amount of outstanding	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Mortgage Pfandbriefe	17,620.6	16,045.7	17,102.6	14,672.4	18,301.2	16,220.1
of which derivatives	–	–	–	–	–	–
Cover pool	18,517.8	17,187.6	18,473.4	16,511.3	19,268.5	17,646.8
of which derivatives	–	–	–	–	–	–
Excess cover	**897.3**	**1,141.9**	**1,370.8**	**1,838.9**	**967.3**	**1,426.7**
Excess cover as % of outstanding Pfandbriefe	5.1	7.1	8.0	12.5	5.3	8.8
Statutory excess cover[1]	691.8	620.8	342.1	293.5		
Contractual excess cover[2]	–	–	–	–		
Voluntary excess cover[3]	205.5	521.1	1,028.8	1,545.4		
Excess cover under consideration of the vdp credit quality differentiation model	**897.3**	**1,141.9**	**1,370.8**	**1,838.9**		
Excess cover as % of outstanding Pfandbriefe	5.1	7.1	8.0	12.5		

	Nominal value		Present value		Risk-adjusted present value*	
Total amount of outstanding	Q4 2023	Q4 2022	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Public Pfandbriefe	141.0	200.0	151.4	216.7	147.1	198.5
of which derivatives	–	–	–	–	–	–
Cover pool	173.3	232.4	197.3	247.0	174.7	212.8
of which derivatives	–	–	–	–	–	–
Excess cover	**32.3**	**32.4**	**45.9**	**30.2**	**27.6**	**14.3**
Excess cover as % of outstanding Pfandbriefe	22.9	16.2	30.3	14.0	18.8	7.2
Statutory excess cover[1]	5.9	8.6	3.0	4.3		
Contractual excess cover[2]	–	–	–	–		
Voluntary excess cover[3]	26.4	23.8	42.8	25.9		
Excess cover under consideration of the vdp credit quality differentiation model	**32.3**	**32.4**	**45.9**	**30.2**		
Excess cover as % of outstanding Pfandbriefe	22.9	16.2	30.3	14.0		

* 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).

[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
Note: Excess cover under consideration of the vdp credit quality differentiation model is optional

Publication in accordance with Section 28 (1)(1) Nos. 4 and 5 of the German Pfandbrief Act (PfandBG)
Maturity Structure of Outstanding Pfandbriefe and the Cover Pool Used for Them
Q4 2023

	Q4 2023		Q4 2022		Q4 2023 FäV (12 months)*	Q4 2022 FäV (12 months)*
Mortgage Pfandbriefe Residual term:	Outstanding Pfandbriefe €m	Cover pool €m	Outstanding Pfandbriefe €m	Cover pool €m	Outstanding Pfandbriefe €m	Outstanding Pfandbriefe €m
Up to 0.5 years	1,082.5	1,046.8	1,370.8	1,034.5	–	–
Between 0.5 years and 1 year	416.0	1,303.2	568.0	1,029.9	–	–
Between 1 year and 1.5 years	573.0	794.3	1,082.0	928.8	1,082.5	1,370.8
Between 1.5 years and 2 years	1,932.0	1,765.4	166.0	1,261.9	416.0	568.0
Between 2 years and 3 years	1,993.5	2,280.4	2,455.0	2,178.3	2,505.0	1,248.0
Between 3 years and 4 years	1,962.0	2,664.9	1,473.1	2,328.3	1,993.5	2,455.0
Between 4 years and 5 years	2,357.0	2,527.3	1,987.0	2,004.6	1,962.0	1,473.1
Between 5 years and 10 years	6,418.5	5,722.5	5,535.5	5,975.7	7,520.5	6,694.0
Longer than 10 years	886.1	412.9	1,408.3	445.6	2,141.1	2,236.8

