Disclosure Report as at 31 December 2018

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

BayernLB

Contents

Preliminary remarks

This disclosure report as at 31 December 2018 has been drafted in accordance with the supervisory provisions under Part Eight of the CRR (Capital Requirements Regulation/Regulation (EU) No 575/2013), 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 with the EBA Guidelines on disclosure requirements under the CRR (EBA/GL/2016/11).

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. The disclosure report is part of the Bank's process map and internal control system. The disclosure process is regulated using clear-cut responsibilities and control mechanisms for the data to be published in the disclosure report. The operative specialist instructions are furthermore regulated in functional plans. The disclosure report is released for publication by way of resolution by the Board of Management.

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. It is available 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.

International Financial Reporting Standard 9 was introduced on 1 January 2018. The BayernLB Group has not made use of the supervisory transitional provisions for the first-time effects from IFRS 9 pursuant to article 473a 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 does not appear in this report has 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 the rest of 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 rounds out the business model by providing retail banking services as an online bank and as a specialist for infrastructure and business customers.

BayernLB's Mittelstand operations are focused on Germany, with additional activities in the bordering countries of Austria and Switzerland. 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. BayernLB offers products that go far beyond traditional credit financing, tailoring them to the needs of its customers in the areas of acquisition & leveraged finance, export and trade finance, documentary business, interest and currency management, derivatives, payment services and leasing. The Bank furthermore uses its extensive know-how to help Mittelstand companies export to new markets and to subsidise loans.

But BayernLB also prides itself on its successful and long-term relationships with large German and large, select international customers. Among these are DAX, MDAX and family-owned companies with annual sales of at least EUR 1 billion. The Bank's core competencies are traditional and structured credit financing such as working capital, capex and trade financing. BayernLB also sees its customers through their business endeavours worldwide, be it through currency and interest rate hedging, traditional trade financing, project and export financing or transportation finance, particularly for rolling stock and aircraft 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.

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 focuses on commercial real estate financing and services. The regional focus is on Germany, although the Bank also engages in activities abroad to diversify its portfolio and risks. In the commercial real estate area, products include financing for existing real estate assets, project development, housing developers and real estate portfolios. In the managed real estate area, the focus is mainly on financing concepts for hotels, logistics centres, hospitals, clinics and care homes and syndicated financing with banks and savings banks. To serve customers under one roof, the Bank makes extensive use of its working relationship with subsidiaries and affiliates, such as Real I.S. AG, BayernGrund Grundstücksbeschaffungs- und -erschließungs-GmbH, Munich, Bayerische Landesbank Immobilien-Beteiligungs-Gesellschaft mbH & Co. KG, Munich (BayernImmo), LB Immobilienbewertungsgesellschaft mbH, Munich (LBImmo-Wert) and Bayern Facility Management GmbH, Munich (BayernFM).

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.

BayernLB's Financial Institutions Group (FIG) has customer relationships around the world, especially in Europe, North America and Asia, with banks, insurance companies, pension funds, home loan savings banks and asset managers. It provides tailored financing solutions, transaction banking services and financial markets products, as well as asset management and Master KVG solutions developed by BayernInvest. In its business with European (re)insurance companies, BayernLB is a leading bank, especially when it comes to letters of credit. The Bank enjoys broad-based market access to institutional investors – a major pillar in securing its funding. The FIG furthermore actively manages BayernLB's network of correspondent banks, not least in the interest of the Bank's corporate customer business and savings banks customer group.

Thanks to its subsidiary DKB, "your bank on the web", BayernLB already boasts around 4 million retail customers. DKB specialises in infrastructure and corporate customers, in addition to retail banking. Its expertise extends especially to financing and investment products in the environmental technology, residential, municipal, social infrastructure, health services, education & research, energy, utilities and other segments.

As an entity charged with implementing government housing policy, BayernLabo provides financial support, in conformity with the state aid provisions of the European Community, for measures aimed at improving and strengthening Bavaria's housing and settlement structure. As a municipal bank of the Free State of Bavaria, BayernLabo moreover carries out financing activities for Bavarian local authorities and public-sector special purpose associations.

Business Strategy

The foundation of BayernLB's business model is its overarching strategy. This strategy sets out to achieve growth for the Bank in its promising core business, long-term stability, efficiency and flexibility, a clear focus on customers and an enhanced cooperation between the Group companies.

To ensure long-term competitiveness and establish a key cornerstone of its future direction, BayernLB has defined a set of overarching strategic goals which are based on this strategy. These goals, in turn, are: a target-oriented internationalisation within the current risk guidelines, ensured profitability of the business model, a selective digitalisation of the sales channels and operating model, high-margin volume growth, and an increased use of capital-preserving sources of income that are also independent of interest rates so as to improve profitability.

BayernLB's framework 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 product and service range that is aligned with customers' needs, a high degree of customer satisfaction and the systematic expansion of the target customer base.
- The strategic financial objectives are a secured capital and cost base, a stabilised capital ratio and profitability, and an increased net commission income.
- The strategic process-related objectives are 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 the risk statement pursuant to the CRR, is based on the Business Strategy and is reviewed regularly. It is set by the Board of Management and discussed with the Risk Committee of the Supervisory Board. The general objectives and guidelines 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 for 2018:

- Ensure on a sustainable basis that the amount and quality of capital are appropriate from both a regulatory and an economic perspective
- Ensure the BayernLB Group is solvent at all times
- Achieve sustainable earnings using value-based management of RWAs
- 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
- Maintaining a risk culture that promotes the identification of and a conscious approach to risks and ensures that decision-making processes produce results which are also balanced from a risk perspective
- Sales and Risk units are jointly responsible for earnings after risk provisions
- The BayernLB Group applies high ethical principles in its business activities

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 major risks at the BayernLB Group are credit risk, market risk, including risk from pension obligations, operational risk, investment risk, risk of a rise in the cost of liquidity, and business and strategic risk, including reputational risk.

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. In this way, risk-bearing capacity is ensured even in stress scenarios.

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 2018.

The maximum risk appetite at Group level in 2018 for the risk types was thus EUR 7.6 billion (FY 2017: EUR 8.0 billion) and corresponds to 66.5 percent (restated FY 2017: 74.2 percent) of the available economic capital (EUR 11.4 billion (restated FY 2017: EUR 10.8 billion)).

The maximum risk appetite is allocated among the material risks mentioned above. A large portion of it goes towards credit risk, which has the highest risk capital requirement. The risk appetite amount also includes a strategic buffer which can be drawn from in times of peak utilisation, subject to separate approval by the Board of Management.

For more information, see the section “Internal Capital Adequacy Assessment Process (ICAAP)”.

Separate sub-risk strategies are in place for the material risks. In addition to the overarching Risk Strategy there are namely 17 sub-risk strategies:

- credit risk
- market risk
- pension risk
- liquidity risk
- operational risk
  - legal risk
  - compliance risk
  - tax law risk
  - fraud risk
  - information security risk
  - outsourcing risk
  - process risk
  - model risk
- business and strategic risk
  - earnings concentration risk
- participation risk
- reputational risk

The sub-risk strategies contain qualitative and quantitative objectives that define the options for hedging and minimising these individual risks. This means that risks are accepted to a certain degree and are otherwise capped/limited, reduced or avoided altogether. These strategies also cite measures for monitoring adherence to the objectives. The risk strategies furthermore address how risk concentrations are to be dealt with, i.e. limited. The sub-risk strategies are created by the risk units, which are also responsible for monitoring adherence to the objectives. Their findings are stated in the risk reports submitted to the Board of Management and the Supervisory Board.

The measures that are taken for hedging and minimising risks are scrutinised in terms of their effectiveness either on a daily basis (such as is the case for market price limits) or monthly, as part of the risk reporting process (see the section "Size and nature of the risk reporting system"). In addition, the degree to which the objectives have been achieved (as determined in a deviation analysis) are integrated accordingly into the risk-strategic objectives for the following year.

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.

The framework for the risk culture is equally important as BayernLB's mission and anchored values. The risk culture of BayernLB and the BayernLB Group prescribes how risk awareness and conduct is practised at BayernLB. It adheres to a policy of: "tone from the top", as an open and cooperative management philosophy; "accountability", for a keen risk awareness in day-to-day thinking and action; "effective communication and challenge", to encourage critical dialogue; and "incentives", that is, ensuring that incentives are in line with the risk appetite.

Structure and organisation

The organisation of the committees and boards below the Board of Management reflects a new European regulatory structure led by the ECB, involving the Single Supervisory Mechanism (SSM) and Supervisory Review and Evaluation Process (SREP), both of which are used by the ECB. The objective is to make 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. Pursuant to the Statutes, the Supervisory Board elects one of its members as Chairperson and at least one of its other members as Deputy Chairperson. These members are proposed by the General Meeting.

These legal provisions have been complied with in full: As at 31 December 2018 the Supervisory Board comprises eleven members – two 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 the legal to various business fields, in particular the financial sector. 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.

For further information, please refer to the brief profiles on the members of the Supervisory Board, in the appendix.

Of the eleven Supervisory Board members, nine had tenures that ended in April 2018, including that of the Chairman of the Supervisory Board, Gerd Haeusler.

In the new elections in April 2018, the owners sought to sustain the breadth of knowledge among the Supervisory Board members in exercising their right to propose a candidate. There is no female quota for representation on the Supervisory Board. However, concerted efforts are being made to raise the percentage of women on committees (see the section "Diversity in the Board of Management and the Supervisory Board"). The new elections in 2018 have resulted in the addition of one woman.

In addition to Mr Haeusler's mandate, the tenures of Professor Rudolph, Mr Lazik and Dr Klein also ended on 12 April 2018.

Dr Wolf Schumacher, Ms Judith Steiner, Mr Harald Hübner and Mr Jan-Christian Dreesen were appointed as new members of the Supervisory Board of BayernLB. Dr Wolf Schumacher assumed the role of chairman on 12 April 2018.

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 six times in financial year 2018.

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, via 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 six times in financial year 2018.

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 three times in financial year 2018.

The Executive and Nominating Committee carries out the tasks assigned to it. The meetings it convened centred on (regulatory) aspects of corporate governance and on 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 eleven times in financial year 2018.

The Compensation Committee monitors among other things the appropriateness of the compensation schemes for members of the Board of Management and employees, in particular employees who have a significant impact on BayernLB's total risk profile. In financial year 2018 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 2018

	Number of executive functions	Number of supervisory functions
Dr Wolf Schumacher (Chairman of the Supervisory Board since April 2018)	–	3
Walter Strohmaier	1	2
Jan-Christian Dreesen (member of the Supervisory Board since April 2018)	1	2
Dr Roland Fleck	1	2
Dr Ute Geipel-Faber	–	4
Dr Kurt Gribl	–	2
Harald Hübner (member of the Supervisory Board since April 2018)	–	3
Dr Thomas Langer	–	2
Henning Sohn	–	1
Judith Steiner (member of the Supervisory Board since April 2018)	–	3
Stephan Winkelmeier	1	2

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

Board of Management

BayernLB's 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.

The following strategy forms the basis for the selection of members of the Board of Management (see the section “Diversity in the Board of Management and the Supervisory Board”):

- 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 following elements are essentially included in this profile:
  – 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
  – theoretical and practical knowledge of regulation and risk management as well as of business management
  – 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 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 proposed to the Supervisory Board and nominated for appointment as a member of the Board of Management. During the decision-making process, the nomination will be submitted to the banking supervisory authorities to have the candidate’s suitability and eligibility verified.

For more information on the Board of Management membership, please refer to the brief profiles on the Board of Management members in the appendix.

Number of executive and supervisory functions vested in the members of the Board of Management (monitoring mandates) for institutions as at 31 December 2018

	Number of executive functions	Number of supervisory functions
Dr Johannes-Jörg Riegler	2*	2
Dr Edgar Zoller	2*	1
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 Supervisory Board of BayernLB has reached an agreement with CEO Dr Johannes-Jörg Riegler that his contract expiring on 28 February 2019 will not be renewed. The Supervisory Board is following a structured process to find a suitable successor.

In its meeting on 20 March 2019, the Supervisory Board of BayernLB appointed Stephan Winkelmeier as the institution's new CEO. Mr Winkelmeier shall assume his new position no later than 1 August 2019. Until then, BayernLB will continue to be led on an interim basis by Dr Edgar Zoller, who will return to his function as deputy CEO once Stephan Winkelmeier takes over.

