

Contents

Message from the Supervisory Board	3
Message from the Management Board	4
Overview of the activities of the Company	5
Summary of bonds issued	5
Developments in 2009	5
Directors' Report	6
Balance Sheet	7
Profit and Loss Account	8
Cash Flow Statement	9
Notes to the Financial Statements	10
Other information	15
Auditors' Report	16
Supplementary Information	17
Five Years in Figures	18

*In this Annual Report the Company refers to Baden-Württemberg L-Finance,
Hoofddorp, LBBW refers to Landesbank Baden-Württemberg.*

Message from the Supervisory Board

The Supervisory Board met on three occasions to review written and verbal statutory reports from external auditors, and the reports from the Company Management. The Supervisory Board expressed its satisfaction with the outcome of both sets of reporting procedures and noted the unaffected performance of the Company in a year that saw major upheavals in financial markets and the structure of the Dutch banking sector.

As predicted in academic studies the deep troubles of one of the large banks put a considerable burden on the system but did not lead to a complete collapse of the interbank market. The crisis came soon after the introduction of a single act to cover all financial institutions on a cross-over basis (Wet op het financieel toezicht – WFT: Act on Financial Supervision), and the new legislation is one of the reasons cited for the relative success of the Dutch authorities in managing the financial crises.

However, despite the official support for the banking sector, the Netherlands was still badly hit by the financial crisis, and at the level of the banking sector risks remain. The Netherlands has a highly concentrated and competitive banking system which will need to refocus on and enhance conduct of domestic market business if it is to improve its risk profile. Profitability remains historically weak, as is the capital generation capacity not in the least as a result of high cost base and increased provisions.

On a wider level the Netherlands is playing a leading role in the revision of Basel Committee processes that will result in capital and liquidity proposals ensuring more resilient bank and sounder banking and financial systems. Such processes are geared to promoting a better balance between financial innovation and sustainable growth. Expectations are that in the competitiveness of the Dutch banking sector which slipped two places to the 10th place in the World Economic Forum competitiveness index during the year, will improve.

Fortunately, and by the very nature of its operations, the Company is protected from such pressures and remains a low-cost operation which consistently meets its budgeted financial targets. With its prudent business model and strict controls the outlook for the Company remains stable.

We wish our bondholders and followers a safe and profitable 2010.

Yours sincerely,

J.H. Welsch W. Kling

Message from the Management Board

Baden-Württemberg L-Finance is pleased to present this report for the year 2009. As ever, we are grateful for the loyalty of our established followers and welcome those new to our company and its activities.

The policy of not refinancing loans repaid remains in place. Consequently, with the redemption of one bond (FFR 3 bn) in 2009 the Company's main activity comprises the management of the three outstanding issues and loans in DEM and FFR. However, the reduction in activities has not in any way compromised the standard at which business is conducted and the Management Board continues to exercise the same level of care and attention as in the past.

2009 was again an annus horribilis in the economic and financial markets, the truly positive development being merely the lack of further deterioration into one of the worst crises on record. Projections for world growth however, were revised upwards towards the end of 2009 and the market now expects more financial stability and an improvement in economic indicators. This is predicated however on continuing easy monetary policy and fiscal support. A critical factor will be whether housing markets improve as a result of low interest rates and the tax rebate policy. Unemployment is still a major problem and households are struggling to cope with reduced savings and income as well as higher prices and tighter credit. Businesses, too, have yet fully benefited from liquidity made available to the banking system and the improvement in economic conditions before they have the confidence to invest capital again.

As in previous years, due to its traditional conservative and fully hedged approach the Company has been, and remains, well protected against market risk and its management remains vigilant. In 2009 the Management Board met on three occasions. Mr. Welsch was reconfirmed in his appointment as Supervisory Board member. The Management Board continued to report to the Supervisory Board both informally as proscribed in its standard operating procedures.

2010 will be a challenging year. As well as financial and economic pressures, geo-political issues such as energy, climate and adherence to international conventions, can have a dramatic positive or negative effect on financial markets. There can be no let-up in the vigilance exercised by financial institutions in responding to these challenges and their impact.

