

# Disclosure Report as at 31 March 2017

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

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# Preliminary remarks

This disclosure report as at 31 March 2017 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 EBA Guidelines on materiality, proprietary and confidentiality and on disclosure frequency (EBA/GL/2014/14) and the EBA Guidelines on disclosure requirements under CRR (EBA/GL/2016/11).

By publishing this information, BayernLB Group meets the intra year disclosure requirements for institutions with a total exposure measure exceeding EUR 200 billion and the requirements of EBA Guideline EBA/GL/2016/11. As at 31 March 2017 the total exposure measure is approximately EUR 242 billion for BayernLB Group.

This report contains quantitative information regarding

- own funds
- own funds requirements
- capital ratios
- leverage ratio

of the BayernLB Group.

The data in this report have not been audited.

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**Note:**

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

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# Own funds

The following table shows the Common Equity Tier 1 capital, the additional Tier 1 capital and the Tier 2 capital as well as the related regulatory adjustments of the BayernLB Group.

## Own funds structure

EUR million	31 Mar 2017	31 Dec 2016
CET1 capital before regulatory adjustments	10,089	10,100
Regulatory adjustments	-486	-536
<b>Common Equity Tier 1 (CET1) capital</b>	<b>9,603</b>	<b>9,564</b>
Additional Tier 1 capital before regulatory adjustments	28	31
Regulatory adjustments	-28	-31
<b>Additional Tier 1 (AT1) capital</b>	<b>0</b>	<b>0</b>
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>9,603</b>	<b>9,564</b>
Tier 2 capital before regulatory adjustments	1,578	1,542
Regulatory adjustments	-21	-47
<b>Tier 2 (T2) capital</b>	<b>1,557</b>	<b>1,495</b>
<b>Total capital (TC = T1 + T2)</b>	<b>11,160</b>	<b>11,059</b>

# Own funds requirements

## Own funds requirements

The following table shows an overview of RWAs and the corresponding own funds requirements. The table is based on EBA Guideline EBA/GL/2016/11.

### OV1 – Overview of RWAs

EUR million	RWAs		Minimum capital requirements
	31 Mar 2017	31 Dec 2016	31 Mar 2017
<b>Credit risk (excluding CCR)</b>	<b>54,322</b>	<b>53,511</b>	<b>4,346</b>
• of which the standardised approach	3,414	3,160	273
• of which the foundation IRB (FIRB) approach	45,816	45,206	3,665
• of which the advanced IRB (AIRB) approach	3,718	3,781	297
• of which equity IRB under the simple risk-weighted approach or the IMA	951	934	76
<b>Counterparty credit risk (CCR)</b>	<b>4,138</b>	<b>4,112</b>	<b>331</b>
• of which mark to market	3,150	2,987	252
• 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	104	96	8
• of which CVA	884	1,029	71
<b>Settlement risk</b>	<b>3</b>	<b>–</b>	<b>0</b>
<b>Securitisation exposures in the banking book (after the cap)</b>	<b>362</b>	<b>364</b>	<b>29</b>
• of which IRB approach	–	–	–
• of which IRB supervisory formula approach (SFA)	1	2	0
• of which internal assessment approach (IAA)	343	344	27
• of which standardised approach	18	18	1
<b>Market risk</b>	<b>2,978</b>	<b>2,986</b>	<b>238</b>
• of which standardised approach	2,978	2,986	238
• of which IMA	–	–	–
<b>Large exposures</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Operational risk</b>	<b>3,884</b>	<b>4,233</b>	<b>311</b>
• of which basic indicator approach	–	–	–
• of which standardised approach	3,884	4,233	311
• of which advanced measurement approach	–	–	–
<b>Amounts below the thresholds for deduction (subject to 250% risk weight)*</b>	<b>1,113</b>	<b>1,014</b>	<b>89</b>
<b>Floor adjustment</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>65,687</b>	<b>65,206</b>	<b>5,255</b>

\* For information only

The table below shows the variations in RWAs for credit risk under IRBA between 31 December 2016 and 31 March 2017. The table is based on EBA-Guideline EBA/GL/2016/11.

**CR8 – RWA flow statements of credit risk exposures under the IRB approach**

EUR million	RWA	Capital requirements
<b>RWAs as at 31 Dec 2016</b>	<b>48,986</b>	<b>3,919</b>
Asset size	1,022	82
Asset quality	-426	-34
Model updates	-	-
Methodology and policy	-	-
Acquisitions and disposals	-	-
Foreign exchange movements	-48	-4
Other	-	-
<b>RWAs as at 31 Mar 2017</b>	<b>49,534</b>	<b>3,963</b>

**Capital ratios**

The following table shows the capital ratios with the CRR transition rules (phase-in) applied, and the accounting effects from the financial year 2016.

**Capital ratios**

in %	31 Mar 2017	31 Dec 2016
Common Equity Tier 1 capital (CET1) ratio	14.6	14.7
Tier 1 ratio (T1 ratio)	14.6	14.7
Total capital ratio (TC ratio)	17.0	17.0

# Leverage Ratio

The ratio is calculated based on the requirements of COMMISSION 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.

## Leverage Ratio

EUR million	31 Mar 2017	31 Dec 2016
Tier 1 capital (T1 - phase-in)	9,603	9,564
Total exposure measure	241,673	227,098
Leverage Ratio (phase-in)	4.0%	4.2%

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