Diversity in the Board of Management and the Supervisory Board

At BayernLB, diversity is a key success factor. A broad range of opinions, views and experience is conducive to reaching well-balanced decisions and sustaining the Bank's success over the long term. Suitable candidates for the Board of Management and the Supervisory Board are selected and appointed based on the Statutes of BayernLB. The following diversity aspects, however, are also considered:

– Gender: When taking a decision on filling a seat in its governing body, BayernLB always considers above all the professional and personal qualifications of the candidates. There is no quantitative target for BayernLB's Supervisory Board and Board of Management in terms of the under-represented gender. However, concerted efforts continue to be made to raise the percentage of the under-represented gender in the Board of Management and the Supervisory Board.
– Education and professional background: A major criterion at BayernLB when selecting candidates to fill seats in its Board of Management and Supervisory Board is the breadth of their education and professional experience in such fields as IT, finance, business administration, human resources, the natural sciences, communication or law, as well as their experience in the main activities carried out by the respective board.
– Age: BayernLB is striving for a balanced age structure within the Board of Management and the Supervisory Board so as to ensure the continuity of the work of their committees and to enable a smooth succession planning. It has set the following upper limit, in terms of age, for the Supervisory Board members: The members of the Supervisory Board shall generally not be older than 69 years of age at the time of their (re)appointment.
– Geographical experience: Due to the partly international nature of its business activities, BayernLB also takes into consideration the geographical background and experience of the candidates for membership on the Supervisory Board or Board of Management, the aim being to cover the key regions.

Board committees

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.

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 that include BayernLB, assesses potential recovery situations, discusses the main quantitative procedures and methods for managing and monitoring the material risks (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 changes to major 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 (boards)

At senior management level, boards generally act across the segments, without any direct involvement by the Board of Management.

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

The tasks of the Project & Investment Board, chaired by the head of the Organisation Division, 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.

Apart from the CFO/COO of BayernLB and the heads of the divisions within the Operating Office and the Financial Office, the CFO/COO Board also consists of at least one representative each from DKB, BayernInvest, Real I.S. and Bayern Card-Services. 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 Office and the 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 lending 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. The Credit Risk Board comprises representatives of the front and back office units of BayernLB and DKB.

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 members of the Investment Board for the Corporates & Mittelstand Business Area are the respective division heads Corporate Finance, Global Structured & Trade Finance, Global Corporates, Mittelstand and Sales & Origination, and the head of the Business Development & Management Department. 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 Business Area comprises the heads of the Real Estate, Group Treasury and Risk Office Credit Analysis Divisions. Responsibility includes 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 Risk Office, Credit Consulting, Financial Office, and Operating Office Central Areas, as well as the Corporate Center.

Risk Office

The Risk Office of BayernLB comprises the Group Risk Control, RO Credit Analysis, Mid Office, Group Compliance and Research Divisions.

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

In addition to periodic and ad hoc reporting on BayernLB’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 Group 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 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, frees up the Sales and Credit Analysis units to concentrate on their primary tasks, and with its standardised, lean processes, makes a key contribution to boosting customer business and achieving the planned business growth.

The Group Compliance Division monitors and ensures compliance with legal and supervisory requirements, in addition to managing reputational and fraud risk. It also coordinates the compliance activities of the subsidiaries.

The Research Division is responsible for risk assessment of countries and sectors, and issues economic analyses and forecasts, and also capital market studies and recommendations (including 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.

The Functional Data Department reports directly to the Chief Risk Officer and is essentially responsible for managing data quality and requirements, the data quality report and data governance. The head of the department acts as Chief Data Officer.

The Group Regulatory Office department reports directly to the Chief Risk Officer and acts as the central point of contact at the working level for the BayernLB Group with banking supervisory authorities such as the ECB, BaFin and the Deutsche Bundesbank.

Credit Consulting

The Credit Consulting Division looks after the restructuring and liquidation exposures. 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 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 providing guidance on national and international developments in accounting.

The Financial Office 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 resolutions 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 Organisation, Operations & Services and Group IT Divisions.

Organisation issues instructions as the central risk management function for non-financial risk process management / internal control system, outsourcing risk, information security, business continuity management and data protection. The division is also responsible for bank governance, central purchasing, project portfolio management and, since 2018, a newly created organisational unit for enshrining forward-looking issues within the Bank.

Operations & Services deals with processing payments, trading transactions, foreign currency notes and coins and physical precious metals, and also building management.

Group IT is responsible for providing IT governance functions and IT services, and for the strategic management of the IT units in all foreign branches and strategic participations.

Corporate Center

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, BayernLB can forego its own auditing activities in cases of material outsourcing arrangements, 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 & BoM Support, Group Strategy & Group Communications, and 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 on a quarterly basis, 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 receives updates on the risk profile each month in a brief report. 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 serves 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.

The Credit Consulting Division looks after the restructuring and liquidation exposures. The division performs the roles of both the Sales units and the Risk Office for the exposures assigned to it.

The credit risks are monitored independently by the risk-controlling units of the respective subsidiary. Reporting at the BayernLB Group takes place monthly and centrally, through BayernLB's Group Risk Control Division.

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.

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. The Supervisory Board's Risk Committee decides on all loans 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 RSU Rating Service Unit GmbH & Co. KG and Sparkassen Rating und Risikosysteme GmbH. All rating procedures are subject to a regular validation process to ensure they are able to correctly determine the default probabilities in each customer and financing segment. Validation includes both quantitative and qualitative analyses of the rating factors and the overall model. The accuracy and calibration of the procedures, and the data quality and the design of the models, are examined using statistical and qualitative analyses and user feedback from daily application.

The procedures 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) drawdown 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 market value is taken as the starting point for collateral valuation. It 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. The different resolution scenarios (resolution, restructuring and recovery) are considered. These models are likewise updated and refined 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 quantifies default and migration 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. Finally, settlement risks, defaulted positions and effects from uncertainty in determining loss ratios are 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

The aim of the early warning system is to identify negative changes in the risk profile of a business partner at an early stage, so as to be able to undertake suitable measures in good time to reduce the risk. To achieve this objective, a list of various risk signals has been created to give a reliable early warning of a deterioration in risk. The risk signals fall into quantitative, automatic signals (e.g. based on market price information about business partners or exposure data from feeder systems) and qualitative signals that have to be entered manually in the early warning system based on the expert opinion of relationship managers and analysts.

Under the defined, system-driven early warning process the analysts, who are given the information by the signal, react promptly and appropriately, i.e. the business partner is assigned a support type appropriate to the risk situation and, if necessary, steps are taken to improve the situation.

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 and strategy). These customers are individually listed in the quarterly internal Risk Report with their Group limit and gross credit volume.

Sector and country limits

To manage risk concentrations, 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. Limits are set by BayernLB's Board of Management or can be delegated by it, based in part on an analysis of the sector, country and portfolio structure and a vote taken under the lead of the RO Credit Analysis Division. In addition to sector and country limits, the Board of Management also sets or approves as delegated 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 directives which also set out any discounts to be applied, along with the valuation intervals. 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 as part of an intensive support or problem loan-handling process at an early stage, BayernLB aims to minimise or completely prevent losses from occurring.

BayernLB defines forbearance exposures as problem loans in the substandard and doubtful categories. 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 in the form of refinancing/restructuring and/or if the original terms and conditions of the loan agreement are modified (e.g. a deferral, waiver or standstill agreement).

Exposures cease to be reported as in forbearance if all of the following criteria apply:
- They have not been classified as non-performing (master 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 suspension 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

Group Risk Control is responsible for setting standards and internal risk 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.

Organisation

Group Risk Control is responsible for setting standards and internal risk 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.

Strategy

The goal is to hold a core portfolio of investments that support the BayernLB Group's business activities. The integral components of the BayernLB Group's core shareholding portfolio remain Deutsche Kreditbank AG and the other Group strategic subsidiaries: BayernInvest Kapital-verwaltungsgesellschaft mbH and Real I.S. AG Gesellschaft für Immobilien Assetmanagement. The BayernLB Group would like to dispose of its remaining non-core investments.

The Group investment risk strategy, derived from the overarching BayernLB Group Risk Strategy, forms the framework for handling the risks of investments. 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 direct investments held by BayernLB. Key factors in this regard are risk-based early warning indicators and the assessment of the maximum potential loss.

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

Compatible processes apply to DKB. This is also built into the entire Group strategy, planning, management and monitoring process.

For CRR/CRD IV reporting, investment risks are measured using the simple risk weighting method.

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

The risks from direct investments are identified using the relevant procedures (classification and early warning) and reported to the Board of Management.

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 parameters (correlations and 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 (known as actual market risks). 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.

Strategy

The Risk Strategy sets out the strategic 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.

In accordance with the current Business and Risk Strategy, market risks are only assumed as a result of transactions on behalf of customers and related hedging transactions. Moreover, market risks may also result from transactions for liquidity management, asset/liability management or the non-core businesses.

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. Both contractual and legal termination rights on loan transactions are modelled as options and incorporated into the risk calculation. Market risks that are not covered by the VaR limit calculation are taken into account by alternative risk assessment methods (e.g. stress test estimates). When estimating the interest rate risk from external credit margins, BayernLB takes a risk premium into account. The interest rate risk in external credit margins is shown in the daily VaR at DKB.

Pension risks (risks from pension liabilities) are calculated using a scenario-based approach. As a result of the declining volatility in the discount rate, the risk model has worked with the intended minimum fluctuation approach since October 2017.

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 2018, the forecasting quality of the market risk measurement methods used at BayernLB, in accordance with the Basel traffic light approach, was classified as good.

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, following which 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 takes particular account of market liquidity risk – the risk of having to close out risk positions on financial terms that are less favourable than had been expected. Valuation discounts for market liquidity-relevant factors (e.g. bid-ask spreads), which are relevant for accounting and reporting, are also modelled.

In addition to the present value risk measurement methods described above, net interest income risk also involves calculating the risk of a change in net interest income (NII) in the banking book. This is carried out assuming various interest rate scenarios based on business trends over the next 12 months.

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 sales 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. Risk monitoring always covers both trading book and banking book holdings.

Pension risks are monitored monthly. The actual market risks are monitored independently by the risk-controlling units of the respective subsidiary. Market risks are included in the daily Group-wide risk reporting. 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 these regulatory requirements, this ensures risks are reconciled daily and reported to those responsible for positions. If a VaR limit is breached, appropriate measures are taken 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.

In particular, 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 2018, 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 as the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. This includes legal risks.

In 2018 the following non-financial risks were identified as material operational risks during the risk inventory carried out pursuant to MaRisk: legal risk, comprising general legal risk, compliance risk and tax law risk; fraud risk; information security risk (including cyber risk); outsourcing risk; and process and model risk.

General legal risk is the risk that the Bank will incur losses as a result of (actual or alleged) non-compliance with applicable legal regulations. This includes breaches of contractual arrangements and erroneous contractual provisions. Legal risk arises from errors in the application of the law, amongst other things, especially when entering into contracts.

Compliance risk is a component of legal risk and includes the risk that the Bank will incur losses as a result of non-compliance with applicable legal regulations.

Tax law risk, which falls under legal risk, is the risk arising from BayernLB breaching applicable tax law.

Fraud risk covers the risk of a loss being incurred for the BayernLB Group due to punishable actions, whether carried out internally or externally.

Information security risk describes the risk relating to the availability, integrity and confidentiality of information. It is derived from the individual data protection requirements.

Outsourcing risk arises when errors are made in agreements with outsourcing companies, performance is poor or the outsourcing company defaults.

Process risk is the risk that may arise as a result of processes that are poorly structured or carried out or when interfaces in procedures are insufficiently defined.

Model risk is the risk of loss that may arise when using results or basing decisions on results from models that are incorrect or incorrectly used.

Organisation

The Group Risk Control Division has the authority to establish guidelines for all methods, processes and systems to quantify operational risks. The requisite minimum standards for calculating and measuring operational risks and losses are based on the supervisory regulations in effect for the BayernLB Group.

Operational risk is organised in multiple layers. The Operational Risk Team assumes the function of central OpRisk controller ("ZORC") at Bank level and, at Group level, the ZORC tasks, competencies and responsibilities. The unit is thus in charge of, among other things, setting the OpRisk controlling standards and reporting the operational risks to the Board of Management. The Operational Risk Team also organises and conducts OpRisk self-assessments, monitors and evaluates the findings of the scenario analyses, carries out the quality assurance for all reporting-relevant OpRisk events and draws up reports. The decentralised OpRisk managers ("DORMs") at the individual business areas and central areas assist their respective division managers in preparing the reports that provide the necessary transparency, ensuring the required data quality and in reporting to central OpRisk management. The primary responsibility rests with the respective division manager.

The OpRisk-relevant Group members calculate their losses, risks and scenarios independently, but on the basis of the prescribed minimum standards, and report this data to the ZORC. Shared interfaces and processes are in place for the tangential non-financial units so as to enable an ongoing exchange of information and thus cross-divisional risk management.

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 the losses incurred at BayernLB and DKB, the external losses collected via a data consortium, potential operational risks collected as part of the OpRisk self-assessment and the BayernLB and DKB scenario analyses (potential losses) drawn up for significant risks. The calculation is based on a loss distribution approach, using a confidence level of 99.95 percent. The key model assumptions and parameters used in the model are reviewed once a year. As at 31 December 2018 the risk capital requirement for the BayernLB Group was EUR 537 million (FY 2017: EUR 484 million).

The results of the OpRisk self-assessment, which was further improved and repeated in 2018, will be used as a database for future OpRisk management activities (e.g. managing measures and developing early warning indicators) and for quantifying operational risks. As part of the OpRisk self-assessment the results of Group-internal risk analyses of individual non-financial risks (e.g. information security risk) are taken into consideration.