Yours sincerely,

C.A. Rosekrans

M.U. Reiser

Overview of the activities of the Company

Supporting LBBW's funding

The Company's sole role is to support Landesbank Baden-Württemberg, and thus the State of Baden-Württemberg, by raising money on favourable terms in the international capital markets. The Company must also manage balances and payments resulting from issues made to ensure that they are received, paid and placed on deposit in secure and timely fashion. This role requires the Company to be able to issue at any time in any relevant market, and to obtain an adequate risk-adjusted return on deposits.

Summery of Bonds issues.

(As at December 31, 2009)

The performance of bonds issued by Baden-Württemberg L-Finance N.V. as is follows:

CCY	Coupon	Nominal	Period	ISIN	Bloomberg Ticker
DEM	0	1,000,000,000	Jul 16 1992 / 12	DE0004072855	LBW 7/16/12
DEM	5.375	1,000,000,000	Feb 5, 1998 / 10	DE0001971802	LBW 5 3/8 02/05/10
FRF	5.375	3,000,000,000	Feb 5, 1998 / 10	XS0083633072	LBW 5 3/8 02/05/10

Developments in 2009.

Issuing activity

Also in 2009 the Company has focused on the management of its outstanding issued and the administration of loans previously granted.

Overall, the Company repaid one bond of FRF3 bn (EUR 457 mn).

Directors' Report

Legal form

Baden-Württemberg L-Finance N.V. was established on 12 April 1988. On 1 January 1999 it became a full subsidiary of Landesbank Baden-Württemberg.

The authorised capital of the Company is EUR 100,000. Of the authorised share capital EUR 50,000 is issued and fully paid up. The share premium is EUR 50,000.

Activities

Since its incorporation the Company has been active as a finance company. In accordance with the Dutch regulations for finance companies, at least 95% of the proceeds of its bond issues are lent to the parent company.

As a finance company it has issued mainly larger volume bonds in a range of currencies which are listed and traded on various stock exchanges.

Overview

In the year under review the Company undertook no new transactions.

All outstanding bonds are guaranteed by the parent company and rated AAA, Aaa, AAA by Standard & Poor, Moody's and Fitch/IBCA respectively.

During 2009 the Company repaid one bond, with an original nominal value of FRF 3 bn on maturity. At year-end the Company managed 3 bonds.

Total assets

The balance sheet total of the Company decreased by approximately EUR 455 mn to EUR 1.4 bn (2008: EUR 1.9 bn).

The rate of decrease was 24%. Claims on the parent company declined by EUR 452 mn (2008: decrease of EUR 2.9 bn). The decrease is solely attributable to the fact that three loans in the portfolio of liabilities matured during the course of 2009.

Earnings

Due to the repayment of issued bonds, and in line with the volume outstanding, interest earnings decreased by EUR 3.2 mn or 54% (2008: decrease of 35%).

Amortisation of the deferred bond charges and annual bond expenses decreased for the same reason.

The Company's general expenses decreased by EUR 0.03 mn or 13%.

Capital

During this financial year the shareholder decided to distribute a dividend of EUR 2.6 mn out of the profit of the year 2008. The capital position of the Company rose in 2009 to EUR 3.8 mn (2008: EUR 3.3 mn).

In order to cover all liabilities the parent company has issued a Letter of Comfort in favour of the Company in 2001; this was amended in 2004.

Credit risk

It is the management's opinion that no provision for credit risks is necessary.

Directors' statement:

In our opinion, the annual accounts give a true and fair view of the assets and liabilities and the financial position of the Company as of December 31, 2009 and the cash flow for the financial year 2009. These annual accounts also represent the usual course of transactions during 2009.

The Supervisory Board of the Company is in charge of all committees. The Presence of the Supervisory Board and its Audit Committee of the parent company results in a compliance with article 2.393 sub 5 part e of the Netherlands Civil Code.

If necessary the credit risks are described in the Notes to the annual accounts.

Future outlook

The Company is continually looking for windows of opportunity in the capital markets.

Hoofddorp, 29 April 2010

C.A. Rosekrans M.U. Reiser

Balance Sheet.

Before appropriation of the profit.

