

# Disclosure Report as at 31 December 2016

Pursuant to Part Eight of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (Capital Requirements Regulation (CRR))

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# Preliminary remarks

This disclosure report as at 31 December 2016 has been drafted in accordance with the supervisory provisions under Part Eight of the CRR (Capital Requirements Regulation/Regulation (EU) No 575/2013) and CRD IV (Capital Requirements Directive IV/Directive 2013/36/EU).

The report contains qualitative and quantitative information regarding

- own funds
- risks undertaken
- risk management procedures, including the internal models used
- credit risk mitigation techniques

at the BayernLB Group.

The disclosure policies of all institutions must be examined on a regular basis in terms of appropriateness and practicality. BayernLB has established its own parameters for disclosure, along with operative instructions and clear-cut responsibilities.

As a parent company, BayernLB drafts its disclosure report in an aggregated form, i.e. at Group level. The disclosure report is published on the Bank's website as a separate report alongside BayernLB's own annual report as a single entity – prepared under HGB (German Commercial Code) accounting rules – and the BayernLB Group's annual report, prepared under International Financial Reporting Standards (IFRS). It is based on IFRS.

Deutsche Kreditbank AG, Berlin (DKB) publishes an additional stand-alone disclosure report, as required under article 13 of the CRR. This is published on the DKB website.

Under the waiver rule, individual banks may apply for exemption from organisational and procedural rules relating to capital adequacy and disclosure requirements at individual bank level. BayernLB has opted not to apply the waiver rule under article 7 of the CRR.

This report is subject to the processes and systems for testing used by the auditors. Quantitative information has not been audited.

## Note:

The last unit in the tables may be rounded to the nearest digit. Any data which do not appear in this report have been omitted insofar as the particular disclosure requirement does not apply to the BayernLB Group and/or does not apply to the year under review. Article 441 of the CRR, furthermore, is not relevant for BayernLB as the Bank is not classified as a global systemic institution.

# Risk management objectives and policies (article 435 CRR)

## Business model

The BayernLB Group stands out through a business model that is akin to that of a universal bank but with a regional focus on Bavaria and Germany. BayernLB enjoys a presence on the market as a strong corporate and real estate lender and a reliable partner to the savings banks. DKB, an integral part of the business model, rounds out the model by providing retail banking services as an online bank and as a specialist in the target infrastructure and business customer sectors.

BayernLB prides itself on its successful and long-term relationships with large German and international customers. On the domestic front, these include DAX, MDAX and family-owned companies with annual sales of at least EUR 1 billion which operate from their home market in Germany. International companies with a significant connection to Germany are likewise served. The Bank's core competencies are traditional credit financing such as working capital, capex and trade financing. BayernLB also sees its customers through its business endeavours abroad, be it through currency and interest rate hedging, traditional trade finance, or project and export finance. In addition, the Bank helps its customers tap capital markets for their financing needs, for example through traditional bonds or German Schuldschein note loans.

Because of its focus on Bavaria and North Rhine-Westphalia, two economic strongholds in Germany, BayernLB is the bank for German Mittelstand companies. Thanks to the high quality of its products and advisory services, good personal business relationships and years of experience, it has established a profile as a reliable partner to Mittelstand companies. With its extensive know-how, BayernLB helps Mittelstand companies export to new markets – every step of the way. BayernLB is also extremely well positioned in the subsidised loan market. As a long-term partner, BayernLB offers products that go far beyond traditional credit financing, tailoring them to the needs of its customers in the areas of export and trade finance, documentary business, interest and currency management, derivatives, payment services and leasing.

For BayernLB, the savings banks are both important customers and sales partners and thus form one of the key pillars of its business model. They are also long-standing and reliable co-owners of BayernLB. BayernLB and the Bavarian savings banks are linked together in a preferred partnership. The BayernLB Group acts as a central service provider for the savings banks, performing tasks, which would otherwise be too costly for each of them to do alone. It supplies them with tailored products and services for both their own business and their end customers. These include payment services, assistance in securities, investment and cross-border transactions, syndicated and subsidised loans, as well as foreign notes and precious metal activities. For savings banks outside Bavaria, BayernLB offers a range of products in selected product segments. One of the ways that BayernLB provides savings banks with added value is by supplementing their own product lines. In addition, funding from the savings banks is an important source of refinancing for BayernLB and for strengthening the liquidity reserve fund.

BayernLB's real estate business includes long-term commercial real estate financing and services. It has a regional focus on Germany and also selectively serves German customers abroad. Rounding out these target customers are international companies with a connection to Germany. In the commercial real estate area, products include financing for real estate assets and portfolios, project development, residential property development and portfolio financing. In the area of

managed real estate, the Bank provides financing concepts primarily for hotels, logistics centres, hospitals, clinics and care homes. The Real Estate division also arranges syndicated loans with the savings banks and other partners. Moreover, it works in close partnership with BayernLB's real estate subsidiaries (Real I.S. AG, BayernGrund, LBImmoWert, BayernImmo and BayernFM) to offer customers an even more comprehensive one-stop shop.

In its public-sector business, BayernLB focuses particularly on expanding its market share in its home market of Bavaria and intensifying sales in close partnership with the Bavarian savings banks. It provides a wide range of customised financing and investment solutions to state governments, local authorities and public institutions. The BayernLB Group stands out in this segment thanks to its long-standing experience and its expertise in public-private partnership projects and the renewable energy sector. Liquidity management is particularly important for these customers.

Thanks to its subsidiary DKB, "your bank on the web", BayernLB already boasts over 3 million retail customers. And the number keeps growing. In addition to its online banking operations, DKB is active in growing markets like environmental technology, health services and education & research. Target customers also include business clients and customers from the infrastructure sector, particularly in eastern Germany.

BayernLabo is responsible for the non-competitive residential construction and urban development business under public mandate on behalf of BayernLB. It will continually strengthen this position, thanks in part to opportunities arising from the economic stimulus packages introduced in Germany.

## Business Strategy

The business model described above is in keeping with the restructuring plan hammered out with the European Commission between 2009 and 2012.

To ensure long-term competitiveness and establish a key cornerstone of its future strategic direction, BayernLB has defined a set of overarching strategic goals. These goals are aimed at sustainably expanding the earnings base by growing business with customers in core business areas, strengthening the low-risk commission business, developing robust sales structures capable of achieving sales targets and selectively digitalising sales channels. The strategic goals also include ensuring that the Bank has a capital base suitable for its long-term needs, optimising the operating model to stabilise the good cost base and developing a permanent culture of efficiency.

BayernLB's overall objectives, which are derived from the strategic goals, can be broken down into customer, financial and process-related objectives.

- The strategic customer objectives comprise a stronger core-customer portfolio, performance-oriented customer acquisition, a product and service range that is aligned with customers' needs, and a high degree of customer satisfaction.
- The strategic financial objectives are a secured capital and cost base, a stabilised capital ratio and profitability, and an increased net commission income.

As for its processes, BayernLB has set the following strategic objectives: a highly effective IT infrastructure with efficient interfaces, customer-oriented cooperation between the Group units, processes that are less complex and more closely aligned with customers' needs, and a permanently anchored awareness for costs and efficiency.

## Risk Strategy

The Group Risk Strategy, which is based on the Business Strategy and reviewed regularly, is set by the Board of Management and discussed with the Risk Committee of the Supervisory Board. The general objectives and guidelines of the Risk Strategy and the strategic requirements for the different types of risk are drawn up based on the Business Strategy.

The Group Risk Strategy sets the following main objectives and guidelines:

Objectives:

- Ensure on a sustainable basis that the amount and quality of capital is appropriate from both a regulatory and economic perspective
- Ensure the BayernLB Group is solvent at all times
- Achieve sustainable earnings using value-based management of RWA

Guidelines:

- The BayernLB Group only takes on risks it is able to assess and manage
- In those areas where the strategy allows for portfolio growth, quality takes priority over quantity
- Sales and Risk units are jointly responsible for earnings after risk provisions
- The BayernLB Group applies high ethical principles in its business activities

The economic capital available for allocation in the BayernLB Group is based on the long-term capital available and was allocated within the BayernLB Group by risk type in line with the Risk Strategy in force for 2016.

The basis for setting the Risk Strategy is the annual risk inventory carried out in accordance with MaRisk and the risk-bearing capacity calculation. The risk inventory examines not only BayernLB but also the participations and special purpose entities in the BayernLB Group, regardless of whether they are consolidated under German commercial law or supervisory requirements. The BayernLB Group's risk profile is then shown in the risk map within the risk inventory and presented to the Board of Management for information purposes. The BayernLB Group's major risks are counterparty risks resulting from credit and country risks, market risks, including risks from pension liabilities, operational risks, participation risks, the risk of a rise in the cost of liquidity, business and strategic risks including reputational risks, and real estate risks from the real estate in the BayernLB Group's portfolio. The individual risk types are described in greater detail further on in this report.

The Business Strategy is an essential element for preparing the capital planning and the Group Risk Strategy. The Group Risk Strategy, in tandem with the Business Strategy, sets the risk appetite and the framework for risk planning. The Risk Strategy allows only a proportion of the available economic capital to be allocated to risks in the course of business activities.

The economic capital available is based on the long-term capital available.

Previously, the risk capital requirement for business and strategic risk, the risk of a rise in the cost of liquidity and BayernLB's own real estate risk has been deducted directly from economic capital. However, limits were also set for these risks during the 2016 Risk Strategy review. The maximum risk appetite at Group level for the aforementioned risks and credit risks, market risks and risks from pension liabilities, operational risks and participation risks in 2016 was EUR 8.1 billion. For more information, see the section "Internal Capital Adequacy Assessment Process (ICAAP)".

### Risk culture

For BayernLB, its Board of Management and its employees, acting lawfully, ethically and responsibly is an elementary and indispensable aspect of corporate and social responsibility.

The rules for the Bank's corporate management and controls are based to a great degree on the German Corporate Governance Code. Most of the discrepancies come from the fact that BayernLB is an unlisted company under public law with only two, indirect shareholders.

The rules exceed the requirements of the German Corporate Governance Code in a number of areas.

The Code of Conduct serves as a normative guideline for the employees' day-to-day activities. By adhering closely to it, BayernLB both promotes a culture of fairness and ensures that it reaches its most important corporate goal – sustained commercial success that is consistent with its social responsibilities.

BayernLB's mission and philosophy are laid down in its corporate mission, ethos and management principles. The corporate mission was inspired not least by a particular policy that had long been a central component of the Group Risk Strategy: to "achieve sustainable earnings after risk provisions".

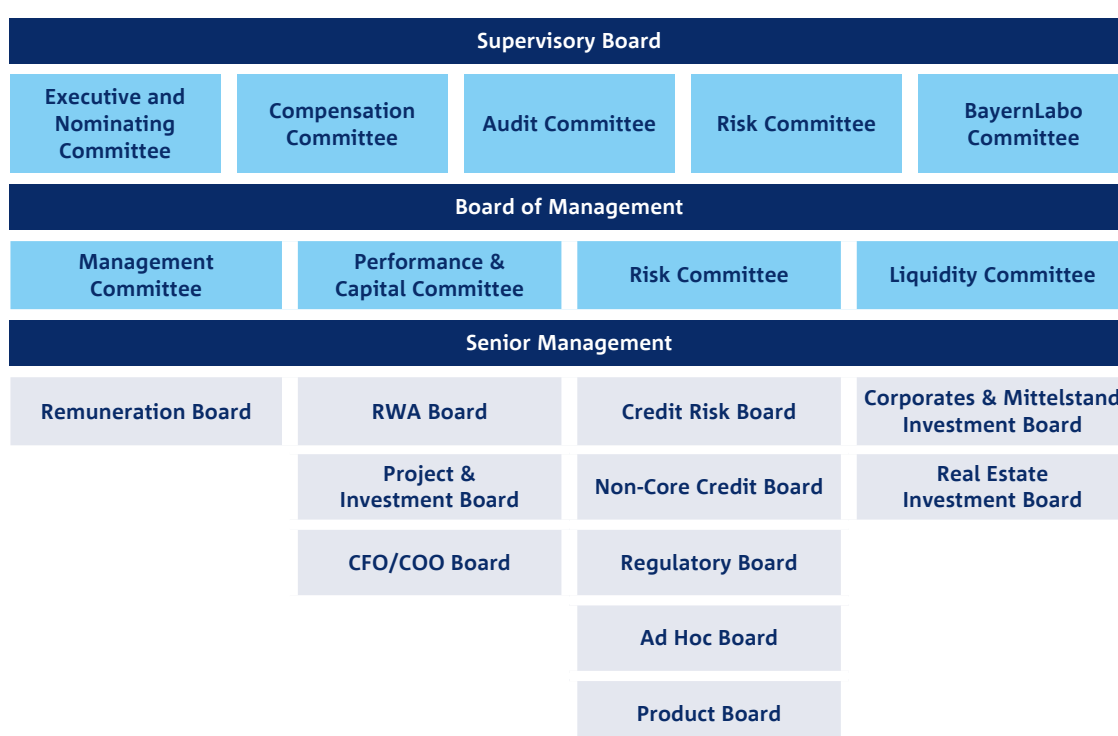
BayernLB's risk culture is marked by clearly formulated tasks, responsibilities and competencies.

The employees' responsibilities in terms of risk are laid down in the Group Risk Strategy as guidelines. These responsibilities are constantly put to the test, most notably when the Sales and Risk Office units cast their votes during the credit approval process. The maximum risk appetite is straightforward as it is a clearly defined figure. Employees' awareness for especially non-financial risk was sharpened by the far-reaching structural and procedural changes initiated in 2016. These changes had mainly to do with the Bank's data security and outsourcing management and broadening its reputational risk management.

## Structure and organisation

In 2016 the Board of Management reorganised the structure of committees and boards below the Board of Management level and aligned them with the new regulatory and legal requirements. The changes predominantly reflect the now completed strategic realignment of BayernLB and its Group companies, and the new European regulatory structure led by the ECB involving new procedures and processes (the Single Supervisory Mechanism (SSM) and Supervisory Review and Evaluation Process (SREP)) and have the goal of making corporate management more consistent and transparent within the BayernLB Group.

### Management structure



### Supervisory Board and committees

The Supervisory Board monitors and advises BayernLB's Board of Management.

Pursuant to the Bayerische Landesbank Act and the Statutes, the Supervisory Board of BayernLB consists of eleven members, ten of whom representing the Bank's owners and one representing the Bank's staff. The Free State of Bavaria enjoys the right to propose three representatives of the Bavarian state government and four external officials to represent the owners. The Association of Bavarian Savings Banks proposes three members, at least one of whom must be external. The Chairman of the Supervisory Board is elected by the external representatives in accordance with the EU state aid ruling on BayernLB.



These legal provisions have been complied with in full: As at 31 December 2016 the Supervisory Board comprises eleven members – one of whom female – namely one staff representative, three government officials of the Free State of Bavaria, two representatives of the Association of Bavarian Savings Banks, and five external members. The Supervisory Board members come from different professional backgrounds, ranging from legal to auditing, to business – in particular the financial sector – through to economics. The Supervisory Board members, both individually and as a regulatory body, have the knowledge, capabilities, experience and qualifications otherwise required under banking supervisory law and will continuously enhance them.

On 31 December 2016 the tenure of Dr Hubert Faltermeier, Former Chief District Administrator of Kelheim, ended at his request. On 1 January 2017 Dr Kurt Gribl, Lord Mayor of the City of Augsburg, assumed the position on the Supervisory Board formerly held by Dr Hubert Faltermeier.

The tenure of Professor Rödl, Managing Partner of Rödl & Partner GbR in Nuremberg, ended on 30 April 2017 at his request. On 1 May 2017 Mr Stephan Winkelmeier, Spokesman of the Executive Board of FMS Wertmanagement AöR, assumed the position on the Supervisory Board formerly held by Professor Rödl.

Of the eleven Supervisory Board members, nine have tenures that will end in April 2018.

When the term expires – or should a member need to be replaced during this term – the owners will strive to sustain the breadth of knowledge among the Supervisory Board members in exercising their right to propose a candidate. The owners have not imposed a female quota for representation on the Supervisory Board. However, concerted efforts are being made to raise the percentage of women on committees.

The Supervisory Board monitors and advises BayernLB's Board of Management. It is assisted in its work by the committees described below:

The Audit Committee monitors the accounting process, the effectiveness of the risk management system, particularly the internal control system and Internal Audit unit, and the correction of open findings from audits and the annual accounts. It convened five times in financial year 2016.

The Risk Committee is involved in issues relating to the Risk Strategy approved by the Board of Management and the risk situation on a Group-wide basis and at BayernLB itself. Every quarter year it receives the Group risk report, in which it is informed of the current risk situation and risk-bearing capacity. The Risk Committee decides on loans requiring approval by the Supervisory Board under the German Banking Act and BayernLB's competence regulations. It convened eight times in financial year 2016.

The BayernLabo Committee handles all matters pertaining to Bayerische Landesbodenkreditanstalt (BayernLabo) on behalf of the Supervisory Board and passes resolutions concerning BayernLabo's affairs for which the Supervisory Board is responsible. It convened twice in financial year 2016.

The Nominating Committee (renamed the Executive and Nominating Committee with effect from 1 October 2016) carries out the duties assigned to it within the meaning of section 25d para. 11 KWG. The meetings it convened centred on corporate governance issues and business policy. The Committee also prepared decisions on Board of Management matters for the plenary session. Furthermore, the Committee carried out an assessment of the Board of Management and the Supervisory Board in accordance with the German Banking Act. The Executive and Nominating Committee convened three times in financial year 2016.

The Compensation Committee monitors, among other things, the appropriateness of the compensation schemes for members of the Board of Management and employees, in particular those employees who have a significant impact on BayernLB's total risk profile. In financial year 2016 the Compensation Committee carried out its legally mandated duties in a total of six meetings.

**Number of executive and supervisory functions vested in the members of the Supervisory Board (monitoring mandates) for institutions as at 31 December 2016**

	Number of executive functions	Number of supervisory functions
Gerd Haeusler		3
Walter Strohmaier	1	2
Dr Hubert Faltermeier (mandate ended 31 December 2016)		1
Dr Roland Fleck	1	2
Dr Ute Geipel-Faber		3
Dr Ulrich Klein		3
Dr Thomas Langer		2
Wolfgang Lazik		3
Prof. Dr Christian Rödl	1	4
Prof. Dr Bernd Rudolph		1
Henning Sohn		1

The disclosures take account of the privileged status pursuant to section 25d of the German Banking Act (KWG).

**Board of Management and committees (committees and boards)**

BayernLB's Board of Management ("Group Board of Management") is responsible for providing the BayernLB Group with a proper business organisation which, in addition to having suitable internal monitoring processes, is capable in particular of ensuring major risks are appropriately managed and monitored at Group level. To prevent conflicts of interest, the Sales units are functionally segregated from the Risk Office units, as are the Trading units from the Back Office units, within the business organisation and allocation of responsibilities.

Board of Management member candidates are selected by the following criteria:

- The Board of Management would continue to possess all the skills required to run and sustain BayernLB over the long term
- The management, controlling and sales functions would remain proportionately represented on the Board of Management in terms of BayernLB's size, structure and business model
- Prior to the selection, the Executive and Nominating Committee will lay down the official qualifications required for each position. The basic qualifications are:
  - the ability to think strategically and abstractly
  - knowledge of, and experience in, the field or fields to be overseen by the new member
  - knowledge of, and experience in, the lending or capital market business
  - a theoretical and practical understanding of supervisory, risk management and corporate management principles
  - leadership and communication skills
  - professional experience in the financial services sector

The Supervisory Board strives to find the best candidate within or outside the BayernLB Group, enlisting the services of an external consultant wherever necessary. This pre-selection will then be narrowed down to roughly a handful of candidates. The Chairman of the Supervisory Board or Executive and Nominating Committee will interview these persons, one of whom will then be named to the Supervisory Board and nominated for appointment as a member of the Board of Management. Before a decision is made, the nomination will be submitted to the banking supervisory authorities to have the candidate's suitability and eligibility verified.

The Supervisory Board would like to have a proper percent of female members on the BayernLB Board of Management. However, it has not imposed a quota. Before Board of Management member candidates are nominated, the recruiters will check explicitly for female candidates who both fulfil the pre-requisites and would accept the remuneration restrictions which apply at BayernLB Board of Management level.

**Number of executive and supervisory functions vested in the members of the Board of Management (monitoring mandates) for institutions as at 31 December 2016**

	Number of executive functions	Number of supervisory functions
Dr Johannes-Jörg Riegler	2*	1
Dr Edgar Zoller	2*	2
Marcus Kramer	1	1
Michael Bücker	1	
Dr Markus Wiegelmann	2*	1
Ralf Woitschig	1	2

\* of which 1 mandate in the Board of Management of BayernLB Holding AG

The disclosures take account of the privileged status pursuant to section 25c of the German Banking Act (KWG).

The Rules and Regulations for the Board of Management of BayernLB allow the creation of committees with advisory and decision-making powers. In managing the business and the company the Board of Management is supported by committees and boards.

In the first half of the year, the Board of Management therefore set up/reorganised four committees with a Group focus. Each committee is headed by a member of the Board of Management. The Board of Management has transferred responsibilities and, to an extent, decision-making powers to the committees. The committees have a largely advisory function. The individual Board of Management member's responsibility for his/her segment and the overall responsibility of the Board of Management pursuant to the Rules of Procedure and the allocation of tasks of the Board of Management continue to apply.

The Management Committee, chaired by the CEO, supports and advises the Group Board of Management on the strategic orientation of BayernLB and implementation of the management agenda. The Management Committee provides a forum for regular, up-to-date exchanges of information between the first and second levels of management about the strategic orientation of the BayernLB Group. It also provides stimulus on strategic issues and those of importance to BayernLB.

The Performance & Capital Committee, chaired by the CFO, monitors the performance/earnings situation and (regulatory) capital base. It also prepares decisions on performance and capital management of BayernLB and the BayernLB Group for the Board of Management. It takes decisions on all matters specifically transferred to it by the Board of Management and in line with the conditions set down in the Rules of Procedure of the Performance & Capital Committee. In doing so it takes account of framework conditions such as the owners' guidelines and regulatory requirements. The Committee also evaluates new regulatory requirements and initiates implementation.

The Risk Committee, chaired by the CRO, supports and advises the Board of Management in discussing changes in the Group risk profile. This includes the risk inventory, risk strategies, stress test results and scenario analyses. The focus is on ICAAP limit utilisation and evaluating the overall risk position in terms of credit risk, market risk, operational risk and non-financial risk (such as outsourcing and IT). The Committee also deals with assessing potential recovery situations, discusses the main quantitative procedures and methods for managing and monitoring all types of risk (apart from liquidity risk), reviews new regulatory requirements and initiates implementation in terms of Pillar 2.

The Liquidity Committee, chaired by the member of the Board of Management responsible for Financial Markets, takes decisions within the prescribed Risk Strategy and limits and advises the Board of Management on managing and allocating the key resources of liquidity and funding. It deals with limiting foreign currency mismatches and the allocation of any potential foreign currency liquidity gaps to the units in the BayernLB Group that manage liquidity risks and have limits. The Liquidity Committee also issues recommendations on procedures and methods for managing and monitoring liquidity risk in the Group and implements new regulatory requirements concerning the ensuring of funding and liquidity. The Liquidity Committee provides information on important adjustments to the funds transfer pricing curves and changes in pricing methods and models. When liquidity crises arise it is responsible for taking appropriate action and informing the Board of Management promptly. The Liquidity Committee is also responsible for emergency liquidity planning and for the feasibility of liquidity measures in the recovery plan. Decisions taken by the Committee must be unanimous.

## Senior Management

The Board of Management has reorganised the board structure at senior management level to make it more consistent. Boards generally act across segments without the Board of Management being directly involved.

The Remuneration Board, chaired by the head of the Human Resources division, acts in an advisory role on issues related to structuring an appropriate and transparent remuneration system for employees with the aim of promoting BayernLB's sustainable growth. It also supports the Remuneration Officer in the performance of his or her duties with subject-related advice. Fulfilment of the duties also serves the appropriate involvement of control units in the structuring and monitoring of remuneration systems.

The RWA Board, chaired by the head of the Controlling division, monitors and manages changes in risk-weighted assets (RWA) at the BayernLB Group. The RWA Board discusses decisions recommended by its individual members for the Performance & Capital Committee and/or the Board of Management on analysing trends in RWA. Particular attention is paid to regulatory developments, current business trends and planning and related tax issues.

The Project & Investment Board, chaired by the head of the Organisation division, was created on 1 April 2016 by the COO with the approval of the Board of Management. The tasks of this Board include drafting a proposed annual budget for projects and capital spending, including prioritisation and approval, and monitoring budget utilisation and project status during the year. If necessary the Board can decide to reallocate budgets between business areas and central areas.

The CFO/COO Board was reorganised in the first half of 2016 and replaces both the CFO Committee and the IT Governance Committee. Apart from the CFO/COO of BayernLB and the heads of the divisions within the Operating and Financial Office, the Board also consists of at least one representative each from DKB, BayernInvest and Real I.S. The Board is a forum for exchanging information on the latest legal, regulatory, competitive and other trends relevant to the BayernLB Group within the Operating and Financial Office. The focus is primarily on the implementation status of Group-wide management tools, any refinements necessary and synergies within the BayernLB Group.

The Credit Risk Board, chaired by the head of the Risk Office Credit Analysis division, is the highest competence holder for credit matters below the Board of Management. The Board of Management of BayernLB has delegated operational credit decisions and votes on the core business of BayernLB and the BayernLB Group to the Credit Risk Board. The Board also deals with sector portfolio, country and product reports and matters of principle relating to credit risk management for the core business. The Credit Risk Board comprises representatives of the front and back office units of BayernLB and DKB.

The Non-Core Credit Board, chaired by the head of the Credit Consulting division, has a decision-making and voting function for all operational issues relating to the winding down of assets; in particular it decides on credit applications under authority granted by the Board of Management. The Non-Core Credit Board also votes on strategic decisions on drafting and revising the Business and Risk Strategies for exposures allocated to it. In accordance with its wind down function, the Non-Core Credit Board does not decide on new business.

In 2015 the Board of Management of BayernLB decided to set up a Regulatory Board, chaired by the head of the Group Compliance division, in light of the rising and ever more complex regulatory requirements at both national and European level. The first constituent meeting was held in the first half of 2016. The task of the Regulatory Board is to provide management with an overview of future regulatory requirements and assign lead management responsibility for major requirements or work packages both before and during the consultation phase. This is particularly relevant when regulations affect more than one area. The Regulatory Board plays a coordinating role in this respect, in terms of ensuring issues are assigned to a responsible party at an early stage.

The Ad Hoc Board, chaired by the head of the Group Compliance division, is responsible for reviewing and determining whether BayernLB is required to make an ad-hoc announcement pursuant to the German Securities Trading Act (WpHG) in conjunction with the Market Abuse Regulation (MAR).

The Product Board, chaired by the Group Risk Control division, is responsible for complying with MaRisk requirements for the launch of business activities in new products. It is mainly responsible for the approval of new products and regularly approving the valuation models used and changes to these models. The Product Board comprises senior management from the business areas and the main central areas.

The Corporates & Mittelstand Investment Board and the Real Estate Investment Board are the highest decision-making bodies with authority to allocate capital and resources below the Board of Management member responsible for their business area and are responsible for the business area-specific management carried out on the basis of central rules and ratios and the strategic targets of the area. The Investment Boards also decide on the German connectivity of customers and/or transactions, thereby satisfying the conditions imposed by the EU for transactions with borrowers whose registered office is outside Germany. The members of the Investment Board for the Corporates & Mittelstand business area are the heads of the Product Solutions & Business Area Management division, Global Structured & Trade Finance division, Global Corporates division and Mittelstand division. Responsibilities include managing individual transactions according to the submission criteria and taking into account the overall customer relationship. The Investment Board of the Real Estate & Savings Banks/Association business area comprises the heads of the Real Estate, Group Treasury and Risk Office Credit Analysis divisions. Responsibility includes business area-specific management of new business and renewals in the Real Estate division.

The duties of the organisation units in relation to risk management are discussed in further detail below.

## **Organisation**

Besides segregating the functions of the Sales and Risk Office units and the Trading and Back Office units, a business organisation must have adequate internal control procedures and mechanisms to manage and monitor key risks.

The Board of Management is chiefly supported in this task by the following central areas: Risk Office, Credit Consulting, Financial Office, Operating Office and Corporate Center.

## **Risk Office**

The Risk Office of BayernLB, the Group parent company, comprises the Group Risk Control, RO Credit Analysis, Mid Office and Research divisions.

The Group Risk Control division independently identifies, values, analyses, communicates, documents and monitors all risk types at the aggregated level. For the purposes of operational management of risk types and risk-bearing capacity, Group Risk Control provides the Board of Management and other governing bodies with independent and risk-relevant reports.

In addition to periodic and ad-hoc reporting on the BayernLB Group's risk situation to internal decision-makers, communication also includes external risk reports filed in accordance with legal and supervisory requirements. This includes reports on the performance of the indicators selected in accordance with the Minimum Requirements for the Design of Recovery Plans (MaSan) and the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz (SAG)).

Decisions regarding risk management are made in accordance with the Business Strategy and Risk Strategy, which are harmonised with each other. Credit risk management is a joint responsibility of the Sales units and Risk Office units, with segregation of duties being ensured at all times. In this management process, the RO Credit Analysis division is responsible for analysing, assessing and managing the risk-relevant exposures in the core business (the Risk Office role). It takes the lead in setting the Credit and Country Risk Strategy for individual customers, sectors, countries and special products such as leasing, project finance and acquisition finance, is responsible for ongoing credit and transaction analysis, and votes on behalf of the Risk Office in the credit approval process. The same applies to DKB.

The Mid Office division pools the credit-related tasks and frees up the sales and credit analysis units so they can concentrate on their primary tasks. With its standardised, lean processes it makes a key contribution to boosting customer business and achieving the planned business growth.

The Research division is responsible for assessing country and sector risk. It issues economic analyses and forecasts, along with capital market studies and recommendations, e.g. on bonds and notes from individual issuers. The division contributes to risk management at the BayernLB Group and provides analyses and forecasts for BayernLB customers and for the securities and currency business of the Financial Markets business area and the Bavarian savings banks.

## **Credit Consulting**

Following the winding down of the non-core businesses since 2009, which is already well under way, the focus of the division's tasks has returned to being a service provider for the core business; and the restructuring or liquidation of exposures; since September 2016 this division has once again operated under the name Credit Consulting.

The division performs the roles of both the Sales units and the Risk Office for the exposures assigned to it.

## **Financial Office**

Operational implementation of uniform Group-wide accounting standards is the responsibility of the Financial Office central area, which ensures that the accounts are properly prepared. It is also responsible for establishing the accounting process and making sure it is effective.

Its key tasks include preparing the consolidated financial statements and the Group management report, establishing accounting policies, initiating accounting-related projects, and tracking national and international developments in accounting.

The Financial Office central area also implements the relevant accounting standards and legal requirements on accounting, which are detailed in the directives for preparing the accounts. These directives, which are an important component of the accounting-related internal control system, are summarised and documented in the Group Accounting Manual, and in the instructions for Group companies for preparing the financial statements.

The consolidated financial statements and Group management report are compiled in accordance with the directives for preparing the annual accounts, produced by directive of the Board of Management, checked by the auditors and approved by the Supervisory Board. The Supervisory Board has set up an Audit Committee whose duties include discussing the audit reports and preparing the resolution for the Supervisory Board's approval of the consolidated financial statements and Group management report. Upon request, the auditor takes part in the discussions of the Audit Committee and Supervisory Board on the consolidated financial statements and reports on the key findings of its audit.

The Controlling division is also assigned to the Financial Office central area. This unit is responsible for supervisory reporting and the operational implementation of consistent rules across the Group as part of management controlling, and lays down standard methods and procedures.

## **Operating Office**

The Operating Office central area is responsible for BayernLB's operating processes and supporting these in the Group IT, Operations & Services and Organisation divisions.