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

Risk monitoring

Operational risks are managed and monitored both centrally in Group Risk Control and, for non-financial risks, decentrally in the responsible divisions (e.g. the Legal Services & BoM Support Division for legal risks).

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

Increased attention was paid in 2018 to identifying the risks that caused losses. This made it possible to identify risk concentrations, which were taken into account when managing non-financial risks to support risk control.

Operational risks at the BayernLB Group are reported to the Board of Management monthly as part of the regular reporting on risk and on an ad hoc basis if material losses occur. The operational risk loss situation and trends and the resulting measures taken and capital charges form a major part of the regular reporting.

Operational risks are included in stress analyses and the monitoring of risk-bearing capacity across all types of risk, and integrated into the overall management of risk and the Risk Strategy.

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 activities and resources.

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

The BCM requirements form part of the Group Risk Strategy and are given concrete form in the BCM Group Risk Strategy, which the subsidiaries set out in their BCM strategies, reflecting the supervisory 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 part of BCM reporting the business continuity officer reports regularly to the member of the Board of Management responsible for BCM on compliance with standards by the subsidiaries.

Managing reputational risks

Definition

How parties with a legitimate interest in the BayernLB Group view the Group and its members in terms of their 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 BayernLB's Group Compliance Division. The "Central Reputational Risk Managers (CRRM)" at the individual Group members (BayernLB, DKB and other Group members 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.

Strategy

How BayernLB handles reputational risk is anchored in its reputational risk strategy for the Group, and its reputational risk strategy for BayernLB, and in 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 in any material way (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 its moral compass, the BayernLB Group only takes action that fulfils both of these conditions.

Risk measurement

Reputational risks are subjected to qualitative 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 other Group members that are relevant in terms of reputational risk. 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 report.

LI3 – Consolidation matrix

	Regulatory treatment				Consolidation under IFRS		
Name	Fully consolidated	Proportionally consolidated	Deduction method (CET1 deduction)	Risk-weighted investments	Full	At equity	Not consolidated
Institutions							
• BayernLB, Munich (parent company)	x				x		
• Deutsche Kreditbank Aktiengesellschaft, Berlin[1]	x				x		
Asset management companies							
• BayernInvest Kapitalverwaltungsgesellschaft mbH, Munich	x				x		
• Real I.S. AG Gesellschaft für Immobilien Assetmanagement, Munich[2]	x				x		
Ancillary services undertakings							
• Bayern Card-Services GmbH - S-Finanzgruppe	x				x		
Financial institutions							
• BayernLB Mittelstandsfonds GmbH & Co. Unternehmensbeteiligungs KG, Munich	x						x
• BayernLB Private Equity GmbH, Munich	x						x

1 Subsidiaries included in the Deutsche Kreditbank Aktiengesellschaft sub-group: DKB Finance GmbH, DKB Grund GmbH, DKB Service GmbH, FMP Forderungsmanagement Potsdam GmbH, MVC Unternehmensbeteiligungsgesellschaft mbH
2 Including Real I.S. Investment GmbH

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 – and 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 banks.

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.

Differences in the basis of consolidation for accounting and regulatory purposes

In accordance with the requirements of article 436 of the CRR in conjunction with section 4.4 of the EBA guidelines EBA/GL/2016/11, the differences between the consolidated balance sheet and the "prudential" balance sheet on a consolidated basis are disclosed below. The distribution of the amounts to the various risk types is also shown.

The disclosures are based on figures from the annual financial statements of the BayernLB Group as at 31 December 2018 in accordance with the International Financial Reporting Standards (IFRS). The figures for the scope of consolidation under commercial law are supplemented by the consolidation effects of the prudential scope of consolidation. As at 31 December 2018, no subsidiaries under commercial law were deconsolidated for regulatory purposes (cf. Table LI3).

LI1 – Regulatory and accounting scope of consolidation and reconciliation to regulatory risk categories

	a	b	c	d	e	f	g
			Carrying values of items				
EUR million	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash reserves	3,335	3,335	3,335	–	–	1,548	–
Loans and advances to banks	36,610	36,612	31,059	5,486	–	6,354	65
Loans and advances to customers	138,872	138,872	136,027	836	1,761	10,151	–
Risk provisions	–1,043	–1,043	–	–	–	–	–1,043
Portfolio hedge adjustment assets	407	407	–	–	–	–	407
Assets held for trading	12,335	12,335	26	7,856	–	11,524	–
Positive fair values from derivative financial instruments (hedge accounting)	512	512	–	512	–	26	–
Financial investments	25,465	25,472	25,472	–	–	5,709	–
Investment property	29	29	29	–	–	–	–
Property, plant and equipment	342	342	342	–	–	5	–
Intangible assets	85	85	–	–	–	–	85
Current tax assets	16	16	16	–	–	–	–
Deferred tax assets	696	696	545	–	–	–	151
Other assets	2,565	2,566	384	247	–	2,003	180
Total assets	**220,227**	**220,236**	**197,234**	**14,938**	**1,761**	**37,319**	**–155**
Liabilities							
Liabilities to banks	54,060	54,060	–	3,820	–	2,843	47,782
Liabilities to customers	93,479	93,474	–	518	–	2,043	90,913
Securitised liabilities	45,469	45,469	–	–	–	2,814	42,654
Liabilities held for trading	8,225	8,225	46	6,796	–	7,847	1
Negative fair values from derivative financial instruments (hedge accounting)	766	766	–	766	–	52	–
Provisions	4,251	4,251	–	–	–	–	4,251
Current tax liabilities	275	275	–	–	–	–	275
Other liabilities	522	539	–	5	–	44	490
Subordinated capital	1,925	1,925	–	–	–	391	1,534
Equity	11,255	11,251	–	–	–	–	11,251
Total liabilities	**220,227**	**220,236**	**46**	**11,905**	**–**	**16,036**	**199,151**

The effects of the prudential consolidation play only a minor role in the “prudential” balance sheet and mainly relate to the following balance sheet items: financial investments, liabilities to customers, other liabilities and equity.

In line with BayernLB’s business alignment, the majority of the asset items on the balance sheet are subject to the regulatory credit risk framework. For the trading assets and liabilities, own funds requirements are calculated mainly in accordance with Part Three, Title IV of the CRR (Own Funds Requirements for Market Risk). These items are shown in column f (items subject to the market risk framework). The other asset items allocated to the risk category market risk are mostly receivables and financial investments in foreign currencies. The risk provisions and portfolio hedge adjustment assets items do not constitute items to be directly backed with own funds and are therefore allocated to column g. Intangible assets and deferred tax assets deducted from capital are also shown in column g.

Liabilities are mostly allocated to column g, as they do not constitute items to be backed with own funds. One exception to this are items denominated in foreign currencies; like the liabilities held for trading, these are subject to the market risk framework. In addition, liability items that are subject to counterparty credit risk pursuant to Part Three, Title II, Chapter 6 of the CRR are allocated to the CCR framework. Most of these items are derivatives transactions, consideration from securities financing transactions and collateral received for derivatives transactions.

Contingent claims resulting from the underlying values of derivatives in trading assets and liabilities are shown in the credit risk framework.

Because a balance sheet item can be allocated to multiple regulatory risk types, the total of the partial amounts allocated to the individual frameworks usually exceeds the corresponding balance sheet item. Asset and liability items in foreign currencies tend to be allocated to multiple regulatory risk types.

LI2 – Differences between balance sheet figures under commercial law and regulatory exposure values

	a	b	c	d	e
		Items subject to			
EUR million	Total[3]	Credit risk framework	CCR framework	Securitisation framework	Market risk framework
Assets carrying value amount under the scope of regulatory consolidation	220,391	197,234	14,938	1,761	37,319
Liabilities carrying value amount under the regulatory scope of consolidation	21,085	46	11,905	–	16,036
Total net amount under the regulatory scope of consolidation	199,306	197,188	3,033	1,761	21,283
Off-balance-sheet amounts[1]	61,654	26,576	1,010	1,113	–
Differences in the valuation of counterparty credit risk exposures including that of the effect from deviating netting rules	7,122	815	6,327	–	–
Differences in the valuation of participations and subsidiaries	106	106	–	–	–
Differences in the valuation von POCI	129	129	–	–	–
Differences in the valuation of securities financing transactions	761	–	761	–	–
Differences resulting from the regulatory treatment of market risk positions[2]	2,718	–	–	–	–17,927
Other deviations	94	92	–	–	–
Exposure amounts considered for regulatory purposes	**271,890**	**224,906**	**11,131**	**2,874**	**3,356**

1 Off-balance-sheet amounts shown in column a are before, and those shown in columns b to e are after, offsetting of conversion factors (CCF).

2 Column a does not include any regulatory market risk positions (MRP) as these are not balance sheet items. Column a thus shows only MRPs which underlie a balance sheet item.

3 Excluding column e.

The regulatory amount shown for credit risk and securitisation risk is the exposure value before credit risk mitigation, while for market risk it is the exposure value after risk mitigation due to netting for counterparty credit risk or the risk-weighted exposure value (RWAs).

Balance sheet items that are not backed with own funds (column g) are not included in Table LI2 and accordingly reduce the total amount in column a.

The main differences between the balance sheet figure under commercial law and the regulatory exposure value include the following:

- Regulatory weighting of off-balance sheet items:
  These are essentially: commitments given, guarantee credits, sureties and guarantees issued and liquidity facilities for securitisations.
- Prudential treatment of items with counterparty credit risk:
  This particularly relates to the weighting of recognised netting agreements for securities financing transactions and derivatives transactions, potential future replacement values in accordance with article 274 of the CRR, and to the treatment of exposures to a central counterparty.
- Differences in the valuation methods for equity investments and subsidiaries:
  This particularly means differences due to on-balance sheet valuation adjustments as at the end of the year (year-end adjustments).

- Difference in the POCI approaches:
  The difference is due to the fact that the financial assets are already impaired when they are recognised in the balance sheet for the first time, while under supervisory law they are recognised at nominal value, and the difference is treated as a risk provision.
- Differences in the securities financing transaction approaches:
  This applies to securities lending transactions, which, under supervisory law and in contrast to accounting rules (disclosure under issuer risk only), are accounted for both as issuer risk and as counterparty risk.
- Other deviations are, above all, differences in the commercial law treatment and the prudential treatment of deferred tax assets, different measurement approaches and specific credit risk adjustments when calculating exposure values in accordance with article 111 of the CRR (CRSA).

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 and various supervisory adjustments and deductions. Additional Tier 1 capital comprises 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 ratio (ratio of Common Equity Tier 1 capital to RWAs) and the total capital ratio (ratio of own funds to RWAs) for BayernLB. 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.

In the planning process, regulatory capital is distributed to each planning unit based on the RWA component. The planning units (Group units) are the defined business areas and divisions of BayernLB, as well as BayernLabo and DKB.

Risk-weighted assets (RWAs) 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 14 percent. Compliance with the RWA limits available to each Group unit is constantly monitored by the Performance & Capital Committee. 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 a result of the outcome of the SREP, BayernLB was assigned a total capital ratio of 10 percent on a consolidated basis and taking into account the transitional provisions in 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.

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, irrevocable payment obligations and also certain adjustments (prudent valuation). These must be deducted in full from CET1 capital.

Additional Tier 1 capital (AT1 capital)

Additional Tier 1 capital comprises dated silent partner contributions.

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.

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 are also included.