Public Pfandbriefe Residual term:	Outstanding Pfandbriefe €m	Cover pool €m	Outstanding Pfandbriefe €m	Cover pool €m	Outstanding Pfandbriefe €m	Outstanding Pfandbriefe €m
Up to 0.5 years	10.0	10.5	9.0	0.4	–	–
Between 0.5 years and 1 year	–	0.4	–	0.3	–	–
Between 1 year and 1.5 years	–	8.8	10.0	10.4	10.0	9.0
Between 1.5 years and 2 years	35.0	0.2	–	0.4	–	–
Between 2 years and 3 years	–	2.3	35.0	14.5	35.0	10.0
Between 3 years and 4 years	96.0	0.5	–	5.3	–	35.0
Between 4 years and 5 years	–	0.1	96.0	50.5	96.0	–
Between 5 years and 10 years	–	0.5	–	0.6	–	96.0
Longer than 10 years	–	150.0	50.0	150.1	–	50.0

* 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.

Information on extending the maturity of Pfandbriefe

	Q4 2023	Q4 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.	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.	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.

Publication pursuant to Section 28 (2) No. 1 a PfandBG, Section 28 (3) No. 1 PfandBG and Section 28 (4) No. 1 a PfandBG

Claims Used as Cover for Mortgage Pfandbriefe Classified According to Size Q4 2023

Cover in €m	Q4 2023	Q4 2022
Up to and including €300,000	18.0	21.8
More than €300,000 Up to and including € 1 million	70.3	76.9
From € 1 million up to and including € 10 million	2,204.7	2,239.4
More than € 10 million	15,184.8	13,701.5
Total	**17,477.8**	**16,039.6**

Claims Used as Cover for Public Pfandbriefe Classified According to Size Q4 2023

Cover in €m	Q4 2023	Q4 2022
Including to and including € 10 million	23.3	21.4
From € 10 million including to and including € 100 million	150.0	211.0
More than € 100 million	–	–
Total	**173.3**	**232.4**

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

Claims Used as Cover for Mortgage Pfandbriefe 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 Q4 2023

Total – all countries in €m	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		47.7		25.3
Single and two-family houses		152.3		144.9
Residential buildings for several families		5,740.2		5,099.7
Office buildings	5,818.0		5,734.6	
Retail buildings	3,428.3		3,079.7	
Industrial buildings	128.7		202.9	
Other commercially used buildings	2,021.6		1,648.3	
Unfinished, as yet unprofitable new buildings	79.4	–	52.2	–
Building sites	0.4	61.1	51.8	–
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	**11,476.5**	**6,001.4**	**10,769.6**	**5,269.9**
	17,477.8		**16,039.6**	

Germany in €m

	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		30.9		25.1
Single and two-family houses		7.9		8.9
Residential buildings for several families		4,909.2		4,482.6
Office buildings	2,904.1		2,847.8	
Retail buildings	2,117.4		1,713.8	
Industrial buildings	124.7		198.9	
Other commercially used buildings	1,438.5		1,214.0	
Unfinished, as yet unprofitable new buildings	79.4	–	52.2	–
Building sites	0.4	61.1	51.8	–
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	**6,664.7**	**5,009.1**	**6,078.5**	**4,516.6**
	11,673.7		**10,595.1**	

Belgium in €m

	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		–		–
Single and two-family houses		–		–
Residential buildings for several families		–		–
Office buildings	62.3		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	**62.3**	**–**	**55.7**	**–**
	62.3		**55.7**	

France in €m

	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		–		–
Single and two-family houses		–		–
Residential buildings for several families		14.6		–
Office buildings	1,039.2		953.8	
Retail buildings	249.4		319.3	
Industrial buildings	–		–	
Other commercially used buildings	125.3		94.0	
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	**1,413.9**	**14.6**	**1,367.1**	**–**
	1,428.6		**1,367.1**	

Great Britain in €m	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		–		–
Single and two-family houses		–		–
Residential buildings for several families		–		–
Office buildings	–		64.3	
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**	**–**
	–		**64.3**	