## **Corporate Center**

The Group Compliance division monitors and ensures compliance with legal and supervisory requirements and reports directly to the Chief Risk Officer. It also coordinates the compliance activities of the subsidiaries.

The Audit division audits BayernLB's business operations and reports directly to the CEO. Taking a risk-oriented auditing approach, its auditing activities extend to all activities and processes within BayernLB. In particular, its activities also include important processes and activities outsourced to third parties. Pursuant to MaRisk BT 2.1 sub-section 3, the company can forego its own auditing activities in cases of material outsourcings, insofar as the other internal audit activities performed – i.e. the external service provider's internal auditing – satisfy the MaRisk AT 4.4 and BT 2 provisions. Where companies performing material outsourced activities have no internal audit service



of their own, BayernLB's internal Audit division undertakes its own auditing activities. The internal auditing units of companies performing material outsourced activities are regularly reviewed to ensure they are capable of satisfactorily performing their duties. As Group internal auditor, the Audit division also supplements the internal auditing units of subordinate companies.

The CEO is directly in charge of the Legal, the Group Strategy & Group Communications and the Human Resources divisions.

### Size and nature of the risk reporting system

The Group Risk Control division ensures that the Board of Management receives independent reports which accurately reflect the risks to which the Group is exposed. The risk reports contain the risk profile of the BayernLB Group and essentially comprise BayernLB and DKB, which are scrutinised closely. BayernLB's other direct participations are covered in the investment risk. In addition to compliance with Risk Strategy requirements and operational limits for each risk type, these reports cover changes in the economic capital and in risk capital requirements, material changes within the risk types, and changes concerning non-financial risks. Every quarter year they focus in detail on a specific topic such as credit risk-specific stress tests or changes in the risks inherent in the Pfandbrief business. The Group risk reports are accompanied by such additional documents as the daily market risk and performance reports.

In order to improve the Board of Management's information base, changes in the risk profile are reported to the Board of Management, in the form of updated key risk indicators, within just two weeks following the end of the month. The details of the changes are documented in tandem with this and analysed at the Risk Committee prior to the Board of Management meeting. As chairperson of the Risk Committee, the Chief Risk Officer is informed immediately of the changes, including the details, and in turn passes this information on to the Board of Management of the BayernLB Group. The Supervisory Board's Risk Committee also discusses these developments at length every quarter.

### Managing credit risks

In accordance with its business model, the largest risk for the BayernLB Group is credit risk. Its clients include large corporates and Mittelstand companies, real estate customers, financial institutions, the public sector and the savings banks in Germany. The business model is rounded off by DKB, which provides retail banking services and the target customers in the infrastructure and corporate customers sectors.

#### Definition

Counterparty risks arise if a transaction results in a claim against a borrower, issuer of securities or counterparty. If these fail to meet their obligations, the Bank suffers a loss equal to the unpaid amount less the value of any realised collateral plus the related settlement costs. This definition covers both lending and guarantee risks from the credit business, and issuer and counterparty risks from trading activities.

Risks from changes in the credit rating of securities are managed primarily through the management of interest rate risks. When managing interest rate risks, a distinction is made between market-related and credit rating-related interest rate risks; this is also reflected in the separate presentation of the risk capital requirements for counterparty risks and market risks.

Country risks, which are another type of counterparty risk, are also measured, managed and monitored. Country risk is defined in the narrow sense as the risk of a country or a business partner whose registered office is located in another country failing to meet its obligations on time or at all due to sovereign acts or economic or political problems (transfer and conversion risks). Country ratings are a key tool for measuring individual country risk. At the BayernLB Group, both country risk in the narrow sense and the sum of the assumed counterparty risks of individual customers in the respective countries (domicile principle) with the exception of Germany are considered when measuring and limiting risks.

### **Organisation**

Credit risk management is carried out jointly by the Sales units and Risk Office units. In BayernLB, as the parent company, the Risk Office function is allocated in organisational terms to the Credit Analysis division of the Risk Office central area.

Following the winding down of the non-core businesses since 2009, which is already well under way, the focus of the division's tasks has returned to being a service provider for the core business and the restructuring or liquidation of exposures; since September 2016 this division has once again operated under the name Credit Consulting. The division performs the roles of both the Sales units and the Risk Office for the exposures assigned to it.

### **Risk Strategy**

The Credit Risk Strategy – which is part of the comprehensive Risk Strategy – is determined by BayernLB's Board of Management for BayernLB and the BayernLB Group, with risk-bearing capacity considerations taken into account.

Before transactions are concluded, the Investment Boards check compliance with the conditions imposed by the EU that customers and/or transactions have a connection with Germany.

The credit approval process at BayernLB consists of several stages. The Competence Regulations define the authority of the different competence holders based on the loan volume to be approved, the business area it is allocated to and the rating classification. Credit decisions that ultimately require approval by the Board of Management or Risk Committee of the Supervisory Board must first go through the Credit Risk Board, which itself is a competence holder. Credit decisions on the portfolios to be wound down are taken by the Non-Core Credit Board. The Supervisory Board's Risk Committee decides on all credits that require the approval of the Supervisory Board under the German Banking Act or the Competence Regulations.

New products and products for new markets are subjected to the new product process.

The decision-making process at DKB is similarly organised. In addition, members of BayernLB's Board of Management sit on DKB's Supervisory Board and its committees.

## **Risk measurement**

### **Risk classification procedure**

In accordance with the Internal Ratings-Based approach (IRBA), BayernLB uses rating procedures that are approved by the supervisory authorities. To maintain and refine the rating procedures, BayernLB works mainly with the companies RSU Rating Service Unit GmbH & Co. KG and Sparkassen Rating und Risikosysteme GmbH. All rating procedures are subject to an ongoing validation process to ensure they are able to correctly determine the default probabilities in each customer and financing segment. This process draws on quantitative and qualitative analyses. These assess the rating factors, including the accuracy and calibration of the procedure, the quality of the data, the design of the model using statistical and qualitative analyses, and users' feedback.

They are regularly modified where necessary. For instance, market-induced factors have been incorporated into various rating procedures in recent years in order to further improve their accuracy.

### **Exposure at default**

Exposure at default is the expected claim amount taking account of a potential (partial) draw-down of open lines and contingent liabilities that would negatively impact risk-bearing capacity in the event of a default. For trading transactions the current market value is taken as the basis. Any replacement risks are taken account of by means of an add-on.

### **Collateral valuations and loss ratios**

The starting point for valuing collateral is the market value. This is reviewed on both a scheduled and ad-hoc basis and adjusted whenever there is a change in valuation-relevant parameters. Based on these individual collateral valuations, the Bank estimates the size of the loss upon default, which is principally calculated using differentiated models for realisation ratios (average expected proceeds from the realisation of collateral) and for recovery rates (share of proceeds from the unsecured portion of a claim). The unsecured loss given default (LGD) is determined using the recovery rate. It shows the expected loss from the unsecured exposure of a loan. In contrast to the recovery rate, this also takes account of the various resolution strategies (liquidation, restructuring or recovery). In addition, since March 2016 an LGD has been applied to the secured part of the loan. These models are likewise maintained and improved in partnership with RSU Rating Service Unit GmbH & Co. KG using pooled data and internal loss data. All models are regularly validated and checked for their representativeness.

### **Expected loss**

Expected loss per transaction/per borrower is a risk ratio which not only takes account of the expected claim amount at the time of default but also the customer's credit rating/assigned probability of default and the estimate of losses upon default. This ratio can be used as an indicator of a portfolio's expected risk level.

Expected losses are also relevant for the calculation of standard risk costs, which are used to calculate the risk-adjusted credit terms in the preliminary calculation of the individual transaction (credit pricing). Expected loss allowances are also incorporated into the calculation of portfolio risk provisions.

### **Unexpected loss**

BayernLB calculates unexpected loss at portfolio level using a simulated credit portfolio model which estimates default risks on a one-year horizon with a confidence level of 99.95 percent. Dependencies among borrowers in the portfolio are estimated using a country and sector-specific model. In addition, the effects of rating migrations and uncertainties in calculating loss ratios are also taken into account. The impact of an unexpected loss by an individual business partner on the whole portfolio is also calculated for risk analysis purposes.

### **Risk monitoring**

The following instruments are used for monitoring and limiting credit risks in the BayernLB Group:

#### **Early warning**

All relevant borrowers and exposures are monitored daily using the Bank's internal early warning system. The goal is to identify negative changes in the risk profile by means of suitable early risk warning indicators (e.g. based on market price information such as CDSs or share prices and internal information, in particular information about business partners and transactions) so there is sufficient scope for action to avoid or minimise risk.

#### **Risk capital requirements**

BayernLB manages unexpected losses/risk capital requirements using appropriate limits at Bank and business-area levels. In addition, the sensitivity of key risk input parameters (mainly probabilities of default, loss ratios and correlations) is calculated regularly and supplemented by various stress tests, which in different forms (hypothetical, on the basis of historical data) are used to assess risk-bearing capacity.

#### **Counterparty default risk limits for borrowers/borrower units**

In keeping with MaRisk, counterparty risks at borrower and borrower unit level are monitored daily using a limit system. BayernLB and DKB each conduct their own monitoring. The monitoring takes account of various transaction features using different credit limit types (e.g. issuer risk limit). When the limits within the BayernLB Group add up to at least EUR 400 million per economic borrower unit, a Group-wide (Group) limit is required. BayernLB's Group Risk Control division monitors the Group limit centrally. To limit risk concentrations, the maximum gross credit volume for each economic borrower unit is limited to EUR 500 million Group-wide. The Board of Management or the Risk Committee of BayernLB's Supervisory Board may approve exceptions to this limit in well-founded individual cases (e.g. good credit rating, profitability, strategy). Approved exceptions are individually listed in the quarterly Group risk report with their Group limit and gross credit volume.

## **Sector and country limits**

To manage risk concentrations, risk-based limits are set for sectors and countries. Sector and country limits apply Group-wide. Limits are set on gross credit volumes and, in some cases, also on the net credit volume for specific countries. BayernLB's Board of Management sets the limits based in part on an analysis of the sector, country and portfolio structure and a vote taken under the lead of the Risk Office central area. In addition to sector and country limits, the Board of Management also sets and approves additional specific portfolio guidelines and individual transaction conditions to safeguard portfolio quality. Sector and country limits and portfolio guidelines are monitored centrally by BayernLB's Group Risk Control division. Compliance with the individual transaction conditions is reviewed in the course of the approval process. Sector and country strategies are reviewed annually. Irrespective of this, strategies can be changed as events arise.

## **Collateral**

Another key way in which risks are limited is by accepting the usual types of bank collateral and valuing them on an ongoing basis. When deciding what collateral is needed, particular account is taken of the type of financing, the borrower's available assets, their value and liquidity and whether the relative costs are reasonable (costs of acceptance and ongoing valuation). Collateral is processed and valued in accordance with the relevant directives which set out the procedures for valuing the collateral, any discounts to be applied, and how often the valuation must be reviewed. Net risk positions are calculated on the basis of the liquidation value of the collateral.

As part of its IRBA approval, the supervisory authority has granted BayernLB approval to lower its regulatory capital requirements through the use of real estate liens, ship mortgages, registered liens on aircraft, guarantees, financial collateral in the form of securities, cash deposits and credit derivatives.

The BayernLB Group uses derivative instruments to reduce market and counterparty risks. In derivatives trading, the usual practice is to conclude master agreements for the purposes of close-out netting. Collateral agreements exist with certain business partners restricting the default risk associated with certain trading partners to an agreed maximum and authorising a call for additional collateral should this limit be exceeded. Banks and public-sector customers are the main counterparties in the derivatives business. Limits are imposed as part of the generally applicable limitation process for counterparty risk. Furthermore, large credit risks are subject to both regulatory and internal management methods.

In credit default swaps (CDSs), BayernLB takes positions as both protection seller and protection buyer, but its focus is not on actively trading credit derivatives. CDS positions are valued and monitored daily at individual transaction level. Gains and losses on these positions are calculated daily on the basis of these valuations.

## **Problem loan handling and forbearance**

Problem exposures are classified in accordance with the standard international categories ("special mention", "substandard", "doubtful" and "loss") in terms of their level of risk, and a special restructuring and risk monitoring process is implemented if warranted.

By initiating suitable measures at an early stage as part of an intensive support or problem loan handling process, BayernLB aims to minimise or completely prevent losses from occurring.

BayernLB defines problem loans in the substandard and doubtful categories as forbearance exposures. DKB uses a comparable definition with defined criteria in line with the EBA definition.

Exposures which have been restructured in order to minimise the risk of losses are defined as forbearance exposures. An exposure has been restructured if concessions have been granted to a counterparty in financial difficulties. Concessions are defined as the modification of the terms and conditions of the original loan agreement (e.g. a deferral, waiver or standstill agreement) and/or its refinancing.

Exposures cease to be reported as in forbearance if all of the following criteria apply:

- They have not been classified as non-performing (rating 22 to 24) for more than two years (probationary period).
- Principal and interest payments have been duly made during the probationary period on a material portion of payments due.
- None of the borrower's exposure is more than 30 days overdue at the end of the probationary period.

Where necessary, proper account has been taken of the risks in the credit business through risk provisions. The principles governing loan loss provisioning and writedowns for problem loans establish how loans at risk of default are to be handled, valued and reported. Please see the accounting policies in the Notes of the consolidated financial statements of the BayernLB Group for details of how risk provisions are calculated and written off.

## Managing investment risks

### Definition

Investment risk (shareholding risk) comprises the BayernLB Group's counterparty (default) risk arising from its shareholdings.

This risk entails a potential loss in value arising from the following:

- Providing equity or equity-like financing (e.g. silent partner contributions), such as through suspensions of dividends, partial writedowns, losses on disposals, or reductions in hidden reserves
- Liability risks (e.g. letters of comfort) and/or profit and loss transfer agreements (e.g. assumption of losses)
- Capital contribution commitments

### Organisation

Group Risk Control is responsible for setting standards and reporting at portfolio level. BayernLB has an independent central unit with the authority to issue guidelines for all methods and processes relating to investment risk monitoring. Operational implementation of the risk management instruments is the responsibility of the business units concerned.

## **Risk Strategy**

The target portfolio comprises stakes in companies that complement the business model, help to expand customer and market potential or support operating processes, and also miscellaneous investments. The Group's strategic subsidiaries are DKB, BayernInvest Kapitalverwaltungsgesellschaft mbH and Real I.S. AG.

As part of the resizing of BayernLB, the disposal of non-core shareholdings is, however, being planned and, in some instances, sale negotiations are already under way.

Investment risks are handled in accordance with the Group Risk Strategy, which is derived from the Business Strategy. The Bayerische Landesbank Act, the Statutes and the Rules of Procedure of the BayernLB Board of Management set further conditions for the Group Risk Strategy.

## **Measuring and monitoring risk**

A classification procedure for identifying and measuring risk with clear guidelines on the early detection of risks has been implemented for all investments held by BayernLB. Key factors in this regard are the maximum potential loss and early warning indicators.

A similar process applies for DKB. It is also built into the entire Group strategy, planning, management and monitoring process.

For CRR/CRD IV reporting purposes, investment risks are measured using the simple risk-weighted method unless they fall under the grandfathering method under article 495 para. 1 CRR.

Risk capital requirements for investment risk are measured in ICAAP using the PD/LGD method in accordance with CRR/CRD IV.

Risks from investments are reported to the Group Board of Management in the regular risk reporting process as well as in an annual investment report using the relevant procedures (classification, early warning). If early warning signals are triggered, the decision-makers are notified without delay. Major shareholdings with difficulties are monitored in the intensive support or problem-loan processes and reported to the Board of Management on a quarterly basis. The investment report sets out in particular recommendations for action and the implementation status of measures already executed.

Where BayernLB provides both equity and debt capital, it examines any additional risks, particularly those arising from its status as a lender.

## **Managing market risks**

### **Definition**

Market risk is the risk of potential losses in value from changes in market prices (interest rates, credit spreads, exchange rates, equity and commodity prices) and other factors (correlations, volatility) that affect prices. Accordingly, BayernLB breaks down its market risks into general and specific interest rate risk, currency risk, equity price risk, commodity risk and volatility risk. Risks from pension liabilities are also shown under market risks.

## **Organisation**

Subsidiaries are responsible for monitoring their own actual market risks internally with their own risk-monitoring units. Their market risks are included in a daily Group-wide risk report. Group Risk Control is responsible for setting Group-wide methodological standards and for the overall, Group-wide monitoring of market risk. The operational implementation is institution-specific.

## **Risk Strategy**

In accordance with the current Business Strategy, market risks are normally only assumed as a result of transactions on behalf of customers, including related hedge transactions. Moreover, market risks may also result from transactions for liquidity management, asset/liability management or the non-core businesses that are being wound down. Positions that do not meet these criteria are being wound down. In particular proprietary trading for the purpose of making short-term gains by exploiting market movements (dedicated proprietary trading) is not conducted.

With the overall aims of the Business Strategy taken into account, the Risk Strategy sets out the principles for handling market risks and prescribes the amount of economic capital to be made available for them. Market risks may only be taken on within approved limits and are regularly measured and monitored. The risk capital requirement for pension risk is also limited and monitored separately.

The amount of economic capital provided for market risks is broken down by risk unit and, if necessary, by individual market risk type and, with the exception of pension risks, implemented in the form of value-at-risk (VaR) limits. When setting limits on the operational management levels, diversification/hedging factors are taken into account.

As part of the annual planning process, both the Market Risk Strategy and the limits are agreed between the risk-controlling units and the particular trading units before being approved by the Board of Management and then submitted to the Supervisory Board. For operational management units, a limit may be changed in the interim without the involvement of the Board of Management so long as this does not impact the overall, Bank-wide risk situation. Such a change, however, is subject to the approval of both the risk-controlling units and the trading units.

New products and products for new markets are subjected to a new product process.

## **Risk measurement**

For operational monitoring and management, the calculation of market risk normally uses a VaR procedure based on a one-day holding period and a confidence level of 99 percent. BayernLB and DKB both use the historical simulation approach. Customer deposits at DKB are modelled using the dynamic replication method.



Pension risks (risks from BayernLB's pension liabilities) are calculated using a scenario-based approach. In 2016 the parameters used to calculate interest rate risk, the size of pension liabilities and biometric risk were adjusted and refined. This relates, for example, to an additional premium for biometric risk covering both life expectancy and the cost of medical care. In addition, the scenario analysis was adjusted to reflect yield performance in the statutory pension scheme. The results of backtesting have also been taken into account.

Market risk measurement methods are constantly checked for the quality of their forecasting. In the backtesting process, the risk forecasts are compared with actual outcomes (gains or losses). As at 31 December 2016, the forecasting quality of the market risk measurement methods used at BayernLB, in accordance with the Basel traffic light approach, was classified as good. Owing to the change in the aggregation method (disclosure of the correlated risk from custody account A and the banking book), there is not a sufficiently long time series for DKB to make a traffic light report. There have been no outliers since the switch was made.

The outcomes of value-at-risk or scenario-based risk measurement must always be looked at in the context of the assumptions used in the model (mainly the confidence level selected, a one-day holding period, and the use of historical data over a period of around one year to forecast future events). For this reason, stress tests are conducted monthly on the risk positions at each Group institution simulating extraordinary changes in market prices and then the potential risks are analysed. Additional stress tests are used at the individual bank level. Stress tests take into account all relevant types of market risk, are regularly reviewed, and their parameters modified if necessary.

For risk-bearing capacity one-day VaR is scaled to a one-year horizon, i.e. it is assumed risk positions are closed or hedged over a one-year time horizon. This ensures particular account is taken of market liquidity risk, i.e. of risk positions being closed on terms that are less favourable than had been expected.

Fair value positions, furthermore, are adjusted under the prudent valuation, i.e. valuation discounts are applied that impact accounting and reporting, in order to take account of any discrepancies between the fair value recognition and the true realisable value of financial instruments. The adjustment is made in particular for

- general price uncertainties (due to the use of various alternative sources)
- close-out costs (especially those incurred by bid-ask spreads)
- model risks
- valuation risks inherent in the CVA/FVA process
- concentration risks (in terms of the exit price when positions are concentrated)
- future administrative costs (in the case of positions that cannot be valued at the exit price)
- operational risks

For more details on the pricing models, please refer to the Notes in the consolidated financial statements of the BayernLB Group.

The standard approach is used at BayernLB and DKB to calculate the regulatory capital backing for market risks.

## **Risk monitoring**

In the BayernLB Group, several tools are used to monitor and limit market risks, including VaR and related VaR limits, risk capital limits for market price and pension risks, risk sensitivity limits (including related sensitivity limits for trading units heavily involved in trading) and stress tests, all of which form part of the mix in the assessment of risk-bearing capacity to various degrees.

Pension risks are monitored monthly. Subsidiaries are responsible for monitoring their own actual market risks internally with their own risk-monitoring units. Their market risks are included in a daily Group-wide risk report. Market risks are monitored and reported independently of Trading. This is done daily at BayernLB for the trading book and the banking book, and at DKB daily for the A custody account and weekly for the banking book. In addition to complying with regulatory requirements, this ensures risks are reconciled daily and reported to those responsible for positions. If a VaR limit is breached, appropriate measures are initiated and monitored by the risk-managing and risk-monitoring units as part of an escalation procedure.

Interest rate risk in the banking book forms part of the regular risk calculation and monitoring processes of the risk-controlling units. Contractual or legal termination rights are modelled as options and incorporated into the risk calculation.

In addition, an interest rate shock scenario of +/- 200 basis points is also calculated for the interest rate risk, including pension risks, in the banking book at individual entity level and Group-wide. As at 31 December 2016, the calculated change in present value relative to liable capital at both BayernLB and the BayernLB Group was well below the 20 percent limit set in BaFin's criterion for "institutions with elevated interest rate risk".

As part of Group risk reporting the Board of Management is informed monthly and the Risk Committee of the Supervisory Board is informed quarterly about the market risk situation.

## **Managing operational risks**

### **Definition**

In line with the regulatory definition in the CRR, the BayernLB Group defines operational risk (OpRisk) as the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. This includes legal risks.

The framework for operational risks was substantially revised in 2016. In particular, the delineation and definition of non-financial risks was tightened. A risk inventory pursuant to MaRisk identified the following risks as particularly material: legal risks, information security risks, IT risks in the broader sense and outsourcing risks.

### **Organisation**

The Group Risk Control division has the authority to establish guidelines for all methods, processes and systems to quantify operational risks. The relevant subsidiaries are included in the BayernLB Group's loss event reporting procedure.

## **Risk Strategy**

The treatment of operational risks is set out in the Risk Strategy and related sub-risk strategies and guidelines for non-financial risks. The strategic objective is to minimise or avoid risk in such a way that the costs do not exceed the risk of loss. This requires operational risks to be identified and assessed as completely as possible.

Moreover, as part of ensuring risk-bearing capacity, the risk appetite and limits are set for operational risks, and compliance with these is monitored on an ongoing basis.

## **Risk measurement**

Operational risks for the calculation of risk-bearing capacity are quantified using the operational value at risk (OpVaR) calculation. The calculation is based on losses arising at BayernLB and DKB, external losses collected by a data consortium and scenario analyses (potential losses) of BayernLB and DKB. A distributed loss approach is used for the calculation. A confidence level of 99.95 percent is used to calculate the OpVaR in the risk-bearing capacity. The key model assumptions and parameters used in the model are validated once a year. As at 31 December 2016 the risk capital requirement was EUR 514 million (FY 2015: EUR 488 million).

Many parts of the OpRisk Self Assessment (OSA) were redesigned in 2016. The OSA is a tool that aids in systematically and comprehensively identifying, describing and evaluating material operational risks within the BayernLB Group. The OSA will be completed in 2017. The outcome provides a means of presenting the OpRisk profile more clearly and shows where the risk drivers and risk concentrations lie. Furthermore, it can also serve as a database for future OpRisk management activities (e.g. managing measures, developing early warning indicators) and for quantifying operational risks.

The standard regulatory approach is used to calculate the regulatory capital backing for operational risks.

## **Risk monitoring**

Operational risk is managed and monitored both centrally in the Group Risk Control division and decentrally in the responsible divisions (e.g. the Legal Services division for legal risks).

The limit set in the Risk Strategy for capital backing for operational risks is monitored regularly by Group Risk Control. Management of operational risk is rounded out by an efficient system to monitor the execution of measures which is continuously enhanced. Detailed comments on the data pertaining to total loss, number of losses and significant losses are provided in the monthly reports to the Board of Management.

Responsibility for OpRisk management resides with the business areas and central areas.

## **Business Continuity Management**

Business Continuity Management (BCM) is used at the BayernLB Group to manage risks to the continuation of business operations and deal with crisis situations. BCM establishes core procedures for continuing/restoring operations and has an integrated emergency/crisis management procedure for handling events that could have a sustained negative impact on the Bank's activities and resources.

BCM is embedded in the Group Risk Strategy and the Data Security Principles.

The Group Risk Strategy sets the requirements for BCM. These are then fleshed out by the Group companies in their own BCM strategies taking due account of regulatory requirements. The requirements include identifying time-critical activities and processes and specifying business continuity and restart procedures to protect these. They also cover regular testing of the efficiency and suitability of the measures defined. Care is taken to ensure that the interfaces between disruption management, emergency management and crisis management are clearly defined and that clear escalation and de-escalation processes are in place.

As a key component of BCM, emergency planning features have been included in the Data Security Principles.

## **Managing reputational risks**

### **Definition**

How parties with a legitimate interest in the BayernLB Group view it in terms of its competence, service, integrity and trustworthiness affects and forms the BayernLB Group's reputation.

The BayernLB Group therefore defines reputational risk as the risk of being viewed in an unfavourable light by groups with a legitimate interest in it, as the result of negative public criticism or a negative internal or external event, leading in turn to a financial loss for the BayernLB Group.

### **Organisation**

The BayernLB Group has established a Group-wide system for managing reputational risk. It is hierarchically structured: The overarching rules, governing such issues as which assessment methodology is to be used uniformly throughout the Group, or which minimum standards are to be adhered to, are imposed by the so-called "Central Reputational Risk Management at BayernLB – Group (Group CRRM)" in the Group Compliance division. The "Central Reputational Risk Managers (CRRM)" at the individual institutions (BayernLB, DKB and other subsidiaries that are relevant in terms of reputational risk) are responsible for implementing these rules at their respective institution. At BayernLB so-called "Decentralised Reputational Risk Managers (DRRM)" have been installed at the individual business areas and central areas and, where required, within certain Group members. These officers advise employees and managers who deal with matters relating to reputational risk, and ensure that the relevant processes are adhered to. The primary responsibility for managing matters relating to reputational risk always rests with the business area or central area in question.

In addition to this hierarchical, Group-wide structure, a set of “stakeholder managers” has been set in place where necessary. Stakeholder managers act as an interface at BayernLB’s organisation units, serving as points of contact for a specific clientele / business partners or other groups with a legitimate interest in the BayernLB Group.

### **Risk Strategy**

How BayernLB handles reputational risk is anchored in its Reputational Risk Strategy and the Group Reputational Risk Guidelines.

The strategic goals consist in avoiding or minimising any negative discrepancy from the BayernLB Group’s expected reputation, as this harbours a major reputational risk – namely the risk of the Group’s reputation being tarnished from the standpoint of those with a legitimate interest in it – which could in turn lead to a financial loss.

The BayernLB Group therefore strives to take its strategy- and transaction-related (business) decisions and its risk-mitigating measures in such a way as not to endanger its good reputation (risk appetite).

For the BayernLB Group and all officers who act on its behalf, acting lawfully, ethically, responsibly and with a commitment to sustainability is an elementary and indispensable aspect of both their corporate and their social responsibility. Earning and building upon a sustainable reputation, i.e. avoiding reputational risks, is thus of equal importance to other objectives. For the BayernLB Group, legal does not necessarily mean legitimate. Using the traditional ethos of the “honourable businessman” as their moral compass, the Group and its companies only take action that fulfils both of these conditions.

### **Risk measurement**

Reputational risks are subjected to a qualified scrutiny in the form of various risk gradings which the BayernLB Group requires to be applied uniformly and with the help of a set of criteria.

Reputational risk, furthermore, is factored into the quantified economic risk-bearing capacity calculation as an element of business and strategic risk. For the regulatory capital backing, no additional requirements exist.

### **Risk monitoring**

The primary responsibility for managing reputational risks is organised in a decentralised fashion. Depending on the reputational risk present in any given matter, different levels of decision-making authority apply – from the organisationally local officer in charge to the CRRM all the way up to the Board of Management.

Reputational risks are monitored, and any derived measures taken, locally at the particular business or central area at BayernLB or at the particular subsidiary. The CRRM is provided with the pertinent information during the annual inventory taken for reputational risks, if not earlier. The Board of Management of the BayernLB Group is informed by the Group CRRM each year of the outcome of the risk inventory. As a decision-making body, it also receives ad-hoc information on critical matters that are relevant in terms of reputational risk.

# Scope of application (article 436 CRR)

BayernLB is an institution under public law with a German banking licence and its registered office in Munich. This means that for supervisory purposes it is a parent bank that comes under the CRR.

## Consolidation matrix

The table below shows the prudential scope of consolidation as opposed to the scope of consolidation as reported in the IFRS consolidated financial statements. A complete list of shareholdings pursuant to section 285, sentence 1 no. 11 HGB and section 135a HGB in conjunction with section 313 para. 2 HGB is published in the electronic Federal Gazette as part of the annual financial statements.

### Consolidation matrix

Name	Regulatory treatment				Consolidation under IFRS		
	Fully consolidated	Proportionally consolidated	Deduction method (CET1 deduction)	Risk-weighted investments	Full	At equity	Not consolidated
<b>Institutions</b>							
• BayernLB, Munich (parent company)	x				x		
• Deutsche Kreditbank Aktiengesellschaft, Berlin	x				x		
<b>Asset management companies</b>							
• BayernInvest Kapitalverwaltungs-gesellschaft mbH, Munich	x				x		
• Real I.S. AG Gesellschaft für Immobilien Assetmanagement, Munich	x				x		
<b>Ancillary services undertakings</b>							
• Bayern Card-Services GmbH - S-Finanzgruppe	x				x		
<b>Financial institutions</b>							
• BayernLB Capital LLC I, USA - Wilmington	x				x		
• BayernLB Mittelstandsfonds GmbH & Co. Unternehmensbeteiligungs KG, Munich	x						x
• BayernLB Private Equity GmbH, Munich	x						x
<b>Other</b>							
• BayernLB Capital Trust I, USA - Wilmington				x	x		
• Banque LBLux S.A. i.L., L - Luxembourg				x	x		

For purposes of calculating capital charges, the prudential scope of consolidation is as defined under section 10a KWG in conjunction with article 18 et seq. of the CRR. BayernLB makes use of the “exemption clause” under article 19 of the CRR. As a result, certain companies are not included in the consolidation. None of the investments are currently proportionally consolidated. The carrying values of subsidiaries are not deducted from capital (article 436 point (d) CRR).

### **The BayernLB Group’s investments in banks**

DKB, wholly-owned, is BayernLB’s online retail bank. It taps into the value chains of specific customer groups in the Mittelstand corporates business – agriculture & nutrition, environmental technology, the self-employed, tourism – mostly in the former East Germany, where it is the leading service provider in the infrastructure segment (residential property, healthcare, energy & utilities, municipalities and education & research). DKB is also the BayernLB Group’s centre of excellence when it comes to public private partnerships, renewable energy, Mittelstand energy/ utilities companies and credit card services (including corporate credit cards). The bank remains as an integral part of BayernLB’s planning process. Other than DKB, BayernLB does not have any major investments in institutions.

No restrictions or other significant impediments exist preventing the transfer of funds or equity within the BayernLB Group.

No exemptions for group institutions under article 7 of the CRR have been applied under the waiver rule to date.

# Own funds and capital requirements (articles 437 and 438 CRR)

## Regulatory capital adequacy

To ensure BayernLB has the proper amount of regulatory capital, the objectives, methods and processes below have been defined.