As at 31 December 2018, the own funds of the BayernLB Group were as follows:

Own funds structure (based on balance sheet figures)

		31 Dec 2018		31 Dec 2017	
EUR million		31 Dec 2018	Pre-CRR-treatment residual amount	31 Dec 2017	Pre-CRR-treatment residual amount
Common Equity Tier 1 (CET1) capital: instruments and reserves					
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	5,815		5,098	
3	Accumulated other comprehensive income (and other reserves)	592		930	
3a	Funds to general banking risk				
4	Grandfathered instruments			–	
	of which: public-sector capital injections grandfathered until 1 January 2018			–	
5	Minority interests (amount allowed in consolidated CET1)	–	–	–	–
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	–		–	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**10,296**		**9,916**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments					
7	Prudent valuation pursuant to Article 105 CRR	–47	–	–74	–
8	Intangible assets (net of related tax liability)	–85	–	–69	–17
9	[In the EU: blank field]				
10	Deferred tax assets that rely on future profitability	–151	–	–78	–20
11	Fair value reserves related to gains or losses on cash flow hedges	–	–	–	–
12	Negative amounts resulting from the calculation of expected loss amounts	–9	–	–169	–42
13	Equity increase resulting from securitised assets	–	–	–	–
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	67	–	–71	–
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	–	–	–	–
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]				

	EUR million	31 Dec 2018	31 Dec 2018 Pre-CRR-treatment residual amount	31 Dec 2017	31 Dec 2017 Pre-CRR-treatment residual amount
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	–	–	–	–
	Other deductions from CET1	−98	–	–	–
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			−51	
	of which: deductions and filters for unrealised losses (revaluation surplus)			–	
	of which: deductions and filters for unrealised gains (revaluation surplus)			−51	
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	–		−11	
28	**Total regulatory adjustments to Common Equity (CET1) Tier 1 capital**	**−323**		**−523**	
29	**Common Equity Tier 1 (CET1) capital**	**9,973**		**9,393**	
Additional Tier 1 (AT1) capital: instruments					
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	–		–	
33	Grandfathered instruments	1		27	
	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	–		–	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**1**	–	**27**	–

EUR million		31 Dec 2018		31 Dec 2017	
		31 Dec 2018	Pre-CRR-treatment residual amount	31 Dec 2017	Pre-CRR-treatment residual amount
Additional Tier 1 (AT1) capital: regulatory adjustments					
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			−38	
	of which: losses for the current financial year			–	
	of which: intangible assets			−17	
	of which: negative amounts resulting from the calculation of expected loss amounts			−21	
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	–		11	
43	**Total regulatory adjustments to additional Tier 1 (AT1) capital**	**0**		**−27**	
44	**Additional Tier 1 (AT1) capital**	**1**		**0**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**9,974**		**9,393**	
Tier 2 (T2) capital: instruments and reserves					
46	Capital instruments and the related share premium accounts	995		877	
47	Grandfathered instruments	317		430	
	of which: public-sector capital injections grandfathered until 1 January 2018			–	
48	Instruments qualifying as Tier 2 capital issued by subsidiaries	40	–	76	–
49	of which: instruments issued by subsidiaries subject to phase-out	–		–	
50	Credit risk adjustments	–		–	
51	**Tier 2 (T2) capital before regulatory adjustments**	**1,352**		**1,384**	

		31 Dec 2018		31 Dec 2017	
	EUR million	31 Dec 2018	Pre-CRR-treatment residual amount	31 Dec 2017	Pre-CRR-treatment residual amount
Tier 2 (T2) capital: regulatory adjustments					
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			–	
	of which: negative amounts resulting from the calculation of expected loss amounts				
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			–	
	Other transitional adjustments to Tier 2 capital	–		−21	
	IRB excess of provisions over expected losses eligible	139		–	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**139**		**−21**	
58	**Tier 2 (T2) capital**	**1,491**		**1,362**	
59	**Total capital (T1 + T2)**	**11,465**		**10,756**	
Risk assets before adjustments					
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	–		–	
60	**Total risk-weighted assets**	**65,594**		**61,420**	

	EUR million	31 Dec 2018 31 Dec 2018	31 Dec 2018 Pre-CRR-treatment residual amount	31 Dec 2017 31 Dec 2017	31 Dec 2017 Pre-CRR-treatment residual amount
Capital ratios and buffers					
61	Common Equity Tier 1 capital ratio	15.2%		15.3%	
62	Tier 1 capital ratio	15.2%		15.3%	
63	Total capital ratio	17.5%		17.5%	
64	Institution-specific buffer requirement	2.6%		1.6%	
65	of which: capital conservation buffer requirements	1.9%		1.3%	
66	of which: countercyclical buffer requirements	0.0%		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)	0.7%		0.3%	
68	Common Equity Tier 1 capital available to meet buffers	10.7%		10.8%	
69	[Not relevant to EU directive]				
70	[Not relevant to EU directive]				
71	[Not relevant to EU directive]				
Capital and buffers					
72	Direct and indirect holdings by the institution of capital instruments of financial-sector entities in which the institution has no significant investment	111		102	
73	Direct and indirect holdings by the institution of CET1 instruments of financial-sector entities in which the institution has a significant investment	97		95	
74	[In the EU: blank field]				
75	Deferred tax assets arising from temporary differences	483		460	
Applicable caps on the inclusion of provisions in Tier 2 capital					
76	Credit risk adjustments included in T2 capital in respect of exposures subject to the standardised approach	–		–	
77	Cap on inclusion of credit risk adjustments in T2 capital under the standardised approach	20		43	
78	Credit risk adjustments included in T2 capital in respect of exposures subject to the Internal Ratings-Based approach	–		–	
79	Cap on inclusion of credit risk adjustments in T2 capital under the Internal Ratings-Based approach	334		303	
Capital instruments subject to phase-out arrangements (only applicable between 1 January 2013 and 1 January 2022)					
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	590		738	
83	Amount excluded from AT1 due to cap	–		–	
84	Current cap on T2 instruments subject to phase-out arrangements	1,738		2,172	
85	Amount excluded from T2 due to cap	–		–	

The sharp rise in Common Equity Tier 1 (CET1) capital of EUR 580 million compared to 31 December 2017 is due in particular to the high net profit for the year 2018.

Tier 2 capital (T2) increased by EUR 123 million compared with 31 December 2017. The decline resulting from the maturity and daily amortisation of Tier 2 capital components was more than compensated in 2018 through the raising of another approximately EUR 102 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. All discrepancies between the two scopes of consolidation as at 31 December 2018 are due to the two shareholdings "BayernLB Mittelstandsfonds GmbH & Co. Unternehmensbeteiligungs KG" and "BayernLB Private Equity GmbH", which for regulatory purposes must be consolidated as financial companies.

Reconciliation from the consolidated balance sheet to the "prudential" balance sheet

Assets EUR million	**Consolidated balance sheet as at 31 Dec 2018**	**Impact of consolidation/ deconsolidation**	**"Prudential" balance sheet as at 31 Dec 2018**	**Reference**
Cash reserves	3,335	–	3,335	
Loans and advances to banks	36,610	1	36,612	
Loans and advances to customers	138,872	–	138,872	
Risk provisions	–1,043	–	–1,043	
Portfolio hedge adjustment assets	407	–	407	
Assets held for trading	12,335	–	12,335	
Positive fair values from derivative financial instruments (hedge accounting)	512	–	512	
Financial investments	25,465	7	25,472	
Investment property	29	–	29	
Property, plant and equipment	342	–	342	
Intangible assets	85	–	85	1
Current tax assets	16	–	16	
Deferred tax assets	696	–	696	
Other assets	2,565	1	2,566	
Total assets	**220,227**	**9**	**220,236**	

Liabilities EUR million	**Consolidated balance sheet as at 31 Dec 2018**	**Impact of consolidation/ decon-solidation**	**“Prudential” balance sheet as at 31 Dec 2018**	**Reference**
Liabilities to banks	54,060	–	54,060	
Liabilities to customers	93,479	–4	93,475	
Securitised liabilities	45,469	–	45,469	
Liabilities held for trading	8,225	–	8,225	
Negative fair values from derivative financial instruments (hedge accounting)	766	–	766	
Provisions	4,251	–	4,251	
Current tax liabilities	275	–	275	
Other liabilities	522	17	539	
Subordinated capital	1,925	–	1,925	
Subordinated liabilities	1,449	–	1,449	2
Profit participation certificates (debt component)	430	–	430	3
Dated contributions of silent partners (debt component)	46	–	46	4
Equity	11,255	–4	11,251	
Subscribed capital	3,412	–	3,412	
Statutory nominal capital	2,800	–	2,800	5
Capital contribution	612	–	612	6
Hybrid capital instruments	21	–	21	
Profit participation certificates (equity component)	19	–	19	7
Dated contributions of silent partners (equity component)	2	–	2	8
Capital surplus	2,182	–	2,182	9
of which: premium on subscribed capital	476	–	476	10
Retained earnings	5,442	–4	5,439	11
of which: revaluation surplus of defined benefit plans	–1,119	–	–1,119	12
Revaluation surplus	4	–	4	13
Foreign currency translation reserve	2	–	2	14
Consolidated profit/loss	175	–	175	
Profit/loss attributable to non-controlling interests	18	–	18	
Total liabilities	**220,227**	9	**220,236**	

Reconciliation from the “prudential” balance sheet to regulatory capital

EUR million		31 Dec 2018	Reference
Common Equity Tier 1 capital (CET1): instruments and reserves			
Capital instruments and related premium		**3,888**	
Share capital	2,800		5
Share premium	476		10
Capital contribution	612		6
Retained earnings		**5,815**	
Retained earnings including benefit plans	5,439		11
Removal of negative remeasurement of defined benefit plans	1,119		12
Regulatory adjustment[1]	−743		
Other retained earnings		**1,705**	
Capital surplus	2,182		9
Less premium on subscribed capital	−476		10
Cumulative other income		**−1,113**	
Revaluation surplus	4		13
Foreign currency translation reserve	2		14
Revaluation surplus from benefit plans	−1,119		12
Common Equity Tier 1 (CET1) capital before regulatory adjustments		**10,296**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
Prudent valuation pursuant to Article 105 CRR		**−47**	
Intangible assets		**−85**	1
Deferred tax assets dependent on future profitability		**−151**	
Negative amounts resulting from the calculation of expected loss amounts		**−9**	
Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		**67**	
Fair value gains and losses on derivative liabilities of the institution that result from changes in the own credit standing of the institution		**–**	
Other deductions from CET1		**−98**	
Regulatory adjustments pursuant to Article 26 para. 2 CRR		**–**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments		**−323**	
Common Equity Tier 1 capital (CET1)		**9,973**	
Additional Tier 1 capital: instruments			
Grandfathered instruments		**1**	
Dated silent partner contributions (equity component)	2		8
Dated silent partner contributions (debt component)	46		4
Regulatory maturity adjustment	−47		
Other regulatory adjustments	–		
Additional Tier 1 (AT1) capital		**1**	
Tier 1 capital (T1 capital)		**9,974**	
Tier 2 capital: instruments			
Instruments		**1,312**	
Subordinated liabilities[2]	1,357		2
Profit participation certificates (debt component)[2]	402		3
Profit participation certificates (equity component)	19		7
Regulatory maturity adjustment	−376		
Other regulatory adjustments[3]	−90		

EUR million	31 Dec 2018		Reference
Instruments issued by subsidiaries		**40**	
Subordinated liabilities and profit participation certificates	118		
Regulatory maturity adjustment	−58		
Minority interests	−20		
IRB excess of provisions over expected losses eligible		**139**	
Tier 2 capital		**1,491**	
Total capital		**11,465**	

1 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

2 Excluding instruments issued by subsidiaries

3 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 entities. The aim of ICAAP is to ensure that there is sufficient economic capital at all times for the risks assumed or planned.

For risk management, the BayernLB Group follows a liquidation-based approach in ICAAP that is designed to protect senior creditors. This is computed using internal target standards 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 those items that are not available in the event of the liquidation of the BayernLB Group (e.g. intangible assets) from the sum of equity and subordinated capital.

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 maximum risk appetite at Group level for the risk types in 2018 was EUR 7.6 billion (FY 2017: EUR 8.0 billion) and corresponds to 66.5 percent (restated FY 2017: 74.2 percent) of the available economic capital (EUR 11.4 billion (restated FY 2017: EUR 10.8 billion)).

The risk capital requirement as at 31 December 2018 can be broken down as follows:

Risk capital requirements

EUR million	31 Dec 2018	31 Dec 2017
Credit risk	1,703	1,385
Market risk	1,832	1,658
• of which actual market risk	862	705
• of which pension risk	970	953
Operational risk	537	484
Investment risk	134	138
Business and strategic risk (includes reputational risk)	624	799
Liquidity cost risk	282	249
Total	**5,112**	**4,713**

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 risk-bearing capacity calculation 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. They also take into account potential threat scenarios for the BayernLB Group that might be triggered by external crisis situations (e.g. a euro crisis).

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 from a liquidation perspective and the going-concern scenario are quantified on a routine and ad hoc basis, and 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 conducted under ICAAP are closely tied to the 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 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.

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

BayernLB uses the mark-to-market method to determine the exposure value for the calculation of own funds requirements from the counterparty credit risk for derivatives. The standardised method is used when calculating own funds requirements for the risk of a credit valuation adjustment (CVA risk).

Besides the internal rating procedure and the ratings-based approach, BayernLB uses the supervisory formula approach to calculate capital requirements from securitisations.

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

Table OV1, below, shows how the own funds requirements and the RWA are broken down in terms of regulatory approach, risk type and exposure class.