The Netherlands in €m	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		16.9		0.2
Single and two-family houses		144.4		136.0
Residential buildings for several families		816.4		617.1
Office buildings	973.9		1,019.1	
Retail buildings	737.1		704.4	
Industrial buildings	4.0		4.0	
Other commercially used buildings	308.2		273.2	
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	**2,023.1**	**977.7**	**2,000.8**	**753.3**
	3,000.8		**2,754.1**	

Poland in €m	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
Owner-occupied apartments		–		–
Single and two-family houses		–		–
Residential buildings for several families		–		–
Office buildings	662.7		618.2	
Retail buildings	252.7		270.6	
Industrial buildings	–		–	
Other commercially used buildings	149.6		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	**1,065.0**	**–**	**955.8**	**–**
	1,065.0		**955.8**	

Czech Republic in €m	Q4 2023		Q4 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 Q4 2023

Total – all countries in €m	Q4 2023		Q4 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	100.0	7.8	164.0	8.4
Local authorities	–	–	–	–
Other	15.5	–	10.0	–
Total	**173.3**		**232.4**	
Amount of the total accounted for by guarantees for reasons of export promotion	–		–	

Germany in €m	Q4 2023		Q4 2022	
	of which owed by	of which guaranteed by	of which owed by	of which guaranteed by
Federal governments	–	–	–	–
Regional authorities	100.0	7.8	164.0	8.4
Local authorities	–	–	–	–
Other	15.5	–	10.0	–
Total	**123.3**		**182.4**	
Amount of the total accounted for by guarantees for reasons of export promotion	–		–	

Austria in €m	Q4 2023		Q4 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
Q4 2023

Total – all countries in €m	Q4 2023		Q4 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 2023		Q4 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 Q4 2023

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

Total – all countries in €m	Q4 2023			Q4 2022		
	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	337.5	247.5	405.0	302.5	435.5	410.0
Total	387.5	247.5		302.5	435.5	
Total		**1,040.0**			**1,148.0**	

Germany in €m	Q4 2023			Q4 2022		
	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	337.5	95.0		302.5	93.0	
Total	387.5	95.0		302.5	93.0	
			335.0			380.0
Total		**817.5**			**775.5**	

France in €m	Q4 2023			Q4 2022		
	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	–	128.5		–	–	
Total	–	128.5		–	–	
			70.0			–
Total		**198.5**			**–**	

Poland in €m	Q4 2023			Q4 2022		
	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	–	–		–	–	
Total	–	–		–	–	
						30.0
Total		**–**			**30.0**	

Sweden in €m

	Q4 2023			Q4 2022		
	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	–	24.0		–	30.0	
Total	–	24.0		–	30.0	
			–			–
Total		**24.0**			**30.0**	

Canada in €m

	Q4 2023			Q4 2022		
	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4
Covered debentures as defined under Article 129 Regulation (EU) No. 575/2013	–	–		–	312.5	
Total	–	–		–	312.5	
			–			–
Total		**–**			**312.5**	

Section 28 (1)(1) Nos. 8 and 9 PfandBG
Additional Cover – Detailed Depiction for Public Pfandbriefe Q4 2023

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

Total – all countries in €m

	Q4 2023			Q4 2022		
	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a 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		**–**			**–**	

Germany in €m

	Q4 2023			Q4 2022		
	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a to c	Claims pursuant to Section 19 (1) (1) No. 4	Claims pursuant to Section 19 (1)(1) No. 2 a and b	Claims pursuant to Section 19 (1) (1) No. 3 a 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		**–**			**–**	

Section 28 (1)(1) Nos. 6, 7, 11, 12, 13, 14, 15 of the German Pfandbrief Act (PfandBG) and Section 28 (2)(1) Nos. 3 and 4 PfandBG