(Expressed in EUR)

		December 31, 2009	December 31, 2008
	Notes		
Fixed assets			
Tangible fixed assets			
Office equipment	5	2,331	661
Financial fixed assets			
Loans to group Company	6	420,128,230	1,357,561,321
Current assets			
Short-term loans to group Company	7	968,638,933	457,347,052
Interest receivable from group Company	8	48,593,719	74,584,689
Other assets	9	459,395	1,212,226
Cash at bank and in hand	10	8,409,830	10,181,057
Balance:		1,026,101,877	543,325,024
Total assets		1,446,232,438	1,900,887,006

		December 31, 2009	December 31, 2008
Shareholder's equity and liabilities	Notes		
Shareholder's equity	11		
Share capital		50,000	50,000
Share premium		50,000	50,000
Retained earnings		3,690,207	3,176,442
Result for the year		1,347,018	3,113,765
Balance:		5,137,225	6,390,207
Long-term liabilities			
Bonds payable	12	424,098,263	1,362,690,342
Other payables and accrued expenses	13	557,805	525,849
Balance:		424,656,068	1,363,216,191
Current liabilities			
Bonds payable in one year	14	968,638,933	457,347,052
Interest payable on bonds	15	47,147,155	72,436,223
Other payables and accrued expenses	16	653,057	1,497,333
Balance:		1,016,439,145	531,280,608
Total liabilities		1,446,232,438	1,900,887,006

Profit and loss account

(Expressed in EUR)

	Notes	January 1 December 31, 2009	January 1 to December 31, 2008
Financial Income and (-) expenses	19		
<i>Interest income from group Company:</i>			
EUR		88,268,905	186,036,800
USD		0	5,908,243
Balance:		88,268,905	191,945,043
<i>Interest expense on bonds issued:</i>			
EUR		-85,580,133	-180,609,801
USD		0	-5,737,611
Balance:		-85,580,133	-186,347,412
<i>Interest income from third parties:</i>	20	113,083	432,360
Total financial income and expenses		2,801,855	6,029,991
Commission and guarantee expenses	21		
<i>Guarantee expenses</i>			
EUR		-762,197	-1,532,810
USD		0	-49,892
Balance:		-762,197	-1,582,702
Exchange differences		0	5,982
Result in financial income and charges		2,039,658	4,453,271
Sundry bond issue expenses	22	-29,728	-43,249
General expenses	23	-216,551	-248,888
Result from ordinary activities before taxation		1,793,379	4,161,134
Taxation	24	-446,361	-1,047,369
Result after taxation		1,347,018	3,113,765

Cash flow statement

(EUR 000)

	January 1 December 31, 2009	January 1 to December 31, 2008
Cash flow from operating activities		
Operating result (profit before taxation)	1,793	4,161
Changes in working capital:		
Decrease current assets	57,812	103,001
Decrease current liabilities	-56,705	-101,949
Balance:	1,107	1,052
Cash flow from ordinary activities:		
Corporation income tax paid	-446	-1,050
Cash flow from investment activities:		
Redemption of loans	-456,649	-2,828,867
Cash flow from financing activities:		
Dividend paid	-2,600	-4,300
Redemption of long-term liabilities	455,710	2,828,734
Balance:	453,110	2,824,434
Decrease in cash and cash equivalents	-1,085	-270

1 General

Activities

Since its incorporation the Company has been active as a finance company. In accordance with the Dutch regulations for finance companies, at least 95% of the proceeds of its bonds are on-lent to the parent company.

As a finance company the Company has issued mainly larger volume bonds in a range of currencies which are listed and traded on various stock exchanges.

The Company will discontinue their refinance activity after the redemption of the zero bond in July 2012. Thereafter Company will proceed with other activities.

Structure

Since 1 January 1999 the Company became a full subsidiary of Landesbank Baden-Württemberg in Stuttgart, Karlsruhe, Mannheim and Mainz in Germany.

The annual accounts of the Company are included in the consolidated annual accounts of Landesbank Baden-Württemberg Group

All outstanding bonds are guaranteed by the parent company and rated AAA, Aaa, AAA by Standard & Poor, Moody and Fitch/IBCA respectively.

2 Principles of valuation of assets and liabilities

General

The annual accounts have been prepared in accordance with the provisions of Part 9, Book 2 of the Netherlands Civil Code and in accordance with guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standard Board.

The annual accounts are denominated in Euros.

In general, assets and liabilities are stated at the amounts at which they were acquired. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred. The balance sheet, and profit and loss account include references to the notes.