OV1 – Overview of risk-weighted assets (RWAs)

	RWA		Minimum capital requirements
EUR million	31 Dec 2018	30 Sep 2018	31 Dec 2018
Credit risk (excluding CCR)	**54,960**	**54,045**	**4,397**
• of which the standardised approach	1,367	1,254	109
– Central governments or central banks	1	1	0
– Regional governments or local authorities	2	2	0
– Public sector entities	40	39	3
– Multilateral development banks	–	–	–
– International organisations	–	–	–
– Institutions	17	35	1
– Corporates	455	384	36
– Retail exposures	538	544	43
– Exposures secured by mortgages on immovable property	84	92	7
– Exposures in default	80	66	6
– Exposures associated with particularly high risk	–	–	–
– Covered bonds	–	1	–
– Exposures to institutions and corporates with a short-term credit assessment	–	–	–
– Exposures in the form of units or shares in collective investment undertakings (CIUs)	79	19	6
– Equity exposures	–	–	–
– Other items	71	71	6
• of which the foundation IRB (FIRB) approach	47,290	46,290	3,783
– Central governments and central banks	1,891	1,714	151
– Institutions	5,324	4,892	426
– Corporates – SMEs	10,776	10,860	862
– Corporates – Specialised lending	9,144	12,775	731
– Corporates – Others	20,155	16,050	1,612
• of which the advanced IRB (AIRB) approach	3,893	3,963	311
– Retail – Secured by immovable property – SMEs	125	127	10
– Retail – Secured by immovable property – non-SMEs	1,299	1,395	104
– Retail – Qualifying revolving	174	172	14
– Retail – Other SMEs	253	263	20
– Retail – Other retail	2,041	2,006	163
• of which equity exposures	2,042	2,165	163
– Simple risk-weighted approach	1,813	1,931	145
Private equity exposures	1,212	1,269	97
Exchange-traded equity exposures	122	120	10
Other equity exposures	479	541	38
– Equity exposures subject to other risk weights	229	235	18
– PD/LGD approach	–	–	–
– IMA	–	–	–
• Other non-credit obligation assets	368	372	29

EUR million	RWA		Minimum capital requirements
	31 Dec 2018	30 Sep 2018	31 Dec 2018
Counterparty credit risk (CCR)	**3,085**	**3,216**	**247**
• of which mark to market	1,915	1,865	153
• of which original exposure	–	–	–
• of which standardised approach	–	–	–
• of which internal model method (IMM)	–	–	–
• of which financial collateral simple and comprehensive method	441	565	35
• of which risk exposure amount for contributions to the default fund of a CCP	41	53	3
• of which CVA	687	733	55
Settlement risk	**0**	**–**	**0**
Securitisation exposures in the banking book (after the cap)	**423**	**366**	**34**
• of which IRB approach	–	–	–
• of which IRB supervisory formula approach (SFA)	1	1	0
• of which internal assessment approach (IAA)	407	350	33
• of which standardised approach	15	16	1
Market risk	**3,356**	**3,302**	**269**
• of which standardised approach	3,356	3,302	269
• of which IMA	–	–	–
Large exposures	**–**	**–**	**–**
Operational risk	**3,770**	**3,770**	**302**
• of which basic indicator approach	–	–	–
• of which standardised approach	3,770	3,770	302
• of which advanced measurement approach	–	–	–
Amounts below the thresholds for deduction (subject to 250% risk weight)*	**1,450**	**1,443**	**116**
Floor adjustment	**–**	**–**	**–**
Total	**65,594**	**64,700**	**5,248**

** for information only*

In the fourth quarter, BayernLB updated its means of identifying specialised lending. This is now disclosed separately only when the respective business partner has been assessed using a special rating procedure and denoted in the system as specialised lending. The rise in RWAs in the fourth quarter was the result of the controlled expansion of business (see also table CR8).

Table CR10 shows the on-balance sheet and off-balance sheet amounts for IRB equities under the simple risk-weighted approach, as well as their exposure value, the RWAs and the capital requirements. As BayernLB has no specialised lending under the slotting approach, the table below is restricted to equities.

CR10 – IRB equities under the simple risk-weighted approach

Categories EUR million	**On-balance-sheet amount**	**Off-balance-sheet amount**	**Risk weight**	**EAD**	**RWAs**	**Capital require-ments**
Private equity exposures	606	32	190%	638	1,212	97
Exchange-traded equity exposures	36	6	290%	42	122	10
Other equity exposures	129	0	370%	129	479	38
Total	**772**	**38**		**810**	**1,813**	**145**

The increase in equities over the previous year was due to the expiry of the transitional regulations, whereupon all equities are now being shown in IRBA.

As at the reporting date, there were no equity investments in any insurance companies, which under article 49 para. 1 CRR are not deducted from capital.

Table CR8 shows the changes in RWAs from 30 September 2018 to 31 December 2018 for the IRB credit risk. The table does not show any RWAs for other assets and equity investments.

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

EUR million	**RWAs**	**Capital requirements**
RWAs as at 30 Sep 2018	**50,253**	**4,020**
Asset size	1,190	95
Asset quality	–280	–22
Model updates	–	–
Methodology and policy	–	–
Acquisitions and disposals	–	–
Foreign exchange movements	20	2
Other	–	–
RWAs as at 31 Dec 2018	**51,183**	**4,095**

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

	CET1 ratio		**T1 ratio**		**Total capital ratio**	
in %	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
BayernLB Institutsgruppe, Munich	15.2	15.3	15.2	15.3	17.5	17.5
BayernLB, Munich (BayernLB Bank)	18.9	21.5	18.9	21.6	22.3	25.4
Subsidiaries						
• Deutsche Kreditbank Aktiengesellschaft, Berlin	9.7	9.4	10.0	9.6	11.7	11.3

With the adopted annual financial statements as at 31 December 2018 taken into account, the BayernLB Group had a fully-loaded CET1 ratio of 15.2 percent. The 15.2 percent CET1 ratio corresponds to the previous CET1 ratio (fully loaded) because the deduction items were accounted for in full under CET1 capital once the transitional phase ended.

International Financial Reporting Standard 9 was introduced on 1 January 2018. The BayernLB Group has not made use of the supervisory transitional provisions for the first-time effects from IFRS 9 pursuant to article 473a CRR.

Counterparty 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 under "Internal Capital Adequacy Assessment Process (ICAAP)", in the section "Own funds and capital requirements (articles 437 and 438 CRR)", 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 takes no account of the impact of diversification through correlations and is therefore conservative.

Identification of wrong-way risk based on high correlation

In order to avoid specific wrong-way risk, it must be ensured when accepting collateral that the issuer of the collateral and the collateral provider are not financially dependent on one another, that is, are not in a control unit. The basis for this includes publicly available attributes such as the ISIN, the German securities identification number (WPKN) and the BayernLB Group’s internal identifiers for counterparties/trading partners. In addition, potential credit exposure specific to wrong-way risk in relation to trading products (mainly repos/reverse repos) is identified by the respective analyst by way of continuous manual screening of counterparties/trading partners and the underlying collateral. If a strong correlation between the counterparty/trading partner and the collateral is identified, a decision is taken as to the next steps (replacement of collateral; expiry of the transaction). If the counterparty and the provider of the underlying collateral are identical, the deduction of the collateral from the exposure value is automatically prevented when calculating the counterparty credit risk.

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. As a result of another rating upgrade by Moody’s, existing business does not result in any requirement to provide additional collateral in the event of a downgrade by one notch.

Various aspects of counterparty credit risk are described below. All tables are based on supervisory figures pursuant to COREP reporting.

Table CCR1 below provides a comprehensive overview of the methods used to calculate the regulatory requirements for counterparty credit risk and the main parameters for each method. The table does not include fees for credit valuation adjustment or exposures settled via CCPs.

CCR1 – Analysis of CCR exposure by approach

EUR million	Notional	Replacement cost/ current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
Mark to market		3,028	2,514			5,533	1,877
Original exposure	–					–	–
Standardised approach		–			–	–	–
IMM (for derivatives and SFTs)				–	–	–	–
• of which securities financing transactions				–	–	–	–
• of which derivatives and long settlement transactions				–	–	–	–
• of which from contractual cross product netting				–	–	–	–
Financial collateral simple method (for SFTs)						–	–
Financial collateral comprehensive method (for SFTs)						2,540	418
VaR for SFTs						–	–
Total							**2,295**

Table CCR2 shows the regulatory calculations for the credit valuation adjustment (CVA) by approach. BayernLB uses only the standardised approach.

CCR2 – CVA capital charge

EUR million	Exposure value	RWAs
Total portfolios subject to the advanced method	–	–
• (i) VaR component (including the 3x multiplier)		–
• (ii) SVaR component (including the 3x multiplier)		–
All portfolios subject to the standardised method	1,368	687
Based on the original exposure method	–	–
Total subject to the CVA capital charge	**1,368**	**687**

Table CCR8 below provides an extensive overview of BayernLB's exposures to central counterparties (CCPs). All types of exposures (from business activities, margin payments and default fund contributions) and the associated RWAs are presented. BayernLB only has exposures to qualified CCPs. These are CCPs that are permitted in accordance with article 14 of Regulation (EU) No. 648/2012 or have been recognised in accordance with article 25 of this regulation.

CCR8 – Exposures to CCPs

EUR million	EAD post CRM	RWAs
Exposure to QCCPs (total)		**102**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions)	3,058	61
• of which OTC derivatives	1,132	23
• of which Exchange-traded derivatives	775	16
• of which SFTs	1,151	23
• of which Netting sets where cross-product netting has been approved	–	–
Segregated initial margin	418	
Non-segregated initial margin	–	–
Prefunded default fund contributions	122	41
Alternative calculation of own funds requirements for exposures		–
Exposures to non-QCCPs (total)		**–**
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions)	–	–
• of which OTC derivatives	–	–
• of which Exchange-traded derivatives	–	–
• of which SFTs	–	–
• of which Netting sets where cross-product netting has been approved	–	–
Segregated initial margin	–	
Non-segregated initial margin	–	–
Prefunded default fund contributions	–	–
Unfunded default fund contribution	–	–

Table CCR5-A below 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. The table contains derivatives only.

CCR5-A – Impact of netting and collateral held on exposure values

EUR million	Gross positive fair value	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
Derivatives	**18,293**	**12,584**	**5,709**	**2,125**	**3,583**
• Interest rate contracts	14,492				
• Foreign-exchange rate and gold contracts	2,149				
• Equities contracts	116				
• Credit derivatives	1				
• Precious metals and commodities contracts	1,535				
Total	**18,293**	**12,584**	**5,709**	**2,125**	**3,583**

The increase in gross positive fair value for the precious metals and commodities contracts is the result of changes in the fair values of the underlyings.

Table CCR5-B presents all types of collateral that have been received or furnished in order to reduce counterparty credit risk in connection with derivative transactions. In addition, the table shows whether the collateral is held in a bankruptcy-remote form as defined in article 300 CRR ("segregated") or not ("unsegregated").

CCR5-B – Composition of collateral for exposures to CCRR

	Collateral used in derivative transactions			
	Fair value of collateral received		Fair value of posted collateral	
Type of collateral EUR million	**Segregated**	**Unsegregated**	**Segregated**	**Unsegregated**
Cash	488	3,020	1,455	2,083
Securities	-	118	410	-
Total	**488**	**3,138**	**1,865**	**2,083**

Table CCR6 below shows the notional amounts of credit derivative transactions for each product group and their fair values, divided into derivatives bought and derivatives sold in each case. BayernLB only uses credit derivatives for its own risk portfolio, not for brokerage activities.

CCR6 – Credit derivatives exposures

	Credit derivative hedges		Other credit derivatives
EUR million	**Protection bought**	**Protection sold**	
Notionals			
• Single-name Credit Default Swap	40	–	–
• Index Credit Default Swap	295	–	–
• Total Return Swap	–	–	–
Total notionals	**335**	**–**	**–**
Fair values			
• Positive fair value (asset)	1	–	–
• Negative fair value (liability)	1	–	–

The increase in the notional amount of the credit default swaps (CDS) is the result of increased trading of CDS for CVA from derivatives.

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 2018, the United Kingdom, Iceland, Sweden, Norway, Lithuania, Slovakia, the Czech Republic and Hong Kong have set a countercyclical capital buffer.

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

	General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements					
Breakdown by country EUR million	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	**Own funds requirement weights**	**Countercyclical capital buffer rate**
United Kingdom	20	3,953	–	–	30	103	140	–	2	142	3.56%	1.00%
Iceland	0	2	–	–	–	–	0	–	–	0	0.00%	1.25%
Lithuania	0	0	–	–	–	–	0	–	–	0	0.00%	0.50%
Sweden	2	751	–	–	–	–	5	–	–	5	0.13%	2.00%
Slovakia	0	4	–	–	–	–	0	–	–	0	0.01%	1.25%
Czech Republic	1	188	–	–	–	–	6	–	–	6	0.14%	1.00%
Norway	1	897	–	–	–	–	7	–	–	7	0.17%	2.00%
Hong Kong	1	1	–	–	–	–	0	–	–	0	0.00%	1.88%
Germany	6,707	88,669	1,245	–	–	2,041	2,956	19	23	2,998	74.83%	0.00%
Other EU	51	17,733	–	–	–	482	533	–	6	539	13.46%	0.00%
Others	417	11,106	–	–	–	217	307	–	2	309	7.71%	0.00%
Total	**7,199**	**123,302**	**1,245**	**–**	**30**	**2,844**	**3,954**	**19**	**34**	**4,006**	**100.00%**	

The increase in the exposures stems from the implementation of EBA Q&A 2016_3050, according to which the use of substitution effects for calculating the countercyclical capital buffer does not change the geographical allocation of exposures.

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 2018**
Total risk exposure amount	65,594
Institution-specific countercyclical buffer rate	0.04%
Institution-specific countercyclical buffer requirement	28

The institution-specific countercyclical capital buffer rose from 0.01 percent in the previous year to 0.04 percent. This is mostly the result of the 1 percent countercyclical capital buffer set for the United Kingdom.