Figures on Outstanding Pfandbriefe and Cover Used
Q4 2023

Mortgage Pfandbriefe		Q4 2023	Q4 2022
Outstanding Pfandbriefe	€m	17,620.6	16,045.7
of which share of fixed-interest Pfandbriefe Section 28 (1) No. 13 (weighted average)	%	99.9	99.6
Cover pool	€m	18,517.8	17,187.6
of which total claims in accordance with Section 12 (1) that exceed the limits pursuant to Section 13 (1)(2) 2nd clause ection 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 pool Section 28 (1) No. 13	%	74.8	74.9
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	–246.2	–211.7
	CZK	–	–
	DKK	–	–
	GBP	–	65.9
	HKD	–	–
	JPY	–	–
	NOK	–	–
	SEK	–	–
		–	–
	AUD	–	–
Volume-weighted average of the age of the claims (lapsed term since lending – seasoning) Section 28 (2) No. 4	years	4.4	4.3
Average weighted loan-to-value ratio Section 28 (2) No. 3	%	57.3	57.0
Average weighted loan-to-value ratio on a market value basis – voluntary disclosure – (average)	%	–	–

Mortgage Pfandbriefe		Q4 2023	Q4 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	598.2	779.5
Day on which the largest negative amount will result	Day (1 – 180)	10.0	148.0
Total amount of cover that meets the requirements under Section 4 (1a)(3) PfandBG (liquidity cover))	€m	980.8	998.3
Figures in accordance with Section 28 (1)(1) No. 7 PfandBG			
Share of cover pools accounted for by derivatives transactions pursuant to Section 19 (1)(1) No. 1 (creditworthiness level 3)	%	–	–
Share of cover pools accounted for by derivatives transactions pursuant to Section 19 (1)(1) No. 2 c (creditworthiness level 2)	%	–	–
Share of cover pools 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 pool accounted for by cover assets for which, or for its debtor, a default within the meaning of Art. 178 (1) CRR is considered to have occurred.	%	–	0.3

Public Pfandbriefe		Q4 2023	Q4 2022
Outstanding Pfandbriefe	€m	141.0	200.0
of which share of fixed-interest Pfandbriefe Section 28 (1) No. 13 (weighted average)	%	100.0	100.0
Cover pool	€m	173.3	232.4
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 pool 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	–	–
		–	–
	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	12.8	14.2
Day on which the largest negative amount will result	Day (1 – 180)	69.0	113.0
Total amount of cover that meets the requirements under Section 4 (1a)(3) PfandBG (liquidity cover))	€m	15.5	22.9
Figures in accordance with Section 28 (1)(1) No. 7 PfandBG			
Share of cover pools accounted for by derivatives transactions pursuant to Section 20 (2)(1) No. 1 (creditworthiness level 3)	%	–	–
Share of cover pools accounted for by derivatives transactions pursuant to Section 20 (2)(1) No. 2 (creditworthiness level 2)	%	–	–
Share of cover pools 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 2023	Q4 2022
Figures in accordance with Section 28 (1)(1) No. 15 PfandBG			
Share of cover pool accounted for by cover assets for which, or for its debtor, a default within the meaning of Art. 178 (1) CRR is considered to have occurred	%	–	–

Section 28 (1)(1) No. 2 PfandBG

International Securities Identification Numbers of the International Organisation for Standardisation (ISIN) by Pfandbrief Type Q4 2023

