Disclosure Report as at 31 March 2016

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

Bayern LB

Preliminary remarks

This disclosure report, which refers to the period from 1 January 2015 to 31 March 2015, has been drafted in accordance with EBA/GL/2014/14 of 23 December 2014 and 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).

By publishing this information, BayernLB meets the intrayear disclosure requirements for institutions with a total exposure measure exceeding EUR 200 billion. As at 31 March 2016, this figure is approximately EUR 238 billion for BayernLB.

The report contains quantitative information on the
- own funds
- own funds requirements
- capital ratios
- leverage ratio

of the BayernLB Group. All the data published herein take into account the 2015 financial statements.

The variation of regulatory capital in the first quarter of 2016 mainly results from repaying another EUR 1.3 billion in state aid to the Free State of Bavaria.

The data in this report have not been audited.

Note:
The last unit in the tables may be rounded to the nearest digit.

Own funds structure

EUR million	31 Mar 2016	31 Dec 2015
CET1 capital before regulatory adjustments	9,568	11,023
Regulatory adjustments	−552	−486
Common Equity Tier 1 (CET1) capital	**9,016**	**10,537**
Additional Tier 1 capital before regulatory adjustments	345	350
Regulatory adjustments	−101	−102
Additional Tier 1 (AT1) capital	**244**	**248**
Tier 1 capital (T1 = CET1 + AT1)	**9,260**	**10,785**
Tier 2 capital before regulatory adjustments	1,345	1,467
Regulatory adjustments	−57	−38
Tier 2 (T2) capital	**1,288**	**1,429**
Total capital (TC = T1 + T2)	**10,548**	**12,214**

Own funds requirements for CRR reporting

EUR million	31 Mar 2016 Own funds requirements	31 Mar 2016 RWA	31 Dec 2015 Own funds requirements	31 Dec 2015 RWA
Credit risk	**4,748**	**59,365**	**4,829**	**60,363**
• Standardised approach	**298**	**3,720**	**342**	**4,275**
– Central governments and central banks	61	757	61	757
– Regional or local authorities	0	1	0	1
– Public authorities	2	20	3	35
– Multilateral development banks	–	–	–	–
– International organisations	–	–	–	–
– Institutions	8	97	3	39
– Corporates	55	691	66	821
– Retail	47	582	48	605
– Exposures secured by real estate	18	220	19	236
– Impaired exposures	9	114	9	109
– Exceptionally high-risk exposures	45	567	80	1,001
– Covered bonds	–	–	–	–
– Securitisation exposures	2	21	2	23
– Exposures to institutions and corporates with short-term credit rating	–	–	–	–
– Undertakings for collective investment (UCIs)	0	5	0	4
– Investment risks	45	561	45	561
– Other items	7	84	7	84
• IRB approach	**4,438**	**55,484**	**4,474**	**55,923**
– Central governments and central banks	99	1,241	103	1,288
– Institutions	521	6,519	490	6,129
– Corporates	3,323	41,546	3,362	42,024
– Retail	366	4,574	374	4,677
Exposures secured by real estate, SMEs	12	150	13	168
Exposures secured by real estate, non-SMEs	209	2,607	219	2,743
Qualified revolving	19	242	20	248
Other, SMEs	22	280	23	288
Other, retail	104	1,296	98	1,229
– Investment risks	70	879	85	1,066
Simple investment approach	70	879	85	1,066
Risks from private venture capital in sufficiently diversified portfolios	21	267	34	419
Exchange-traded investment risks	3	32	3	32
Other investment risks	46	580	49	616
PD/LGD approach	–	–	–	–
Internal model approach	–	–	–	–
– Securitisation exposures	27	341	28	354
– Other non-credit-obligation assets	31	384	31	384
• Exposure to contributions to a CCP default fund	**13**	**161**	**13**	**165**
Settlement and delivery risk	**–**	**–**	**–**	**–**

	31 Mar 2016		31 Dec 2015	
EUR million	Own funds requirements	RWA	Own funds requirements	RWA
Market risk	**287**	**3,594**	**264**	**3,296**
• Standardised approach	**287**	**3,594**	**264**	**3,296**
– Traded debt instruments	236	2,947	215	2,683
of which securitisation exposures	–	–	–	–
– Equity	3	43	3	37
– Foreign exchange	42	530	39	486
– Commodities	6	73	7	91
• Internal model approach	**–**	**–**	**–**	**–**
Operational risk	**339**	**4,233**	**390**	**4,870**
• Basic indicator approach	**–**	**–**	**–**	**–**
• Standardised approach	**339**	**4,233**	**390**	**4,870**
• Advanced Measurement approaches (AMA)	**–**	**–**	**–**	**–**
Additional exposure amount due to fixed overheads	**–**	**–**	**–**	**–**
Credit valuation adjustment (CVA) risk	**93**	**1,159**	**86**	**1,077**
• Advanced method	**–**			
• Standardised method	**93**	**1,159**	**86**	**1,077**
• Based on the original exposure method	**–**	**–**	**–**	**–**
Risk relating to large exposures in the trading book	**–**	**–**	**–**	**–**
Other exposures	**–**	**–**	**–**	**–**
Total	**5,467**	**68,350**	**5,568**	**69,606**

Capital ratios

in %	31 Mar 2016	31 Dec 2015
Common Equity Tier 1 capital (CET1) ratio	13.2	15.1
Tier 1 ratio (T1 ratio)	13.6	15.5
Total capital ratio (TC ratio)	15.4	17.6

Leverage ratio

The ratio is calculated based on the requirements of COMMISION DELEGATED REGULATION (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio.

EUR million	31 Mar 2016	31 Dec 2015
Tier 1 capital (T1 – phase-in)	9,260	10,785
Total exposure values	237,914	230,674
Leverage ratio (phase-in)	3.9%	4.7%

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