The starting point for the allocation of regulatory capital is the BayernLB Group's own funds planning. Own funds are defined as Common Equity Tier 1 capital (CET1), additional Tier 1 capital and Tier 2 capital. Common Equity Tier 1 capital comprises subscribed capital plus reserves, the capital contribution of BayernLabo, the state aid of the Free State of Bavaria and various supervisory adjustments and deductions. Additional Tier 1 capital is mainly dated silent partner contributions. Tier 2 capital comprises the profit participation certificates and long-term subordinated liabilities.

Own funds planning is based largely on the internal target Common Equity Tier 1 capital ratio (ratio of Common Equity Tier 1 capital to RWA) and an internally set target total capital ratio (ratio of capital to RWA) for the BayernLB Group. It establishes for the planning period upper limits for credit risks, market risks, credit valuation adjustments (CVA) and operational risks arising from the business activities.

Regulatory capital is distributed in the planning process to each planning unit through RWA. The planning units (Group units) are the defined business areas and divisions of BayernLB, as well as BayernLabo and DKB.

Risk-weighted assets (RWA) are allocated to the Group units through a top-down distribution approved by the Board of Management for credit, market and operational risks, combined with an internally assumed capital ratio of 11.5 percent. Compliance with RWA limits available to each Group unit is constantly monitored by the Board of Management. The Board of Management receives monthly reports on current RWA utilisations.

In addition to the CRR, BayernLB is subject to the European Central Bank's Supervisory Review and Evaluation Process (SREP). As an outcome of the SREP, BayernLB was assigned as from 2017 a CET1 ratio of 8 percent on a consolidated basis taking into account the transitional provisions in the CRR.

## Own funds (article 437 CRR)

Pursuant to article 72 of the CRR, the BayernLB Group's own funds comprise core capital, in turn consisting of Common Equity Tier 1 and additional Tier 1 capital, and Tier 2 capital.

### Common Equity Tier 1 capital (CET1 capital)

CET1 capital consists mainly of subscribed capital, reserves and the capital contribution of BayernLabo. During the transition period, the perpetual silent partner contribution of the Free State of Bavaria (state aid) is also an element of CET1 capital. Furthermore, regulatory adjustments and deductions as set out under article 32 et seq. of the CRR are taken into account. These are mostly intangible assets, deferred tax assets which are dependent on future profitability, the shortfall resulting from discrepancies between writedowns and expected loss, and also certain



adjustments (prudent valuation). For the transition period, however, these items are not to be completely deducted from CET1 capital but instead are being phased in in 20-percent portions (60 percent deducted from CET1 capital as at 31 December 2016). Amounts not to be deducted from CET1 capital are instead to be deducted from additional Tier 1 capital and Tier 2 capital.

### **Additional Tier 1 capital (AT1 capital)**

Additional Tier 1 capital comprises mainly residual dated silent partner contributions (excluding the state aid of the Free State of Bavaria) and the remaining deduction items pursuant to the transition regulations (article 469 et seq. of the CRR).

Dated silent partner contributions have original maturities of ten years or more. The annual dividend is dependent on capital market yields at the time of distribution and includes a risk premium based on market conditions. Although the CRR criteria for AT1 capital are not fulfilled, the dated silent partner contributions may be recognised as AT1 capital under the transition regulations.

Article 484 et seq. of the CRR allow for all silent partner contributions at BayernLB to be recognised as AT1 capital at present.

### **Tier 2 capital (T2 capital)**

Tier 2 capital in the BayernLB Group consists primarily of profit participation certificates and subordinated liabilities. While the T2 instruments issued prior to 1 January 2014 do not formally qualify as T2 capital, they currently may nevertheless be recognised as such, with maturity adjustments taken into account, under the grandfathering regulations of article 484 et seq. of the CRR.

Profit participation certificates have original maturities of at least five years, though most have maturities of ten years or more or are perpetual. The annual dividend is dependent on capital market yields at the time of distribution and includes a risk premium based on market conditions.

Long-term subordinated liabilities have original maturities of at least five years, whereby most have maturities of ten years or more. Interest rates are dependent on capital market yields at the time of distribution and include a risk premium based on market conditions.

The tables below show the capital structure and instruments in detail.

### **Own funds structure**

The following table shows the composition of Common Equity Tier 1 capital, additional Tier 1 capital and Tier 2 capital of the BayernLB Group, broken down in each case into instruments, reserves and regulatory adjustments. The capital ratios resulting in relation to RWA and the capital components currently not yet taken into consideration on account of transition regulations are also included in the “Pre-CRR-treatment residual amount” column.

As at 31 December 2016, the own funds of the BayernLB Group, adjusted for the 2016 financial accounts, were as follows:

**Own funds structure (based on balance sheet figures)**

EUR million	31 Dec 2016		31 Dec 2015	
	31 Dec 2016	Pre-CRR-treatment residual amount	31 Dec 2015	Pre-CRR-treatment residual amount
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>				
1	Capital instruments and the related share premium accounts	3,888		3,888
	of which: share capital including premium	3,276		3,276
	of which: capital contribution	612		612
2	Retained earnings	4,373		3,799
3	Accumulated other comprehensive income (and other reserves)	839		1,036
3a	Funds to general banking risk	–		–
4	Grandfathered instruments	1,000		2,300
	of which: public-sector capital injections grandfathered until 1 January 2018	1,000		2,300
5	Minority interests (amount allowed in consolidated CET1)	–	–	–
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	–		–
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>10,100</b>		<b>11,023</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>				
7	Prudent valuation pursuant to Article 105 CRR	–85	–	–81
8	Intangible assets (net of related tax liability)	–52	–34	–42
9	[In the EU: blank field]			
10	Deferred tax assets that rely on future profitability	–25	–16	–9
11	Fair value reserves related to gains or losses on cash flow hedges	–	–	–
12	Negative amounts resulting from the calculation of expected loss amounts	–141	–94	–50
13	Equity increase resulting from securitised assets	–	–	–
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	–61	–	–45
15	Defined-benefit pension fund assets	–	–	–
16	Direct and indirect holdings by an institution of own CET1 instruments	–	–	–
17	Direct, indirect and synthetic holdings by the institution of CET1 instruments of financial-sector entities with reciprocal cross-holdings	–	–	–
18	Direct, indirect and synthetic holdings by the institution of CET1 instruments of financial-sector entities in which the institution has no significant investment	–	–	–

EUR million		31 Dec 2016		31 Dec 2015	
		31 Dec 2016	Pre-CRR-treatment residual amount	31 Dec 2015	Pre-CRR-treatment residual amount
19	Direct, indirect and synthetic holdings by the institution of CET1 instruments of financial-sector entities in which the institution has a significant investment	–	–	–	–
20	[In the EU: blank field]				
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	–	–	–	–
20b	of which: qualifying holdings outside the financial sector	–	–	–	–
20c	of which: securitisation exposures (negative amount)	–	–	–	–
20d	of which: free deliveries	–	–	–	–
21	Deferred tax assets arising from temporary differences	–	–	–	–
22	Amount exceeding the 15.0% threshold	–	–	–	–
23	of which: direct and indirect holdings by the institution of CET1 instruments of financial-sector entities in which the institution has a significant investment	–	–	–	–
24	[In the EU: blank field]				
25	of which: deferred tax assets arising from temporary differences	–	–	–	–
25a	Losses for the current financial year	–	–	–	–
25b	Foreseeable tax charges relating to CET1 items	–	–	–	–
26	Regulatory adjustments applied to Common Equity Tier 1 capital in respect of amounts subject to pre-CRR treatment	–	–	–	–
26a	Regulatory adjustments relating to unrealised gains and losses	–121	–	–259	–
	of which: deductions and filters for unrealised losses (revaluation surplus)	–	–	–	–
	of which: deductions and filters for unrealised gains (revaluation surplus)	–121	–	–259	–
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre-CRR	–	–	–	–
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution	–51	–	–	–
<b>28</b>	<b>Total regulatory adjustments to Common Equity (CET1) Tier 1 capital</b>	<b>–536</b>	<b>–</b>	<b>–486</b>	<b>–</b>
<b>29</b>	<b>Common Equity Tier 1 (CET1) capital</b>	<b>9,564</b>	<b>–</b>	<b>10,537</b>	<b>–</b>
<b>Additional Tier 1 (AT1) capital: instruments</b>					
30	Capital instruments and the related share premium accounts	–	–	–	–
31	of which: classified as equity under applicable accounting standards	–	–	–	–
32	of which: classified as liabilities under applicable accounting standards	–	–	–	–

		31 Dec 2016		31 Dec 2015	
EUR million		31 Dec 2016	Pre-CRR-treatment residual amount	31 Dec 2015	Pre-CRR-treatment residual amount
33	Grandfathered instruments	31		350	
	of which: public-sector capital injections grandfathered until 1 January 2018	–		–	
34	Instruments qualifying as additional Tier 1 capital issued by subsidiaries	–	–	–	–
35	of which: instruments issued by subsidiaries subject to phase-out	–		–	
<b>36</b>	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>31</b>	<b>–</b>	<b>350</b>	<b>–</b>
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>					
37	Direct and indirect holdings by an institution of own AT1 instruments	–	–	–	–
38	Holdings of AT1 instruments of financial-sector entities with reciprocal cross-holdings	–	–	–	–
39	Direct and indirect holdings by the institution of AT1 instruments of financial-sector entities in which the institution has no significant investment	–	–	–	–
40	Direct and indirect holdings by the institution of AT1 instruments of financial-sector entities in which the institution has a significant investment	–	–	–	–
41	Regulatory adjustments applied to additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments (CRR residual amounts)	–		–	
41a	Residual amounts deducted from additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period	–82		–102	
	of which: losses for the current financial year	–		–	
	of which: intangible assets	–34		–64	
	of which: negative amounts resulting from the calculation of expected loss amounts	–47		–38	
41b	Residual amounts deducted from additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period	–		–	
41c	Amount to be deducted from or added to additional Tier 1 capital with regard to additional filters and deductions required pre-CRR	–		–	
	of which: any deductions and filters for unrealised losses	–		–	
	of which: any deductions and filters for unrealised gains	–		–	
42	Qualifying Tier 2 deductions that exceed the Tier 2 capital of the institution	51		–	
<b>43</b>	<b>Total regulatory adjustments to additional Tier 1 (AT1) capital</b>	<b>–31</b>		<b>–102</b>	
<b>44</b>	<b>Additional Tier 1 (AT1) capital</b>	<b>0</b>		<b>248</b>	
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>9,564</b>		<b>10,785</b>	

		31 Dec 2016		31 Dec 2015	
EUR million		31 Dec 2016	Pre-CRR-treatment residual amount	31 Dec 2015	Pre-CRR-treatment residual amount
<b>Tier 2 (T2) capital: instruments and reserves</b>					
46	Capital instruments and the related share premium accounts	694		93	
47	Grandfathered instruments	749		1,244	
	of which: public-sector capital injections grandfathered until 1 January 2018	–		–	
48	Instruments qualifying as Tier 2 capital issued by subsidiaries	99	–	117	–
49	of which: instruments issued by subsidiaries subject to phase-out	–		–	
50	Credit risk adjustments	–		12	
<b>51</b>	<b>Tier 2 (T2) capital before regulatory adjustments</b>	<b>1,542</b>		<b>1,467</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>					
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans	–	–	–	–
53	Holdings of T2 instruments and subordinated loans of financial-sector entities with reciprocal cross-holdings	–	–	–	–
54	Direct and indirect holdings by the institution of T2 instruments and subordinated loans of financial-sector entities in which the institution has no significant investment	–	–	–	–
54a	of which: new holdings not subject to transitional arrangements	–	–	–	–
54b	of which: holdings existing before 1 January 2013 and subject to transitional arrangements	–	–	–	–
55	Direct and indirect holdings by the institution of T2 instruments and subordinated loans of financial-sector entities in which the institution has a significant investment	–	–	–	–
56	Regulatory adjustments applied to T2 capital in respect of amounts subject to pre-CRR treatment and transitional treatments (CRR residual amounts)	–		–	
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period	–47		–38	
	of which: negative amounts resulting from the calculation of expected loss amounts	–47		–38	
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from additional Tier 1 capital during the transitional period	–		–	
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre-CRR	–		–	
	of which: any deductions and filters for unrealised losses	–		–	
	of which: any deductions and filters for unrealised gains	–		–	
	of which: deductions required pre-CRR	–		–	
<b>57</b>	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	<b>–47</b>		<b>–38</b>	
<b>58</b>	<b>Tier 2 (T2) capital</b>	<b>1,495</b>		<b>1,429</b>	
<b>59</b>	<b>Total capital (T1 + T2)</b>	<b>11,059</b>		<b>12,214</b>	

		31 Dec 2016		31 Dec 2015	
EUR million		31 Dec 2016	Pre-CRR-treatment residual amount	31 Dec 2015	Pre-CRR-treatment residual amount
<b>Risk assets before adjustments</b>					
59a	Risk-weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments (CRR residual amounts)	–		–	
	of which: items not deducted from CET1 items	–		–	
	of which: items not deducted from AT1 items	–		–	
	of which: items not deducted from T2 items	–		–	
<b>60</b>	<b>Total risk-weighted assets</b>	<b>65,206</b>		<b>69,606</b>	
<b>Capital ratios and buffers</b>					
61	Common Equity Tier 1 capital ratio	14.7%		15.1%	
62	Tier 1 capital ratio	14.7%		15.5%	
63	Total capital ratio	17.0%		17.6%	
64	Institution-specific buffer requirement	0.6%		–	
65	of which: capital conservation buffer requirements	0.6%		–	
66	of which: countercyclical buffer requirements	0.0%		–	
67	of which: systemic risk buffer requirements	–		–	
67a	of which: buffer requirements for global systemically important institutions (G-SIIs) or other systemically important institutions (O-SIIs)	–		–	
68	Common Equity Tier 1 capital available to meet buffers	10.2%		10.6%	
69	[Not relevant to EU directive]				
70	[Not relevant to EU directive]				
71	[Not relevant to EU directive]				
<b>Capital and buffers</b>					
72	Direct and indirect holdings by the institution of capital instruments of financial-sector entities in which the institution has no significant investment	82		116	
73	Direct and indirect holdings by the institution of CET1 instruments of financial-sector entities in which the institution has a significant investment	128		168	
74	[In the EU: blank field]				
75	Deferred tax assets arising from temporary differences	334		334	
<b>Applicable caps on the inclusion of provisions in Tier 2 capital</b>					
76	Credit risk adjustments included in T2 capital in respect of exposures subject to the standardised approach	–		0	
77	Cap on inclusion of credit risk adjustments in T2 capital under the standardised approach	43		53	
78	Credit risk adjustments included in T2 capital in respect of exposures subject to the Internal Ratings-Based approach	–		12	
79	Cap on inclusion of credit risk adjustments in T2 capital under the Internal Ratings-Based approach	318		333	

		31 Dec 2016		31 Dec 2015	
EUR million		31 Dec 2016	Pre-CRR-treatment residual amount	31 Dec 2015	Pre-CRR-treatment residual amount
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)</b>					
80	Current cap on CET1 instruments subject to phase-out arrangements	–		–	
81	Amount excluded from CET1 due to cap	–		–	
82	Current cap on AT1 instruments subject to phase-out arrangements	885		1,033	
83	Amount excluded from AT1 due to cap	–		–	
84	Current cap on T2 instruments subject to phase-out arrangements	2,606		3,041	
85	Amount excluded from T2 due to cap	–		–	

Despite a further partial repayment of the silent partner contribution of the Free State of Bavaria (state aid) of EUR 1.3 billion in April 2016, Common Equity Tier 1 capital (CET1) decreased only by EUR 1.0 billion. This was countered in part by an increase in retained earnings resulting from a EUR 407 million allocation of net income in 2016.

Additional Tier 1 capital (AT1) fell by EUR 282 million due to the redemption of perpetual silent partner contributions.

Tier 2 capital (T2) increased slightly compared with 31 December 2015. The decline resulting from the daily amortisation of Tier 2 capital components was slightly overcompensated for by raising another EUR 640 million in T2-compliant subordinated Schuldschein loans and subordinated bonds with fixed rates and terms of between 10 and 20 years.

### Capital instruments

The features of the capital instruments are disclosed in the appendix to this disclosure report.

The table shows the main features of the CET1, additional Tier 1 capital and Tier 2 capital instruments issued by the BayernLB Group as well as the terms and conditions associated therewith.

### Balance sheet reconciliation of all elements of regulatory capital

The following tables show the complete reconciliation of the Common Equity Tier 1 capital items, additional Tier 1 capital items, Tier 2 items, adjustments and deductions from the BayernLB Group's own funds with the balance sheet.

### Reconciliation from the consolidated balance sheet to the “prudential” balance sheet

<b>Assets</b> EUR million	<b>Consoli- dated balance sheet as at 31 Dec 2016</b>	<b>Impact of consoli- dation/ deconsoli- dation</b>	<b>“Prudential” balance sheet as at 31 Dec 2016</b>	<b>Reference</b>
Cash reserves	2,096	0	2,096	
Loans and advances to banks	28,794	2	28,795	
Loans and advances to customers	134,760	0	134,760	
Risk provisions	–1,305	0	–1,305	
Portfolio hedge adjustment assets	831	0	831	
Assets held for trading	16,936	0	16,936	
Positive fair values from derivative financial instruments (hedge accounting)	1,073	0	1,073	
Financial investments	26,708	22	26,730	
Investment property	32	0	32	
Property, plant and equipment	347	0	347	
Intangible assets	86	0	86	1
Current tax assets	44	0	44	
Deferred tax asstes	358	0	358	
Non-current assets or disposal groups classified as held for sale	25	–24	0	
Other assets	1,365	3	1,367	
<b>Total assets</b>	<b>212,150</b>	<b>2</b>	<b>212,151</b>	



Liabilities EUR million	Consolidated balance sheet as at 31 Dec 2016	Impact of consolidation/ deconsolidation	“Prudential” balance sheet as at 31 Dec 2016	Reference
Liabilities to banks	54,211	0	54,211	
Liabilities to customers	86,795	46	86,840	
Securitised liabilities	39,618	0	39,618	
Portfolio hedge adjustment liabilities	0	0	0	
Liabilities held for trading	10,974	0	10,974	
Negative fair values from derivative financial instruments (hedge accounting)	1,124	0	1,124	
Provisions	4,421	-36	4,385	
Current tax liabilities	198	-2	197	
Deffered tax liabilities	0	0	0	
Other liabilities	671	33	704	
Subordinated capital	3,081	0	3,081	
Subordinated liabilities	2,600	0	2,600	2
Profit participation certificates (debt component)	398	0	398	3
Dated contributions of silent partners	40	0	40	4
Hybrid capital	44	0	44	5
Equity	11,056	-39	11,018	
Subscribed capital	4,412	0	4,412	
Statutory nominal capital	2,800	0	2,800	6
Capital contribution	612	0	612	7
Perpetual contributions of silent partners of which: silent partner contribution of the Free State of Bavaria	1,000	0	1,000	8 9
Hybrid capital instruments	69	0	69	
Profit participation certificates (equity component)	61	0	61	10
Dated contributions of silent partners (equity component)	8	0	8	11
Capital surplus	2,182	0	2,182	12
of which: premium on subscribed capital	476	0	476	13
Retained earnings	4,064	-27	4,037	14
of which: revaluation surplus of defined benefit plans	-1,169	0	-1,169	15
Revaluation surplus	315	-12	303	16
Foreign currency transaction reserve	-1	0	-1	17
Profit/loss attributable to non-controlling interests	15	0	15	
Consolidated profit/loss	0	0	0	
<b>Total liabilities</b>	<b>212,150</b>	<b>2</b>	<b>212,151</b>	

The impact of consolidation/deconsolidation as shown above reflects the discrepancy between the accounting scope of consolidation and the prudential scope of consolidation. Here, the supervisory deconsolidation of Banque LBLux S.A. as at 30 June 2015 is material. As the banking licence was returned in April 2015, the criteria for inclusion in the prudential scope of consolidation were no longer met.

#### Reconciliation from the “prudential” balance sheet to regulatory capital

EUR million	31 Dec 2016	Reference
<b>Common Equity Tier 1 capital (CET1): instruments and reserves</b>		
Capital instruments and related premium	<b>3,888</b>	
Share capital	2,800	6
Share premium	476	13
Capital contribution	612	7
Retained earnings	<b>4,373</b>	
Retained earnings including benefit plans	4,037	14
Removal of negative remeasurement of defined benefit plans	1,169	15
Regulatory adjustment <sup>1</sup>	-833	
Regulatory adjustment under Article 26 para. 2 CRR	0	
Other retained earnings	<b>1,706</b>	
Capital surplus	2,182	12
Less premium on subscribed capital	-476	13
Cumulative other income	<b>-867</b>	
Revaluation surplus	303	16
Foreign currency translation reserve	-1	17
Revaluation surplus from benefit plans	-1,169	15
Regulatory adjustment under Article 26 para. 2 CRR	0	
State allocations to equity grandfathered until 1 January 2018	<b>1,000</b>	
Silent partner contributions of the Free State of Bavaria	1,000	8
<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>10,100</b>	
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>	<b>-536</b>	
Prudent valuation pursuant to Article 105 CRR	-85	
Intangible assets	-86	1
Regulatory adjustments pursuant to Article 26 para. 2 CRR	-41	
Deferred tax assets dependent on future profitability	-235	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-61	
Fair value gains and losses on derivative liabilities of the institution that result from changes in the own credit standing of the institution	0	
Transitional adjustments to CET1 pursuant to Article 469–472 CRR	24	
Qualifying AT1 deductions that exceed the AT1 capital of the institution	-51	
<b>Common Equity Tier 1 capital (CET1)</b>	<b>9,564</b>	

EUR million	31 Dec 2016	Reference
<b>Additional Tier 1 capital: instruments</b>		
Grandfathered instruments	<b>31</b>	
Perpetual silent partner contributions (less silent contribution of the Free State of Bavaria)	0	8–9
Dated silent partner contributions (equity component)	8	11
Dated silent partner contributions (debt component)	40	4
Hybrid capital	44	5
Regulatory maturity adjustment	–61	
Other regulatory adjustments	0	
<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>31</b>	
<b>Additional Tier 1 capital: regulatory adjustments</b>	<b>–31</b>	
Transitional adjustments to additional Tier 1 capital pursuant to Article 474 and 475 CRR	–82	
Items exceeding the additional Tier 1 capital and to be deducted from the additional Tier 1 capital items (deduction from CET1)	51	
<b>Additional Tier 1 (AT1) capital</b>	<b>0</b>	
<b>Tier 1 capital (T1 capital)</b>	<b>9,564</b>	
<b>Tier 2 capital: instruments and reserves</b>		
Instruments	<b>1,443</b>	
Subordinated liabilities <sup>2</sup>	2,482	2
Profit participation certificates (debt component) <sup>2</sup>	371	3
Profit participation certificates (equity component)	61	10
Non-CRR-conform instruments	0	
Regulatory maturity adjustment	–1,311	
Other regulatory adjustments <sup>3</sup>	–160	
Instruments issued by subsidiaries	<b>99</b>	
Subordinated liabilities and profit participation certificates	145	
Regulatory maturity adjustment	–46	
IRB excess of provisions over expected losses eligible	<b>0</b>	
<b>Tier 2 capital before regulatory adjustments</b>	<b>1,542</b>	
<b>Tier 2 capital: regulatory adjustments</b>	<b>–47</b>	
Transitional adjustments to Tier 2 capital pursuant to Article 476 and 477 CRR	–47	
<b>Tier 2 (T2) capital</b>	<b>1,495</b>	
<b>Total capital</b>	<b>11,059</b>	

<sup>1</sup> Restatement of the values of so-called special-purpose assets, carried at nominal value in the IFRS annual financial statements, to their lower present value in accordance with German GAAP

<sup>2</sup> Excluding instruments issued by subsidiaries

<sup>3</sup> Includes hedge accounting and pro-rated interest

## Capital adequacy

### Internal Capital Adequacy Assessment Process (ICAAP)

Economic capital adequacy (risk-bearing capacity) is monitored using the Internal Capital Adequacy Assessment Process (ICAAP) at the BayernLB, DKB and the BayernLB Group levels, including the consolidated risk units of the above-mentioned major subsidiaries. The aim of ICAAP is to ensure that there is sufficient economic capital at all times to cover the risks assumed or planned.

For risk management, BayernLB follows a liquidation-based approach in ICAAP that is designed to protect senior creditors. This is computed using internal targets for the accuracy of risk measurement, which correspond to a confidence level of 99.95 percent. The method for calculating risk-bearing capacity is assessed and refined on a regular basis to ensure it takes adequate account of external factors and internal strategic targets.

The economic capital is of suitable quality to absorb any losses and is calculated in accordance with the liquidation approach by deducting from the sum of equity and subordinated capital those items that are not available in the event of the liquidation of the BayernLB Group (e.g. intangible assets).

The Group Risk Strategy, in tandem with the Business Strategy, sets the risk appetite and the framework for risk planning. The Risk Strategy allows only a proportion of the available economic capital to be allocated to risks in the course of business activities.

Previously, the risk capital requirement for business and strategic risk, the risk of a rise in the cost of liquidity and BayernLB's own real estate risk has been deducted directly from economic capital. However, limits were also set for these risks during the 2016 Risk Strategy review. The maximum risk appetite at Group level for the aforementioned risks and credit risks, market risks and risks from pension liabilities, operational risks and participation risks in 2016 was EUR 8.1 billion and corresponds to 69.5 percent (FY 2015: 67.4 percent) of the available economic capital (EUR 11.6 billion; FY 2015: EUR 12.9 billion).

The risk capital requirement as at 31 December 2016 can be broken down as follows:

#### Risk capital requirements

EUR million	31 Dec 2016	31 Dec 2015
Counterparty risk (credit and country risk)	1,173	1,211
Market risk	1,863	2,595
• of which actual market risk	888	1,104
• of which pension risk*	975	1,491
Operational risk	514	488
Investment risk	127	112
Business and strategic risk (includes reputational risk)	799	882
Liquidity cost risk	283	303
Real estate risk	–	–
<b>Total</b>	<b>4,759</b>	<b>5,590</b>

\* The risk capital requirement for risks from pension liabilities as at 31 December 2015 has been adjusted for comparison purposes owing to the change in methodology.

The planning of economic risks for the risk-bearing capacity calculation and the planning of the economic capital are integral parts of the Group planning process described under the “Regulatory capital adequacy” section. For an in-depth, forward-looking analysis of economic capital adequacy, the calculation of risk-bearing capacity is based on the Business Strategy and is supplemented by stress tests. Both scenario and sensitivity analyses are carried out for this purpose. In addition to historical scenarios, the impact of adverse changes in risk factors both on specific risk types and across all risk types is also analysed using hypothetical scenarios. The latter in particular have a major role in the analysis of situational scenarios.

The liquidation-based analysis of risk-bearing capacity is supplemented by a going concern perspective. This analyses capital adequacy with respect to the sustainability of the business model in the event of a loss that is statistically probable only once over a rolling five-year planning horizon.

Sensitivity analysis also plays a part in the comprehensive analysis of risk-bearing capacity by increasing transparency of the impact of potential changes in individual risk factors (such as the impact of changes in interest rates).

Risk-bearing capacity is quantified routinely and as required from both a liquidation and a going concern perspective and is reported monthly to the Board of Management as part of the regular ongoing internal risk reporting, together with the results and key assumptions of the stress tests performed.

Inverse stress tests were conducted at the BayernLB Group level as an integral element of the stress testing programme. Contrary to the logic of conventional stress tests, scenarios that could potentially jeopardise the existence of the BayernLB Group’s current business model are identified using a retrograde procedure. Inverse stress tests are conducted for both individual risk types and across all risk types. The integration of different divisions in the scenario parameters makes it possible to analyse varying perspectives of the BayernLB Group’s risk and earnings situation simultaneously and integrate them into the stress testing in a consistent manner. Both qualitative and quantitative analyses are carried out, based in particular on the effects of current developments in external and internal risk factors on the BayernLB Group.

In addition, the stress tests carried out within the framework of ICAAP are closely linked to medium-term planning. In this way, the implications of the scenario planning are determined for both Pillar I and Pillar II, with the impact of the ICAAP stress test over the entire planning horizon being considered. The key premises of capital planning (e.g. repayment of the silent partner contributions to the Free State of Bavaria) also form the basis for inverse stress tests and other stress analyses used for recovery planning.

### **Capital requirements (article 438 CRR)**

In 2007, BayernLB obtained approval as an IRBA institution to use the Internal Ratings-Based approach (IRBA) at Bank and Group level. Since 2008, DKB has also been included in the IRB approach for the purposes of calculating own funds requirements at BayernLB Group level. In 2012 DKB received IRBA approval for other rating procedures. All other BayernLB subsidiaries are taken account of in the BayernLB Group using the Credit Risk Standardised Approach (CRSA). Partial use is applied to calculate own funds requirements at Bank and at Group level.

Own funds requirements for credit risks are calculated in the IRB approach on the basis of the rating procedure approved for BayernLB. External ratings under the CRSA are used to determine the own funds requirements for exposures which do not fall within the range of application of the approved internal rating systems, provided that the exposures are externally rated.

Besides the internal rating procedure and the ratings-based approach, BayernLB uses the supervisory formula approach to calculate risk-weighted items (RWA) from securitisations.

Investment risks are measured using the simple risk-weighted method unless where the grandfathering rule applies. Own funds requirements for investment units are mainly calculated using the look-through approach.

For market risks, BayernLB currently uses supervisory standardised methods instead of an internal model. Operational risks are measured using the standardised approach.

The following table shows how the own funds requirements and the RWA are broken down in terms of regulatory approach, risk type and exposure class.

#### Own funds requirements for CRR reporting

EUR million	31 Dec 2016		31 Dec 2015	
	Own funds requirements	RWA	Own funds requirements	RWA
<b>Credit risk</b>	<b>4,557</b>	<b>56,958</b>	<b>4,829</b>	<b>60,363</b>
• <b>Standardised Approach</b>	<b>278</b>	<b>3,476</b>	<b>342</b>	<b>4,275</b>
– Central governments or central banks	55	693	61	757
– Regional governments or local authorities	1	13	0	1
– Public sector entities	3	31	3	35
– Multilateral development banks	–	–	–	–
– International organisations	–	–	–	–
– Institutions	8	102	3	39
– Corporates	53	657	66	821
– Retail exposures	50	628	48	605
– Exposures secured by mortgages on immovable property	13	166	19	236
– Exposures in default	8	100	9	109
– Exposures associated with particularly high risk	47	593	80	1,001
– Covered bonds	–	–	–	–
– Securitisation positions	1	18	2	23
– Exposures to institutions and corporates with a short-term credit assessment	–	–	–	–
– Exposures in the form of units or shares in collective investment undertakings (CIUs)	0	5	0	4
– Equity exposures	30	381	45	561
– Other items	7	88	7	84

EUR million	31 Dec 2016		31 Dec 2015	
	Own funds require- ments	RWA	Own funds require- ments	RWA
<b>• IRB Approach</b>	<b>4,271</b>	<b>53,386</b>	<b>4,474</b>	<b>55,923</b>
– Central governments and central banks	77	966	103	1,288
– Institutions	443	5,543	490	6,129
– Corporates	3,311	41,386	3,362	42,024
– Retail exposures	302	3,781	374	4,677
Exposures secured by immovable property, SMEs	10	131	13	168
Exposures secured by immovable property, non-SMEs	151	1,889	219	2,743
Qualifying revolving	17	210	20	248
Other SMEs	22	270	23	288
Other retail	102	1,281	98	1,229
– Equity exposures	75	934	85	1,066
Simple risk weight approach	75	934	85	1,066
Private equity exposures in sufficiently diversified portfolios	25	309	34	419
Exchange traded equity exposures	0	6	3	32
Other equity exposures	50	620	49	616
PD/LGD approach	–	–	–	–
Internal models approach	–	–	–	–
– Securitisation positions	28	346	28	354
– Other non credit-obligation assets	34	430	31	384
<b>• Exposure to contributions to a CCP default fund</b>	<b>8</b>	<b>96</b>	<b>13</b>	<b>165</b>
<b>Settlement and delivery risk</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Market risk</b>	<b>239</b>	<b>2,986</b>	<b>264</b>	<b>3,296</b>
<b>• Standardised Approach</b>	<b>239</b>	<b>2,986</b>	<b>264</b>	<b>3,296</b>
– Traded debt instruments	183	2,287	215	2,683
of which securitisation	–	–	–	–
– Equity instruments	6	77	3	37
– Foreign-exchange risk	43	538	39	486
– Commodities risk	7	84	7	91
<b>• Internal models approach</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Operational risk</b>	<b>339</b>	<b>4,233</b>	<b>390</b>	<b>4,870</b>
<b>• Basic indicator approach</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>• Standardised approach</b>	<b>339</b>	<b>4,233</b>	<b>390</b>	<b>4,870</b>
<b>• Advanced measurement approaches</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Additional exposure amount due to fixed overheads</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Credit valuation adjustment risk</b>	<b>82</b>	<b>1,029</b>	<b>86</b>	<b>1,077</b>
<b>• Advanced method</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>• Standardised method</b>	<b>82</b>	<b>1,029</b>	<b>86</b>	<b>1,077</b>
<b>• Original exposure method</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Risk relating to large exposures in the trading book</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other exposures</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>5,216</b>	<b>65,206</b>	<b>5,568</b>	<b>69,606</b>

The table below shows the capital ratios with the CRR transition rules (phase-in) applied, and the accounting effects from the respective financial year.