Currencies

Functional currency

Items in the annual accounts denominated in foreign currencies are translated into Euro at the spot rate of exchange prevailing at the balance sheet date in line with the rates of exchanges used by the parent company: DEM 1.95583 = EUR 1; FRF 6.55957 = EUR 1).

Transactions, receivables and liabilities

Results denominated in foreign currencies are translated into Euros at the spot rate of exchange prevailing on the transaction date, in line with the rates of exchanges used by the parent company.

Tangible fixed assets

The Company's capital expenditure is stated at cost less straight-line depreciation over the estimated economic life. Small capital items are depreciated at once.

Financial fixed assets

The assets disclosed under financial fixed assets are stated at amortised cost price.

Current assets

Other receivables disclosed include short-term loans to the group company, which are stated at their fair value. Other assets disclosed include discount on bonds, issuance costs of bonds and premium on loans which are depreciated on straight-line basis over the maturity of the loans and the bonds.

Cash at bank and in hand represents bank balances and deposits with a maturity of less than 3 months.

Long-term liabilities

The liabilities disclosed under long-term liabilities are stated at the fair value of the amount owed.

3 Principles for determination of result

*Personal remuneration**Regular payments*

Salaries and social charges are taken to the profit and loss account when due, and in accordance with employment contracts and obligations.

Pensions

The Company has pension schemes which are defined contribution schemes.

For its defined contribution schemes the Company pays contributions to an insurance company.

The Company has no other obligation in connection with these defined pension schemes.

Financial income and expense

Interest income and expenses are recognised on a pro-rata basis.

When recognising the interest charges, the transaction cost on loans received is taken into account.

4 Financial instruments

Currency risk

The Company does not have any currency risk as it operates only in Euro.

Interest rate risk

The Company runs interest risk on the short-term deposits. The interest margin between the outstanding loans and bonds are fixed and also the contractual period are identical. Therefore the Company does not run an interest rate risk on the outstanding loans and bonds.

Credit risk

Our loans given to the parent company are pledged to the guarantor for our outstanding bonds. All our outstanding bonds are guaranteed by the parent company and are rated AAA, Aaa, AAA by Standard & Poor, Moody and Fitch/IBCA respectively.

Under the LBBW act, the State of Baden-Württemberg is liable without any restriction for the obligation of the guarantor. The creditors may, however, require performance from the State of Baden-Württemberg only if they have not been satisfied out of the guarantor's assets. This Guarantee Obligation ("Gewährträgerhaftung") extends to the guarantor's obligation under the Guarantee.

Under the German administrative law principle of Anstaltslast, the State of Baden-Württemberg safeguard the guarantor's economic basis and keep it in a position to pursue its operations and to enable it, in the event of financial difficulties, through the allocation of funds or in some other appropriate manner, to fulfil its obligations when due.

5 Tangible fixed assets

	Computer EUR	Equipment EUR	Total EUR
Balance January 1, 2009	118,197	46,239	164,436
Investments 2009	740	1,319	2,059
Accumulated depreciation	118,197	45,577	163,774
Book value	740	1,981	2,721
Depreciation 2009	-37	-353	-390
Balance December 31, 2009	703	1,628	2,331
Amortisation rates:	33.1 / 3%	20%	

Office equipment relates to equipment at the Company office at Boslaan 2 D in Hoofddorp, near Schiphol Airport.

6 Financial fixed assets

	Discounted interest on loan EUR	Loans group company EUR	Total loans EUR
Loans to group Company:			
Zero DEM 1,000,000,000 16 Jul 1992 – 16 Jul 2012	-122,369,493	511,291,881	388,922,388
DEM 1,000,000,000 5 Feb 1998 – 5 Feb 2010	0	511,291,881	511,291,881
FRF 3,000,000,000 5 Feb 1997 – 5 Feb 2010	0	457,347,052	457,347,052
Balance as at January 1, 2009	-122,369,493	1,479,930,814	1,357,561,321
Movements 2009:			
To short-term loans to group Company:			
DEM 1,000,000,000 5 Feb 1998 – 5 Feb 2010	0	-511,291,881	-511,291,881
FRF 3,000,000,000 5 Feb 1997 – 5 Feb 2010	0	-457,347,052	-457,347,052
To profit and loss account	31,205,842	0	31,205,842
Balance as at December 31, 2009	-91,163,651	511,291,881	420,128,230

The average interest on all outstanding loans is 6.4% (2008: 6.38%).