Credit risk adjustments (article 442 CRR)

Total amount of exposures

The following tables show the net value of exposures from different perspectives. The net value of exposures for on-balance sheet items is the original exposure less value adjustments/impairment. For off-balance sheet items, the net value is the original exposure less provisions. Credit risk mitigation techniques and credit conversion factors (CCFs) are left out of the equation. The tables below are based on supervisory figures pursuant to COREP reporting. The tables only include exposures underlying the credit risk.

Other assets and securitisations are not included in the breakdown. These can be found in table OV1 in the section “Capital requirements (article 438 CRR)”.

Table CRB-B shows the net values of exposures by regulatory approach and by exposure class. In addition to the value as at the reporting date, the average net amount from the quarterly reporting dates in 2018 is also stated.

CRB-B – Total and average net amount of exposures by exposure class

Exposure class EUR million	**Net value of exposures as at 31 Dec 2018**	**Average net exposures for 2018**
Central governments and central banks	59,546	61,315
Institutions	26,853	25,778
Corporates	113,659	113,348
• *of which Specialised lending*	*21,461*	*26,769*
• *of which SMEs*	*28,929*	*30,480*
Retail	21,310	21,157
• *Secured by immovable property – SMEs*	*665*	*670*
• *Secured by immovable property – non-SMEs*	*6,375*	*6,570*
• *Qualifying revolving*	*8,134*	*7,951*
• *Other SMEs*	*775*	*789*
• *Other retail*	*5,361*	*5,178*
Equity exposures	*901*	*923*
Total IRB approach	**222,269**	**222,521**
Central governments or central banks	30	31
Regional governments or local authorities	72	66
Public sector entities	263	264
Multilateral development banks	293	273
International organisations	48	48
Institutions	21,264	21,974
Corporates	3,117	3,155
• *of which SMEs*	*320*	*331*
Retail exposures	8,211	8,179
• *of which SMEs*	*1,193*	*1,025*
Exposures secured by mortgages on immovable property	234	256
• *of which SMEs*	*30*	*20*
Exposures in default	61	55
Exposures associated with particularly high risk	–	–
Covered bonds	–	8
Exposures to institutions and corporates with a short-term credit assessment	–	–
Exposures in the form of units or shares in collective investment undertakings (CIUs)	105	64
Equity exposures	–	–
Other items	71	71
Total standardised approach	**33,771**	**34,441**
Total	**256,040**	**256,962**

Table CRB-C shows the net value of exposures broken down by exposure class and by geography.

CRB-C – Geographical breakdown of exposures

Exposure class EUR million / Geographical breakdown	Net value of exposures									
	Germany	EU countries	Other European countries	Africa	North America	Central and South America	Asia	Oceania	Other	Total
Central governments and central banks	49,264	2,408	757	68	5,310	–	71	–	1,668	**59,546**
Institutions	15,185	7,854	2,129	169	697	172	424	225	–	**26,853**
Corporates	82,433	18,255	4,537	520	5,321	1,450	1,057	57	30	**113,659**
• *of which Specialised lending*	*12,071*	*6,442*	*587*	*91*	*1,427*	*264*	*522*	*57*	–	***21,461***
• *of which SMEs*	*28,276*	*451*	*163*	–	*35*	*3*	–	–	–	***28,929***
Retail	21,142	85	46	2	16	2	13	4	–	**21,310**
• *Secured by immovable property – SMEs*	*662*	*2*	*0*	*0*	–	*0*	*0*	–	–	***665***
• *Secured by immovable property – non-SMEs*	*6,340*	*14*	*12*	*1*	*3*	*0*	*4*	*0*	–	***6,375***
• *Qualifying revolving*	*8,020*	*59*	*29*	*1*	*10*	*2*	*9*	*3*	–	***8,134***
• *Other SMEs*	*773*	*2*	*0*	*0*	*0*	–	*0*	–	–	***775***
• *Other retail*	*5,347*	*7*	*4*	*0*	*3*	*0*	*0*	*0*	–	***5,361***
Equity exposures	579	251	4	–	34	33	–	–	–	**901**
Total IRB approach	**168,603**	**28,853**	**7,472**	**759**	**11,377**	**1,657**	**1,564**	**285**	**1,698**	**222,269**
Central governments or central banks	30	–	–	–	–	–	–	–	–	**30**
Regional governments or local authorities	72	–	–	–	–	–	–	–	–	**72**
Public sector entities	263	–	–	–	–	–	–	–	–	**263**
Multilateral development banks	–	–	–	–	–	–	–	–	293	**293**
International organisations	–	–	–	–	–	–	–	–	48	**48**
Institutions	21,138	126	–	–	–	–	–	–	–	**21,264**
Corporates	2,524	19	18	7	452	67	29	–	–	**3,117**
• *of which SMEs*	*143*	*0*	–	–	*177*	–	–	–	–	***320***
Retail exposures	8,060	66	38	3	19	5	18	3	–	**8,211**
• *of which SMEs*	*1,177*	*9*	*4*	*0*	*1*	*0*	*1*	*0*	–	***1,193***
Exposures secured by mortgages on immovable property	226	7	1	–	1	–	0	0	–	**234**
• *of which SMEs*	*30*	–	–	–	–	–	–	–	–	***30***
Exposures in default	49	0	0	0	5	4	3	–	–	**61**
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)	66	27	2	–	6	0	2	2	–	**105**
Equity exposures	–	–	–	–	–	–	–	–	–	**–**
Other items	71	–	–	–	–	–	–	–	–	**71**
Total standardised approach	**32,500**	**246**	**59**	**10**	**483**	**76**	**52**	**5**	**342**	**33,771**
Total	**201,103**	**29,099**	**7,531**	**769**	**11,860**	**1,733**	**1,616**	**290**	**2,040**	**256,040**

Table CRB-D shows the net value of exposures broken down by exposure class and by the ten main industries for BayernLB. The remaining industries are bundled under “Others”.

CRB-D – Concentration of exposures by industry

Industry (NACE) / Exposure class EUR million	Net exposure value											
	Financial and insurance activities	**Public administration and defence; compulsory social security**	**Real estate activities**	**Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use**	**Electricity, gas, steam and air conditioning supply**	**Manufacturing**	**Administrative and support service activities**	**Professional, scientific and technical activities**	**Transportation and storage**	**Construction**	**Others**	**Total**
Central governments and central banks	14,746	41,041	4	18	40	–	9	1	5	–	3,682	**59,546**
Institutions	13,330	1,616	7,427	129	1,572	–	38	303	674	1	1,764	**26,853**
Corporates	11,259	484	30,028	358	18,944	15,195	9,682	5,422	4,579	4,258	13,449	**113,659**
• *of which Specialised lending*	*1,175*	*–*	*6,906*	*–*	*8,842*	*112*	*2,581*	*16*	*721*	*802*	*307*	***21,461***
• *of which SMEs*	*394*	*175*	*16,326*	*246*	*5,064*	*219*	*266*	*299*	*77*	*464*	*5,399*	***28,929***
Retail	47	0	184	19,601	60	29	9	265	8	40	1,067	**21,310**
• *Secured by immovable property – SMEs*	*24*	*–*	*126*	*38*	*5*	*8*	*3*	*115*	*2*	*19*	*325*	***665***
• *Secured by immovable property – non-SMEs*	*0*	*–*	*0*	*6,370*	*–*	*0*	*1*	*0*	*–*	*0*	*3*	***6,375***
• *Qualifying revolving*	*13*	*–*	*14*	*7,813*	*1*	*5*	*1*	*51*	*2*	*12*	*223*	***8,134***
• *Other SMEs*	*10*	*0*	*43*	*25*	*53*	*16*	*4*	*98*	*4*	*9*	*512*	***775***
• *Other retail*	*0*	*–*	*1*	*5,355*	*0*	*0*	*0*	*1*	*–*	*0*	*4*	***5,361***
Equity exposures	524	15	78	12	–	–	7	216	–	36	13	**901**
Total IRB approach	**39,906**	**43,156**	**37,721**	**20,117**	**20,615**	**15,225**	**9,744**	**6,207**	**5,266**	**4,336**	**19,975**	**222,269**
Central governments or central banks	–	30	–	–	–	–	–	–	–	–	–	**30**
Regional governments or local authorities	14	17	–	10	–	–	0	–	–	–	31	**72**
Public sector entities	6	52	20	2	14	0	4	0	0	0	164	**263**
Multilateral development banks	293	–	–	–	–	–	–	–	–	–	–	**293**
International organisations	–	48	–	–	–	–	–	–	–	–	–	**48**
Institutions	21,264	–	–	–	–	–	–	–	–	–	–	**21,264**
Corporates	345	66	1,757	44	19	50	218	1	18	41	559	**3,117**
• *of which SMEs*	*34*	*66*	*16*	*2*	*11*	*1*	*2*	*1*	*6*	*0*	*183*	***320***
Retail exposures	86	1	73	6,943	12	119	61	236	28	32	620	**8,211**
• *of which SMEs*	*80*	*1*	*42*	*102*	*12*	*107*	*48*	*220*	*21*	*22*	*539*	***1,193***
Exposures secured by mortgages on immovable property	15	–	9	164	0	1	16	3	0	2	24	**234**
• *of which SMEs*	*15*	*–*	*9*	*0*	*–*	*–*	*–*	*0*	*–*	*–*	*6*	***30***
Exposures in default	–	–	0	40	0	7	2	1	–	0	10	**61**
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)	105	–	–	–	–	–	–	–	–	–	–	**105**
Equity exposures	–	–	–	–	–	–	–	–	–	–	–	**–**
Other items	62	–	–	–	–	–	–	–	–	–	8	**71**
Total standardised approach	**22,191**	**216**	**1,859**	**7,203**	**45**	**177**	**302**	**242**	**46**	**75**	**1,415**	**33,771**
Total	**62,097**	**43,371**	**39,580**	**27,320**	**20,661**	**15,402**	**10,047**	**6,449**	**5,312**	**4,410**	**21,390**	**256,040**

Table CRB-E shows the net value of exposures broken down by exposure class and contractual maturity.

CRB-E – Maturity of exposures

Maturity / Exposure class EUR million	Net exposure value					
	On demand	<= 1 year	>1 year <= 5 years	> 5 years	No stated maturity	Total
Central governments and central banks	8,298	12,138	11,167	27,943	–	**59,546**
Institutions	1,228	4,661	7,119	13,846	–	**26,853**
Corporates	9,222	16,227	36,071	52,138	–	**113,659**
• *of which Specialised lending*	*451*	*1,856*	*6,388*	*12,766*	–	***21,461***
• *of which SMEs*	*1,750*	*1,066*	*1,526*	*24,587*	–	***28,929***
Retail	8,384	203	1,338	11,385	–	**21,310**
• *Secured by immovable property – SMEs*	*12*	*8*	*60*	*585*	–	***665***
• *Secured by immovable property – non-SMEs*	*38*	*22*	*309*	*6,006*	–	***6,375***
• *Qualifying revolving*	*8,134*	–	–	–	–	***8,134***
• *Other SMEs*	*130*	*32*	*113*	*500*	–	***775***
• *Other retail*	*70*	*141*	*857*	*4,294*	–	***5,361***
Equity exposures	–	–	–	–	901	**901**
Total IRB approach	**27,133**	**33,229**	**55,694**	**105,312**	**901**	**222,269**
Central governments or central banks	–	–	1	30	–	**30**
Regional governments or local authorities	0	0	2	71	–	**72**
Public sector entities	9	2	12	240	–	**263**
Multilateral development banks	–	–	222	71	–	**293**
International organisations	–	–	48	–	–	**48**
Institutions	1,160	1,975	2,051	16,079	–	**21,264**
Corporates	98	195	390	2,434	–	**3,117**
• *of which SMEs*	*28*	*20*	*17*	*255*	–	***320***
Retail exposures	4,869	6	45	3,291	–	**8,211**
• *of which SMEs*	*1,138*	*3*	*22*	*31*	–	***1,193***
Exposures secured by mortgages on immovable property	0	2	23	210	–	**234**
• *of which SMEs*	–	*0*	*1*	*29*	–	***30***
Exposures in default	32	8	10	11	–	**61**
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)	–	–	–	60	45	**105**
Equity exposures	–	–	–	–	–	**–**
Other items	8	–	–	–	62	**71**
Total standardised approach	**6,176**	**2,188**	**2,803**	**22,497**	**107**	**33,771**
Total	**33,309**	**35,417**	**58,497**	**127,809**	**1,008**	**256,040**

Risk provision procedure

The impairment provisions of IFRS 9 follow an approach in which not just incurred losses but also expected losses must be accounted for using the expected credit loss model.

The impairment rules apply to all debt instruments in the "financial assets measured at amortised cost" and "financial assets mandatorily measured at fair value through other comprehensive income" categories and to financial guarantees and irrevocable and revocable credit commitments for which the committor cannot unilaterally and unconditionally withdraw from its commitment at any time and whose measurement is not at fair value through profit or loss. Provisions for other contingent liabilities and other obligations for which there is a default risk must be made in accordance with IAS 37.