**Capital ratios (based on balance sheet figures)**

in %	CET1 ratio		T1 ratio		Total capital ratio	
	2016	2015	2016	2015	2016	2015
BayernLB Institutsgruppe, Munich	14.7	15.1	14.7	15.5	17.0	17.6
BayernLB, Munich (BayernLB Bank)	21.4	13.3	21.4	13.6	25.2	15.9
<b>Subsidiaries</b>						
• Deutsche Kreditbank Aktiengesellschaft, Berlin	8.9	8.2	8.9	8.2	10.0	9.1

The increase in the capital ratios of the BayernLB Bank (HGB) in 2016 stems from the application of article 113 para. 6 CRR for exposures to DKB.

With the adopted annual financial statements as at 31 December 2016 taken into account, the BayernLB Group had a fully-loaded CET1 ratio of 13.2 percent.



# Exposure to counterparty credit risk (article 439 CRR)

## Capital allocation/allocation of upper limits for loans to counterparties

Within the BayernLB Group, derivative instruments are mostly employed by BayernLB. Banks and corporate customers are the main counterparties in the derivatives business.

BayernLB does not allocate capital separately or limit default risks for counterparties with derivatives exposures. Both are done as part of the generally applicable limitation process for counterparty risk. Furthermore, large credit risks are subject to both regulatory and internal management methods.

See the section “Internal Capital Adequacy Assessment Process (ICAAP)” for information on capital allocation for risk types.

## Measures to mitigate risks

In derivatives trading, the usual practice is to conclude master agreements for the purposes of close-out netting. Collateral agreements exist with certain business partners restricting the default risk to an agreed maximum and authorising a call for additional collateral should this limit be exceeded. BayernLB reduces counterparty risks further through its membership with LCH SwapClear and EurexOTC Clear, which act as central counterparties that clear or backload standardised interest rate derivatives.

With this in mind, BayernLB has laid down clear rules and responsibilities for the collateral management process within the Bank in its “Collateral Policy – Trading”, a binding set of regulations established as part of the “BayernLB Group Collateral Guidelines for the Trading Business”. The Policy contains both technical and administrative provisions for using collateral in trading transactions. The Bank acts as both protection buyer and protection seller. Thus the Policy also includes recommendations and guidelines on the acceptance of collateral, for example on haircuts. BayernLB is striving to make the overall collateral management process as efficient as possible so as to preserve its own funds and liquidity resources.

Actual collateral needs are regularly determined using mark-to-market valuations. Collateral calls are normally met by cash or government bonds.

Current economic risk is thereby reduced to a contractually agreed threshold or a minimum transfer amount that has not yet been reached. All collateral accepted is systematically documented.

## Correlation between market risk and counterparty risk

Borrower risks are a subset of counterparty risk and therefore entered separately from market risk. The same applies to counterparty risk from derivatives transactions.

Given BayernLB's fields of activities, concentration and wrong-way risks lie mainly in securities repurchase transactions. In order to avoid undesirable collateral concentrations, BayernLB has put certain regulations into effect through the "BayernLB Group Collateral Guidelines for the Trading Business" and the "Collateral Policy – Trading". The aim of the Group Collateral Guidelines is to establish clear rules and standards throughout the BayernLB Group for accepting and handling securities and cash collateral that is to be used as security, i.e. as a component of a trading product. The regulations also apply for wrong-way and concentration risks. The "Collateral Policy – Trading" regulates the collateralisation of OTC derivatives and securities repurchase transactions concluded with counterparties based on bilateral framework agreements.

In risk-bearing capacity reporting at Group level, aggregation by risk type currently takes no account of the impact of diversification through correlations and is therefore conservative.

### Collateral increases in the event of rating downgrades

A small number of OTC derivative transactions have been concluded that contractually require collateral to be provided or increased in the event that one of BayernLB's external ratings is downgraded. The amount of collateral to be provided in such an event would not affect BayernLB's risk-bearing capacity. Given the rating upgrade, this amount fell by a notch to around EUR 74 million.

The following table shows the gross positive fair value (defined as the positive fair value of the derivative) for each exposure type, and the net derivatives credit exposure, which is the current derivatives credit exposure after considering both the benefits from legally enforceable netting agreements and collateral arrangements.

#### Counterparty credit risk

EUR million	Gross positive fair value	Netting effect	Collateral effect	Net derivatives credit exposure
Interest rate contracts	24,741			
Foreign-exchange rate and gold contracts	3,655			
Equities contracts	109			
Credit derivatives	0			
Precious metals and commodities contracts	536			
<b>Total</b>	<b>29,042</b>	<b>21,089</b>	<b>1,882</b>	<b>6,070</b>

The next table (“Methods”) indicates the exposure values based on the methods to be used under Part Three Title II Chapter 6 Sections 3 to 6 of the CRR.

#### Methods

EUR million	Original Exposure Method	Mark-to-market method	Standardised Method	Internal Model Method
Exposure value	–	10,616	–	–

In the following table (“Hedging via credit derivatives”), the notional value of the credit derivative hedges is displayed.

#### Hedging via credit derivatives

EUR million	Notional value of hedging
Credit derivatives	–

The table below (“Credit derivatives”) lists the notional amounts of credit derivatives transactions, segregated between use for the institution’s own credit portfolio and use in its intermediation activities. The institution’s own credit portfolio is broken down further by credit derivatives product used, in turn broken down as protection bought or protection sold.

#### Credit derivatives

Notional amounts EUR million	Use for own credit portfolio		Intermediation activities
	Bought	Sold	
Credit Default Swaps	261	160	–
Total Return Swaps	500	–	–

# Capital buffers (article 440 CRR)

BayernLB discloses data on its compliance with the requirement for a countercyclical capital buffer as laid down in Commission Delegated Regulation (EU) No 2015/1555 of 28 May 2015 in relation to article 440 of the CRR.

Under article 130 para. 1 of Directive 2013/36/EU in conjunction with section 10d KWG, institutions must maintain an institution-specific countercyclical capital buffer. Banks disclose the main elements of their countercyclical capital buffer calculation, along with the geographical distribution of their relevant credit exposures and the final amount of their institution-specific countercyclical capital buffer.

The table below shows how the countercyclical capital buffer is calculated for the relevant credit exposures in various geographical regions as based on Commission Delegated Regulation (EU) No 1152/2014 of 4 June 2014. Pursuant to article 140 para. 4 of Directive 2013/36/EU, relevant credit exposures are limited to certain specific exposure classes and certain positions held in the trading book. The country breakdown reflects the domicile of the particular borrower or counterparty. As at 31 December 2016, Sweden, Norway and Hong Kong were the only countries to set a countercyclical capital buffer.

## Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

Breakdown by country	General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements			Own funds requirement weights	Countercyclical capital buffer rate	
	Exposure value for SA	Exposure value for IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	of which: General credit exposures	of which: Trading book exposures	of which: Securitisation exposures			Total
EUR million												
Sweden	1	99	2	-	-	-	3	0	-	3	0.07%	1.50%
Norway	0	1	22	-	-	-	0	0	-	0	0.01%	1.50%
Hong Kong	2	1	-	-	-	-	0	-	-	0	0.00%	0.625%
Germany	2,364	81,685	623	-	-	1,738	2,898	7	25	2,929	73.38%	0%
Other EU	206	19,008	158	-	36	2,331	629	2	32	663	16.60%	0%
Others	171	8,586	33	-	0	149	392	1	4	397	9.94%	0%
<b>Total</b>	<b>2,744</b>	<b>109,381</b>	<b>837</b>	<b>-</b>	<b>36</b>	<b>4,217</b>	<b>3,921</b>	<b>10</b>	<b>60</b>	<b>3,991</b>	<b>100.00%</b>	

The amount of the BayernLB Group's institution-specific countercyclical capital buffer is shown in the table below.

**Amount of institution-specific countercyclical capital buffer**

EUR million	31 Dec 2016
Total risk exposure amount	65,206
Institution-specific countercyclical buffer rate	0.00112%
Institution-specific countercyclical buffer requirement	1

# Credit risk adjustments (article 442 CRR)

## Total exposure value by exposure class

The following tables show the total exposure value from different perspectives: by regulatory approach and exposure class, geographical region, sector and residual maturity. In addition to the reporting date figure, the first table also shows the respective average exposure value in 2016.

The total amount of exposures is based on the exposure values. In calculating the exposure value, certain accounting offsets (writedowns) are applied. Credit risk mitigation techniques and credit conversion factors (CCFs) are left out of the equation.

Investment instruments and securitisations are not taken into account in the breakdown as they are included elsewhere in the disclosure tables.

## Total exposure value by exposure class

EUR million	Total exposure value as at 31 Dec 2016	Average exposure value for 2016
<b>CRSA</b>	<b>39,856</b>	<b>41,037</b>
• Central governments or central banks	311	338
• Regional governments or local authorities	145	182
• Public sector entities	463	428
• Institutions	25,861	26,732
• Multilateral development banks	216	212
• Corporates	3,614	3,859
of which SMEs	269	250
• Retail exposures	8,255	8,215
of which SMEs	278	259
• International organisations	315	312
• Exposures secured by mortgages on immovable property	468	549
• Exposures associated with particularly high risk	28	19
• Exposures in default	91	104
• Other items	88	87
<b>IRBA</b>	<b>211,898</b>	<b>213,992</b>
• Central governments and central banks	50,634	53,802
• Institutions	27,010	28,347
• Corporates	114,950	112,791
of which SMEs	33,609	32,818
Retail exposures	19,304	19,051
• of which SMEs	1,836	1,821
<b>Total</b>	<b>251,754</b>	<b>255,028</b>

## Total exposure value by geographical region

EUR million	Germany	EU countries	Other European countries	Africa	North America	Central and South America	Asia	Oceania	Other	Total
<b>CRSA</b>										<b>39,856</b>
• Central governments or central banks	311	–	–	–	–	–	–	–	–	311
• Regional governments or local authorities	84	–	–	–	61	–	–	–	–	145
• Public sector entities	276	–	–	–	187	–	–	–	–	463
• Institutions	24,250	1,609	0	–	0	–	1	–	–	25,861
• Multilateral development banks	–	216	–	–	–	–	–	–	–	216
• Corporates	3,295	85	64	0	132	35	3	–	–	3,614
of which SMEs	261	0	–	–	8	–	–	–	–	269
• Retail exposures	8,095	68	40	3	21	6	19	3	–	8,255
of which SMEs	276	1	1	0	0	0	0	0	–	278
• International organisations	–	315	–	–	–	–	–	–	–	315
• Exposures secured by mortgages on immovable property	468	–	–	–	–	–	–	–	–	468
• Exposures associated with particularly high risk	28	–	–	–	–	–	–	–	–	28
• Exposures in default	73	0	0	–	–	–	17	–	–	91
• Other items	88	–	–	–	–	–	–	–	–	88
<b>IRBA</b>										<b>211,898</b>
• Central governments and central banks	42,166	1,723	881	68	4,412	10	65	–	1,309	50,634
• Institutions	14,264	8,265	2,294	139	939	444	439	226	–	27,010
• Corporates	82,746	18,572	4,138	548	6,080	277	2,321	268	–	114,950
of which SMEs	33,186	392	8	–	15	–	–	9	–	33,609
• Retail exposures	19,148	73	46	2	15	3	14	3	–	19,304
of which SMEs	1,829	4	2	0	0	0	0	0	–	1,836
<b>Total</b>	<b>195,293</b>	<b>30,927</b>	<b>7,465</b>	<b>760</b>	<b>11,847</b>	<b>774</b>	<b>2,879</b>	<b>501</b>	<b>1,309</b>	<b>251,754</b>

## Total exposure value by sector

EUR million	Public administration and defence	Banks*	Real estate activities	Private individuals	Electricity, gas, steam and air conditioning supply	Miscellaneous real estate activities	Office administrative, office support and other business support activities	Other monetary intermediation	Central Banks	Other	Total
<b>CRSA</b>											<b>39,856</b>
• Central governments or central banks	34	–	–	–	–	–	–	–	–	277	311
• Regional governments or local authorities	91	–	–	–	–	–	–	–	–	54	145
• Public sector entities	1	–	22	–	33	2	7	–	–	398	463
• Institutions	–	22,518	–	–	–	–	–	1,844	–	1,498	25,861
• Multilateral development banks	–	216	–	–	–	–	–	–	–	–	216
• Corporates	–	1	1,645	214	37	200	293	3	–	1,220	3,614
of which SMEs	–	–	7	–	22	62	10	3	–	164	269
• Retail exposures	–	–	40	6,109	2	5	19	0	–	2,080	8,255
of which SMEs	–	–	9	–	1	0	0	0	–	267	278
• International organisations	52	–	–	–	–	–	–	263	–	–	315
• Exposures secured by mortgages on immovable property	–	–	5	348	0	8	24	–	–	84	468
• Exposures associated with particularly high risk	–	–	–	–	–	–	–	–	–	28	28
• Exposures in default	0	–	–	36	0	0	2	–	–	53	91
• Other items	–	–	–	–	–	–	–	–	–	88	88
<b>IRBA</b>											<b>211,898</b>
• Central governments and central banks	43,369	2,474	–	–	45	–	19	557	4,104	66	50,634
• Institutions	1,376	14,116	6,858	–	1,609	122	21	205	–	2,702	27,010
• Corporates	7	741	21,046	124	20,334	8,805	6,747	2,140	–	55,005	114,950
of which SMEs	–	–	14,627	–	10,901	957	79	3	–	7,042	33,609
• Retail exposures	–	–	188	16,194	72	15	5	0	–	2,831	19,304
of which SMEs	–	–	187	–	71	15	4	0	–	1,559	1,836
<b>Total</b>	<b>44,930</b>	<b>40,067</b>	<b>29,804</b>	<b>23,025</b>	<b>22,132</b>	<b>9,157</b>	<b>7,136</b>	<b>5,014</b>	<b>4,104</b>	<b>66,384</b>	<b>251,754</b>

\* excluding the Deutsche Bundesbank and other central banks

The above sectors are those with the highest exposure values in total across the approaches and exposure classes. The remaining sectors are bundled under “Other”.



### Total exposure value by residual maturity

EUR million	< 1 year	≥ 1 to < 5 years	≥ 5 years to perpetual	Total
<b>CRSA</b>				<b>39,856</b>
• Central governments or central banks	277	18	16	311
• Regional governments or local authorities	71	7	67	145
• Public sector entities	30	34	399	463
• Institutions	7,789	2,484	15,587	25,861
• Multilateral development banks	10	156	50	216
• Corporates	536	493	2,585	3,614
of which SMEs	27	88	154	269
• Retail exposures	104	53	8,097	8,255
of which SMEs	7	24	247	278
• International organisations	–	241	74	315
• Exposures secured by mortgages on immovable property	5	32	432	468
• Exposures associated with particularly high risk	–	28	–	28
• Exposures in default	2	65	24	91
• Other items	9	–	79	88
<b>IRBA</b>				<b>211,898</b>
• Central governments and central banks	6,370	12,715	31,549	50,634
• Institutions	6,165	5,823	15,022	27,010
• Corporates	23,872	32,678	58,400	114,950
of which SMEs	2,055	1,246	30,308	33,609
• Retail exposures	478	1,330	17,496	19,304
of which SMEs	55	173	1,608	1,836
<b>Total</b>	<b>45,719</b>	<b>56,158</b>	<b>149,878</b>	<b>251,754</b>

### Risk provision procedure

To calculate risk provisions, customer relationships in the BayernLB Group are analysed at quarterly intervals as a rule. If objective indications of impairment exist, an examination is carried out to determine if a risk provision needs to be made. These objective indications include interest and principal arrears of more than 30 days or a rating of 19 or worse on a 25-tier scale. If future incoming payments are likely to be affected, a specific loan loss provision is made.

The size of the specific loan loss provision is the difference between the carrying amount of the receivable and the present value of future expected incoming cash flows calculated on the basis of the original effective interest rate using the discounted cash flow method. Additions to or releases of risk provisions are made if expectations of cash flows change. Unwinding – a change in the present value of future expected incoming cash flows over the period – is reported as interest income; the actual interest payments received are subsequently recognised as repayments, and not as interest income. For portfolios composed of similar, immaterial receivables, flat-rate specific loan loss provisions are made on the basis of collective risk assessment. These are also reported under the specific loan loss provisions.

For material and immaterial receivables for which no indications of impairment have been detected on individual examination and no flat-rate specific loan loss provisions have been made, portfolio provisions based on creditworthiness factors are calculated on the basis of historical default rates and loss rates. This uses a procedure based on parameters derived from the Basel II system that are regularly assessed.

Country risks (transfer risk and general political risk) are reflected by making a portfolio provision on the basis of country risk-specific default rates and loss rates if these risks have not already been taken into account through specific loan loss provisions.

Non-recoverable receivables are derecognised; this is carried out by utilising specific loan loss provisions that have already been made. A direct writedown is made for bad debt losses for which no or insufficient specific loan loss provisions have been made. The direct writedowns are booked either to existing portfolio or specific loan loss provisions. The disclosure is made in each case as an “of which” item “direct writedown” in respect of a specific loan loss provision or a portfolio loan loss provision.

#### **Definition of “past due” and “impaired”**

The default criteria take account of the definitions in the CRR. Relevant default criteria are:

- (1) The individual borrower is past due more than 90 days on a material liability to BayernLB.
- (2) The Bank considers it unlikely that the individual borrower will pay its credit obligations to BayernLB in full, without recourse by the Bank to actions such as realising collateral (if held).
- (3) The Bank consents to a mandatory restructuring/workout of the credit obligation, which will result in a diminished financial obligation of the individual borrower on the basis of material forgiveness or postponement of principal, interest or fees.
- (4) The Bank makes a value adjustment or partial writedown due to a significant deterioration in credit quality subsequent to taking on the credit risk.
- (5) The Bank makes a full writedown of irrecoverable receivables.
- (6) The Bank sells part or all of the receivable of an individual borrower at a material, risk-related economic loss.
- (7) The Bank has filed for the individual borrower’s insolvency or made a similar application in respect of the individual borrower’s credit obligations to BayernLB, or the individual borrower has sought or has been placed in bankruptcy or similar protection such that this avoids or delays repayment of a credit obligation to BayernLB.

#### **Changes in risk provisions**

The following tables show risk provisions under IFRS. Not all figures are comparable with those in the annual report as this Disclosure Report shows only the loan loss provisions induced by credit rating.

The table below shows changes in specific and portfolio loan loss provisions over the course of the year. The figure at the beginning of the year is transformed into the closing figure through additions, releases, utilisations and other changes. Specific loan loss provisions and portfolio loan loss provisions are shown separately.

#### Changes in risk provisions

EUR million		Opening balance as at 1 Jan 2016	Additions	Releases	Utilisations	Other changes	Closing balances as at 31 Dec 2016
Specific loan loss provisions	On balance sheet	2,518	422	-195	-1,535	-64	1,146
	Provisions*	73	19	-17	-	-5	70
Portfolio loan loss provisions	On balance sheet	213	28	-84	-3	-8	146
	Provisions*	17	1	-3	-	0	15

\* Risk provisions for contingent liabilities and other commitments are shown as provisions for risks.

The following two tables show the impaired exposures and exposures past due by sector and geographical region, respectively.

The impaired exposures and exposures past due shown here are all loans bearing the maximum credit risk, before deductions of the specific loan loss provisions, in accordance with the risk report in the BayernLB Group annual report.

#### Impaired exposures and exposures past due by sector

EUR million	Exposures		Closing balance		Net of additions/ releases		Direct writedowns
	Impaired	Past due	SLLP	PLLP	SLLP	PLLP	
Other monetary intermediation	1,256	-	-		14		3
Miscellaneous real estate activities	492	0	274		40		0
Private individuals	287	116	139		35		10
Electricity, gas, steam and air conditioning supply	153	0	87		4		0
Water transport	144	-	105		2		1
Land transport and transport via pipelines	123	1	65		-2		-
Real estate activities	99	22	30		9		1
Office administrative, office support and other business support activities	114	1	47		31		1
Manufacture of fabricated metal products, except machinery and equipment	78	2	65		-3		0
Others	643	50	403		79		6
<b>Total</b>	<b>3,390</b>	<b>192</b>	<b>1,215</b>	<b>162</b>	<b>209</b>	<b>-60</b>	<b>23</b>

### Impaired exposures and exposures past due by geographical region

EUR million	Exposures		Closing balance		Net of additions/ releases		Direct writedowns
	Impaired	Past due	SLLP	PLLP	SLLP	PLLP	
Germany	1,220	164	690		92		16
EU countries	2,000	0	433		104		4
Other European countries	87	0	60		4		1
Africa	40	–	31		22		0
North America	0	8	0		0		1
Central and South America	1	17	0		0		0
Asia	17	2	1		–15		1
Oceania	24	0	1		1		0
<b>Total</b>	<b>3,390</b>	<b>192</b>	<b>1,215</b>	<b>162</b>	<b>209</b>	<b>–60</b>	<b>23</b>

The decline in impaired exposures as compared with the previous year is the result of the derecognition of the written down portion of the receivables due from HETA.

# Unencumbered assets (article 443 CRR)

The EBA has issued its “Guidelines on disclosure of encumbered and unencumbered assets” (EBA/GL/2014/03) so as to further specify the data to be disclosed under the CRR.

## Qualitative data

The qualitative data to be disclosed pursuant to article 443 of the CRR and the EBA Guidelines EBA/GL/2014/03 are discussed below. No additional criteria apply in determining whether or not an asset is encumbered.

### Securities and loans pledged to central banks as collateral

BayernLB pledges securities and loans to the German Bundesbank and to the Federal Reserve Bank of New York as collateral so as to participate in liquidity facility programmes. This collateral is always to be considered as pledged, i.e. encumbered, only in the amount currently drawn. The degree of overcollateralisation is determined by the central bank’s haircut policy. No further overcollateralisation requirements apply. The haircut policy is based on the Bundesbank’s general terms and conditions or the collateralisation agreement with the Federal Reserve Bank of New York, as the case may be.

Group-internal transactions cannot be pledged as collateral.

### Collateral pledged to development banks

Any asset which is assigned to a development bank as part of a loan refinancing measure is an encumbered asset. A distinction must be made between a global loan and an individual refinancing transaction (pass-through loan). The entire collateral pool, if any, is to be classified as encumbered as it may only be changed with the authorisation of the pledgee. The volume of overcollateralisation required by the development banks depends on the particular bank and programme. It is derived from the financing and security contracts signed with these banks, which set out among other terms and conditions the mode of assignment, the types of security eligible, and the necessary overcollateralisation.

There are currently no credit enhancements in place within the BayernLB Group.

### Pfandbriefs (covered bonds)

BayernLB is a regular issuer of Pfandbriefs and holds a register of cover each for mortgage-backed Pfandbriefs and for public Pfandbriefs. These covered bonds are issued from the two registers. Overcollateralisation is based on the German Pfandbrief Act (PfandBG) and the requirements set out by rating agencies Fitch and Moody’s. It is always in compliance with the current version of the Pfandbrief Act.

There are currently no credit enhancements in place within the BayernLB Group.

### **Securities for collateral deposit accounts**

BayernLB holds a securities deposit for certain brokers as collateral. These securities serve a purpose similar to that of an initial margin in a derivatives transaction. The degree of overcollateralisation is determined by the haircut laid down by contract. Standardised framework contracts have been drawn up which set out the specific terms and conditions of collateral.

In addition, securities have been set aside as a reserve for the guarantee fund (joint liability scheme) for the Landesbanks and savings banks. These instruments serve as collateral for any future necessary contributions to this fund. They are deemed, in the entirety of the amount set aside, as encumbered.

There are currently no credit enhancements in place within the BayernLB Group.

### **Margins for derivatives, repo and securities lending transactions**

In bilateral trading, that is, trading via central counterparties (CCPs), BayernLB deposits securities and cash with the CCP as protection should the sum market value of the instruments become negative for BayernLB. Unlike other counterparties, CCPs also require an initial margin, the amount of which depending mostly on the exposure. Overcollateralisation is therefore common only with CCPs. Initial margins are otherwise seldom in bilateral transactions. Standardised framework contracts have been drawn up which set out the specific terms and conditions of collateral.

There are currently no credit enhancements in place within the BayernLB Group.

### **Single-credit securitisations**

BayernLB securitises loans for the purpose of increasing the liquidity of the credit transactions at hand. The resulting instrument can then be easily transferred to investors or, when certain conditions are met, to the German Bundesbank. Overcollateralisation does not come into play in this process. An appropriate template has been drawn up and is used for contracts of this type.

There are currently no credit enhancements in place within the BayernLB Group.

### **Repo transactions and reverse repo transactions**

BayernLB conducts bilateral repos and reverse repo transactions with various counterparties. The Bank also engages in transactions with the two principal repo clearing houses, EUREX and LCH Repo. The terms and conditions of the security are laid down in standardised framework contracts. Overcollateralisation is relevant only in a few specific cases, e.g. for repos involving securities which cannot be pledged to a central bank. It is usually not required in bilateral repo transactions.

No transactions within the BayernLB Group of this type currently exist.

## Securities lending and borrowing

BayernLB conducts securities lending and borrowing transactions with commercial banks and customers. In so doing, the Bank receives either an outright fee or a fee plus collateral (cash or securities). Overcollateralisation is relevant only in a few specific cases, e.g. when securities are concerned which cannot be pledged to a central bank; such transactions require collateral in addition to the fee. Standardised framework contracts have been drawn up which set out the specific terms and conditions of collateral.

No transactions within the BayernLB Group of this type currently exist.

## Quantitative data

The table below shows encumbered and unencumbered assets at both their carrying and market values, broken down by equity instruments, debt securities and other assets held.

### Assets

EUR million	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
<b>Assets of the reporting institution</b>	<b>88,785</b>		<b>134,826</b>	
• Equity instruments	70	58	874	535
• Debt securities	3,411	3,429	25,358	26,278
• Other assets	–		19,744	

There are no items under “other assets” which can be used for encumbrance.

The table below shows the collateral received, which is not to be shown in the balance sheet of the recipient of the collateral according to accounting policies. Collateral received is divided into collateral actually utilised and collateral received that is available.

## Collateral received

EUR million	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
<b>Collateral received by the reporting institution</b>	<b>3,455</b>	<b>8,886</b>
• Equity instruments	–	198
• Debt securities	3,455	8,651
• Other collateral received	–	–
<b>Own debt securities issued other than own covered bonds or ABSs</b>	<b>–</b>	<b>–</b>

The table below gives details of the carrying amounts of the liabilities linked to the encumbered assets and collateral received.

## Encumbered assets / collateral received and associated liabilities

EUR million	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
<b>Carrying amount of selected financial liabilities</b>	<b>65,590</b>	<b>89,538</b>



# Use of ECAs (article 444 CRR)

Only external assessments from rating agencies Moody's and Standard & Poor's are used to measure creditworthiness in the standardised approach. Issues and issuers are also assessed. Issuers' credit ratings are used for loans which are not assessed, provided these loans are not ranked as subordinate.

The credit assessments are used for all exposure classes which require that the risk weight be measured depending on creditworthiness. Ratings are assigned to the CRR "credit quality steps" in accordance with the standard regulatory mapping scheme.

The table shows the exposure values before and after credit risk mitigation techniques by risk-weighting for the credit risk standardised approach. The exposure values are adjusted for accounting offsets (writedowns) and CCFs (credit conversion factors). Neither equity exposures nor securitisation exposures are included.

## Exposure values before and after credit risk mitigation under the credit risk standardised approach

Risk weighting in %	Exposure value before credit risk mitigation EUR million	Exposure value after credit risk mitigation EUR million
0	20,126	27,076
2	3,282	3,282
4	–	–
10	–	–
20	714	403
35	450	450
50	65	68
70	–	0
75	4,187	858
100	3,519	745
150	97	80
250	277	406
370	–	–
1250	–	–
Other risk weightings	–	–
<b>Total</b>	<b>32,715</b>	<b>33,369</b>

## **Exposure to market risk (article 445 CRR)**

For the disclosure of market risk pursuant to article 445 of the CRR, please refer to the section on capital requirements or Table MR1 in the section “Disclosure in accordance with the EBA Guidelines”.

## **Operational risk (article 446 CRR)**

For the disclosure of operational risk pursuant to article 446 of the CRR, please refer to the section on capital requirements.

# Exposures in equities not included in the trading book (article 447 CRR)

## Purpose of the equity exposures

Investments at BayernLB level are divided into two portfolios: core investments and non-core investments. Core investments include equity investments that are conducive to BayernLB's business activities. Investments that are being considered for sale under BayernLB's realignment are allocated to non-core investments.

Core investments:

- The Group's strategic subsidiaries: investments that form an integral part of BayernLB's business model to expand; BayernLB has managerial control
- Investments that are in line with the business model; investments that are conducive to the business activities in the core segments
- Investments that support operating processes; investments undertaken to meet banking-related and/or non-banking related operating requirements
- Other investments: investments that are specifically conducive to neither BayernLB's business model nor to its operating processes, e.g. investments made on behalf of the public sector

Non-core investments:

- Investments which BayernLB plans to sell as part of its realignment

The EU Commission published on 24 September 2014 a version of its detailed list of conditions that protects commercial confidentiality, i.e. one in which certain names are omitted. In the interest of confidentiality, and to prevent any possible damage to BayernLB through the disclosure of any of the investments that need to be sold under the EU Commission's list of conditions, the investments cited below are only examples from the portfolios which have not been omitted. Section 26a para. 2 KWG and article 432 para. 2 CRR (disclosure by banks) are therefore being applied in such a way that BayernLB's investment exits are not allocated by name to the objectives of the investment portfolio mentioned in article 447 of the CRR.

Core investments:

- The Group's strategic subsidiaries are Deutsche Kreditbank AG, BayernInvest Kapitalverwaltungsgesellschaft mbH and Real I.S. AG.
- The subsidiary LB Immobilienbewertungsgesellschaft mbH supports BayernLB's business activities with real estate valuations.
- Deutsche WertpapierService Bank AG (a transaction bank for securities processing) and BayernFacility Management GmbH support BayernLB's operational tasks.

Non-core investments:

- BayernLB has already divested itself of such sizeable non-strategic investments as LB(Swiss) Privatbank AG, DekaBank, GBW AG, Landesbank Saar and MKB Bank Zrt.