In accordance with regulations of the Dutch Central Bank, more than 95% of the proceeds of issued bonds are used for investment in group Companies.

The loans have been granted to Landesbank Baden-Württemberg.

The loans were granted at a discount or at a premium.

They are stated in the balance sheet at amortised cost price.

For the zero loan the discounted interest is deducted.

7 Short-term loans to group Company

	Loans to group Company EUR
FRF 3,000,000,000 6 Feb 1997 – 6 Feb 2009	457,347,052
Balance as January 1, 2009	457,347,052
Movements 2009:	
Short-term loans to group Company matured in 2009:	
FRF 3,000,000,000 6 Feb 1997 – 6 Feb 2009	-457,347,052
DEM 1,000,000,000 5 Feb 1998 – 5 Feb 2010	511,291,881
FRF 3,000,000,000 5 Feb 1997 – 5 Feb 2010	457,347,052
Balance as at December 31, 2009	968,638,933

Per original currency

		2009		2008
	CCY	EUR	CCY	EUR
DEM	2,000,000,000	1,022,583,762	2,000,000,000	1,022,583,762
FRF	3,000,000,000	457,347,052	6,000,000,000	914,694,104
Balance as at December 31		1,479,930,814		1,937,277,866

8 Interest receivable from group Company

	December 31, 2009 EUR	December 31, 2008 EUR
This represents the interest receivable from Landesbank Baden-Württemberg on the loans stated in Note 6 and 7	48,593,719	74,584,689

All loans have a fixed interest rate and the interest is payable annually in arrear.

9 Other assets

		December 31, 2009		December 31, 2008
	Total EUR	Term > 1 year EUR	Total EUR	Term > 1 year EUR
Discount on bonds, issuance costs bonds and premium on loans	443,723	238,005	1,193,144	443,723
Interest receivable third parties	1,140	0.00	10,359	0
Corporation tax	13,050	0.00	3,443	0
Prepaid expenses	1,482	0.00	5,280	0
Balance as at December 31	459,395	238,005	1,212,226	443,723

The loans and bonds included in the Notes 6, 7, 12, and 14 have been issued at a premium or a discount and have been subject to issuance costs at the date of issuance.

The net amounts of these premiums (or discounts) and issuance costs have been capitalised and recognised in the profit and loss account on a straight-line basis over the period of maturity. Interest receivable from third parties refers to interest receivable as mentioned in Note 20 to these accounts.

Corporation tax refers to a receivable from the authorities in respect to corporation tax 2009.

10 Cash at bank and at hand

	December 31, 2009 EUR	December 31, 2008 EUR
Cash at bank and in hand	8,409,830	10,181,057
Includes short-term deposits	8,315,000	10,040,000

At balance sheet date the Company has 5 short-term deposits with a maximum tenure of 2 months. The average interest rate on these short-term deposits is 0,42% (2008: 2,894%).

11 Shareholder's equity

The authorised capital, consisting of 20 ordinary shares with a nominal value of EUR 5,000 each, amounts to EUR 100,000.

The nominal issued and paid up capital amounts to EUR 50,000.

There is a share premium of EUR 50,000.

The movements during the financial year are as follows:

	December 31, 2008 EUR	Dividend distribution EUR	Movement 2008 EUR	December 31, 2009 EUR
Share capital	50,000	0	0	50,000
Share premium	50,000	0	0	50,000
Retained earnings	3,176,442	0	513,765	3,690,207
Result for the year	3,113,765	-2,600,000	833,253	1,347,018
	6,390,207	-2,600,000	1,347,018	5,137,225

According to article 26 of the Articles of Association the profit shall be at the disposal of the General Meeting of Shareholders.

It is the intention that the profit will be distributed to the Shareholder.

In order to cover all liabilities the parent company issues a Letter of Comfort in favour of the Company.