Mortgage Pfandbriefe	Q4 2023	Q4 2022
ISIN	CH1202242249, DE000BHY0AU8, DE000BHY0BE0, DE000BHY0BN1, DE000BHY0BQ4, DE000BHY0BV4, DE000BHY0BZ5, DE000BHY0B14, DE000BHY0C47, DE000BHY0C70, DE000BHY0C88, DE000BHY0GC3, DE000BHY0GD1, DE000BHY0GE9, DE000BHY0GH2, DE000BHY0GK6, DE000BHY0GL4, DE000BHY0GM2, DE000BHY0GQ3, DE000BHY0GT7, DE000BHY0GX9, DE000BHY0HC1, DE000BHY0HM0, DE000BHY0HN8, DE000BHY0HP3, DE000BHY0HW9, DE000BHY0HZ2, DE000BHY0H34, DE000BHY0JB9, DE000BHY0JC7, DE000BHY0JD5, DE000BHY0JJ2, DE000BHY0JS3, DE000BHY0JU9, DE000BHY0JW5, DE000BHY0JX3, DE000BHY0JY1, DE000BHY0J08, DE000BHY0MQ1, DE000BHY0MT5, DE000BHY0MX7, DE000BHY0SB0, DE000BHY0SC8, DE000BHY0SP0, DE0002180064, DE0002190097, DE0002190204, DE0002190220, DE0002190253, DE0002190295, DE0002190303, DE0002190329, DE0002190337, DE0002190345, DE0002190402, DE0002190436, DE0002190444, DE0002190485, DE0002190543, 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	CH1202242249, DE000BHY0AU8, DE000BHY0BC4, DE000BHY0BE0, DE000BHY0BH3, DE000BHY0BN1, DE000BHY0BQ4, DE000BHY0BU6, DE000BHY0BV4, DE000BHY0BW2, DE000BHY0BZ5, DE000BHY0B06, DE000BHY0B14, DE000BHY0C13, DE000BHY0C47, DE000BHY0C70, DE000BHY0C88, DE000BHY0GC3, DE000BHY0GD1, DE000BHY0GE9, DE000BHY0GH2, DE000BHY0GK6, DE000BHY0GL4, DE000BHY0GX9, DE000BHY0HC1, DE000BHY0HK4, DE000BHY0HL2, DE000BHY0HM0, DE000BHY0HN8, DE000BHY0HP3, DE000BHY0HV1, DE000BHY0HW9, DE000BHY0HZ2, DE000BHY0H34, DE000BHY0JB9, DE000BHY0JC7, DE000BHY0JD5, DE000BHY0JJ2, DE000BHY0JS3, DE000BHY0JU9, 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 2023	Q4 2022
ISIN	DE0002193315, DE0002193372, DE0002193646, DE0002203213, DE0002206737	DE0002193315, DE0002193372, DE0002193646, DE0002203023, DE0002203213, DE0002206737

Section 28 (2) No. 4 PfandBG

Section 28 (2) No. 4 a to c PfandBG: Information on Foreclosures and Administrative Receivership Proceedings, Overdue Interest and Repayments of Mortgage Loans Q4 2023

Section 28 (2) No. 4 a and b PfandBG in amount	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
No. 4a Pending foreclosures	–	–	–	–
Pending administrative receiverships	–	–	–	–
Of which included in the pending foreclosures	–	–	–	–
Foreclosures carried out	–	–	–	–
No. 4 b Cases in which property has been seized to prevent losses	–	–	–	–

Section 28 (2) No. 4 c PfandBG in €m	Q4 2023		Q4 2022	
	Commercial	Residential	Commercial	Residential
No. 4 c Total interest in arrears	–	–	–	–

Berlin, 27 February 2024

Sascha Klaus

Maria Teresa Dreo-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 2023, and the statement of profit and loss, the cash flow statement and the statement of changes in equity for the financial year from 1 January to 31 December 2023, 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 financial year from 1 January to 31 December 2023. 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 Sec. 289c 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 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 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 Sec. 289c 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 significance in our audit of the annual financial statements for the financial year from 1

January to 31 December 2023. 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 2023, a total of bEUR 29.2 in loans and advances to customers and other banks are recognised in the annual financial statements of Berlin Hyp AG, which makes up 83.2% of total assets. The existing risk provisioning of mEUR 435.6 has already been deducted from these loans and advances. The risk provision includes both individually determined specific allowances of mEUR 149.6 and model-based fixedrate allowances of mEUR 151.4, which also include a model-based model adjustment of mEUR 127.0. Additional contingent liabilities and other commitments amount to bEUR 2.3, Provisions of mEUR 7.4 have been set up for these, which amount to mEUR 2.6 based on provisions determined on a model basis and to mEUR 4.8 related to the model-based model adjustment. The model adjustment thus totals mEUR 131.8.

   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-Württemberg, 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.