## Measurement and accounting principles

BayernLB has a corporate valuation tool that fulfils all accounting requirements. Complex valuations that cannot be performed with the standardised tool are documented as part of a simplified internal assessment. Recognised valuation procedures are used to measure value:

- Market approach
- Income approach
- Cost approach

The income approach is normally applied when a company's value is not reflected by a stock market price. The cost approach is applied in justified exceptional cases (e.g. companies in liquidation). The valuation is based on data supplied by the investee company – first and foremost the balance sheet and P/L planning figures – which are checked in terms of plausibility and revised as necessary. All factors used to value a company are documented in the valuation tool and disclosed to the auditor.

Under German commercial law (section 340e para. 1 HGB), investments are valued according to the provisions applying to fixed assets (i.e. section 253 para. 1 and 3 HGB) unless they are not intended for long-term use by the business. In this case, they are valued in accordance with the provisions applicable to current assets (i.e. section 253 para. 1, 4 and 5 HGB).

Investment instruments are valued in regulatory terms on the basis of the simple risk-weighted method as long as the investments do not fall under the grandfathering rule. Investment funds are mainly calculated using the look-through approach.

The table below shows the carrying amounts, fair values and the stock market values for banking book investments. A distinction is made in terms of relevance to the German Commercial Code (HGB) and in terms of whether the investments are listed on a stock exchange. Synthetic investments are not taken into account.

The table includes all investment instruments in the BayernLB Group less consolidated Group investments and synthetic investments. As investments are recognised at fair value, the book value is identical to the fair value.

### Values of investment instruments

EUR million	Carrying amount	Fair value	Stock market value
<b>HGB investments</b>	<b>700</b>	<b>700</b>	<b>–</b>
• listed positions	–	–	–
• unlisted	700	700	–
<b>Non-HGB investments</b>	<b>173</b>	<b>173</b>	<b>0</b>
• listed positions (equities in the banking book)	0	0	0
• unlisted (investment units)	173	173	–
• other investment positions	–	–	–
<b>Total</b>	<b>873</b>	<b>873</b>	<b>0</b>

Investments fell from the previous year as a result of, among other things, the sale of the Visa Card shareholding.

The table below shows the accumulated realised gains or losses as well as the total unrealised gains or losses on banking book investments in the period under review.

**Realised and unrealised gains or losses on investment instruments**

EUR million	Realised gains/ losses from sales/ restructuring	Unrealised gains/losses	
		Total	Of which reported under CET1 capital
<b>Total</b>	<b>183</b>	<b>168</b>	<b>101</b>

Unrealised gains on investment instruments are included in the CET1 calculation in accordance with article 468 of the CRR.

# Exposure to interest rate risk on positions not included in the trading book (article 448 CRR)

## Interest rate risk type and the key assumptions

Interest rate risks in the Group banking book mainly arise from refinancing activities as part of asset/liability management, from placing excess undated funds and from pension obligations. Limiting and management are based on a value-at-risk model based in turn on a historical time series or, in the case of pension obligations, a scenario-based approach for all risk types. Interest rate risk is furthermore calculated by means of various stress tests that, in addition to a parallel shift of  $\pm 200$  basis points each, also contain pivots in the yield curve. The test results, expressed as a percentage to liable equity, are used for limiting interest rate risk further. The treasury units in the BayernLB Group are responsible for managing interest rate risk in the banking book; they take account of long-term strategic targets when placing undated funds and medium-term market expectations in their ongoing funding activities. In addition to VaR, which is used to set limits and serves as the basis for verifying risk-bearing capacity and capital requirements, sensitivity figures – especially PVBP (price value of a basis point) – are also used for management and limiting purposes. Interest rate risk in the banking book is dominated by euro risks; those in US dollar are much smaller, and in other currencies almost negligible.

For calculation purposes, all rate-sensitive positions in the banking book are included based on an interest rate gap analysis, either individually or on an aggregated basis. Undated deposits are mainly modelled using the dynamic replication method. Interest rate risks from termination rights are covered by special option pricing models. Undated capital is not taken into account, as specified in MaRisk. To this extent, product modelling using VaR is indistinguishable from stress simulation and PVBP.

## Frequency of risk measurement

Interest rate risk is calculated at the BayernLB Group at least weekly independent of Trading; at BayernLB it is calculated daily. The historical simulation used most often for calculating VaR takes a period of at least one year and calculates the change in present value at a 99 percent confidence level for a one-day holding period. This calculation is used to calculate risk capital utilisation in terms of risk-bearing capacity.

Besides the daily (or in certain Group units monthly) VaR calculation, other stress tests and sensitivity analyses are run monthly.

## Interest rate shock scenario

For the interest rate risk in the banking book, an interest rate shock scenario of  $\pm 200$  basis points is calculated at both Bank and Group level. As at the reporting date, the calculated change in present value relative to liable capital at both BayernLB and the BayernLB Group (DKB and BayernLB) was well below the 20 percent limit. If the present value of a bank falls by more than 20 percent of capital under this interest rate shock scenario, the regulator assumes that interest rate risk is disproportionately high, rendering countermeasures necessary.

### Interest rate risk in the banking book

EUR million	Change in net present value	
	Interest rate schock + 200 basis points	Interest rate schock – 200 basis points
EUR	–57	–895
USD	–124	124
CHF	–33	7
GBP	2	–11
JPY	0	0
Other	–6	4
<b>Total</b>	<b>–218</b>	<b>–773</b>

# Exposure to securitisation positions (article 449 CRR)

## Objectives, type, scope and structure of the securitisation and resecuritisation activities and the role assumed in each case by BayernLB

As at 31 December 2016 the BayernLB Group had securitisation exposures, acting as investor, sponsor or originator, of EUR 2.1 billion (FY 2015: EUR 2.1 billion) in total. This entire exposure amount was held by BayernLB. BayernLB assigns securitisations to the banking book.

The securitisation business is broken down into two segments:

Sponsor function:

- The exposure to securitisation positions where BayernLB acts as a sponsor is EUR 2.0 billion (FY 2015: EUR 2.0 billion).
- BayernLB sponsors this sub-portfolio via the ABCP programme Corelux S.A. In the asset-backed credit business, BayernLB structures receivables portfolios comprising receivables from target customers. The strategic goal of BayernLB here is to offer ABCP customer transactions to its target customers as funding.

All of these securitisation exposures have senior ranking with receivables from corporate loans (trade and leasing receivables from businesses) and retail loans (accounts receivables) as underlying assets.

Investor function:

- The exposure to securitisation positions where BayernLB acts as an investor is EUR 70 million (FY 2015: EUR 90 million).
- These securitisation positions have senior ranking with corporate and retail loans as underlying assets.

Originator function:

As at 31 December 2016, there are no securitisation exposures for which BayernLB assumes the role of originator. Furthermore, no own receivables were securitised in the period under review.

## Assessment of performance and changes

In its ongoing assessment of the credit quality of a securitisation, BayernLB focuses largely on the value and performance of the underlying portfolio of securitised receivables and on the suitability of the collateral elements available (credit enhancements). However, the impact of structural factors and the influence of the parties involved at individual transaction level are also factored in.

In addition to counterparty risks, securitisation exposures are subject to liquidity risks and operational risks. The Bank sponsors customer transactions by providing its conduits with overdraft and liquidity facilities which, when utilised, result in a cash outflow. These liquidity risks are fully integrated into the liquidity risk management. As with any type of transaction, securitisation activities can harbour operational risks that may arise from inadequate or failed internal processes, from people or systems, or from external events. Securitisation activities are also a part of operational risk management (see the section "Risk management objectives and policies (article 435 CRR)" for further details).



## Procedures for calculating risk-weighted exposure amounts

In keeping with article 109 of the CRR, whether the IRB or the standardised approach for securitisations is to be followed depends on how the underlying securitised exposure is treated. The standardised approach is namely to be used whenever applicable. The IRB approach may be followed only when the securitised exposure comes under an internal rating procedure approved by the supervisory authorities. The above notwithstanding, the internal assessment approach is permissible for securitised exposures to which the standardised approach actually applies.

As at 31 December 2016, the following approaches were used for calculating the risk-weighted exposure amounts:

- Ratings-based approach (article 251 of the CRR) – for investor exposures with externally rated securitisation exposures. The rating agencies Moody's and Standard & Poor's are used for determining the own funds requirements.
- Supervisory formula method (article 262 of the CRR) – for investor exposures, the securitised exposures of which BayernLB can issue its own PD estimates.
- Internal assessment approach (article 259 para. 4 CRR) – for securitisation exposures under which BayernLB assumes the role of sponsor

The internal assessment approach for securitisations (IAA) is applied in the case of customer receivables that are refinanced through the ABCP programme Corelux S.A. IRBA suitability was confirmed for the internal rating procedures for the following types of receivables: trade receivables, auto/equipment loans and leases, CDOs and consumer finance.

These procedures are based on quantitative, mathematical-statistical models drawn from the methodologies used by the external rating agencies (Moody's, Standard & Poor's and Fitch), with these models already having played a key role in the transactions' structuring.

The quantitative models show mostly the counterparty risks in the receivables portfolio and the transaction-specific credit enhancements used for hedging. To ensure that the same assets are measured using the same methodology, a specific rating agency model has been defined for each asset class relevant for BayernLB. Any necessary modifications must be documented.

To measure and mitigate the risks, the stress factors used in the respective rating agency model are applied. The quantitative models produce rating scores that are then used in the IAA model.

Besides these rating scores and the rating scores of the main parties to the transactions – the originator, the most relevant third party, and the servicer – the IAA model also involves measuring quantitative risk factors which cannot be assessed in the quantitative models (e.g. commingling, dilution or transaction cost risks – here the rating agencies' stress factors and/or the Bank's own modelling components are used instead) and qualitative (i.e. non-quantifiable) risk factors. Qualitative risk covers origination risk, operational risk, servicing risk, and legal and regulatory risk.

If there are additional risk factors that the model does not take sufficient or any account of, the rating result can be adjusted if needed (overwritten).

In addition to determining the capital requirements, the output of the internal rating procedures is used for internal management and incorporated into all stages of the credit process as a basis for decision.

The internal rating procedures are evaluated for suitability each year by the independent counterparty risk monitoring unit, as part of the validation process. Among the tools used for the validation are backtesting, rating distribution analyses and central tendency in accordance with the internal validation strategy for IRB approach rating methods. Changes to the methodology are made where needed to ensure validity.

### **Hedge transactions aimed at minimising risks**

As at 31 December 2016 no credit risk mitigation techniques were used in calculating the risk-weighted exposure amounts.

### **Summary of the key accounting methods**

Securitised financial instruments purchased by BayernLB are treated in accordance with generally accepted accounting principles.

#### **Accounting under HGB**

Securities in the trading portfolio: these are measured at fair value less a risk discount. Measurement results and current income and expenses are shown under “net income or net expenses from the trading portfolio”.

Securities in the liquidity reserve: these are valued on the basis of the strict principle of lower of cost or market value, taking account of the requirement to reverse writedowns. Measurement results are reported under “write-downs and valuation adjustments on receivables and certain securities, and additions to provisions in the credit business” and “income from reversals of write-downs on receivables and certain securities and from releases of provisions in the credit business”.

Securities valued as investments (investment portfolio): these are valued on the basis of the less strict principle of lower of cost or market value. Measurement results are reported under “write-downs and valuation adjustments on investments, shares in affiliated companies and securities treated as fixed assets” and “income from reversals of writedowns on investments, shares in affiliated companies and securities treated as fixed assets”. Securities allocated to the investment portfolio are regularly tested for indications of permanent impairment.

Receivables are reported at nominal value or at cost. Potential liabilities arising from guarantees, warranties, and letters of credit are reported under contingent liabilities. Committed facilities (overdraft/liquidity facilities) used for helping finance securitised receivables are reported as irrevocable credit commitments under “other commitments”.

Credit risks are taken into account by establishing appropriate risk provisions. General loan loss provisions have also been established for credit risks harboured by off-balance sheet transactions.

Current income is reported under net interest income.

The methods, basic assumptions, and data and parameter principles used for measuring securitisation exposures are unchanged on the previous year.

### **Accounting under IFRS**

Held-for-trading financial instruments and financial instruments designated at fair value (fair value option): the fair value measurement attribute is used. Measurement results are reported under “gains or losses on fair value measurement”. Current income and expenses from financial instruments held for trading are reported under “gains or losses on fair value measurement” and financial instruments designated at fair value are reported under “net interest income”.

Financial instruments classed as available for sale: the fair value measurement attribute is used. Any difference between fair value and amortised cost is shown as a separate item in equity (in the revaluation surplus) and not recognised through profit or loss until the asset is either disposed of or permanently impaired. Gains or losses on their sale or permanent impairment are reported under “gains or losses on investments” and current income under “net interest income”.

Loans and receivables: these include non-derivative financial assets with fixed or determinable payments which are not quoted on an active market, are not designated at fair value through profit or loss (fair value option), and are not designated as available for sale. They are measured at amortised cost. Impaired loans are carried through the income statement and reported under “risk provisions in the credit business”, and securities under “gains or losses on investments”.

Current income is reported under interest income.

Liabilities from guarantees and indemnity agreements in particular are reported under contingent liabilities. Commitments (placement and underwriting commitments, overdraft/liquidity facilities) used for helping finance securitised receivables are reported under “other commitments” as irrevocable credit commitments. Provisions in the credit business are made for both single transactions and portfolios to meet contingent liabilities and “other commitments” where there is a risk of default.

The methods, basic assumptions, and data and parameter principles used for measuring securitisation exposures are unchanged on the previous year.

### **Disclosure of securitisations pursuant to CRR**

Below are BayernLB’s securitisation exposures, broken down in accordance with article 449 of the CRR. BayernLB has no net securitisation exposures in the trading book. The tables below therefore relate solely to the banking book.

The first table shows BayernLB's sponsor exposures.

**Total securitised originator receivables by portfolio and sponsor activity (by type of securitised receivable)**

EUR million	Banking book	
	Sponsor exposure	
<b>On-balance sheet exposures</b>		
• Receivables from residential mortgage loans		–
• Receivables from commercial mortgage loans		–
• Receivables from corporate loans		343
• Receivables from other retail loans		91
• Other on-balance sheet items		–
• Resecuritisations		–
<b>Total on-balance sheet exposures</b>		<b>434</b>
<b>Off-balance sheet exposures</b>		
• Liquidity facilities		1,622
• Derivatives		1
<b>Total on-balance sheet exposures</b>		<b>1,623</b>
<b>Total</b>		<b>2,057</b>

The sponsor exposures are associated solely with the ABCP programme Corelux S.A. There are no securitisation exposures for which BayernLB acts as an originator. No implicit support within the meaning of article 248 of the CRR was provided during the period under review.

The table below shows the acquired sponsor and investor securitisation exposures, broken down by the CRR approach applicable and the type of securitised receivable.

**Total retained or acquired securitisation exposures (by type of securitised receivable)**

EUR million	Banking book	
	CRSA	IRBA
<b>On-balance sheet exposures</b>		
• Receivables from residential mortgage loans	0	–
• Receivables from commercial mortgage loans	–	–
• Receivables from corporate loans	–	376
• Receivables from other retail loans	24	91
• Other on-balance sheet items	–	–
• Resecuritisations	–	–
<b>Total on-balance sheet exposures</b>	<b>24</b>	<b>467</b>
<b>Off-balance sheet exposures</b>		
• Liquidity facilities	13	1,622
• Derivatives	–	1
<b>Total off-balance sheet exposures</b>	<b>13</b>	<b>1,623</b>
<b>Total</b>	<b>36</b>	<b>2,091</b>

## Total receivables set to be securitised

As at the reporting date there was no concrete intention to securitise assets.

The following table shows the exposure values and capital requirements for the securitisation exposures, differentiated according to the method used for calculating the capital requirement and the risk-weighting bands.

### Total retained or acquired securitisation exposures by securitisation risk weighting (before scaling factors)

EUR million	Banking book			
	Securitisations		Resecuritisations	
	Exposure	Capital requirements	Exposure	Capital requirements
<b>Ratings-based approach (standardised approach)</b>				
20%	–	–	–	–
40%	–	–	–	–
50%	36	1	–	–
100%	–	–	–	–
225%	–	–	–	–
350%	–	–	–	–
650%	–	–	–	–
1250%	0	0	–	–
<b>Ratings-based approach (IRBA)</b>				
≤ 10%	–	–	–	–
> 10% ≤ 20%	–	–	–	–
> 20% ≤ 50%	–	–	–	–
> 50% ≤ 100%	–	–	–	–
> 100% ≤ 650%	–	–	–	–
1250% / capital deduction	–	–	–	–
<b>Supervisory formula approach</b>				
> 0% ≤ 10%	34	0	–	–
> 10% ≤ 20%	–	–	–	–
> 20% ≤ 50%	–	–	–	–
> 50% ≤ 100%	–	–	–	–
> 100% ≤ 650%	–	–	–	–
1250% / capital deduction	–	–	–	–
<b>Internal rating procedure</b>				
> 0% ≤ 10%	1,099	9	–	–
> 10% ≤ 20%	645	7	–	–
> 20% ≤ 50%	263	8	–	–
> 50% ≤ 100%	49	4	–	–
> 100% ≤ 650%	–	–	–	–
1250% / capital deduction	–	–	–	–
<b>Total</b>	<b>2,127</b>	<b>29</b>	<b>–</b>	<b>–</b>

The ratings-based approach (standardised approach) contains securitisation exposures (approx. EUR 7,000) with a risk weighting of 1,250%.

The BayernLB Group has no securitised exposures to which the special rules under article 256 of the CRR apply.

# Remuneration policy (article 450 CRR)

Pursuant to section 16 paragraph 1 of the Remuneration Ordinance for Institutions (InstitutsVergV) of 16 December 2013, the BayernLB Group is required to disclose information about its remuneration policy and practices. For the BayernLB Group as a CRR institution the disclosure obligations are based exclusively on article 450 of Regulation (EU) No 575/2013 (CRR).

During the 2016 financial year, employees were identified within the BayernLB Group, at the BayernLB Bank and at DKB whose activities have a material impact on the risk profile. Article 450 of the CRR require that certain quantitative and qualitative information be disclosed.

Within the BayernLB Group, risk takers were identified on the basis of Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards concerning qualitative and appropriate quantitative criteria for identifying categories of staff whose professional activities have a material impact on an institution's risk profile.

Compliance with the Group/Bank Remuneration Strategy & Guidelines ensures that the statutory requirements of the InstitutsVergV (section 27) are implemented throughout the Group. The Strategy & Guidelines set out the principles of the Group-wide remuneration strategy that apply to BayernLB and the consolidated companies subordinated to it pursuant to section 10a of the German Banking Act (KWG). In 2016, DKB was the only subordinated company that was required to apply the Group/Bank Remuneration Strategy & Guidelines.

An official "performance-based remuneration system for the Board of Management of BayernLB" was introduced at the beginning of the 2015 financial year. This English version of the disclosure report for financial year 2016 contains the data relating to this system.

The quantitative information as required under article 450 para. 1 points (g) to (j) of the CRR will be released once all bonus payments have been finalised. The BayernLB Group will therefore publish its updated disclosure pursuant to article 450 of the CRR for the 2016 financial year midway through the year, in a separate remuneration report.

## Remuneration policy for the BayernLB Bank

### Remuneration strategy and external market validation

BayernLB's remuneration strategy, which forms part of its human resources strategy, is geared towards the achievement of the objectives recorded in the most recent versions of BayernLB's Business Strategy and Risk Strategy. Since the EU state aid proceedings were concluded on 25 July 2012, the provisions set out in the EU decision have formed the mandatory framework for BayernLB's business model. They account for much of the content of the strategic guidelines for current and future strategic initiatives and approaches.

One key objective of BayernLB's remuneration strategy is to recognise work that is done while maintaining an acceptable risk profile. With the management agenda of the Board of Management as the guiding objectives, this is a basic requirement for reaching BayernLB's business targets. The principles of the remuneration system are therefore to offer remuneration that is in line with

the market, strengthen the ties to performance, enhance employee motivation and loyalty, and allow them to share appropriately in the Bank's success, while taking due account of the ruling on the EU state aid proceedings from July 2012.

To ensure the appropriateness of remuneration, an external remuneration consultant (currently WillisTowersWatson) is tasked at regular intervals with obtaining current market comparisons with regard to both fixed and variable remuneration. The amount and structure of remuneration are then adjusted as necessary on the basis of those market comparisons.

### **Remuneration governance structure**

In accordance with the legal requirements, the Supervisory Board of BayernLB determines the remuneration of the members of the Board of Management, while the Board of Management is responsible for the remuneration of employees of BayernLB. In each case, the remit involves adopting the necessary plans and measures.

The Supervisory Board of BayernLB is responsible for ensuring that the remuneration systems for members of the Board of Management and for the employees are appropriate. One source of assistance with this task is its Compensation Committee (section 15 para. 3 InstitutsVergV). At its six meetings in 2016, the Committee focused in particular on the employee remuneration system. It evaluated the impact of the remuneration systems on the risk, capital and liquidity situation of both the Bank and the Group. The Committee discussed and approved the proposal for calculating and allocating the total amount of variable remuneration for employees for the 2016 financial year.

In keeping with sections 23 to 26 InstitutsVergV, the Board of Management in 2016 appointed, with the involvement of the Compensation Committee and the Supervisory Board, a Remuneration Officer for a further two-year term. The Remuneration Officer works with the chairperson of the Compensation Committee. Her tasks include monitoring the employee remuneration systems in terms of appropriateness, to which end she is involved in all the related processes. A Deputy Remuneration Officer was also appointed.

In addition, ad-hoc discussions were held, and information regularly exchanged, between the Compensation Committee and the Risk Committee of BayernLB (in some instances facilitated by certain members belonging to both committees).

As BayernLB is classed as a major institution for the purposes of InstitutsVergV, at the start of 2010 a Remuneration Board was formed pursuant to section 6 para. 1 InstitutsVergV. BayernLB has decided to retain the Remuneration Board in the wake of the amendment to the InstitutsVergV, which now no longer requires the establishment of a Remuneration Committee. It is tasked among other things with advising on the structure for an appropriate employee remuneration system geared towards the sustainable development of BayernLB, with a particular focus on variable remuneration. In addition, the Remuneration Board advises and assists the Remuneration Officer on specific issues relating to the monitoring of employee remuneration systems. The Remuneration Board convened five times during the 2016 financial year. In addition to officers from the Sales units, the Remuneration Board comprises one officer from the Risk Office units as

well as representatives of the Group Risk Control, Controlling, Audit, Group Compliance and Human Resources divisions. This composition fulfils section 3 para. 3 InstitutsVergV, which requires an appropriate degree of involvement by the control units when designing and monitoring employee remuneration systems.

The remuneration governance structure is laid down in the Bank's organisational guidelines. The work of all committees is documented in written minutes.

### **Cap on remuneration under the EU decision on state aid**

One of the conditions agreed with the EU was that BayernLB shall impose a ceiling on the total annual monetary remuneration payable to committees and executives. Since 1 January 2015, the maximum total monetary compensation for each Board member or employee has been limited to EUR 750,000 per annum.

### **Remuneration for risk takers below Board of Management level**

#### **BayernLB risk taker analysis (institution-specific)**

Pursuant to the InstitutsVergV, major financial institutions must conduct a risk analysis to identify employees whose activities have a material impact on the overall risk profile. The criteria upon which this analysis is based are taken from Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards concerning qualitative and appropriate quantitative criteria for identifying categories of staff whose professional activities have a material impact on an institution's risk profile.

In accordance with the process duly established on this basis at BayernLB, 241 persons were identified as risk takers as at the reference date of 1 January 2016.

These risk takers are mostly employees who are not on the standard pay scale. However, there were a few employees on the standard pay scale who were also identified as risk takers.

BayernLB has not established a separate remuneration system for risk takers. However, the special regulatory requirements of the InstitutsVergV applied to the variable remuneration of risk takers in the 2016 financial year.

As is the case with employees in general, the total remuneration of risk takers in the 2016 financial year comprised an annual base salary, an annual bonus and benefits, as well as an additional bonus in some cases, paid during the course of the year in recognition of outstanding individual achievements.

#### **Risk taker analysis (Group-wide)**

Furthermore, based on a risk analysis pursuant to section 27 para. 4 InstitutsVergV, BayernLB classed five members of the Board of Management of DKB as risk takers from the Group's perspective.



Consequently, when setting (individual) variable remuneration, the overall success of the BayernLB Group must be accorded greater weight than is the case with risk takers who only qualified as risk takers under the institution-specific analysis.

### **Standard pay scale employees**

BayernLB employees on the standard pay scale receive a base salary in accordance with the classification and remuneration provisions of the collective wage agreements for the private banking industry and public-sector banks. They may also receive bonuses that are based on the standard pay scale or beyond such pay scale.

In addition to the twelve monthly salary payments and the standard special payment pursuant to section 10 of the framework collective wage agreement for the private banking industry and public-sector banks, standard pay scale employees may be awarded variable remuneration (using as a reference value the standard special payment of one month's salary). A service agreement with the staff representation committee (General Staff Council) covering this is in place for the 2016 financial year.

Assuming the Board of Management sets aside a bonus pool for variable remuneration, the variable remuneration for standard pay scale employees is at least 30 percent of the reference value, provided their task- and conduct-related objectives have at least been partially achieved and the employee has not exhibited any gross misconduct. If the task- and conduct-related objectives have been significantly exceeded and the bonus pool is sufficient, the variable remuneration may also exceed the reference value. However, the variable remuneration cannot be more than 200 percent of the reference value (see "Variable remuneration (annual bonus)", below, for details on how the bonus pool is calculated and on the assessment scores that are used in the Management by Objectives process). In this respect, variable remuneration for standard pay scale employees and for employees beyond the standard pay scale follows the same system.

### **Annual base salary for employees beyond the standard pay scale**

The annual base salary for employees on a payroll that is beyond the standard pay scale is generally based on the value of the position or function in line with market conditions. The formal requirements and qualifications necessary to fulfil the function, as well as the employee's "soft" skills, are among the relevant factors for remuneration purposes. Every function subject to remuneration beyond the standard pay scale is allocated to a job family. In the 2016 financial year these were: Savings Bank and Subsidies Business, Corporate & Institutional Banking, Markets, Management & Support, IT, Administration & Services, Control Functions/Risk Management and BayernLabo.

The responsibilities attached to a function within a given job family are depicted as a "ladder" with three "rungs" representing each career level. Every career level, in turn, is allocated a certain base-salary bandwidth with an upper and a lower limit. Employees in second-level management (who are above career level 3, the top level) also fall within a salary bandwidth.

These base-salary bandwidths are regularly validated by means of market comparisons made by external remuneration consultants, and are adjusted where necessary to new market developments. Among other things, this ensures that all the bandwidths for the base salaries are in line with the market.

A similar system is applied to the foreign branches.

### **Variable remuneration (annual bonus)**

BayernLB's reporting system follows the accrual method of accounting. As a decision on the granting and payment of variable remuneration (annual bonus) for the 2015 financial year had to be made in the 2016 financial year, the system of variable remuneration that applied for the 2015 financial year is described below.

#### ***Variable remuneration system***

The variable remuneration system (annual bonus) for BayernLB employees who are on a payroll outside the standard pay scale and who are below second-level management is laid down in a service agreement concluded with the staff representative bodies. This system provides for variable remuneration in the form of a pure cash payment. Individual arrangements apply for employees belonging to second-level management. They are based strongly on the remuneration system for employees outside the standard pay scale and below second-level management. In order to avoid significant dependencies on variable remuneration, market validations are undertaken for BayernLB employees to ensure that their base salaries are in line with the market.

Every function outside the standard pay scale is allocated a specific reference value for annual variable remuneration by being classified under a certain job family and career level.

The reference values for variable remuneration are validated annually, taking account of the latest market data. This approach ensures an appropriate relationship between them and the associated base-salary bandwidths. For financial year 2015 BayernLB once again tasked external remuneration consultant WillisTowersWatson with reviewing the market conformity of the reference values for variable remuneration. WillisTowersWatson confirmed that the reference values were in line with the market.

Consistent with the practice in Germany, market-based reference values ascertained with the assistance of the external remuneration consultant also apply to variable remuneration at the foreign branches for the 2016 financial year (payable in 2017).

On 20 December 2015, the Board of Management passed a proposal for the calculation and distribution of the total amount of variable remuneration (annual bonus) for employees for the 2015 financial year. This resolution was approved by the Compensation Committee on 13 January 2016 and the Supervisory Board on 26 January 2016.

The proposal provides for the calculation and allocation of the total amount of variable remuneration in three steps:

- In Step 1, the decision whether to award variable remuneration, the focus is on fulfilling the criteria of section 7 InstitutsVergV.
- In Step 2, the decision on the amount of variable remuneration, the overall bonus pool is calculated by means of a combined mathematical and evaluative approach, based on BayernLB's management system.
- Step 3 involves calculating the individual budgets from which the individual variable remuneration is to be paid.

For the 2015 financial year, based on the proposed combined mathematical and evaluative approach to determining the quantitative and qualitative parameters, the Board of Management conducted an overall assessment and ascertained a total amount of variable remuneration (annual bonus) for standard pay scale employees, employees beyond the standard pay scale and local employees of BayernLB of 100 percent of the reference values.

The Compensation Committee acknowledged the Board of Management's decision during its meeting of 4 April 2016. At this same meeting, the Compensation Committee also confirmed that the requirements of the InstitutsVergV pertaining to the calculation of the bonus pool for the 2015 financial year had been met and that such pool had been properly established.

The Management by Objectives (MbO) process plays a central role in the calculation of individual remuneration within the individual budgets. Under the MbO process, the employee's individual objectives are agreed upon with their superior in a discussion which takes place at the start of the financial year. After the end of that financial year, another discussion is held between the two parties whereby the superior documents the degree to which the employee has achieved the agreed objectives. Provided there is sufficient budget available, variable remuneration may be awarded commensurate with the degree of achievement. In principle, if the degree of achievement is 100 percent and an adequate budget is appropriated, variable remuneration equates to the individual reference value, barring any adjustments for budget overdrafts. The primary consideration when deciding individual amounts of variable remuneration is the balance between what the employee puts into the Bank and what the Bank offers in return, taking due account of standard practice on the market and the conduct of the employee.

The assessment scores reflecting the degree of achievement of the objectives, along with the associated bandwidths for calculating the variable remuneration (on and off the standard pay scale), are as follows:

Significantly exceeded	160% to 200% of the reference value
Exceeded	120% to 150% of the reference value
Achieved	90% to 110% of the reference value
Partially achieved	40% to 80% of the reference value
Not achieved	No variable remuneration

Whether and in what amount variable remuneration is to be paid to an employee outside the standard pay scale for a given financial year depends firstly on the budgets made available by the Board of Management for the individual organisational units (business areas and central areas). If the budget made available to the organisation unit concerned is lower than the sum of the individual reference values for all of that unit's employees, any variable remuneration will be provided in the amount corresponding to the duly reduced reference value.

For the 2016 financial year, BayernLB remained overall subject to an upper limit for the ratio of fixed remuneration to maximum achievable variable remuneration of 1:1.

### **Deferral of portions of variable remuneration for risk takers**

BayernLB does not have a separate remuneration system for risk takers. However, special regulatory provisions apply to risk takers in regard to variable remuneration (in particular spreading a substantial portion of the variable remuneration over a withholding period of several years if the total amount of the variable remuneration exceeds the current threshold of EUR 49,999 gross per annum permitted by the supervisory authorities).

For cases in which an employee's variable remuneration, calculated in financial year 2016 for financial year 2015, came to EUR 50,000 or more, a substantial portion of that variable remuneration was deferred over a withholding period of several years. The employee's entitlement to the withheld portion – deferral – of the remuneration is earned only year by year and on condition that the annual sustainability review (backtesting) is positive.

In the 2016 financial year BayernLB again differentiated between risk takers who are second-level managers, i.e. who are immediately subordinate to the Board of Management, and risk takers in all the lower hierarchical levels.

- Second-level management risk takers: if the withholding threshold was exceeded, 20 percent of the variable remuneration was paid immediately and 80 percent was spread over a four-year withholding period (with a one-year lock for half of the non-deferred portion in year 1 and for half of the deferred portions in payment years 2, 3 and 4).
- Risk takers below second-level management: if the withholding threshold was exceeded, 30 percent of the variable remuneration was paid immediately and 70 percent was spread over a four-year withholding period (with a one-year lock for half of the non-deferred portion in year 1 and for half of the deferred portions in payment years 2, 3 and 4).