12 Bonds payable

	Discounted interest on bonds EUR	Bonds EUR	Total bonds EUR
Bonds issued			
Zero DEM 1,000,000,000 16 Jul 1992 – 16 Jul 2012	-117,240,472	511,291,881	394,051,409
5.3/8% DEM 1,000,000,000 5 Feb 1998 – 5 Feb 2010	0	511,291,881	511,291,881
5.3/8 FRF 3,000,000,000 5 Feb 1997 – 5 Feb 2010	0	457,347,052	457,347,052
Balance as at January 1, 2009	-117,240,472	1,479,930,814	1,362,690,342

Movements 2009:			
To Profit and loss account	30,046,854	0	30,046,854
To current liabilities:	0.		
5.3/8% DEM 1,000,000,000 5 Feb 1998 – 5 Feb 2010	0	-511,291,881	-511,291,881
5.3/8% FRF 3,000,000,000 5 Feb 1997 – 5 Feb 2010	0	-457,347,052	-457,347,052
Balance as at December 31, 2009	-87,193,618	511,291,881	424,098,263

13 Other payables and accrued expenses

	December 31, 2009 EUR	December 31, 2008 EUR
Other liabilities i.e. paying agency commissions	557,805	525,849

14 Bonds payable in one year

	Bonds EUR
6.1/8% FRF 3,000,000,000 6 Feb 1997 – 6 Feb 2009	457,347,052
Balance as at January 1, 2009	457,347,052
Movements 2009:	
Short-term bonds matured in 2009	
6.1/8% FRF 3,000,000,000 6 Feb 1997 – 6 Feb 2009	-457,347,052
Short-term bonds maturing in 2010:	
5.3/8% DEM 1,000,000,000 5 Feb 1998 – 5 Feb 2010	511,291,881
5.3/8% FRF 3,000,000,000 5 Feb 1997 – 5 Feb 2010	457,347,052
Balance as at December 31, 2009	968,638,933

Per original currency

		2009		2008
	CCY	EUR	CCY	EUR
DEM	2,000,000,000	1,022,583,762	2,000,000,000	1,022,583,762
FRF	3,000,000,000	457,347,052	6,000,000,000	914,694,104
Balance as at December 31		1,479,930,814		1,937,277,866

During 2009 the Company did not issue new bonds.

15 Interest payable on bonds

	December 31, 2009 EUR	December 31, 2008 EUR
All issues have a fixed rate of exchange and the interest is payable annually in arrear	47,147,155	72,436,223

16 Other payables and accrued expenses

	December 31, 2009 EUR	December 31, 2008 EUR
Other liabilities i.e. premium bonds and discounts on loans	47,952	650,212
Guarantee commission	555,749	762,191
Wage tax and social security contribution	7,469	7,321
Other liabilities i.e. accrued expenses and suppliers	41,887	77,609
Balance as at December 31	653,057	1,497,333

The loans and bonds included in the Notes 6, 7, 12 and 14 have been issued at a premium or a discount.

The net amounts of these premiums or discounts have been capitalised and recognised in the profit and loss account on a straight-line basis over the period of maturity.

17 Indemnities granted

The parent company has issued a Letter of Comfort in favour of the Company to cover all their liabilities. A right of liens has not been vested as at 31 December 2009.

18 Commitments not included in the balance sheet

On behalf of the Company a guarantee has been given for the rent of the office amounting to EUR 5,732.

19 Interest income and expenses

The interest income and expenses from the group company and bonds issued reflects the margin of the Company.

20 Interest income from of third parties

Interest income from third parties reflects mainly the interest out of placements.

21 Commission and guarantee expenses

The amounts reported represent the guarantee commission which the Company paid to the parent company for their guarantee on capital and interest on the bonds which the Company has issued.

22 Sundry bond issue expenses

This reflects the annual expenses for the bonds issued by the Company.

23 General expenses

All expenses not related to other headings reported in the profit and loss account are reported here.

24 Taxation

	December 31, 2009 EUR	December 31, 2008 EUR
Operating income	1,793,379	4,161,134
Tax expense	446,361	1,047,369
Effective tax rate	24.9%	25.2%

Corporation tax

The Company is governed by the tax regulations of the Dutch tax authorities.

Dividend withholding tax

The Company takes the position that based on the Directive of the European Community; no withholding tax is due on dividends paid by the Company.

As of 1994, this position has been reflected in the tax returns concerned.