The following approaches are used to determine the impairment:
- general approach
- approach for financial instruments with creditworthiness impaired when they were acquired or issued and
- simplified approach

General approach

Impairments are determined according to the general approach on the basis of the principle of a deterioration in creditworthiness. In principle, this is a relative credit risk model, according to which a significant increase in the default risk as at the reporting date compared with initial recognition requires higher risk provisions to be made. The impairments are broken down accordingly as follows:
- Impairments measured in the amount of the expected 12-month loan loss (Stage 1)
- Impairments measured in the amount of the expected credit losses over the term, for financial instruments for which the default risk has increased significantly since initial recognition but which are not financial instruments with impaired creditworthiness (Stage 2) and
- Impairments measured in the amount of the expected credit losses over the term, for financial instruments whose creditworthiness was impaired as at the reporting date, but not at the time of acquisition or issue (Stage 3).

Determining a significant increase in the default risk

On initial recognition, the respective financial instrument is assigned to Stage 1. A significant increase in default risk in the BayernLB Group is determined on the basis of the change in the 12-month probability of default (PD), the determination of which is based on the Bank's credit risk processes. The rating of the financial instrument at the time of initial recognition is compared with the rating of the financial instrument at the respective reporting date. If the deviation exceeds the statistically expected value of the change in default risk determined for the respective reporting date at the time of addition, the change in default risk is classified as significant (expected downgrade). The statistically expected value of the change in default risk (rating significance thresholds) is calculated as a function of the current term of the financial instrument.

The main inputs for determining a significant increase in default risk are the customer-specific expected change in PD (PD profile per rating module) and the associated rating migration matrix. The rating migration matrix indicates the probability of a change in the rating occurring within the next 12 months. The conditional PD profile describes the probability that a business partner can no longer meet its financial obligations at a certain point in time in the future, assuming that it was able to meet its obligations up to that point in time. In determining the conditional PD profile, forward-looking information, in particular macroeconomic developments, are taken into account.

In addition to the relative criterion for determining a significant increase in the default risk, the BayernLB Group also applies an absolute criterion in the form of 30-day payment arrears. The BayernLB Group does not apply the rebuttal of the assumption that there is a significant increase in the default risk in the event of 30-day payment arrears.

The option of always assigning a financial instrument with a low default risk to Stage 1 applies in the BayernLB Group for a selected securities portfolio. The default risk of a financial instrument is considered low if it has an investment grade rating.

A financial instrument is reclassified from Stage 2 to Stage 1 if the default risk as at the reporting date is no longer significantly higher than on initial recognition. The procedure for a stage transfer is the same as for a non-significant modified financial instrument.

If the creditworthiness of a financial instrument is impaired as at the reporting date, it is reclassified to Stage 3. To determine whether a financial instrument has impaired creditworthiness, the BayernLB Group implemented the following quantitative and qualitative criteria in particular:

- 90-day payment arrears by the borrower in respect of a substantial amount of the contractually agreed payments
- Significant doubt as to the creditworthiness of the borrower
- Restructuring/reorganisation of debt with a substantial waiver or postponement of interest and fee payments
- Impairment or a partial or full writedown due to a significant deterioration in credit quality
- Sale of receivables at a considerable economic loss
- Application for the insolvency of the borrower or comparable protective measures
- Default due to a transfer event

If at least one criterion is met, the credit analysts' determine if there is an adverse effect on expected future cash flows by assessing the substantive loan documentation relevant for deciding the creditworthiness of the respective financial instrument or business partner.

These criteria apply to all transactions in the BayernLB Group and are also applied to internal credit risk management. They correspond to the supervisory definition of a loan default according to Article 178 para. 1 of the Capital Requirements Regulation (CRR).

As soon as the default criterion is no longer met, the financial instrument is no longer recognised at Stage 3, taking into account a recovery phase. For the 90-day arrears criterion, a business partner is considered healthy and is no longer considered to be in default if no further 90-day arrears occur during a period of six consecutive months and no other default criterion is met.

Determining the impairment

When determining the expected credit loss of a financial instrument in Stage 1 and Stage 2, the following parameters are multiplicatively linked:

- Probability of default (PD): This represents the probability that a business partner can no longer meet its financial obligations, with respect to the next 12 months (12-month PD) or over the contractual term of the obligation (lifetime PD). Multi-year PD is determined on the basis of historical observations and forward-looking information, which are based on cross-institutional data histories of the rating procedures used. In particular, macroeconomic developments based on BayernLB's economic forecasts are also included.
- Exposure at default (EAD): This estimates the outstanding exposure at the time of default and is modelled on the basis of product-specific subsidiary agreements (e.g. rights of termination and their probability of exercise, which is determined on the basis of historical practice). In addition to the current drawings, expected future drawings are also taken into account for commitments. The drawings in the year prior to default are recognised via the credit conversion factor (CCF) calculated on the basis of historical drawings and the remaining open line.
- Loss given default (LGD): This shows the expected loss in default, distinguishing between an LGD for the secured and unsecured parts of the EAD. In the case of the unsecured part of the EAD, the maturity component is modelled on the basis of the forecast change in the collateral's market value (collateral value over time). The estimate is based on observed historical values over time.

The expected credit loss is discounted using the effective interest rate at the time of initial recognition or an approximation thereof.

To calculate the expected credit loss, forward-looking information over a two-stage process is taken into account. In a first step, provided that it has a relevant influence on the associated business partner or the respective financial instrument, forward-looking information for each individual financial instrument is used to determine the various credit risk parameters (in particular probability of default, collateral values and recovery rates). This also applies to relevant macroeconomic variables. In a second step, the credit risk parameters calculated at the level of the financial instruments and aggregated at (sub-)portfolio level with corresponding credit risk parameters, which can be expected largely on the basis of various, macroeconomic scenarios for the following years, are compared in a quantitative and qualitative expert-based analysis prior to the reporting date. In the event of a significant deviation within one or more (sub)portfolios, the resulting effects on the expected credit loss are approximated and taken into account. This allows forward-looking information on the individual characteristics of a particular financial instrument and enhanced forecasting quality at a higher aggregation level to be incorporated in the best possible way in a combined form.

In the case of Stage 3 financial instruments, the impairment is recognised as the difference between amortised cost and the present value of expected cash flows. When determining expected cash flows, various scenarios normally need to be defined and weighted with the expected probability of occurrence. The expected cash flows must be discounted at the original effective interest rate.

Utilisations/writedowns

A financial instrument is derecognised if, based on current information, the Bank is confident that all economically reasonable measures to limit losses have been exhausted. This must be assumed if all measured collateral is realised and there is no prospect of other payments (e.g. concluded insolvency proceedings, insolvency rejected for lack of assets). When an instrument is derecognised, an impairment that has already been recognised is utilised or a direct writedown is booked as a utilisation with a concomitant addition to the impairment, provided that no or insufficient impairments were recognised.

The Bank will also continue its efforts to recover derecognised financial instruments for which an external claim still exists.

Procedure for financial instruments whose creditworthiness was impaired when they were acquired or issued

This method is used for financial instruments whose creditworthiness was impaired when they were acquired or issued (purchased or originated credit-impaired financial assets (POCI)). The BayernLB Group's creditworthiness is impaired if the counterparty is assigned to a (non-performing) default category and the financial instrument was received with a big discount. In these cases, the cumulative changes in the expected credit losses since initial recognition over the term must be recorded. To determine the expected credit losses, the risk-adjusted effective interest rate is used as the discount rate for calculating present value.

Simplified approach

The simplified approach is used in the BayernLB Group for trade receivables, regardless of whether they contain a significant financing component. The impairments are always measured in the amount of the expected credit losses over the term.

Changes in risk provisions

The tables below show the defaulted and non-defaulted exposures for credit risk and the associated risk provisions.

The net value in the tables is the sum of the gross carrying amounts of defaulted and non-defaulted exposures less specific and general credit risk adjustments.

The credit risk adjustments include both credit risks and country risks and correspond to the risk provisions data in the Group financial report. For supervisory purposes, the entire risk provisions under IFRS 9 must be allocated to the specific credit risk adjustments in accordance with EBA/OP/2017/02, which is why tables CR1-A to CR1-C and table CR2-A no longer show general credit risk adjustments.

The following tables do not include any information on other non-credit-obligation assets and securitisations. These can be found in table OV1 in the section “Capital requirements (article 438 CRR)”.

Table CR1-A shows the breakdown of defaulted and non-defaulted exposures by exposure class.

CR1-A – Credit quality of exposures by exposure class and instrument

	Gross carrying values of						
Exposure class EUR million	**Defaulted exposures**	**Non-defaulted exposures**	**Specific credit risk adjustment**	**General credit risk adjustment**	**Accumulated write-offs**	**Credit risk adjustment charges of the period**	**Net values**
Central governments and central banks	–	59,551	5	–	–	6	59,546
Institutions	30	26,865	42	–	28	38	26,853
Corporates	1,473	113,151	966	–	1,468	741	113,659
• *of which Specialised lending*	*616*	*21,183*	*338*	–	*52*	*179*	*21,461*
• *of which SMEs*	*426*	*28,737*	*235*	–	*276*	*326*	*28,929*
Retail	163	21,287	140	–	62	155	21,310
• *Secured by immovable property – SMEs*	–	*666*	*2*	–	–	*3*	*665*
• *Secured by immovable property – non-SMEs*	*75*	*6,340*	*39*	–	*13*	*36*	*6,375*
• *Qualifying revolving*	*4*	*8,144*	*13*	–	*3*	*35*	*8,134*
• *Other SMEs*	*0*	*781*	*6*	–	*1*	*10*	*775*
• *Other retail*	*85*	*5,357*	*80*	–	*46*	*72*	*5,361*
Equity exposures	–	901	–	–	–	–	901
Total IRB approach	**1,666**	**221,755**	**1,152**	**–**	**1,558**	**940**	**222,269**
Central governments or central banks	–	30	0	–	–	–	30
Regional governments or local authorities	–	72	0	–	–	0	72
Public sector entities	–	263	0	–	–	0	263
Multilateral development banks	–	293	0	–	–	0	293
International organisations	–	48	0	–	–	–	48
Institutions	–	21,265	1	–	–	1	21,264
Corporates	–	3,120	3	–	–	3	3,117
• *of which SMEs*	–	*321*	*1*	–	–	*2*	*320*
Retail exposures	–	8,224	13	–	5	23	8,211
• *of which SMEs*	–	*1,195*	*1*	–	*5*	*5*	*1,193*
Exposures secured by mortgages on immovable property	–	234	0	–	–	0	234
• *of which SMEs*	–	*30*	*0*	–	–	*0*	*30*
Exposures in default[1]	65	–	4	–	6	18	61
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)	–	105	–	–	–	0	105
Equity exposures	–	–	–	–	–	–	–
Other items	–	71	–	–	–	–	71
Total standardised approach	**65**	**33,727**	**21**	**–**	**10**	**45**	**33,771**
Total	**1,731**	**255,482**	**1,173**	**–**	**1,569**	**985**	**256,040**
• *of which Loans*	1,590	170,728	1,047	–	1,554	883	171,271
• *of which Debt securities*	–	24,849	1	–	–	–	24,848
• *of which Off-balance-sheet exposures*	141	58,951	126	–	15	102	58,967

1 The EUR 65 million in defaulted exposures comprise the exposure classes Corporates (approx. 80%) and Retail (approx. 20%) (Q&A 2017_3481).

Expenses for risk provisions in the reporting period are offset by income from the release of risk provisions (not including recoveries on written down receivables) of EUR 874 million.

The reduction in defaulted exposures came largely from the repayment of the receivables from HETA recognised in the balance sheet following the settlement reached in December. For more information on the settlement reached with HETA, see the consolidated financial statements.

The breakdown of the exposures shown in table CR1-A by major industry is shown in table CR1-B.

CR1-B – Credit quality of exposures by industry

	Gross carrying values of						
Industry EUR million	**Defaulted exposures**	**Non-defaulted exposures**	**Specific credit risk adjust-ment**	**General credit risk adjust-ment**	**Accumu-lated write-offs**	**Expenses for risk provions of the period**	**Net values**
Financial and insurance activities	31	62,099	33	–	18	32	62,097
Public administration and defence; compulsory social security	–	43,395	24	–	–	23	43,371
Real estate activities	233	39,443	96	–	142	76	39,580
Activities of households as employers; undifferenti-ated goods- and services-producing activities of households for own use	191	27,270	141	–	97	245	27,320
Electricity, gas, steam and air conditioning supply	395	20,499	233	–	51	239	20,661
Manufacturing	233	15,318	150	–	140	135	15,402
Administrative and support service activities	141	10,031	125	–	9	56	10,047
Professional, scientific and technical activities	28	6,450	29	–	462	30	6,449
Transportation and storage	96	5,274	57	–	3	14	5,312
Construction	33	4,416	38	–	243	11	4,410
Others	350	21,286	246	–	403	125	21,390
Total	**1,731**	**255,482**	**1,173**	**–**	**1,569**	**985**	**256,040**

Table CR1-C shows the breakdown of defaulted and non-defaulted exposures by major geographical regions.