For risk takers below second-level management, a "Service agreement on variable remuneration for risk takers at Bayerische Landesbank 2016" was concluded on 14 December 2015 with the BayernLB General Staff Council, along with the "Guidelines for the sustainability review". These documents set out the details of the annual sustainability review – which is a prerequisite factor for entitlement to and disbursement of a deferral – and serve as a legal basis for risk takers who are subject to codetermination in accordance with Bavaria's laws on staff representation. Entitlement to and disbursement of the annual deferrals have since generally depended equally on the sustainability of the success of: the BayernLB Group, the organisation unit and the individual the risk taker. The annual deferral may be reduced to zero in certain specific cases.

For second-level management risk takers who are not covered by the service agreement concluded with the General Staff Council, legally binding agreements were made on the spreading of a substantial portion of the variable remuneration over a withholding period of several years in the event that the withholding threshold is exceeded, and on the annual sustainability review. These agreements took the form of individual, written amendments to the employment contract.

In financial year 2016, a portion of the variable remuneration for 39 risk takers (excluding Board of Management members) was deferred in accordance with the regulatory provisions. In 31 of these cases, the risk takers were second-level managers, i.e. were immediately subordinate to the Board of Management. The other eight risk takers are employees below second-level management.

#### ***Guaranteed variable remuneration***

Under the InstitutsVergV, guaranteed variable remuneration is only permitted in connection with the commencement of an employment relationship and for no more than one year.

In the 2016 financial year, under this rule such agreements were made with fewer than 10 new employees, taking due account of the regulatory provisions for variable remuneration due from the previous employer following the change of employer. The agreements related to the payment of guaranteed variable remuneration for the first year of employment as well as sign-on bonuses.

#### **Bonuses**

A budget for bonuses (monetary and non-monetary) was made available in the 2016 financial year to reward outstanding performance by employees on the standard pay scale and beyond the standard pay scale during the course of the year. The bonus budget for financial year 2016 totalled less than 10 percent of the reference values for variable remuneration.

#### **Benefits**

Benefits are salary-related payments and services which BayernLB offers to its employees on a largely voluntary basis. These include, in particular, the Bank pension scheme and the provision of company cars that may be used for both business and personal purposes.

#### **The remuneration system for the Board of Management**

The “performance-based remuneration system for the Board of Management of BayernLB” was introduced with effect from 1 January 2015. The remuneration system is geared towards the BayernLB Group’s Business Strategy and Risk Strategy. It supports the achievement of the strategic targets and takes account of sustainability.

Both by market standards and in absolute terms, and in light of the current remuneration ceiling imposed under the EU state aid ruling, the maximum potential performance-based remuneration does not currently account for a substantial portion of the total remuneration for individual Board of Management members.

Performance-based remuneration may lie between 0 percent and 100 percent of the relevant reference value.

Performance-based remuneration consists of a short-term incentive (40 percent) and a long-term incentive (60 percent). Both the short-term and the long-term incentives comprise an economic component (70 percent) and a qualitative component (30 percent).

Half of the initial value of the short-term incentive (“immediate portion”) is paid once the Supervisory Board has determined the degree to which the objectives have been achieved.

The other half of the initial value of the short-term incentive (“short-term deferral”) is subject to a sustainability backtesting period and is thus at first deferred; the calculation of the initial value does not, in itself, constitute the Board of Management member’s entitlement to the short-term deferral.

The long-term incentive is paid in four instalments, each equal to one quarter of the initial value of the long-term incentive, as follows:

In the four years following calculation of the initial value of the long-term incentive, the Supervisory Board decides whether the sustainability-related requirements for each instalment of the long-term incentive have been met. If the Supervisory Board deems that those requirements have been met, half of the relevant instalment of the long-term incentive is paid out once that decision is made. The other half of the relevant instalment of the long-term incentive (long-term deferral) is subject to a sustainability backtesting period and is withheld for a (further) year.

Entitlement to a withheld portion of the performance-based remuneration, i.e. To a short-term deferral, long-term incentive or a long-term deferral, arises when and insofar as, at the time of the Supervisory Board’s decision,

- the success of the BayernLB Group,
- the success of the Board of Management member’s area of responsibility (at organisation unit level) and
- the qualitative success (qualitative collective objectives and qualitative individual objectives) have proven to be sustained.

Furthermore, the disbursement of performance-based remuneration is subject to the proviso that the Supervisory Board set a bonus budget in accordance with section 45 para. 2, sentence 1, no. 5a KWG and section 7 InstitutsVergV. In setting the bonus budget, particular account must be taken of the risk, capital and liquidity structure of BayernLB and of its financial position. Furthermore, an adequate capital and liquidity base must be ensured, and the capital buffer requirements met.

There is no threshold regulation under the system for the disbursement of performance-based remuneration.

## DKB's remuneration policy

### Remuneration strategy and external market validation

DKB's remuneration strategy is based on the fulfilment of the regulatory requirements, compliance with the Group/Bank Remuneration Strategy & Guidelines and the permanent guarantee of an adequate capital base, with particular consideration of its business and risk strategy, along with the respective business concept, and of the criteria of sustainability, appropriateness and consistency with market conditions. Employee motivation and recruitment is a particular focus of the remuneration strategy. The bank guarantees an appropriate ratio between fixed and variable remuneration. It can use variable remuneration both as a management tool to achieve its corporate targets and as a way of rewarding individual employees when they achieve their personal objectives.

### Remuneration governance structure

The responsibilities, tasks and obligations with regard to the remuneration governance structure are as per the regulatory requirements of the German Banking Act (KWG) and the InstitutsVergV.

The Compensation Committee is a committee of the Supervisory Board. Its tasks are derived explicitly from section 25d para. 12 KWG and section 15 InstitutsVergV. The structuring of the remuneration system for the Board of Management is also one of the committee's original tasks, as is monitoring the appropriateness of the employee remuneration systems. It convened four times during the 2016 financial year.

The Remuneration Officer and his deputy were appointed for an indefinite period by the Board of Management, with effect from 20 March 2014. They possess all the knowledge and experience necessary in order to monitor the appropriateness of the remuneration systems and their compatibility with the Business and Risk Strategy pursuant to section 24 InstitutsVergV.

The tasks and organisational positioning of the Remuneration Officers are published in the bank's organisational guidelines.

The amendment to the InstitutsVergV with effect from 1 January 2014 removed the obligation to maintain a remuneration committee. Consequently, DKB dissolved the committee on 7 April 2014 and, in its place, appointed the aforementioned Remuneration Officer and a deputy.

### Remuneration systems for risk takers at DKB below Board of Management level

DKB's remuneration structure distinguishes between the following groups of employees:

- standard pay scale employees as per collective agreement
- employees outside the standard pay scale (non-risk takers only)
- risk takers
- Board of Management members

In accordance with section 18 et seq. InstitutsVergV, special requirements apply with regard to remuneration for employees whose activities have a major influence on the overall risk profile of DKB or the Group. Consequently, DKB has implemented a remuneration system for risk takers which satisfies these requirements (currently in the version dated 1 January 2015).

The risk analysis, based on the criteria derived from the regulatory technical standards set out in Regulation No 604/2014 of 4 March 2014 and article 94 para. 2 of Directive 2013/36/EU, identified a total of 163 risk takers (as at 31 December 2016). The aforementioned remuneration system applies to those risk takers.

### **Standard pay scale employees**

Standard pay scale employees are remunerated in accordance with the collective agreement for the banking sector and in DKB they also have the option, in addition to the standard 13<sup>th</sup> month salary, of receiving variable remuneration in the form of a bonus in recognition of a special achievement, commission or benefits. Performance-based bonuses are not paid to standard pay scale employees.

### **Employees outside the standard pay scale – annual base salary**

Employees outside the standard pay scale receive an annual base salary (fixed remuneration). Benefits may be granted in addition to this. The amount of the fixed remuneration depends exclusively on the tasks, competences and responsibilities of the employee. The appropriateness of the amount is reviewed annually.

### **Variable remuneration**

#### ***Variable remuneration system***

In addition to their annual base salary, employees outside the standard pay scale may also receive variable remuneration, comprising three components:

- Performance-based bonus
- General bonus
- Commission

#### ***Performance-based bonus***

The disbursement of variable remuneration in the form of a performance-based bonus is tied to the achievement of certain remuneration parameters that are in turn based on the bank's overall performance and the employee's personal contribution to that performance. For risk takers, the contribution of the respective organisation unit is also taken into account. A set of objectives are agreed upon at the beginning of the annual Management by Objectives (MbO) process. The degree to which these objectives have been achieved is then later assessed. The Board of Management then decides retroactively for the previous financial year whether performance-based bonuses are to be awarded, taking due account of the achievement of the employee's relevant objectives, the bank's financial situation and the provisions of section 7 InstitutsVergV.



Every year DKB is required to set aside, in line with section 7 InstitutsVergV, a total sum of funds for variable remuneration (“main bonus pool”). There is a formal, transparent and verifiable process in place for this. Because DKB belongs to the BayernLB Group, the total amount of performance-based remuneration is subject to review by the BayernLB Group. In addition to the performance-based bonuses and the withheld portions soon to fall due for payment, the main bonus pool must also include a budget for general bonuses and commission payments. It must furthermore cover variable remuneration both for employees and for Board of Management members.

For risk takers, variable remuneration (performance-based bonus, general bonus and/or commission payments) of or exceeding a threshold of EUR 50,000 is divided into two components: the cash component and the deferral. If such variable remuneration is below the EUR 50,000 threshold, these components are paid out in full, in cash, in the following year. In this case, the rules below on the spreading of disbursement of variable remuneration do not apply.

The cash component is

- 40 percent for risk takers at subsidiary or division management level (1st tier below the Board of Management)
- 60 percent for risk takers at specialist area management level (2nd tier below the Board of Management) or lower

of the performance-based bonus calculated by the Board of Management for the respective risk taker for the previous financial year and of the general bonus and commission payments granted in the current year, if any.

Half of the cash component is paid out immediately. The other half of the cash component is subjected to a sustainability backtesting period of one year. Disbursement after the lock period excludes interest and is dependent on the overall intra-year trends for such key financial ratios as return on equity, cost-income ratio, year-end result and difference between target and actual return on equity. If the objectives are not met in the withholding year, the Board of Management may correspondingly reduce or cancel the deferred half of the cash component.

The deferral is

- 40 percent for risk takers at subsidiary or division management level (1st tier below the Board of Management)
- 60 percent for risk takers at specialist area management level (2nd tier below the Board of Management) or lower

of the performance-based bonus calculated by the Board of Management for the respective risk taker and of the general bonus and commission payments granted in the current year, if any.

Payment is made in instalments over a three-year period. Half of the deferral portion due for payment is subjected to a further sustainability backtesting period of one year. The disbursement of each annual instalment excludes interest and is also dependent on the bank’s sustained positive performance. The withheld remuneration components may be reduced or cancelled for reasons relating to the risk taker (termination by the employer for personal or behaviour-related reasons) or in the event of breaches of internal rules such as compliance regulations.

As regards the performance-based bonus, the cash component and the deferral each comprise a financial and an individual component. The ratio between these components depends on the risk taker's position, tasks and activities, the variable remuneration and the risks which he can justify. It is either 70:30, 50:50 or 30:70.

The total variable remuneration must not exceed the amount of one year's gross base salary (percentage limit 1:1). In the event of a change in strategy, the objectives are adjusted as necessary for the future. All objectives hitherto achieved are then duly taken into account when calculating the performance-based bonus.

### ***General bonuses***

A budget for general bonuses is available to DKB. This is set by the Board of Management once a year (part of the main bonus pool).

### ***Commission payments***

Under the internal regulations, employees may receive commission for brokering insurance services, building society products and real estate purchases and sales. The amount of these commission payments is very small and does not constitute an incentive to take excessive risks.

### ***Guaranteed variable remuneration***

There is no guaranteed variable remuneration at DKB and none was paid in the reporting year or in previous years.

## **The remuneration system for the Board of Management**

At DKB, the Supervisory Board decides on the remuneration system and the amounts and composition of remuneration for the Board of Management. The "performance-based remuneration system 2015" introduced on 1 January 2015 has replaced the previous arrangements and continues to pursue the longstanding objective of keeping variable remuneration dependent on sustained financial performance at DKB while taking due account of suitability and the market environment. The remuneration consists of an annual base salary (fixed remuneration) and variable remuneration in the form of performance-based and other bonuses, as well as other benefits.

The reference values for the amount of the performance-based bonuses are as follows:

- CEO: 50% of the gross annual base salary
- Members of the Board of Management: 35% of the gross annual base salary

Thus the bandwidths for performance-based remuneration are as follows:

- CEO: 0% to 75% of the gross annual base salary
- Members of the Board of Management: 0% to 52.5% of the gross annual base salary

Performance-based remuneration consists of a short-term incentive (STI) of 40 percent and a long-term incentive (LTI) of 60 percent. Both the STI and the LTI comprise a financial component of 70 percent and an individual component of 30 percent.

The financial objectives must be geared towards the DKB Group's business and risk strategy and take account of the following requirements:

- for the DKB Group (institution level)
- for the profit contribution by the organisation unit which the respective Board of Management member is in charge of
- for the Group-wide remuneration strategy of the BayernLB Group (Group level)

The last of these consists in particular in attaining sustained income without assuming high risks in order to meet the main targets of the BayernLB Group, namely the fulfilment of the EU repayment plan and the EU terms and conditions.

The individual component is based on the personal skills demonstrated by the particular Board of Management member, such as leadership ability or conduct in the capacity of a manager.

Once the annual net income for the financial year in question has been established and the main bonus pool formed (see "Variable remuneration"), the actual amount of the STI is set and, with due consideration taken for target achievement, the first half of the STI is paid out immediately. The second half of the STI (deferral) is withheld for one year following disbursement of the first half of the STI. It is then paid out without interest and also with due consideration taken for target achievement. Payment of the LTI, however, is spread over a period of three years: one third each (deferral) of the long-term incentive is paid one, two or three years, respectively, following the disbursement of the first half of the short-term incentive, without interest and with due consideration taken for target achievement in the following year. In addition, half of each deferral of the long-term incentive is withheld for a (further) year.

For the year under review, the absolute upper limit for monetary remuneration is EUR 750,000.

# Leverage (article 451 CRR)

## Process for managing the risk of excessive leverage

In addition to risk-weighted capital requirements, a non-risk-based metric was also introduced under CRR/CRD IV rules. Although BayernLB currently reckons that it will not become mandatory before 2018, disclosure of the leverage ratio is required as from 2015.

The leverage ratio is currently in a test phase and there is no mandatory minimum figure. It is being gradually integrated into the BayernLB Group's management and planning processes.

Core capital, as a key component, is distributed to each planning unit through RWA as part of own funds planning. The planning units (Group units) are the defined business areas and divisions of BayernLB, as well as BayernLabo and DKB.

Risk-weighted assets (RWA) are allocated to the Group units through a top-down distribution approved by the Board of Management for credit, market and operational risks. Compliance with RWA limits available to each Group unit is constantly monitored by the Board of Management. The Board of Management receives monthly reports on current RWA utilisations.

The Board of Management is also informed of the capital tied up through the leverage ratio, which, in accordance with article 1 of Commission Delegated Regulation (EU) 2015/62 of 10 October 2014, is derived from the total risk exposure in terms of the non-risk-weighted balance sheet and off-balance sheet exposures. The total risk exposure is divided among the Group units and included in the planning process for management purposes. The Board of Management not only reports on the current status of the leverage ratio but also provides an outlook for the trend over the next years.

## Factors that affected the disclosed leverage ratio during the reporting period

From the date on which the CRR took effect until and including June 2016, BayernLB reported its leverage ratio in accordance with article 430 of the CRR in conjunction with Commission Implementing Regulation (EU) No 680/2014 of 16 April 2014 as part of COREP reporting.

Once Commission Implementing Regulation (EU) No 2016/428 of 23 March 2016 was published, the amendments in Commission Delegated Regulation (EU) No 2015/62 of 10 October 2014 were taken into account in the quarterly reports (from September 2016 onwards). Thus the legal bases for the reporting and the disclosure are now identical.

Disclosure is pursuant to Commission Implementing Regulation (EU) 2016/200 of 15 February 2016.

### Summary reconciliation of accounting assets and leverage ratio exposures

EUR million		
1	Total assets as per published financial statements	212,150
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-2
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429 (13) of Regulation (EU) No 575/2013 ("CRR")	0
4	Adjustments for derivative financial instruments	-5,856
5	Adjustments for securities financing transactions ("SFTs")	-106
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	21,224
EU-6a	Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013	0
EU-6b	Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013	0
7	Other adjustments	-312
<b>8</b>	<b>Total leverage ratio exposure</b>	<b>227,098</b>

### Leverage ratio common disclosure

EUR million		CRR leverage ratio exposures
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	196,980
2	Asset amounts deducted in determining Tier 1 capital	-360
<b>3</b>	<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</b>	<b>196,620</b>
<b>Derivative exposures</b>		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	6,933
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	4,891
EU-5a	Exposure determined under Original Exposure Method	-
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-5,765
8	Exempted CCP leg of client-cleared trade exposures	-1,205
9	Adjusted effective notional amount of written credit derivatives	158
10	Adjusted effective notional offsets and add-on deductions for written credit derivatives	-111
<b>11</b>	<b>Total derivative exposures (sum of lines 4 to 10)</b>	<b>4,901</b>

EUR million		CRR leverage ratio exposures
<b>Securities financing transaction exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	4,248
13	Netted amounts of cash payables and cash receivables of gross SFT assets	-39
14	Counterparty credit risk exposure for SFT assets	144
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b (4) and 222 of Regulation (EU) No 575/2013	-
15	Agent transaction exposures	-
EU-15a	Exempted CCP leg of client-cleared SFT exposure	-
<b>16</b>	<b>Total securities financing transaction exposures (sum of lines 12 to 15a)</b>	<b>4,353</b>
<b>Other off-balance sheet exposures</b>		
17	Off-balance sheet exposures at gross notional amount	57,919
18	Adjustments for conversion to credit equivalent amounts	-36,695
<b>19</b>	<b>Other off-balance sheet exposures (sum of lines 17 to 18)</b>	<b>21,224</b>
<b>Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)</b>		
EU-19a	Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet)	-
EU-19b	Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet)	-
<b>Capital and total exposures</b>		
<b>20</b>	<b>Tier 1 capital</b>	<b>9,564</b>
<b>21</b>	<b>Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>	<b>227,098</b>
<b>Leverage ratio</b>		
<b>22</b>	<b>Leverage ratio</b>	<b>4.2%</b>
<b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>		
EU-23	Choice on transitional arrangements for the definition of the capital measure	-
EU-24	Amount of derecognised fiduciary items in accordance with Article 429 (13) of Regulation (EU) No 575/2013	4,957

The leverage ratio as at 31 December 2016 was 4.2 percent. The decrease in the ratio of around 0.5 percentage points from 4.7 percent as at 31 December 2015 is due mostly to the partial repayment of the silent partner contribution of the Free State of Bavaria.

**Breakdown of balance sheet exposures (not including derivatives, securities financing transactions (SFTs) and excluded exposure)**

EUR million		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures), of which:	196,980
EU-2	Trading book exposures	10,132
EU-3	Banking book exposures, of which:	186,848
EU-4	Covered bonds	6,046
EU-5	Exposures treated as sovereigns	58,396
EU-6	Exposures to regional governments, multilateral development banks, international organisations and public-sector entities NOT treated as sovereigns	10,798
EU-7	Institutions	22,115
EU-8	Secured by mortgages of immovable properties	21,389
EU-9	Retail exposures	4,397
EU-10	Corporate	56,896
EU-11	Exposures in default	2,595
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	4,216

# Use of the IRB approach to credit risk (article 452 CRR)

## Permission by the competent authorities

BayernLB obtained regulatory approval on 1 January 2007 to use the foundation IRB (Internal Ratings-Based) approach.

## Structure and review of the internal rating systems and the relationship between internal and external credit assessments

BayernLB uses several statistically based rating procedures in which borrowers are assigned to rating categories on a 25-tier master rating scale on the basis of default probabilities. There are 22 rating categories for solvent borrowers and three for those in default.

To maintain and refine the rating procedures, BayernLB works mainly with the companies RSU Rating Service Unit GmbH & Co. KG and Sparkassen Rating und Risikosysteme GmbH. All rating procedures are subject to an ongoing validation process to ensure they are able to correctly determine the default probabilities in each customer and financing segment. This process draws on quantitative and qualitative analyses. These assess the rating factors, the accuracy and calibration of the procedure, the data quality and the design of the model using statistical and qualitative analyses and user feedback.

BayernLB's main rating procedures are:

- **Scorecard procedure**  
The scorecard or scoring procedure is used to allocate points to certain major attributes of customers (quantitative and qualitative) based on mathematical/statistical analyses to calculate a total score for creditworthiness. The calculated scorecards are converted into rating scores using a calibration function. These risk ratings are supplemented by warning signals and cross-liability matrices.
- **Simulation procedure**  
The simulation procedure is principally used to classify property financing risks. This rating procedure creates scenarios for future cash flow trends and calculates rating scores and default probabilities based on loan-to-value and debt service coverage ratios through the use of default tests that differentiate between performing and non-performing loans. The quantitative risk assessment is supplemented by qualitative factors and warning signals.



The 16 rating modules approved for use in the IRB approach are:

1. Banks
2. Insurers
3. Corporates (corporate clients, including municipally owned companies)
4. Savings banks standard rating
5. International regional authorities
6. Country and transfer risk
7. Supranational organisations (“supranationals”)
8. Leveraged finance
9. Customer scoring (DKB)
10. Rating procedure in the internal assessment approach for securitisations
  - a. Trade receivables
  - b. Consumer finance
  - c. Auto/equipment loans and leases
  - d. CDO
11. Leasing (leasing companies and real estate leasing SPVs)
12. Aircraft financing
13. International commercial real estate
14. Savings banks real estate business rating
15. Project financing
16. Ship financing

Rating procedures 1 to 9 are scorecard procedures that measure risks at customer level. Simulation-based procedures (12 to 16) that in some cases take account of information on creditworthiness and, in particular, transaction-related criteria are used for the exposure class “specialised financing”. Rating procedures 10 and 11 employ both simulation and scorecard methods.

The “central governments” exposure class mainly contains borrowers from the following rating procedures: international regional authorities (5), country and transfer risk (6) and supranationals (7). The “institutions” exposure class comprises borrowers from the banks rating procedure (1). With the exception of securitisations (10) and retail (9), all other procedures are assigned to the “corporates” exposure class.

With a view to the technical harmonisation in 2017 with the “savings banks standard rating” module, the “savings banks real estate business rating” module is currently being revised and will be moved to a joint technical platform. In applying the “internal assessment approach”, BayernLB has relinquished its IRBA approval for the RMBS, CMBS, ground rent leases, student loans and credit card receivables sub-procedures since it does not plan to engage in such further transactions in these sub-procedures.

Default records kept internally have the highest priority in estimating the default probabilities under the rating procedures. If a portfolio has enough external ratings from the recognised rating agencies, the shadow-rating method is used in addition. To this end, RSU Rating Service Unit GmbH & Co. KG maps the external ratings to the internal rating scale each year.

The recession demonstrated that the rating procedures were for the most part robust and accurate. It became clear that taking account of market-induced factors significantly improved the depiction of the volatility of the financial markets during the crisis. These new findings have been and will continue to be integrated into the rating systems as much as possible. In 2017, for example, a market factor will be added to the rating procedure for insurance companies so as to increase the module's sensitivity to idiosyncratic risks.

The goal is to create sufficient leeway to implement risk avoidance/minimisation measures through the early detection of negative changes in the risk profile using suitable early warning indicators of risk.

### **Use of internal estimates other than for calculating risk-weighted exposure values**

Internal estimates of the probability of default (PD) and loss given default (LGD) rates are important parameters in risk management and credit decisions. In carrying out advance calculations (pricing), the minimum margin is calculated. This takes account of the credit ratings from the internal rating procedures and loss given default estimates, which are important input parameters in calculating risk and capital costs.

In addition to regulatory risk limitation, the Bank manages its risk-bearing capacity from an economic perspective. Assessments of economic risk-bearing capacity take account of, among other things, findings from the internal rating systems. Risk-bearing capacity is ensured by limiting available economic capital by risk type, business area and central area. The Risk Committee and the Board of Management are informed each month in the Group risk report summary of the current risk-bearing capacity, as seen from an economic perspective, both at Group and at BayernLB level.

Ratings also play an important role in credit approvals and credit processing. For example, the Competence Regulations are based (partly) on ratings. Each loan is classified according to its level of risk. Different types of support are given: normal support, intensive support or problem loan treatment. Loans allocated to the intensive support and problem loan handling processes are subdivided into the "special mention" (only intensive support), "substandard", "doubtful" and "loss" categories.

The BayernLB Group uses a uniform master rating system for all rating procedures and all exposure classes. This enables comparisons of rating categories across all customer segments. There are 22 rating categories for solvent borrowers and three for those in default. The boundaries of each rating category are set by specific upper and lower PD limits.

The allocation of a borrower with an IRBA exposure to BayernLB's rating systems is governed by the scope of application defined in the rating process. Criteria-compliant application is ensured by the respective authorisation system of the rating systems.

### Processes for managing and recognising credit risk mitigation techniques

See the section “Use of credit risk mitigation techniques (article 453 CRR)”.

### Control mechanisms for rating systems

The rating systems have technical control mechanisms that examine both the completeness and, where possible, the plausibility of individual data and their combination with other data. As a further control, ratings are approved in line with the dual control principle. Mechanisms are in place to ensure that ratings used under the IRB approach are not green-lighted by employees at the Sales units.

The Group Risk Control division, which forms part of the Risk Office, is independent from the business areas. The counterparty risk monitoring unit, which is assigned to this division, has global responsibility for introducing, developing, maintaining and optimising rating systems.

All rating procedures are subject to ongoing validation. The validation process meets CRR requirements. This process draws on quantitative and qualitative analyses.

### Total loan portfolio and exposure values in IRBA by PD category

The table below shows the total loan portfolio, the exposure values, the exposure-weighted average risk weighting for each IRBA exposure class and the average LGD for the retail business.

The reported exposure values are IRBA exposures pursuant to article 166 of the CRR, after applying credit risk mitigation techniques and provided they can be allocated to PD categories. For exposure values of the central governments and central banks, institutions and corporates exposure classes bearing a PD of 100 percent, no risk weighting is calculated. Instead, article 158 of the CRR applies. The data for retail apply solely to DKB as it is the only member of the BayernLB Group to use this procedure.

## Total loan portfolio and exposure values in IRBA by PD category

		Central governments and central banks	Institutions	Corporates	of which specialised lending	Retail	of which secured by immovable property, SMEs	of which secured by immovable property, non-SMEs	of which qualifying revolving	of which other SMEs	of which other retail	Total
PD category 0% to < 0.5%	<b>Total loan portfolio</b> (EUR million)	49,716	25,609	81,564	20,019	15,585	370	7,041	5,907	382	1,885	<b>172,474</b>
	<b>Exposure value</b> (EUR million)	57,738	22,789	67,812	17,954	12,645	366	7,022	3,214	344	1,700	<b>160,984</b>
	<b>Avg. LGD</b> (in %)					35.5	20.1	21.9	53.0	57.6	57.2	<b>35.5</b>
	<b>Avg. risk weighting</b> (in %)	1.6	19.6	33.9	34.6	10.6	9.6	10.8	2.2	25.5	23.3	<b>18.5</b>
PD category 0.5% to < 5%	<b>Total loan portfolio</b> (EUR million)	851	1,326	24,983	4,091	2,825	291	594	443	370	1,127	<b>29,985</b>
	<b>Exposure value</b> (EUR million)	23	885	17,752	2,694	2,600	289	594	299	350	1,069	<b>21,260</b>
	<b>Avg. LGD</b> (in %)					43.1	22.8	25.0	52.8	57.7	51.1	<b>43.1</b>
	<b>Avg. risk weighting</b> (in %)	94.8	121.1	88.5	88.1	51.0	31.6	50.5	31.6	64.2	57.7	<b>85.3</b>
PD category 5% to < 100%	<b>Total loan portfolio</b> (EUR million)	68	45	4,465	164	707	34	433	57	38	144	<b>5,285</b>
	<b>Exposure value</b> (EUR million)	3	1	1,308	94	694	34	433	48	36	143	<b>2,006</b>
	<b>Avg. LGD</b> (in %)					37.5	24.8	29.6	53.2	57.3	54.5	<b>37.5</b>
	<b>Avg. risk weighting</b> (in %)	207.8	198.9	190.1	233.0	148.0	130.9	165.5	105.0	117.5	121.4	<b>175.6</b>
Default PD = 100%	<b>Total loan portfolio</b> (EUR million)	–	29	4,957	1,089	305	0	185	5	0	115	<b>5,291</b>
	<b>Exposure value</b> (EUR million)	–	25	4,810	1,064	305	0	185	5	0	114	<b>5,140</b>
	<b>Avg. LGD</b> (in %)					61.7	17.5	49.5	81.3	52.1	80.7	<b>61.7</b>
	<b>Avg. risk weighting</b> (in %)					70.4	80.5	63.7	26.6	32.8	83.1	<b>70.4</b>
Total (excluding defaults)	<b>Total loan portfolio</b> (EUR million)	50,635	26,980	111,012	24,273	19,116	695	8,069	6,407	789	3,156	<b>207,743</b>
	<b>Exposure value</b> (EUR million)	57,764	23,676	86,871	20,743	15,939	690	8,048	3,560	729	2,911	<b>184,250</b>
	<b>Avg. LGD</b> (in %)					36.8	21.5	22.5	53.0	57.6	54.8	<b>36.8</b>
	<b>Avg. risk weighting</b> (in %)	1.7	23.4	47.4	42.4	23.2	24.8	22.0	6.0	48.6	40.7	<b>27.9</b>

## Average PDs and LGDs by geographical location

The following table shows the average PD/LGD for each geographical location. “Geographical location” refers to the region of the lending Group entity.

### Average PDs and LGDs by geographical location

in %		Germany	Italy	USA	UK	Total
<b>Central governments and central banks</b>	<b>Avg. PD</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
	<b>Avg. LGD</b>					
<b>Institutions</b>	<b>Avg. PD</b>	<b>0.3</b>	<b>0.2</b>	<b>0.6</b>	<b>0.0</b>	<b>0.2</b>
	<b>Avg. LGD</b>					
<b>Corporates</b>	<b>Avg. PD</b>	<b>6.0</b>	<b>0.6</b>	<b>0.3</b>	<b>22.3</b>	<b>5.8</b>
	<b>Avg. LGD</b>					
• of which specialised lending	Avg. PD	5.3	0.7	0.4	24.8	<b>5.2</b>
	Avg. LGD					
<b>Retail</b>	<b>Avg. PD</b>	<b>3.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.1</b>
	<b>Avg. LGD</b>	<b>37.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.3</b>
• of which secured by immovable property, SMEs	Avg. PD	1.7	-	-	-	<b>1.7</b>
	Avg. LGD	21.5	-	-	-	<b>21.5</b>
• of which secured by immovable property, non-SMEs	Avg. PD	3.7	-	-	-	<b>3.7</b>
	Avg. LGD	23.1	-	-	-	<b>23.1</b>
• of which qualifying revolving	Avg. PD	0.5	-	-	-	<b>0.5</b>
	Avg. LGD	53.0	-	-	-	<b>53.0</b>
• of which other SMEs	Avg. PD	1.7	-	-	-	<b>1.7</b>
	Avg. LGD	57.6	-	-	-	<b>57.6</b>
• of which other retail	Avg. PD	5.3	-	-	-	<b>5.3</b>
	Avg. LGD	55.8	-	-	-	<b>55.8</b>
<b>Total</b>	<b>Avg. PD</b>	<b>3.2</b>	<b>0.5</b>	<b>0.1</b>	<b>5.5</b>	<b>3.1</b>
	<b>Avg. LGD</b>	<b>37.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37.3</b>

## Expected and actual losses in the credit business

The tables below are only relevant for the IRB approach. The figures are therefore not comparable with those in the tables “Changes in risk provisions”, “Impaired exposures and exposures past due by sector” and “Impaired exposures and exposures past due by geographical region”. Actual losses consist of utilisations of SLLPs and direct writedowns less recoveries on written down receivables (IFRS basis).