25 Related transactions with Landesbank Baden-Württemberg (100% Shareholder)

	December 31, 2009 EUR	December 31, 2008 EUR
Balance:		
Loans and receivables	1,437,360,882	1,889,493,062
Profit and loss:		
Interest income	88,268,905	191,945,043
Guarantee commission	-762,197	-1,582,702
Off balance:		
Issues guaranteed by LBBW	1,439,884,351	1,892,473,617

26 Fee external audit

	December 31, 2009 EUR	December 31, 2008 EUR
The fee for the external auditor is	44,923	29,750

27 Staff numbers

	December 31, 2009	December 31, 2008
The Company has, other than its directors, total employees	0	0

26 Directors

	December 31, 2009 EUR	December 31, 2008 EUR
The remuneration of the Directors and Supervisory Board is	88,338	86,533

The Company has two directors and two Supervisory Board members.

Hoofddorp, 29 April 2010

C.A. Rosekrans

M.U. Reiser

J.H. Welsch

W. Kling

Other information.

Supplementary information to the accounts as at December 31, 2009

Article 26 (2) of the Articles of Association provides that profits may be disposed of at the general meeting of shareholders, who may apply it in whole or in part to the creation of, and/or allocation to, one or more special reserve funds, and/or for payment of dividends.

Proposed appropriation of profit

The management proposed to distribute an amount of EUR 850,000 from the profit of the year 2009.

Post-balance sheet events

No other major post-balance sheet events have occurred to date.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2009 of Baden-Württemberg L-Finance N.V., Hoofddorp as set out on pages 7 to 15 which comprise the balance sheet as at 31 December 2009, the profit and loss account for the year then ended and the notes.

Management's responsibility

Management of the company are responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Baden-Württemberg L-Finance N.V. as at December 31, 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under 2:393 sub 5f of the Netherlands Civil Code, we have to report to the extent of our competence, that the management board report is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, April 29, 2010

PricewaterhouseCoopers Accountants N.V.

dr. H.F.M. Gertsen RA

Five years in figures.

(EUR 000)

Balance Sheet

	2009	2008	2007	2006	2005
Assets					
Tangible fixed assets	2	1	1	1	1
Financial fixed assets					
Loans to group Company	420,128	1,357,561	1,786,020	4,668,525	5,154,981
Current Assets					
Short-term loans to group Company	968,639	457,347	2,830,494	425,100	892,414
Interest receivable from group Company	48,594	74,585	149,300	153,660	205,679
Other assets	459	1,212	4,173	9,427	14,904
Cash at bank and hand	8,410	10,181	10,461	10,505	10,803
	1,026,102	543,325	2,994,428	598,692	1,123,800
Total assets	1,446,232	1,900,887	4,780,449	5,267,218	6,278,782
Liabilities					
Shareholder's equity	5,137	6,390	7,576	6,986	7,595
Long-term liabilities					
Bonds payable	424,098	1,362,690	1,792,119	4,675,426	5,162,536
Other payables and accrued expenses	558	526	494	462	430
	424,656	1,363,216	1,792,613	4,675,888	5,162,966
Current liabilities					
Bonds payable in one year	968,639	457,347	2,830,494	425,100	892,414
Interest payable on bonds	47,147	72,436	144,870	149,051	199,436
Other payables and accrued expenses	653	1,498	4,896	10,193	16,371
	1,016,439	531,281	2,980,260	584,344	1,108,221
Total liabilities	1,446,232	1,900,887	4,780,449	5,267,218	6,278,782

Profit and loss account

	2009	2008	2007	2006	2006
Interest income from group Company	88,269	191,945	299,752	314,070	408,340
Interest expense on bonds issued	-85,580	-186,347	-290,924	-304,667	-396,056
Interest income from third parties	113	432	397	282	41
	2,802	6,030	9,225	9,685	12,325
Commission and guarantee expenses	-762	-1,583	-2,521	-2,700	-3,427
Exchange differences	0	6	1	-6	-19
Result financial income and charges	2,040	4,453	6,705	6,979	8,879
Sundry bond expenses	-30	-43	-56	-64	-91
General expenses	-217	-249	-222	-253	-237
Result from ordinary activities before taxation	1,793	4,161	6,427	6,662	8,551
Taxation	-446	-1,047	-1,637	-1,971	-2,693
Result after taxation	1,347	3,114	4,790	4,691	5,858