   In order to take account of its expectations regarding economic developments, particularly in conjunction with the negative development on the property markets, the Bank has increased its general risk provisioning by a model adjustment totalling mEUR 131.8 as at 31 December 2023. 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-Württemberg, 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 model 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 model 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 non-financial statement pursuant to Sections 289b to 289e HGB included in section VII “Non-financial statements in accordance with Sec. 289b and Sec. 289c HGB” of the management report,
- the corporate governance statement pursuant to Section 289f HGB which is included in section VI “Corporate governance statement in accordance with Sec. 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 HGB and Section 289 (1) sentence 5 HGB,
- 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 of 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 actions taken or safeguards applied to eliminate independence threats.

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 file, which has the SHA-256 value c206674bf8a6672961561b773fc54151b00162b2b242b1fa0f8047bc474d52bb, 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 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 financial year from 1 January to 31 December 2023 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 auditing practice has applied the quality assurance system requirements of the IDW quality assurance standards.

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 judgement 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 24 March 2023. We were engaged by the supervisory board on 12 April 2023. We have been the auditor of Berlin Hyp AG, Berlin/Germany, without interruptions, 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 submitted for inclusion in the Company 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/Germany, 28. February 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

sig. Grüneberg Wirtschaftsprüfer (German Public Auditor)	sig. Wissel-Schaldach Wirtschaftsprüferin (German Public Auditor)

Limited Assurance Report Of The Independent Practitioner Regarding The Non-Financial Report

To Berlin Hyp AG, Berlin/Germany

Our Engagement

We performed a limited assurance engagement on the non-financial statement ("non-financial reporting") of Berlin Hyp AG, Berlin/Germany ("the Company"), which is contained in the management report for the financial year from 1 January to 31 December 2023.

Our assurance engagement does not cover the external sources of documentation or expert opinions stated in the combined non-financial reporting:

- Separately published GRI index
- TCFD index
- Website of Berlin Hyp www.berlinhyp.de (incl. subpages)
- Environmental report
- Validation of the environmental statement in accordance with EMAS by GUT Certifizierungsgesellschaft für Management-systeme mbH
- PCAF standards
- ESG Bond Report 2022
- Federal Ministry of Economics (December 2021): Energy efficiency in figures – Developments and trends in Germany 2021
- Decarbonisation project
- Materiality analysis (risk management) by vdpResearch
- Climate risk analysis
- Natural hazard analysis by K.A.R.L. of Köln Assekuranz Agentur
- Ratings/valuations of RepRisk
- Risk filter of RepRisk AG
- Impact-Reporting of Drees & Sommer as well as reporting and re-verification by ISS-ESG
- Emissions calculation using the VfU tool

The CSRD materiality analysis 2023 and the further steps towards CSRD reporting 2024 are not the subject of this engagement.

Responsibilities of the Executive Directors

The executive directors of the Company are responsible for the preparation of the non-financial reporting in accordance with Section 340a (1a) in conjunction with Sections 289c to 289e German Commercial Code (HGB) and Article 8 of Regulation (EU) 2020/852 of the European Parliament and the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 ("EU Taxonomy Regulation") and the delegated acts adopted thereon, as well as with the executive directors' interpretation of the wording and terminology contained in the EU Taxonomy Regulation and the delegated acts adopted thereon, as is presented in section 4 of the non-financial reporting.

These responsibilities of the Company's executive directors include the selection and application of appropriate methods to prepare the non-financial reporting and the use of assumptions and estimates for individual nonfinancial disclosures which are reasonable under the given circumstances. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of nonfinancial reporting that is free from material misstatements due to fraud (i.e. fraudulent non-financial reporting) or error.

Some of the wording and terminology contained in the EU Taxonomy Regulation and the delegated acts adopted thereon are still subject to considerable interpretation uncertainty and have not yet been officially clarified in every case. Therefore, the executive directors have laid down their own interpretation of the EU Taxonomy Regulation and of the delegated acts adopted thereon in section 4 of the non-financial reporting. They are responsible for the defensibility of this interpretation. As there is the inherent risk that indefinite legal terminology may allow for various interpretations, the legal conformity of the interpretation is subject to uncertainty.