The expected loss (EL) calculation includes loans that are performing or in default based on a one-year default probability. Loans in default are considered to have a 100 percent probability of default (PD). Based on the definition under article 178 of the CRR (e.g. “past due more than 90 days”), customers are classed as “defaulted” very early on, before the institution has experienced any actual losses (“recovery”). In the event of realisation, actual losses are not immediately shown, as average settlement times for exposures/customers may take several years.

The risk provision process is also a multi-year process in which several effects need to be taken into account (cyclicality, SLLP utilisation and writeback etc.).

#### Expected losses in the credit business

EUR million	2016		2015		2014	
	Expected loss (EL)	Actual loss	Expected loss (EL)	Actual loss	Expected loss (EL)	Actual loss
<b>Central governments and central banks</b>	<b>1</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>3</b>	<b>–</b>
<b>Institutions</b>	<b>24</b>	<b>45</b>	<b>299</b>	<b>359</b>	<b>324</b>	<b>2</b>
<b>Corporates</b>	<b>2,427</b>	<b>1,406</b>	<b>2,489</b>	<b>239</b>	<b>2,352</b>	<b>185</b>
• of which specialised lending	576	41	575	150	557	15
<b>Retail</b>	<b>248</b>	<b>70</b>	<b>330</b>	<b>83</b>	<b>406</b>	<b>78</b>
• of which secured by immovable property, SMEs	3	0	5	0	3	0
• of which secured by immovable property, non-SMEs	116	28	183	45	296	37
• of which qualifying revolving	11	4	12	4	13	6
• of which other SMEs	7	2	9	0	4	2
• of which other retail	110	37	121	34	90	33
<b>Total</b>	<b>2,699</b>	<b>1,521</b>	<b>3,120</b>	<b>680</b>	<b>3,085</b>	<b>266</b>

The increase in actual losses in 2016 is attributable to the utilisation of previously established impairments for the written down receivables due from HETA.

### Specific credit risk adjustments in IRBA

EUR million	SLLP additions in 2016	SLLP releases in 2016	Net of additions/ releases in 2016
<b>Central governments and central banks</b>	–	–	–
<b>Institutions</b>	<b>1</b>	<b>–3</b>	<b>–2</b>
<b>Corporates</b>	<b>357</b>	<b>–188</b>	<b>169</b>
• of which specialised lending	195	–93	102
<b>Retail</b>	<b>106</b>	<b>–65</b>	<b>40</b>
• of which secured by immovable property, SMEs	1	–0	1
• of which secured by immovable property, non-SMEs	50	–29	21
• of which qualifying revolving	22	–19	3
• of which other SMEs	3	–1	2
• of which other retails	30	–16	14
<b>Total</b>	<b>464</b>	<b>–256</b>	<b>208</b>

# Use of credit risk mitigation techniques (article 453 CRR)

## Policies and processes for, and the extent of use of, on- and off-balance sheet netting

When conducting derivatives transactions and securities repurchase transactions, the BayernLB Group regularly concludes bilateral netting agreements in the form of master agreements with business partners. Among the standard master agreements used are the ISDA Master Agreement for Financial Derivatives, the German Master Agreement for Financial Derivatives Transactions and the Global Master Repurchase Agreement for securities repurchase transactions. Agreements granting rights of set-off include the clearing conditions of Eurex Clearing AG, LCH.Clearnet Limited, European Commodity Clearing AG, and the client clearing agreements for indirect clearing. The netting agreements provide for conditional rights of set-off in the form of close-out netting for receivables and liabilities covered by these agreements, i.e. only if previously defined conditions, e.g. cancellation of the master agreement, default or insolvency, occur can the legal right of set-off be enforced.

Besides the master agreements for financial derivatives, collateral agreements are concluded with business partners to safeguard the net claim or liability left after offsetting. The main ones used are the Credit Support Annex to the ISDA Master Agreement and the collateral addendum to the German Master Agreement for Financial Derivatives Transactions. The master agreements for securities repurchase transactions and the derivatives clearing agreements contain similar collateral rules. Collateral agreements usually grant the protection buyer an unrestricted right of disposal over the collateral, which is normally cash or securities collateral. Collateral agreements with no or a limited right of disposal are rare. Bilateral master agreements mainly provide for the realisation of collateral through offsetting.

The exposure value for derivatives was reduced by around EUR 24.5 billion as at 31 December 2016 through off-balance sheet netting. On-balance sheet netting is not carried out at BayernLB.

## Collateral valuation and administration

Sound collateral is requested for the purpose of hedging credit risk exposure. BayernLB follows the principle that real collateral (particularly charges on property) is preferable to debt undertakings.

Procedures for accepting collateral (formalities and requirements) are governed by the internal processing guidelines for each type of collateral.

At BayernLB, collateral is counted towards the supervisory capital requirements based on the credit risk mitigation techniques defined in the CRR. As part of its IRBA approval, the German Federal Financial Supervisory Authority (BaFin) has granted BayernLB approval to lower its regulatory capital requirements through the use of real estate liens, ship mortgages, registered liens on aircraft, guarantees, financial collateral in the form of securities and cash deposits, and credit derivatives.

Specialists are responsible for ensuring these agreements are properly documented, administered and monitored on an ongoing basis. Monitoring is computer-aided.



The collateral policy sets out the requirements for valuing and administering collateral. To manage collateral, a collateral management system has been put in place where valuation criteria are documented. To ensure constant legal enforceability, contracts are usually standardised and changes in the law – particularly foreign legal systems – are monitored on an ongoing basis in cooperation with other institutions.

The procedure used to calculate and determine the value of the collateral must be documented clearly and meaningfully in line with defined requirements. If expert opinions are available, it must be ensured that information on marketability and liquidity used to assess liquidation value is available. When collateral is realised, its value is calculated using the recovery rate, which is dependent on the collateral type. These rates are derived from historical loss data and are verified on a regular basis.

### **Market and credit risk concentrations within the credit risk mitigation**

As part of the reporting, the key types and structures of eligible collateral are analysed and assessed for concentrations. The most important collateral types are real estate and guarantees.

The key types and structures of eligible collateral are analysed and assessed for concentrations. Concentration risks exist in relation to collateral for guarantees. Major guarantors (guarantees and eligible sureties) are reported on a quarterly basis. Most are loan collateral guarantees and first-demand guarantees. Guarantors mainly comprise export credit insurers, public-sector customers and financial institutions (particularly guarantee banks). In the guarantees category, the most important guarantor for BayernLB are public-sector institutions in Germany, which account for around 78 percent of the total.

Credit derivatives transactions are only carried out with counterparties with investment-grade ratings. Collateral agreements exist with certain business partners restricting the default risk associated with certain trading partners to an agreed maximum and authorising a call for additional collateral should this limit be exceeded. Most counterparties in the credit derivatives business are banks.

The table below shows the collateralised exposure values for the type of collateral used (financial collateral, physical and other collateral, eligible guarantees), broken down by regulatory risk assessment approach and exposure class. The exposure value disclosed as funded credit-protected under the CRSA stems from the exposure class “exposures secured by real estate”.

Total collateralised exposures (excluding securitisations)

EUR million	Central governments and central banks	Institutions	Regional governments	Other public authorities	Retail	Corporates	Exposures secured by real estate	Exposures past due	Total
<b>Financial collateral</b>									<b>1,159</b>
• CRSA	–	–	–	12	0	37	–	0	49
• IRBA	2	20	–	–	11	1,078	–	–	1,110
<b>Physical and other collateral</b>									<b>36,285</b>
• CRSA	–	–	–	–	–	–	468	–	468
• IRBA	–	4,067	–	–	6,924	24,825	–	–	35,817
<b>Other eligible collateral</b>									<b>20,353</b>
• <b>CRSA</b>									<b>6,570</b>
– Guarantees	–	–	25	278	3,374	2,876	–	17	6,569
– Credit derivatives	–	–	–	–	–	–	–	–	–
– Funded credit protection	–	–	–	–	1	–	–	0	1
• <b>IRBA</b>									<b>13,783</b>
– Guarantees	894	2,881	–	–	23	9,961	–	–	13,758
– Credit derivatives	–	–	–	–	–	–	–	–	–
– Funded credit protection	–	–	–	–	23	2	–	–	25
<b>Total</b>	<b>896</b>	<b>6,968</b>	<b>25</b>	<b>290</b>	<b>10,355</b>	<b>38,778</b>	<b>468</b>	<b>17</b>	<b>57,797</b>

## **Use of the Advanced Measurement Approaches to operational risk (article 454 CRR)**

For operational risks, BayernLB currently uses supervisory standardised methods instead of an internal risk model.

## **Use of Internal Market Risk Models (article 455 CRR)**

For market risks, BayernLB currently uses supervisory standardised methods instead of an internal risk model.

# Disclosure in accordance with the EBA Guidelines

In January 2015 the Basel Committee on Banking Supervision released its revised Pillar 3 disclosure requirements (BCBS 309). This framework, however, does not supersede the current CRR disclosure requirements. In order to satisfy both sets of requirements, the EBA published on 14 December 2016 its Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (EBA/GL/2016/11). These guidelines apply to all institutions that provide their disclosures in accordance with Part Eight of the CRR. The earliest reporting date to which they are to be applied is 31 December 2017. The EBA encourages institutions which as at 1 January 2016 have been classified as global systemically important to begin disclosing some of the tables in the guidelines earlier, namely as at reporting date 31 December 2016.

While BayernLB is not a global systemically important institution, it has decided to voluntarily disclose these tables for the reporting date 31 December 2016. The tables that are relevant to BayernLB are as follows:

## Overview of RWAs (OV1)

This table provides an overview of total RWA and the associated capital requirements.

### OV1 – Overview of RWAs

EUR million	RWAs	Minimum capital requirements
<b>Credit risk (excluding CCR)</b>	<b>53,511</b>	<b>4,281</b>
• of which the standardised approach	3,160	253
• of which the foundation IRB (FIRB) approach	45,206	3,616
• of which the advanced IRB (AIRB) approach	3,781	302
• of which equity IRB under the simple risk-weighted approach or the IMA	934	75
<b>Counterparty credit risk (CCR)</b>	<b>4,112</b>	<b>329</b>
• of which mark to market	2,987	239
• of which original exposure	–	–
• of which standardised approach	–	–
• of which internal model method (IMM)	–	–
• of which risk exposure amount for contributions to the default fund of a CCP	96	8
• of which CVA	1,029	82
<b>Settlement risk</b>	<b>–</b>	<b>–</b>
<b>Securitisation exposures in the banking book (after the cap)</b>	<b>364</b>	<b>29</b>
• of which IRB approach	–	–
• of which IRB supervisory formula approach (SFA)	2	0
• of which internal assessment approach (IAA)	344	28
• of which standardised approach	18	1
<b>Market risk</b>	<b>2,986</b>	<b>239</b>
• of which standardised approach	2,986	239
• of which IMA	–	–

EUR million	RWAs	Minimum capital requirements
<b>Large exposures</b>	–	–
<b>Operational risk</b>	<b>4,233</b>	<b>339</b>
• of which basic indicator approach	–	–
• of which standardised approach	4,233	339
• of which advanced measurement approach	–	–
<b>Amounts below the thresholds for deduction (subject to 250% risk weight)*</b>	<b>1,014</b>	<b>81</b>
<b>Floor adjustment</b>	–	–
<b>Total</b>	<b>65,206</b>	<b>5,216</b>

\* for information only

### Credit risk under the standardised approach (CR5)

The following table shows the exposure values (on and off balance sheet) underlying the credit risk, calculated using the standardised approach and broken down by exposure class and risk weighting. In contrast to the tables pursuant to article 442 of the CRR, the exposure values are post accounting offsets (writedowns), credit risk mitigation techniques and credit conversion factors (CCF).

#### CR5 – Standardised approach: credit risk exposures by exposure class and risk weight

Exposure class EUR million	Risk weight																Total	of which unrated
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Deducted		
Central governments or central banks	73	–	–	–	–	–	3	–	–	–	–	277	–	–	–	–	<b>353</b>	–
Regional governments or local authorities	5,983	–	–	–	53	–	–	–	–	–	–	–	–	–	–	–	<b>6,036</b>	–
Public sector entities	69	–	–	–	157	–	–	–	–	–	–	–	–	–	–	–	<b>225</b>	–
Multilateral development banks	216	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	<b>216</b>	–
International organisations	315	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	<b>315</b>	–
Institutions	19,339	259	–	–	181	–	1	–	–	0	–	–	–	–	–	–	<b>19,780</b>	19,600
Corporates	–	–	–	–	0	0	41	0	–	403	0	–	–	–	–	–	<b>445</b>	378
Retail	–	–	–	–	–	–	–	–	858	–	–	–	–	–	–	–	<b>858</b>	846
Secured by mortgages on immovable property	–	–	–	–	–	450	18	–	–	–	–	–	–	–	–	–	<b>468</b>	468
Exposures in default	–	–	–	–	–	–	–	–	–	22	52	–	–	–	–	–	<b>74</b>	74
Exposures associated with particularly high risk	–	–	–	–	–	–	–	–	–	–	28	–	–	–	–	–	<b>28</b>	28
Covered bonds	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Exposures to institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Exposures in the form of units or shares in collective investment undertakings ("CIUs")	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	8	<b>8</b>	8
Equity exposures	–	–	–	–	–	–	–	–	–	6	402	129	–	–	–	–	<b>537</b>	537
Other items	0	–	–	–	–	–	–	–	–	88	–	–	–	–	–	–	<b>88</b>	88
<b>Total</b>	<b>25,995</b>	<b>259</b>	<b>–</b>	<b>–</b>	<b>390</b>	<b>450</b>	<b>63</b>	<b>0</b>	<b>858</b>	<b>519</b>	<b>482</b>	<b>406</b>	<b>–</b>	<b>–</b>	<b>8</b>	<b>–</b>	<b>29,432</b>	22,027

## Credit risk under the IRB approach (CR6)

Table CR6 shows the exposures underlying the credit risk, calculated using the Internal Ratings-Based (IRB) approach and broken down by exposure class and PD range. As BayernLB makes its own estimates of LGD for its retail business, these are presented in a separate table. In contrast to the tables pursuant to article 442 of the CRR, the exposure values are post credit risk mitigation techniques and credit conversion factors (CCF).

### CR6 – IRB approach: credit risk exposures by exposure class and PD range

Exposure class EUR million	PD scale (in %)	Original on- balance- sheet gross exposures	Off-balance- sheet exposures pre-CCF	Average CCF (in %)	EAD post CRM and post CCF	Average PD (in %)	Number of obligors	Average LGD (in %)	RWAs	RWA density (in %)	EL	Value adjustments and provisions
Central governments and central banks	0.00 to < 0.15	45,849	3,045	54%	56,893	0.0%	10,573	45%	923	2%	1	
	0.15 to < 0.25	–	–	–	–	–	–	–	–	–	–	
	0.25 to < 0.50	–	–	–	24	0.4%	0	45%	15	65%	0	
	0.50 to < 0.75	21	42	75%	2	0.6%	1	45%	1	79%	0	
	0.75 to < 2.5	23	–	–	20	0.9%	3	45%	19	93%	0	
	2.5 to < 10.00	304	527	0%	2	5.4%	4	45%	4	163%	0	
	10.00 to < 100	1	1	75%	2	15.1%	3	45%	4	235%	0	
	100 (Default)	–	–	–	–	–	–	–	–	–	–	
<i>Subtotal</i>		<i>46,199</i>	<i>3,615</i>	<i>54%</i>	<i>56,942</i>	<i>0.0%</i>	<i>10,584</i>	<i>45%</i>	<i>966</i>	<i>2%</i>	<i>1</i>	<i>2</i>
Institutions	0.00 to < 0.15	20,172	998	32%	18,693	0.1%	7,251	32%	2,980	16%	3	
	0.15 to < 0.25	896	173	52%	848	0.2%	279	35%	297	35%	1	
	0.25 to < 0.50	892	125	46%	897	0.3%	376	35%	428	48%	1	
	0.50 to < 0.75	159	19	25%	59	0.6%	99	43%	47	80%	0	
	0.75 to < 2.5	686	58	22%	561	1.3%	182	45%	716	127%	3	
	2.5 to < 10.00	309	11	47%	170	3.2%	228	38%	201	118%	2	
	10.00 to < 100	7	6	0%	1	13.7%	16	41%	2	203%	0	
	100 (Default)	29	–	–	25	100.0%	34	45%	–	–	11	
<i>Subtotal</i>		<i>23,151</i>	<i>1,390</i>	<i>36%</i>	<i>21,255</i>	<i>0.2%</i>	<i>8,465</i>	<i>33%</i>	<i>4,671</i>	<i>22%</i>	<i>22</i>	<i>5</i>
Corporates – SMEs	0.00 to < 0.15	12,396	1,452	41%	12,562	0.1%	14,247	39%	2,532	20%	3	
	0.15 to < 0.25	1,650	175	38%	1,662	0.2%	2,323	40%	606	36%	1	
	0.25 to < 0.50	4,611	613	34%	4,647	0.3%	6,510	41%	2,307	50%	6	
	0.50 to < 0.75	3,132	410	40%	3,270	0.6%	4,751	41%	2,083	64%	8	
	0.75 to < 2.5	5,365	1,024	33%	5,559	1.3%	10,757	41%	4,636	83%	29	
	2.5 to < 10.00	1,397	230	34%	1,420	4.3%	3,396	41%	1,630	115%	23	
	10.00 to < 100	686	50	23%	686	16.3%	1,458	41%	1,260	184%	46	
	100 (Default)	488	44	53%	506	100.0%	423	46%	–	–	234	
<i>Subtotal</i>		<i>29,725</i>	<i>3,998</i>	<i>37%</i>	<i>30,313</i>	<i>2.6%</i>	<i>43,865</i>	<i>40%</i>	<i>15,054</i>	<i>50%</i>	<i>351</i>	<i>227</i>
Corporates – Specialised lending	0.00 to < 0.15	9,419	928	61%	9,841	0.1%	383	39%	2,461	25%	3	
	0.15 to < 0.25	3,329	214	71%	3,437	0.2%	161	39%	1,275	37%	2	
	0.25 to < 0.50	4,391	1,736	29%	4,677	0.3%	244	41%	2,469	53%	6	
	0.50 to < 0.75	1,071	821	24%	1,194	0.6%	70	40%	815	68%	3	
	0.75 to < 2.5	1,580	387	42%	1,327	1.2%	96	44%	1,320	100%	7	
	2.5 to < 10.00	207	25	92%	174	3.4%	15	44%	240	138%	3	
	10.00 to < 100	78	85	73%	94	15.6%	12	45%	219	233%	7	
	100 (Default)	1,037	52	53%	1,064	100.0%	44	51%	–	–	545	
<i>Subtotal</i>		<i>21,114</i>	<i>4,248</i>	<i>39%</i>	<i>21,807</i>	<i>5.2%</i>	<i>1,025</i>	<i>40%</i>	<i>8,798</i>	<i>40%</i>	<i>576</i>	<i>515</i>
Corporates – Others	0.00 to < 0.15	9,316	12,101	56%	15,908	0.1%	573	44%	3,966	25%	5	
	0.15 to < 0.25	3,025	3,528	62%	5,436	0.2%	312	44%	2,313	43%	4	
	0.25 to < 0.50	3,751	5,541	51%	6,215	0.3%	677	45%	3,600	58%	9	
	0.50 to < 0.75	1,009	2,151	46%	1,511	0.6%	517	45%	1,189	79%	4	
	0.75 to < 2.5	2,890	1,824	43%	2,597	1.2%	754	45%	2,688	103%	14	
	2.5 to < 10.00	1,334	743	39%	612	4.3%	293	44%	996	163%	12	
	10.00 to < 100	1,498	709	37%	152	18.2%	246	43%	358	235%	12	
	100 (Default)	2,911	68	45%	2,882	100.0%	605	44%	–	–	1,295	
<i>Subtotal</i>		<i>25,734</i>	<i>26,664</i>	<i>54%</i>	<i>35,313</i>	<i>8.5%</i>	<i>3,977</i>	<i>44%</i>	<i>15,108</i>	<i>43%</i>	<i>1,355</i>	<i>1,504</i>
<b>Total</b>		<b>145,922</b>	<b>39,916</b>	<b>50%</b>	<b>165,631</b>	<b>3.0%</b>	<b>67,916</b>	<b>42%</b>	<b>44,597</b>	<b>27%</b>	<b>2,305</b>	<b>2,253</b>

CR6 – IRB approach: credit risk exposures in the retail business by exposure class and PD range

Exposure class EUR million	PD scale (in %)	Original on-balance-sheet gross exposures	Off-balance-sheet exposures pre-CCF	Average CCF (in %)	EAD post CRM and post CCF	Average PD (in %)	Number of obligors	Average LGD (in %)	RWAs	RWA density (in %)	EL	Value adjustments and provisions
Retail – Secured by immovable property – SMEs	0.00 to < 0.15	109	5	50%	112	0.1%	1,802	19%	4	3%	0	
	0.15 to < 0.25	53	1	58%	54	0.2%	595	19%	3	6%	0	
	0.25 to < 0.50	200	2	53%	201	0.3%	2,536	21%	20	10%	0	
	0.50 to < 0.75	114	1	50%	114	0.6%	1,165	23%	18	16%	0	
	0.75 to < 2.5	149	2	52%	150	1.2%	1,429	22%	37	25%	0	
	2.5 to < 10.00	33	0	54%	33	4.3%	327	25%	20	60%	0	
	10.00 to < 100	26	0	46%	26	26.0%	285	25%	28	107%	2	
	100 (Default)	0	–	–	0	100.0%	1	17%	0	61%	0	
<i>Subtotal</i>		<b>684</b>	<b>12</b>	<b>51%</b>	<b>690</b>	<b>1.7%</b>	<b>8,140</b>	<b>21%</b>	<b>131</b>	<b>19%</b>	<b>3</b>	<b>0</b>
Retail – Secured by immovable property – non-SMEs	0.00 to < 0.15	1,467	38	56%	1,488	0.1%	32,920	20%	48	3%	0	
	0.15 to < 0.25	727	2	59%	729	0.2%	12,853	20%	57	8%	0	
	0.25 to < 0.50	4,802	5	59%	4,805	0.3%	70,277	23%	650	14%	3	
	0.50 to < 0.75	127	1	59%	128	0.6%	1,841	23%	27	21%	0	
	0.75 to < 2.5	203	1	55%	204	1.3%	2,830	23%	73	36%	1	
	2.5 to < 10.00	332	0	62%	332	4.1%	4,276	27%	279	84%	4	
	10.00 to < 100	363	0	91%	363	23.5%	4,199	30%	637	176%	25	
	100 (Default)	185	0	100%	185	100.0%	1,860	50%	118	64%	82	
<i>Subtotal</i>		<b>8,207</b>	<b>47</b>	<b>57%</b>	<b>8,234</b>	<b>3.7%</b>	<b>131,056</b>	<b>23%</b>	<b>1,889</b>	<b>23%</b>	<b>116</b>	<b>41</b>
Retail – Qualifying revolving	0.00 to < 0.15	78	5,240	53%	2,871	0.0%	4,552,554	53%	43	2%	1	
	0.15 to < 0.25	14	228	54%	138	0.2%	397,166	53%	7	5%	0	
	0.25 to < 0.50	38	309	54%	204	0.3%	406,636	53%	18	9%	0	
	0.50 to < 0.75	15	91	54%	64	0.6%	133,830	52%	9	14%	0	
	0.75 to < 2.5	49	137	54%	124	1.2%	251,141	53%	29	23%	1	
	2.5 to < 10.00	85	105	55%	142	4.0%	227,542	53%	80	56%	3	
	10.00 to < 100	9	9	77%	16	27.4%	19,027	53%	23	142%	2	
	100 (Default)	5	0	91%	5	100.0%	2,922	81%	1	27%	4	
<i>Subtotal</i>		<b>293</b>	<b>6,119</b>	<b>53%</b>	<b>3,565</b>	<b>0.5%</b>	<b>5,990,818</b>	<b>53%</b>	<b>210</b>	<b>6%</b>	<b>11</b>	<b>7</b>
Retail – Other SMEs	0.00 to < 0.15	91	37	50%	110	0.1%	4,545	57%	12	11%	0	
	0.15 to < 0.25	63	11	50%	68	0.2%	1,727	58%	12	17%	0	
	0.25 to < 0.50	151	29	51%	166	0.3%	4,385	58%	43	26%	0	
	0.50 to < 0.75	83	13	50%	90	0.6%	2,104	58%	33	36%	0	
	0.75 to < 2.5	200	24	51%	212	1.2%	4,416	58%	107	50%	2	
	2.5 to < 10.00	60	5	51%	62	4.2%	1,738	58%	42	67%	2	
	10.00 to < 100	20	3	65%	22	25.2%	1,141	57%	22	102%	3	
	100 (Default)	0	–	–	0	100.0%	1	52%	0	25%	0	
<i>Subtotal</i>		<b>668</b>	<b>121</b>	<b>51%</b>	<b>730</b>	<b>1.7%</b>	<b>20,057</b>	<b>58%</b>	<b>270</b>	<b>37%</b>	<b>7</b>	<b>0</b>
Retail – Other retail	0.00 to < 0.15	513	271	56%	664	0.1%	48,043	56%	70	11%	0	
	0.15 to < 0.25	167	42	57%	191	0.2%	9,272	57%	42	22%	0	
	0.25 to < 0.50	783	109	57%	846	0.3%	33,920	58%	285	34%	2	
	0.50 to < 0.75	209	37	55%	229	0.6%	18,410	52%	98	43%	1	
	0.75 to < 2.5	660	90	58%	712	1.3%	56,555	50%	417	59%	5	
	2.5 to < 10.00	150	14	66%	160	3.9%	18,626	53%	129	81%	3	
	10.00 to < 100	109	3	62%	111	24.6%	10,608	55%	145	131%	15	
	100 (Default)	114	0	76%	114	100.0%	4,052	81%	95	83%	85	
<i>Subtotal</i>		<b>2,705</b>	<b>566</b>	<b>57%</b>	<b>3,026</b>	<b>5.4%</b>	<b>199,486</b>	<b>56%</b>	<b>1,281</b>	<b>42%</b>	<b>110</b>	<b>69</b>
<b>Total</b>		<b>12,557</b>	<b>6,865</b>	<b>54%</b>	<b>16,244</b>	<b>3.1%</b>	<b>6,349,557</b>	<b>37%</b>	<b>3,781</b>	<b>23%</b>	<b>248</b>	<b>117</b>

As a foundation IRB institution, BayernLB does not use its own estimates of residual maturity when calculating the RWA. For this reason, the residual maturities are not shown as averages. In contrast to OV1, the CR6 tables do not contain any other non-credit-obligation assets or items with an alternative treatment.

### Counterparty credit risk under the standardised approach (CCR3)

The following table shows the exposure values (derivatives and securities financing transactions) underlying the counterparty credit risk, calculated using the standardised approach and broken down by exposure class and risk weighting.

#### CCR3 – Standardised approach: CCR exposures by exposure class and risk weight

Exposure class EUR million	Risk weight															Total	of which unrated	
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others			
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Regional governments or local authorities	27	-	-	-	13	-	-	-	-	-	-	-	-	-	-	-	39	-
Public sector entities	5	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	5	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	1,049	3,023	-	-	0	-	-	-	-	-	-	-	-	-	-	-	4,072	4,072
Corporates	-	-	-	-	-	-	5	-	-	232	-	-	-	-	-	-	237	232
Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings ('CIUs')	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,081</b>	<b>3,023</b>	-	-	<b>13</b>	-	<b>5</b>	-	-	<b>232</b>	-	-	-	-	-	-	<b>4,354</b>	4,304



## Counterparty credit risk under the IRB approach (CCR4)

Table CCR4 shows the exposure values (derivatives and securities financing transactions) underlying the counterparty credit risk, calculated using the Internal Ratings-Based (IRB) approach and broken down by exposure class and PD range. As BayernLB does not have any counterparty credit risk exposures in its retail business, no such exposures are shown here.

### CCR4 – IRB approach: CCR exposures by exposure class and PD range

Exposure class EUR million	PD scale (in %)	EAD post CRM	Average PD (in %)	Number of obligors	Average LGD (in %)	RWAs	RWA density (in %)
Central governments and central banks	0.00 to < 0.15	822	0.0%	140	45%	0	0%
	0.15 to < 0.25	–	–	–	–	–	–
	0.25 to < 0.50	–	–	–	–	–	–
	0.50 to < 0.75	–	–	–	–	–	–
	0.75 to < 2.5	–	–	–	–	–	–
	2.5 to < 10.00	–	–	–	–	–	–
	10.00 to < 100	0	20.0%	1	45%	0	253%
	100 (Default)	–	–	–	–	–	–
<i>Subtotal</i>		<i>822</i>	<i>0.0%</i>	<i>141</i>	<i>45%</i>	<i>0</i>	<i>0%</i>
Institutions	0.00 to < 0.15	1,517	0.1%	129	45%	415	27%
	0.15 to < 0.25	702	0.2%	14	45%	265	38%
	0.25 to < 0.50	132	0.3%	28	45%	82	62%
	0.50 to < 0.75	9	0.6%	5	45%	7	79%
	0.75 to < 2.5	83	2.0%	8	45%	98	117%
	2.5 to < 10.00	2	3.8%	3	45%	3	145%
	10.00 to < 100	–	–	–	–	–	–
	100 (Default)	–	–	–	–	–	–
<i>Subtotal</i>		<i>2,446</i>	<i>0.2%</i>	<i>187</i>	<i>45%</i>	<i>870</i>	<i>36%</i>
Corporates – SMEs	0.00 to < 0.15	61	0.1%	10	45%	15	25%
	0.15 to < 0.25	22	0.2%	4	45%	7	34%
	0.25 to < 0.50	9	0.3%	5	45%	4	45%
	0.50 to < 0.75	9	0.6%	6	45%	6	70%
	0.75 to < 2.5	6	0.9%	2	45%	4	76%
	2.5 to < 10.00	–	–	–	–	–	–
	10.00 to < 100	–	–	–	–	–	–
	100 (Default)	–	–	–	–	–	–
<i>Subtotal</i>		<i>107</i>	<i>0.2%</i>	<i>27</i>	<i>45%</i>	<i>38</i>	<i>35%</i>
Corporates – Specialised lending	0.00 to < 0.15	–	–	–	–	–	–
	0.15 to < 0.25	–	–	–	–	–	–
	0.25 to < 0.50	–	–	–	–	–	–
	0.50 to < 0.75	–	–	–	–	–	–
	0.75 to < 2.5	–	–	–	–	–	–
	2.5 to < 10.00	–	–	–	–	–	–
	10.00 to < 100	–	–	–	–	–	–
	100 (Default)	–	–	–	–	–	–
<i>Subtotal</i>		<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>	<i>–</i>
Corporates - Others	0.00 to < 0.15	1,969	0.1%	292	45%	574	29%
	0.15 to < 0.25	578	0.2%	146	45%	249	43%
	0.25 to < 0.50	789	0.3%	187	45%	441	56%
	0.50 to < 0.75	136	0.6%	62	45%	108	80%
	0.75 to < 2.5	248	1.4%	83	45%	266	107%
	2.5 to < 10.00	14	3.5%	15	45%	21	149%
	10.00 to < 100	49	19.5%	951	45%	124	250%
	100 (Default)	357	100.0%	10	45%	–	–
<i>Subtotal</i>		<i>4,140</i>	<i>9.1%</i>	<i>1,746</i>	<i>45%</i>	<i>1,782</i>	<i>43%</i>
<b>Total</b>		<b>7,515</b>	<b>5.1%</b>	<b>2,112</b>	<b>45%</b>	<b>2,689</b>	<b>36%</b>

### Market risk under the standardised approach (MR1)

The table below shows the components of own funds requirements under the standardised approach for market risk.