The preciseness and completeness of the environmental data in the non-financial reporting is subject to inherent limitations resulting from the manner in which the data was collected and calculated as well as from assumptions made.

Independence and Quality Assurance of the Independent Practitioner's Firm

We have complied with the German professional requirements on independence and other professional conduct requirements.

Our audit firm applies the national statutory rules and professional announcements – particularly of the "Professional Code of Conduct for German Public Auditors and German Sworn Auditors" (BS WP/vBP) and of the Quality Management Standards promulgated by the Institut der Wirtschaftsprüfer (IDW), and accordingly maintains a quality management system that includes documented policies and procedures with regard to compliance with professional ethical requirements, professional standards as well as relevant statutory and other legal requirements.

Responsibilities of the Independent Practitioner

Our responsibility is to express a conclusion on the non-financial reporting based on our work performed within our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", adopted by the IAASB. This Standard requires that we plan and perform the assurance engagement so that we can conclude with limited assurance whether matters have come to our attention to cause us to believe that the nonfinancial reporting, with the exception of the external sources of documentation or expert opinions referenced therein, has not been prepared, in all material respects, in accordance with Section 340a (1a) in conjunction with Sections 289c to 289e HGB and the EU Taxonomy Regulation and the delegated acts adopted thereon, as well as with the interpretation by the executive directors presented in section 4 of the non-financial reporting.

The procedures performed in a limited assurance engagement have a lesser extent than for a reasonable assurance engagement; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The choice of assurance work is subject to the practitioner's professional judgement.

Within the scope of our limited assurance engagement that we performed during the months from October 2023 to February 2024, we notably performed the following procedures and other work:

- Gaining an understanding of the structure of the Company's sustainability organisation and stakeholder engagement,
- Inquiries of the executive directors and relevant employees involved in the process of preparation about the process of preparation, about the system of internal control relating to this process, as well as about the disclosures contained in the non-financial reporting, Identification of probable risks of material misstatements in the non-financial reporting,
- Analytical evaluation of selected disclosures in the non-financial reporting,
- Cross validation of selected disclosures and the corresponding data in the annual financial statements as well as in the management report,

- Evaluation of the presentation of the non-financial reporting,
- Evaluation of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the non-financial reporting.

The determination of the disclosures pursuant to Article 8 of the EU Taxonomy Regulation requires the executive directors to make interpretations of indefinite legal concepts. As there is the inherent risk that indefinite legal concepts may allow for various interpretations, the legal conformity of the interpretation, and hence our related examination, is prone to uncertainty.

Conclusion of the Independent Practitioner

Based on the work performed and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial statement of the Company for the financial year from 1 January to 31 December 2023 has not been prepared, in all material respects, in accordance with Sections 340a (1a) in conjunction with 289c to 289e HGB, the EU Taxonomy Regulation and the delegated acts adopted thereon, as well as with the interpretation by the executive directors presented in section 4 of the non-financial reporting.

We do not express a conclusion on the external sources of documentation and expert opinions stated in the nonfinancial reporting.

Restriction of Use

We issue this report as stipulated in the engagement letter agreed with the Company (including the “General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms)” as of 1 January 2017 promulgated by the Institut der Wirtschaftsprüfer (IDW)). We draw attention to the fact that the assurance engagement was conducted for the Company’s purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Therefore, it may not be suitable for another than the aforementioned purpose. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it.

We are solely liable to the Company. However, we do not accept or assume liability to third parties. Our conclusion is not modified in this respect.

German public auditors responsible for the engagement

The German Public Auditors responsible for the engagement are Björn Grüneberg and Beate Wissel-Schaldach

Berlin, 28 February 2024

Deloitte GmbH
Wirtschaftsprüfungsgesellschaft

sig. Grüneberg)	sig. Wissel-Schaldach
Wirtschaftsprüfer)	Wirtschaftsprüferin
(German Public Auditor)	(German Public Auditor)

Berlin Hyp AG
Corneliusstraße 7
10787 Berlin
T +49 30 2599 9123
www.berlinhyp.de