#### MR1 – Market risk under the standardised approach

EUR million	RWAs	Capital requirements
<b>Outright products</b>		
• Interest rate risk (general and specific)	1,837	147
• Equity risk (general and specific)	37	3
• Foreign exchange risk	440	35
• Commodity risk	84	7
<b>Options</b>		
• Simplified approach	–	–
• Delta-plus method	532	43
• Scenario approach	57	5
<b>Securitisation (specific risk)</b>	–	–
<b>Total</b>	<b>2,986</b>	<b>239</b>

# Related publications

## Disclosure report by Deutsche Kreditbank AG (DKB)

In keeping with the disclosure requirements under article 13 of the CRR, DKB draws up its own financial reports, which are published on its website: [www.dkb.de/ueber\\_uns/zahlen\\_fakten/archiv](http://www.dkb.de/ueber_uns/zahlen_fakten/archiv)

# Appendix

## Capital instruments main features

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	BayernLB Capital LLC I
2	Unique identifier	Statutes of BayernLB	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The State of Delaware
<b>Regulatory treatment</b>					
4	Transitional CRR rules	CET1 capital pursuant to article 28 CRR	CET1 capital pursuant to article 28 CRR	CET1 capital (grandfathered) pursuant to article 483 CRR	AT1 capital pursuant to article 484 (4) CRR
5	Post-transitional CRR rules	CET1 capital pursuant to article 28 CRR	CET1 capital pursuant to article 28 CRR	T2 capital pursuant to article 63 CRR	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Share capital	Silent participation	Silent partner contribution	Company share (class B preferred securities)
8	Amount recognised in regulatory capital (in EUR million)	2.800	612	1.000	4
9	Nominal amount of instrument	2.800	612	1.000	45 (USD 47)
9a	Issue price	Varied	Varied	1.000	45 (USD 47)
9b	Redemption price	N/A	N/A	At carrying value	At carrying value
10	Accounting classification	Shareholders' equity (subscribed capital)	Shareholders' equity (subscribed capital)	Shareholders' equity (subscribed capital)	Liability – amortised cost
11	Original date of issuance	Varied	Varied	30.01.09	09.03.07
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	N/A	N/A	N/A	N/A
14	Issuer call subject to prior supervisory approval	No	No	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	29.01.2019; call option relating to tax or regulatory event (no earlier than 29.01.2014); redemption price: at carrying value	31.05.2017; call date at any time when relating to tax or regulatory event; redemption price: at nominal or higher market value
16	Later call dates, where applicable	N/A	N/A	Callable daily following first call date option	Callable annually on 31.05, 31.08, 30.11 and 28.02 (29.02 if Leap Year) following first call date option
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Variable	Variable	Fixed	Fixed until 31.05.2017; thereafter variable
18	Nominal coupon rate and any related index	N/A	N/A	10% p.a.	6.2032% / 3-month LIBOR + 1.98%
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Mandatory (barring any net loss for the year)	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Mandatory (barring any net loss for the year)	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	Yes
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	No	Yes	Yes	No
31	If writedown: writedown trigger(s)	N/A	Net loss for the financial year	Net loss for the financial year	N/A
32	If writedown: full or partial	N/A	Partial to full if the reserves allocable to the silent participation are insufficient to cover the loss	Partial	N/A
33	If writedown: permanent or temporary	N/A	Temporary	Temporary	N/A
34	If temporary writedown: description of writeup mechanism	N/A	Use of profit to replenish to nominal value	Writeup that is subordinate to the holders of profit participation rights and in an amount that does not lead to or increase any net loss for the financial year	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to AT1 capital instruments	Subordinate to AT1 capital instruments	Subordinate to T2 capital instruments	Subordinate to T2 capital instruments
36	Non-compliant features of the transitioned instruments	No	No	No	Yes
37	Non-compliant features				article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	AT1 capital pursuant to article 484 (4) CRR	AT1 capital pursuant to article 484 (4) CRR	AT1 capital pursuant to article 484 (4) CRR	AT1 capital pursuant to article 484 (4) CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Silent partner contribution	Silent partner contribution	Silent partner contribution	Silent partner contribution
8	Amount recognised in regulatory capital (in EUR million)	0	0	0	0
9	Nominal amount of instrument	1	5	10	5
9a	Issue price	1	5	10	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	30.05.00	27.10.00	07.06.00	14.12.01
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	31.12.18	31.12.18	31.12.18	31.12.18
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	31.12.2010; call option relating to tax or regulatory event (no earlier than 31.12.2005); redemption price: at carrying value	31.12.2010; call option relating to tax or regulatory event (no earlier than 31.12.2005); redemption price: at carrying value	31.12.2010; call option relating to tax or regulatory event (no earlier than 31.12.2005); redemption price: at carrying value	31.12.2011; call option relating to tax or regulatory event (no earlier than 31.12.2006); redemption price: at carrying value
16	Later call dates, where applicable	Callable daily following first call date option	Callable daily following first call date option	Callable daily following first call date option	Callable daily following first call date option
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	10.0% p.a.	10.0% p.a.	10.0% p.a.	8.50% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Temporary	Temporary	Temporary	Temporary
34	If temporary writedown: description of writeup mechanism	Writeup that is subordinate to the holders of profit participation rights and in an amount that does not lead to or increase any net loss for the financial year	Writeup that is subordinate to the holders of profit participation rights and in an amount that does not lead to or increase any net loss for the financial year	Writeup that is subordinate to the holders of profit participation rights and in an amount that does not lead to or increase any net loss for the financial year	Writeup that is subordinate to the holders of profit participation rights and in an amount that does not lead to or increase any net loss for the financial year
35	Position in subordination hierarchy in liquidation	Subordinate to T2 capital instruments	Subordinate to T2 capital instruments	Subordinate to T2 capital instruments	Subordinate to T2 capital instruments
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	AT1 capital pursuant to article 484 (4) CRR	AT1 capital pursuant to article 484 (4) CRR	AT1 capital pursuant to article 484 (4) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Silent partner contribution	Silent partner contribution	Silent partner contribution	Registered profit participation certifi
8	Amount recognised in regulatory capital (in EUR million)	26	1	1	16
9	Nominal amount of instrument	26	1	1	26
9a	Issue price	26	1	1	26
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	31.12.97	30.10.92	30.12.92	08.05.07
12	Perpetual or dated	Dated	Perpetual	Perpetual	Dated
13	Original maturity date	31.12.19	N/A	N/A	31.12.19
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	No
15	Optional call date, conditional call dates and redemption amount	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2002); redemption price: at carrying value	3-year maturity, first call date: 31.12.2022	3-year maturity, first call date: 31.12.2022	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value
16	Later call dates, where applicable	N/A	Callable annually on 31.12 following first call date option	Callable annually on 31.12 following first call date option	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.64% p.a.	3.51% p.a.	3.51% p.a.	5.27% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Temporary	Temporary	Temporary	Temporary
34	If temporary writedown: description of writeup mechanism	Writeup that is subordinate to the holders of profit participation rights and in an amount that does not lead to or increase any net loss for the financial year	Writeup that is subordinate to the holders of profit participation rights and in an amount that does not lead to or increase any net loss for the financial year	Writeup that is subordinate to the holders of profit participation rights and in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year
35	Position in subordination hierarchy in liquidation	Subordinate to T2 capital instruments	Subordinate to T2 capital instruments	Subordinate to T2 capital instruments	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Registered profit participation certifi	Registered profit participation certifi	Registered profit participation certifi	Registered profit participation certifi
8	Amount recognised in regulatory capital (in EUR million)	10	12	15	6
9	Nominal amount of instrument	25	20	25	10
9a	Issue price	25	20	25	10
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	26.04.07	27.04.07	27.04.07	27.04.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	31.12.18	31.12.19	31.12.19	31.12.19
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.22% p.a.	5.235% p.a.	5.235% p.a.	5.235% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Temporary	Temporary	Temporary	Temporary
34	If temporary writedown: description of writeup mechanism	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Registered profit participation certifi	Registered profit participation certifi	Registered profit participation certifi	Registered profit participation certifi
8	Amount recognised in regulatory capital (in EUR million)	0	7	15	15
9	Nominal amount of instrument	1	13	25	25
9a	Issue price	1	12	25	25
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	27.04.07	15.05.07	03.05.07	03.05.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	31.12.19	31.12.19	31.12.19	31.12.19
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.235% p.a.	5.125% p.a.	5.292% p.a.	5.292% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Temporary	Temporary	Temporary	Temporary
34	If temporary writedown: description of writeup mechanism	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR



1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Registered profit participation certifi	Registered profit participation certifi	Registered profit participation certifi	Registered profit participation certifi
8	Amount recognised in regulatory capital (in EUR million)	4	2	1	3
9	Nominal amount of instrument	10	5	2	8
9a	Issue price	10	5	2	8
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	11.05.07	11.05.07	11.05.07	18.05.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	31.12.18	31.12.18	31.12.18	31.12.18
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.242% p.a.	5.242% p.a.	5.242% p.a.	5.32% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)	Mandatory (barring any net loss for the year)
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	Cumulative	Cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Temporary	Temporary	Temporary	Temporary
34	If temporary writedown: description of writeup mechanism	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	DKB AG	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB37M5	DE000A0LHLZ4	XS0108036160	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	T2 capital pursuant to article 63 CRR	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Bearer profit participation certificate	Profit participation certificate	Subordinated bearer bond	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	143	27	26	5
9	Nominal amount of instrument	241	27	40	5
9a	Issue price	238	27	40	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	15.05.07	01.01.07	10.03.00	20.09.06
12	Perpetual or dated	Dated	Perpetual	Dated	Dated
13	Original maturity date	31.12.19	N/A	10.03.20	20.09.21
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	Call option relating to tax or regulatory event at end of a financial year (no earlier than 31.12.2012); redemption price: at carrying value	No	10.03.2010 redemption price: at carrying value	N/A
16	Later call dates, where applicable	N/A	No	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Variable	Fixed	Fixed
18	Nominal coupon rate and any related index	5.125% p.a.	4% + variable component of 3%-11%	6% p.a.	4.47% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory (barring any net loss for the year)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory (barring any net loss for the year)	Fully discretionary	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Net loss for the financial year	Net loss for the financial year	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Temporary	Temporary	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	Writeup only in an amount that does not lead to or increase any net loss for the financial year	Writeup only in an amount that does not lead to or increase any net loss for the financial year	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	No	Yes	Yes
37	Non-compliant features	article 63j, k CRR		article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	10	2	2	2
9	Nominal amount of instrument	10	15	4	6
9a	Issue price	10	15	4	6
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	19.09.06	13.09.06	19.09.06	29.09.06
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.09.24	13.09.17	19.09.19	28.09.18
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.473% p.a.	4.36% p.a.	4.375% p.a.	4.255% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The United States of America	The United States of America	The United States of America	The United States of America
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Promissory Note A	Subordinated Promissory Note B	Subordinated Promissory Note C	Subordinated Promissory Note D
8	Amount recognised in regulatory capital (in EUR million)	8	27	26	26
9	Nominal amount of instrument	11 (USD 12)	39 (USD 41)	39 (USD 41)	39 (USD 41)
9a	Issue price	3 (USD 3)	9 (USD 9)	9 (USD 9)	9 (USD 9)
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	29.09.00	29.09.00	29.09.00	29.09.00
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.04.22	15.06.22	15.09.22	15.12.22
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	Zero coupon	Zero coupon	Zero coupon	Zero coupon
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	XS0116837542	XS0116837625	XS0116837898	XS0126245066
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Zero-coupon subordinated bond	Zero-coupon subordinated bond	Zero-coupon subordinated bond	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	19	26	26	50
9	Nominal amount of instrument	29 (USD 31)	42 (USD 44)	42 (USD 44)	50
9a	Issue price	6 (USD 6)	9 (USD 9)	9 (USD 9)	50
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	05.09.00	05.09.00	05.09.00	19.03.01
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.06.23	15.09.23	15.12.23	19.03.31
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	Zero coupon	Zero coupon	Zero coupon	6.1% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	5	0	0	2
9	Nominal amount of instrument	5	2	5	9
9a	Issue price	5	2	5	9
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	07.11.06	11.01.07	26.01.07	04.01.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	08.11.21	11.01.47	26.01.17	04.01.18
14	Issuer call subject to prior supervisory approval	No	Yes	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	11.01.2017 redemption price: at carrying value	N/A	N/A
16	Later call dates, where applicable	N/A	from 11.2017 every 5 years	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.35% p.a.	5.08% p.a.	4.53% p.a.	4.335% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	0	0	0	3
9	Nominal amount of instrument	20	1	20	3
9a	Issue price	20	1	20	3
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	01.02.07	13.02.07	01.03.07	12.03.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	01.02.47	13.02.17	01.03.37	12.03.37
14	Issuer call subject to prior supervisory approval	Yes	No	Yes	No
15	Optional call date, conditional call dates and redemption amount	01.02.2017 redemption price: at carrying value	N/A	01.03.2017 redemption price: at carrying value	N/A
16	Later call dates, where applicable	from 11.2017 every 5 years	N/A	from 11.2017 every 5 years	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.08% p.a.	4.60% p.a.	5.03% p.a.	4.65% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	0	2	0	0
9	Nominal amount of instrument	2	10	5	5
9a	Issue price	2	10	5	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	13.03.07	21.03.07	23.03.07	27.03.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	13.03.47	04.01.18	23.03.17	27.03.17
14	Issuer call subject to prior supervisory approval	Yes	No	No	No
15	Optional call date, conditional call dates and redemption amount	13.03.2017 redemption price: at carrying value	N/A	N/A	N/A
16	Later call dates, where applicable	from 11.2017 every 5 years	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.01% p.a.	4.5% p.a.	4.48% p.a.	4.51% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR



1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE00BLB24U6	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated bearer bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	1	0	0	0
9	Nominal amount of instrument	26	5	20	5
9a	Issue price	26	5	20	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	29.03.07	19.04.07	02.04.07	24.04.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	29.03.17	19.04.17	02.04.47	24.04.17
14	Issuer call subject to prior supervisory approval	No	No	Yes	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	02.04.2017 redemption price: at carrying value	N/A
16	Later call dates, where applicable	N/A	N/A	from 11.2017 every 5 years	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Variable	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	100% * 10-year CMS	4.76% p.a.	5.01% p.a.	4.73% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	XS0326869665	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	1	3	162	0
9	Nominal amount of instrument	5	19	1.000	2
9a	Issue price	5	19	993	2
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	09.07.07	31.10.07	23.10.07	06.11.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	10.07.17	31.10.17	23.10.17	12.12.17
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.21% p.a.	5.625% p.a.	5.75% p.a.	5.63% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	10	1	1	1
9	Nominal amount of instrument	57	3	5	5
9a	Issue price	57	3	5	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	28.11.07	06.11.07	04.12.07	04.12.07
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	28.11.17	12.12.17	04.12.17	04.12.17
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.585% p.a.	5.63% p.a.	5.56% p.a.	5.56% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	1	1	10	6
9	Nominal amount of instrument	5	5	10	25
9a	Issue price	5	5	10	25
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	04.12.07	14.12.07	15.02.08	20.02.08
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	04.12.17	14.12.17	15.02.23	20.02.18
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.57% p.a.	5.695% p.a.	5.75% p.a.	5.23% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	11	7	6	0
9	Nominal amount of instrument	50	7	6	2
9a	Issue price	50	7	6	2
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	18.02.08	28.02.08	03.03.08	14.03.08
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	16.02.18	28.02.23	03.03.23	14.03.18
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.72% p.a.	5.88% p.a.	5.88% p.a.	5.502% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	Not eligible
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	1	0	4	5
9	Nominal amount of instrument	5	1	4	5
9a	Issue price	5	1	4	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	14.03.08	29.03.08	06.06.08	04.09.08
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.03.18	29.03.18	06.06.28	05.09.23
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.56% p.a.	5.63% p.a.	6.27% p.a.	5.95% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	Yes	Yes	Yes
37	Non-compliant features	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR	article 63j, k CRR

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	DE000BLB3QQ7
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	Not eligible	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated bond
8	Amount recognised in regulatory capital (in EUR million)	0	2	10	8
9	Nominal amount of instrument	7	2	10	8
9a	Issue price	7	2	10	8
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	30.04.07	04.08.15	04.08.15	05.08.15
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	26.04.17	04.08.25	04.08.25	05.08.25
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	N/A	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	call option relating to tax or regulatory event; redemption price: at carrying value
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.70% p.a.	3.70% p.a.	3.74% p.a.	3.73% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	Yes	No	No	No
37	Non-compliant features	article 63j, k CRR			

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB3QQ7	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated bond	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	10	5	10	1
9	Nominal amount of instrument	10	5	10	1
9a	Issue price	10	5	10	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	07.08.15	07.08.15	12.08.15	11.08.15
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	05.08.25	07.08.25	12.08.30	11.08.25
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	call option relating to tax or regulatory event; redemption price: at carrying value	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.73% p.a.	3.735% p.a.	4.09% p.a.	3.73% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				



1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	3	1	5	4
9	Nominal amount of instrument	3	1	5	4
9a	Issue price	3	1	5	4
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	25.09.15	18.08.15	18.08.15	19.08.15
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	25.09.35	18.08.25	18.08.25	19.08.25
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 22.08.2025 for repayment on 25.09.2025 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.5% p.a.	3.66% p.a.	3.68% p.a.	3.68% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	1	1	1	2
9	Nominal amount of instrument	1	1	1	2
9a	Issue price	1	1	1	2
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	26.08.15	01.09.15	01.09.15	13.08.15
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	26.08.25	01.09.25	01.09.25	13.08.35
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 11.07.2025 for repayment on 13.08.2025 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.58% p.a.	3.76% p.a.	3.76% p.a.	4.52% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	2	2	3	1
9	Nominal amount of instrument	2	2	3	1
9a	Issue price	2	2	3	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	13.08.15	13.08.15	08.09.15	14.09.15
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	13.08.35	13.08.35	08.09.27	15.09.25
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 11.07.2025 for repayment on 13.08.2025 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 11.07.2025 for repayment on 13.08.2025 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.52% p.a.	4.52% p.a.	4.0% p.a.	3.5% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB3Q89	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	10	3	10	3
9	Nominal amount of instrument	10	3	10	3
9a	Issue price	10	3	10	3
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	18.08.15	30.09.15	11.11.15	04.02.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	18.08.25	30.09.25	11.11.25	04.02.26
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	call option relating to tax or regulatory event; redemption price: at carrying value	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.75% p.a.	3.69% p.a.	3.72% p.a.	3.36% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	5	1	5	1
9	Nominal amount of instrument	5	1	5	1
9a	Issue price	5	1	5	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	08.02.16	18.02.16	04.02.16	04.02.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	08.02.36	18.02.36	04.02.36	04.02.36
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 02.01.2026 for repayment on 04.02.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 02.01.2026 for repayment on 04.02.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.85% p.a.	3.72% p.a.	4.29% p.a.	4.29% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	DE000BLB3YN8
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated bond
8	Amount recognised in regulatory capital (in EUR million)	1	5	1	5
9	Nominal amount of instrument	1	5	1	5
9a	Issue price	1	5	1	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	04.02.16	11.03.16	24.02.16	19.02.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	04.02.36	11.03.26	24.02.31	19.02.31
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 02.01.2026 for repayment on 04.02.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	call option relating to tax or regulatory event; redemption price: at carrying value
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.29% p.a.	3.28% p.a.	3.56% p.a.	3.66% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	XS1400307838	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	10	371	3	1
9	Nominal amount of instrument	10	380 (USD 400)	3	1
9a	Issue price	10	371	3	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	14.03.16	28.04.16	04.05.16	12.05.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.03.31	28.04.31	04.05.26	12.05.26
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.64% p.a.	6.10% p.a.	3.355% p.a.	3.187% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated registered bond	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	5	1	1	1
9	Nominal amount of instrument	5	1	1	2
9a	Issue price	5	1	1	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	18.05.16	18.05.16	18.05.16	18.05.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	18.05.26	18.05.29	18.05.26	18.05.26
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.2% p.a.	3.42% p.a.	3.18% p.a.	3.17% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				



1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	5	5	3	1
9	Nominal amount of instrument	5	5	3	1
9a	Issue price	5	5	3	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	18.05.16	18.05.16	20.05.16	23.05.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.05.32	18.05.26	20.05.26	23.05.31
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.655% p.a.	3.233% p.a.	3.25% p.a.	3.233% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	5	5	5	3
9	Nominal amount of instrument	5	5	5	3
9a	Issue price	5	5	5	3
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	19.05.16	26.05.16	19.05.16	19.05.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.05.36	26.05.26	19.05.36	19.05.36
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 17.04.2026 for repayment on 19.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.04.2026 for repayment on 19.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.04.2026 for repayment on 19.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.03% p.a.	3.25% p.a.	4.05% p.a.	4.05% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	1	5	1	1
9	Nominal amount of instrument	1	5	1	1
9a	Issue price	1	5	1	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	19.05.16	20.05.16	20.05.16	20.05.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.05.36	20.05.36	20.05.36	20.05.36
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 17.04.2026 for repayment on 19.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.04.2026 for repayment on 20.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.04.2026 for repayment on 20.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.04.2026 for repayment on 20.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.05% p.a.	4.06% p.a.	4.05% p.a.	4.05% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	1	1	1	1
9	Nominal amount of instrument	1	1	1	1
9a	Issue price	1	1	1	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	20.05.16	20.05.16	20.05.16	20.05.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.05.36	20.05.36	20.05.36	20.05.36
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 17.04.2026 for repayment on 20.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.04.2026 for repayment on 20.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.04.2026 for repayment on 20.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.04.2026 for repayment on 20.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.05% p.a.	4.00% p.a.	4.00% p.a.	4.00% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	5	5	5	4
9	Nominal amount of instrument	5	5	5	4
9a	Issue price	5	5	5	4
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	20.05.16	27.05.16	03.06.16	02.06.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.05.36	27.05.36	03.06.36	02.06.26
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 20.04.2026 for repayment on 20.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 27.04.2026 for repayment on 27.05.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.05% p.a.	3.83% p.a.	3.755% p.a.	2.88% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partly discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	5	2	60	11
9	Nominal amount of instrument	5	2	60	11
9a	Issue price	5	2	60	11
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	23.06.16	14.07.16	08.08.16	08.08.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	23.06.36	14.07.36	11.08.36	11.08.36
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 12.06.2026 for repayment on 14.07.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 22.05.2026 for repayment on 23.06.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 10.07.2026 for repayment on 11.08.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 10.07.2026 for repayment on 11.08.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.45% p.a.	3.43% p.a.	3.485% p.a.	3.485% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	3	1	3	0
9	Nominal amount of instrument	3	1	3	1
9a	Issue price	3	1	3	0
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	08.08.16	08.08.16	14.07.16	27.07.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	11.08.36	11.08.36	14.07.26	27.07.26
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 10.07.2026 for repayment on 11.08.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 10.07.2026 for repayment on 11.08.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.485% p.a.	3.485% p.a.	2.655% p.a.	2.60% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000LB34N0	DE000LB3452	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	7	16	2	2
9	Nominal amount of instrument	7	16	2	2
9a	Issue price	7	16	2	2
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	15.07.16	26.07.16	13.10.16	20.10.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.07.36	28.07.36	13.10.26	20.10.26
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 15.06.2026 for repayment on 15.07.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 26.06.2026 for repayment on 27.07.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.45% p.a.	3.50% p.a.	2.76% p.a.	2.74%
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				



1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	4	5	3	1
9	Nominal amount of instrument	4	5	3	1
9a	Issue price	4	5	3	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	20.10.16	10.11.16	29.12.16	20.10.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.10.26	10.11.36	29.12.36	20.10.36
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 27.11.2026 for repayment on 29.12.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 18.09.2026 for repayment on 20.10.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.78%	3.3%	3.85%	3.46%
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated registered bond	Subordinated registered bond	Subordinated Schuld-schein loan	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	2	5	1	5
9	Nominal amount of instrument	2	5	1	5
9a	Issue price	2	5	1	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	25.11.16	08.12.16	02.11.16	13.10.16
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	25.11.31	10.12.29	02.11.26	13.10.36
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 11.09.2026 for repayment on 13.10.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.34%	3.32%	2.85%	3.58%
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	DKB AG	DKB AG	DKB AG	DKB AG
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	1	1	0	0
9	Nominal amount of instrument	5	3	2	2
9a	Issue price	5	3	2	2
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	18.10.05	11.11.05	11.11.05	06.03.06
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	18.10.17	10.11.17	10.11.17	06.03.18
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	No	No	No	No
16	Later call dates, where applicable	No	No	No	No
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.9% p.a.	4.08% p.a.	4.08% p.a.	4.17% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	DKB AG	DKB AG
2	Unique identifier	DE000BLB4RV3	DE000BLB4TE5	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated bond	Subordinated bond	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	5	5	0	2
9	Nominal amount of instrument	5	5	3	10
9a	Issue price	5	5	3	10
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	14.10.16	18.11.16	13.10.05	14.10.05
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.10.36	18.11.36	13.10.17	13.10.17
14	Issuer call subject to prior supervisory approval	Yes	Yes	No	No
15	Optional call date, conditional call dates and redemption amount	Call option up to 14.09.2026 for repayment on 15.10.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 19.10.2026 for repayment on 18.11..2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	No	No
16	Later call dates, where applicable	N/A	N/A	No	No
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.55%	3.85%	3.91% p.a.	3.91% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	DKB AG	DKB AG	DKB AG	DKB AG
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	1	1	3	1
9	Nominal amount of instrument	3	1	5	1
9a	Issue price	3	1	5	1
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	19.11.10	21.10.05	21.10.05	10.03.10
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.11.18	21.10.19	21.10.19	10.03.20
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	No	No	No	No
16	Later call dates, where applicable	No	No	No	No
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.2% p.a.	4.065% p.a.	4.065% p.a.	6% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	DKB AG	DKB AG	DKB AG	DKB AG
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	3	3	1	3
9	Nominal amount of instrument	4	5	2	5
9a	Issue price	4	5	2	5
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	12.03.10	13.04.10	12.05.10	02.06.10
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	12.03.20	14.04.20	12.05.20	02.06.20
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	No	No	No	No
16	Later call dates, where applicable	No	No	No	No
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	6% p.a.	6% p.a.	6% p.a.	5.67% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	DKB AG	DKB AG	DKB AG	DKB AG
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	4	4	1	1
9	Nominal amount of instrument	5	5	1	2
9a	Issue price	5	5	1	2
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	07.07.10	21.07.10	07.09.10	07.09.10
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	07.07.20	21.07.20	07.09.20	07.09.20
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	No	No	No	No
16	Later call dates, where applicable	No	No	No	No
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.56% p.a.	5.55% p.a.	5.24% p.a.	5.24% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	DKB AG	DKB AG	DKB AG	DKB AG
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan	Subordinated Schuld-schein loan
8	Amount recognised in regulatory capital (in EUR million)	4	4	6	2
9	Nominal amount of instrument	5	5	8	2
9a	Issue price	5	5	8	2
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	09.11.10	14.12.10	20.01.06	20.01.06
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	09.11.20	14.12.20	20.01.21	20.01.21
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	No	No	No	No
16	Later call dates, where applicable	No	No	No	No
	<b>Coupons/Dividends</b>				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.43% p.a.	5.95% p.a.	4.115% p.a.	4.115% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				



1	Issuer	DKB AG	DKB AG	DKB AG	DKB AG
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
<b>Regulatory treatment</b>					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	2	2	2	8
9	Nominal amount of instrument	2	2	2	10
9a	Issue price	2	2	2	10
9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	25.01.06	25.01.06	25.01.06	25.01.06
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	25.01.21	25.01.21	25.01.21	25.01.21
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	No	No	No	No
16	Later call dates, where applicable	No	No	No	No
<b>Coupons/Dividends</b>					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.15% p.a.	4.15% p.a.	4.17% p.a.	4.15% p.a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	DKB AG	DKB AG	DKB AG
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	<b>Regulatory treatment</b>			
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	6	8	0
9	Nominal amount of instrument	7	10	1
9a	Issue price	7	10	1
9b	Redemption price	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	27.01.06	27.01.06	16.02.07
12	Perpetual or dated	Dated	Dated	Dated
13	Original maturity date	27.01.21	27.01.21	16.02.17
14	Issuer call subject to prior supervisory approval	No	No	No
15	Optional call date, conditional call dates and redemption amount	No	No	No
16	Later call dates, where applicable	No	No	No
	<b>Coupons/Dividends</b>			
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.2% p.a.	4.19% p.a.	5.05% p.a.
19	Existence of a dividend stopper	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes
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34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No
37	Non-compliant features			

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# List of abbreviations

ABCP	asset-backed commercial paper	IRBA	Internal Ratings-Based approach
ABS	asset-backed securities	ISDA	International Swaps and Derivatives Association
AT1	Additional Tier 1 capital	JPY	Japanese yen
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)	KWG	Kreditwesengesetz (German Banking Act)
BCBS	Basel Commission on Banking Supervision	LGD	loss given default
BCM	Business Continuity Management	LTI	long-term incentive
CCF	credit conversion factor	MAR	Market Abuse Regulation
CCP	central counterparty	MaRisk	Mindestanforderungen an das Risikomanagement (Minimum Requirements for Risk Management)
CCR	counterparty credit risk	MaSan	Mindestanforderungen an die Ausstattung von Sanierungsplänen (Minimum Requirements for the Design of Recovery Plans)
CDO	credit debt obligation	MbO	Management by Objectives
CDS	credit default swap	MR	market risk
CEO	Chief Executive Officer	OpRisk	operational risk
CET1	Common Equity Tier 1 capital	OpVaR	operational VaR
CFO	Chief Financial Officer	OSA	OpRisk self-assessment
CHF	Swiss franc	OTC	over-the-counter
CMBS	commercial mortgage-backed securities	PD	probability of default
COO	Chief Operating Officer	PfandBG	Pfandbriefgesetz (German Pfandbrief Act)
COREP	Common Solvency Ratio Reporting	PLL	portfolio loan loss provisions
CR	credit risk	PVBP	price value of a basis point
CRD IV	Capital Requirements Directive IV	RMBS	residential mortgage-backed securities
CRM	credit risk mitigation techniques	RW	risk weighting
CRO	Chief Risk Officer	RWA	risk-weighted assets
CRR	Capital Requirements Regulation	SA	standardised approach
CRRM	Central Reputational Risk Management	SAG	Sanierungs- und Abwicklungsgesetz (German Recovery and Resolution Act)
CRSA	Credit Risk Standardised Approach	SFA	supervisory formula approach
CVA	credit valuation adjustment	SFT	securities financing transactions
DRRM	Decentralised Reputational Risk Management	SLLP	single loan loss provisions
EBA	European Banking Authority	SME	small and medium-sized enterprises
ECAI	External Credit Assessment Institution	SPV	special-purpose vehicle
ECB	European Central Bank	SREP	Supervisory Review and Evaluation Process
EL	expected loss	SSM	Single Supervisory Mechanism
EU	European Union	STI	short-term incentive
EUR	euro	T2	Tier 2 capital
FVA	funding value adjustment	UCIs	undertakings for collective investment
GBP	British pound sterling	UK	United Kingdom
HGB	Handelsgesetzbuch (German Commercial Code)	US(A)	United States (of America)
IAA	internal assessment approach	USD	US dollar
ICAAP	Internal Capital Adequacy Assessment Process	VaR	value at risk
IFRS	International Financial Reporting Standards	WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)
IMA	internal models approach		
InstitutsVergV	Institutsvergütungsverordnung (German Remuneration Ordinance for Institutions)		

Bayerische Landesbank  
Brienner Strasse 18  
80333 Munich  
Germany  
[www.bayernlb.com](http://www.bayernlb.com)