CR1-C – Credit quality of exposures by geography

	Gross carrying values of						
Geographical region EUR million	**Defaulted exposures**	**Non-defaulted exposures**	**Specific credit risk adjust-ment**	**General credit risk adjust-ment**	**Accumu-lated write-offs**	**Expenses for risk provions of the period**	**Net values**
Germany	1,208	200,685	790	–	1,533	820	201,103
EU countries	353	28,990	245	–	6	62	29,099
Other European countries	22	7,559	49	–	4	29	7,531
Africa	7	770	8	–	0	5	769
North America	45	11,852	37	–	2	35	11,860
Central and South America	19	1,721	7	–	0	7	1,733
Asia	52	1,586	22	–	7	20	1,616
Oceania	25	280	15	–	17	6	290
Other	–	2,040	0	–	–	0	2,040
Total	**1,731**	**255,482**	**1,173**	**–**	**1,569**	**985**	**256,040**

Past-due exposures – regardless of their impairment status – are shown in table CR1-D, broken down by the time ranges by which they are past due.

CR1-D – Ageing of past-due exposures

	Gross carrying values					
EUR million	**≤ 30 days**	**> 30 days ≤ 60 days**	**> 60 days ≤ 90 days**	**> 90 days ≤ 180 days**	**> 180 days ≤ 1 year**	**> 1 year**
Loans	276	122	46	69	90	226
Debt securities	-	-	-	-	-	-
Total	**276**	**122**	**46**	**69**	**90**	**226**

At BayernLB, exposures that are past due for more than 90 days are considered impaired (cf. “Risk provision procedure”, in this section) except if they are immaterial under article 178 of the CRR.

In accordance with the EBA guidelines EBA/GL/2016/11, information on impaired and past-due exposures is to be supplemented with information on non-performing and forborne exposures. As at 31 December 2018, BayernLB’s NPL ratio is 0.8 percent.

Table CR1-E provides an overview of the corresponding exposures in accordance with FINREP reporting.

CR1-E – Non-performing and forborne exposures

	Gross carrying values of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received	
		Of which performing but past due > 30 days and <= 90 days	Of which performing forborne	Of which non-performing				On performing exposures		On non-performing exposures		On non-performing exposures	On forborne exposures
					Of which defaulted	Of which impaired	Of which forborne		Of which forborne		Of which forborne		
Debt securities	25,225	–	–	12	–	–	–	3	–	3	–	–	–
Loans and advances	178,415	218	781	1,819	1,818	1,818	1,113	303	34	741	412	346	535
Off-balance-sheet exposures	59,149	–	162	168	140	–	66	60	4	69	27	18	2
Total	**262,789**	**218**	**942**	**2,000**	**1,958**	**1,818**	**1,179**	**365**	**38**	**813**	**440**	**364**	**537**

The following table CR2-A shows changes in credit risk adjustments during the reporting period. Due to the entry into force of the IFRS 9 regulations, the opening balance as at 1 January 2018 differs from the closing balance as at 31 December 2017. Please refer to the notes of the consolidated financial statements for reconciliation of risk provisions.

CR2-A – Changes in the stock of general and specific credit risk adjustments

EUR million	Specific credit risk adjustment	General credit risk adjustment
Opening balance as at 1 Jan 2018	**1.252**	**–**
Additions due to lending/purchases	244	–
Releases due to disposals/redemptions/sales	−421	–
Changes in the expected credit loss due to changes in the risk parameters	324	–
Utilisation/depreciation	−213	–
Tansfers between credit risk adjustments	–	–
Currency-related changes	3	–
Business combinations, including acquisitions and disposals of subsidiarities	–	–
Other adjustments	−16	–
Closing balance as at 31 Dec 2018	**1,173**	**–**
Income from recoveries on written down receivables	246	–
Specific credit risk adjustments directly recorded to the statement of profit or loss	–	–

When an instrument is derecognised, a loss allowance that has already been created is utilised or a direct writedown is booked as a utilisation with a concomitant addition to the loss allowance, provided that no or insufficient loss allowances were created.

Table CR2-B presents the changes in defaulted exposures in the reporting period.

CR2-B – Changes in the stock of defaulted and impaired loans and debt securities

EUR million	Gross carrying value defaulted exposures
Opening balance as at 1 Jan 2018	**3,653**
Credit risk exposures that have defaulted or impaired since the last reporting period (incl. lending/purchases)	1,750
Returned to non-defaulted status	−67
Utilisation/depreciation (incl. disposals/redemptions)	−3,198
Other adjustments	−406
Closing balance as at 31 Dec 2018	**1,731**

The reduction in defaulted exposures came largely from the repayment of the receivables from HETA recognised in the balance sheet following the settlement reached in December.

Unencumbered assets (article 443 CRR)

In addition to the CRR, the requirements for the disclosure of encumbered and unencumbered assets are specified in the EBA guidelines on the disclosure of encumbered and unencumbered assets (EBA/GL/2014/03) and Commission Delegated Regulation (EU) 2017/2295 dated 4 September 2017.

Qualitative data

The qualitative requirements in accordance with article 443 CCR, EBA guidelines EBA/GL/2014/03 and Commission Delegated Regulation (EU) 2017/2295 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 granted loan refinancing 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. These contracts set out, among other terms and conditions, the mode of assignment, the types of security eligible, and the necessary overcollaterisation.

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

Pfandbriefs (covered bonds)

BayernLB and DKB are regular issuers of Pfandbriefs and hold 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.

As at the end of 2018, there was an overcollateralisation of Pfandbriefs of EUR 8.7 billion in BayernLB's cover registers and of EUR 8.9 billion in DKB's cover registers. The total voluntary surplus cover thus came to EUR 17.6 billion and has an impact of around 7.7 percent in relation to the asset encumbrance ratio.

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 quantitative data on encumbered and unencumbered assets are regulated in Commission Delegated Regulation (EU) 2017/2295 dated 4 September 2017. The disclosed values represent the median of the values as at the quarterly reporting dates in the 2018 reporting year.

Table AE-A below shows the encumbered and unencumbered assets at their carrying amounts and fair values, broken down by the type of asset.

AE-A – Encumbered and unencumbered assets

EUR million	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of the reporting institution	**85,138**		**137,865**	
• Equity instruments	262		301	
• Debt securities	4,592	4,555	21,988	21,296
– of which: covered bonds	247	245	6,769	6,710
– of which: asset-backed securities	–	–	142	142
– of which: issued by general governments	3,339	3,310	9,893	9,863
– of which: issued by financial corporations	1,114	1,110	11,014	10,397
– of which: issued by non-financial corporations	26	25	926	987
• Other assets	80,406		115,846	
– of which: loans and advances other than loans on demand	77,955		95,114	

Table AE-B shows the collateral received that is not reported in the balance sheet of the recipient of the collateral in accordance with the accounting principles. The presentation of collateral received is broken down by asset type and divided into collateral that has actually been utilised and available collateral received.

AE-B – 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
Collateral received by the reporting institution	**3,283**	**7,070**
• Loans on demand	–	–
• Equity instruments	0	281
• Debt securities	3,283	6,790
– of which: covered bonds	501	2,175
– of which: asset-backed securities	–	–
– of which: issued by general governments	1,734	1,260
– of which: issued by financial corporations	1,222	3,106
– of which: issued by non-financial corporations	369	2,443
• Loans and advances other than loans on demand	–	–
• Other collateral received	–	–
Own debt securities issued other than own covered bonds or asset-backed securities	**–**	**19**
Own covered bonds and asset-backed securities issued and not yet pledged		**35**
TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	**88,892**	

Table AE-C shows the carrying amounts of the liabilities associated with encumbered assets and collateral received.

AE-C – Sources of encumbrance

EUR million	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	**65,600**	**86,257**
Derivatives	4,437	3,119
Deposits	32,334	33,364
Debt securities issued	28,979	49,365

Use of ECAIs (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 standard risk weighting for subordinated receivables is 100 percent, barring any higher risk weighting as a result of the country rating.

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

The tables below show the exposure values before and after credit risk mitigation techniques, broken down by risk weighting and exposure class, for the credit risk standardised approach. The tables are based on supervisory figures pursuant to COREP reporting.

Table CR5-A shows the exposure value, adjusted for accounting offsets (writedowns), for credit risk.

CR5-A – Exposure values before CCF and CRM under the credit risk standardised approach

Exposure class	**Risk weight**																
EUR million	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**	**Deducted**	**Total**
Central governments or central banks	30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**30**
Regional governments or local authorities	32	-	-	-	40	-	-	-	-	-	-	-	-	-	-	-	**72**
Public sector entities	2	-	-	-	261	-	-	-	-	-	-	-	-	-	-	-	**263**
Multilateral development banks	293	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**293**
International organisations	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**48**
Institutions	21,185	8	-	-	71	-	-	-	-	-	-	-	-	-	-	-	**21,264**
Corporates	-	-	-	-	-	-	23	-	-	3,086	8	-	-	-	-	-	**3,117**
Retail	-	-	-	-	-	-	-	-	8,211	-	-	-	-	-	-	-	**8,211**
Secured by mortgages on immovable property	-	-	-	-	-	211	23	-	-	-	-	-	-	-	-	-	**234**
Exposures in default	-	-	-	-	-	-	-	-	-	13	48	-	-	-	-	-	**61**
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')	-	-	-	-	-	-	-	-	-	60	-	-	-	-	45	-	**105**
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Other items	0	-	-	-	-	-	-	-	-	71	-	-	-	-	-	-	**71**
Total	**21,591**	**8**	**-**	**-**	**372**	**211**	**47**	**-**	**8,211**	**3,230**	**56**	**-**	**-**	**-**	**45**	**-**	**33,771**

Table CR5-B shows the exposure value for credit risk, adjusted for accounting offsets (writedowns), credit conversion factors (CCFs) and credit risk mitigation techniques.

CR5-B – Exposure values after CCF and CRM under the credit risk standardised approach

Exposure class EUR million	Risk weight																	of which
	0%	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**	**Deducted**	**Total**	unrated
Central governments or central banks	93	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	**94**	-
Regional governments or local authorities	5,450	-	-	-	12	-	-	-	-	-	-	-	-	-	-	-	**5,462**	-
Public sector entities	2	-	-	-	198	-	-	-	-	-	-	-	-	-	-	-	**200**	0
Multilateral development banks	295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**295**	-
International organisations	48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**48**	-
Institutions	18,997	8	-	-	76	-	3	-	-	-	-	-	-	-	-	-	**19,083**	19,027
Corporates	-	-	-	-	0	0	23	0	-	435	7	-	-	-	-	-	**466**	435
Retail	-	-	-	-	-	-	-	-	768	-	-	-	-	-	-	-	**768**	768
Secured by mortgages on immovable property	-	-	-	-	-	211	23	-	-	-	-	-	-	-	-	-	**234**	234
Exposures in default	-	-	-	-	-	-	-	-	-	13	45	-	-	-	-	-	**58**	58
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')	-	-	-	-	-	-	-	-	-	60	-	-	-	-	45	-	**105**	45
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Other items	0	-	-	-	-	-	-	-	-	71	-	-	-	-	-	-	**71**	71
Total	**24,885**	**8**	**-**	**-**	**286**	**211**	**51**	**0**	**768**	**578**	**52**	**-**	**-**	**-**	**45**	**-**	**26,884**	20,638

The decline in the exposure values compared to the end of 2017 in the exposure classes “central governments or central banks”, “equity exposures” and “exposures associated with particularly high risk” is due to the expiry of transitional rules and adjusted interpretations.

Table CCR3 shows the exposure value, adjusted for accounting offsets (writedowns), credit conversion factors (CCFs) and credit risk mitigation techniques for derivatives and securities financing transactions, broken down by exposure class and risk weighting.

CCR3 – Exposure values after CRM for counterparty credit risk under the standardised approach

Exposure class	**Risk weight**												of which
EUR million	**0%**	**2%**	**4%**	**10%**	**20%**	**50%**	**70%**	**75%**	**100%**	**150%**	**Others**	**Total**	unrated
Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Regional governments or local authorities	16	-	-	-	16	-	-	-	-	-	-	**31**	-
Public sector entities	3	-	-	-	0	-	-	-	-	-	-	**3**	-
Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	**-**	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Institutions	1,006	3,058	-	-	0	-	-	-	-	-	-	**4,064**	4,058
Corporates	-	-	-	-	-	-	-	-	159	-	-	**159**	156
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	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Total	**1,025**	**3,058**	**-**	**-**	**16**	**-**	**-**	**-**	**159**	**-**	-	**4,257**	4,214

Market risk (article 445 CRR)

Details on the management of market risks are disclosed under the corresponding heading in the section “Risk management objectives and policies (article 435 CRR)”.

Table MR1, below, shows the components of RWA and own funds requirements under the standardised approach for market risk. The table is based on supervisory figures pursuant to COREP reporting.

MR1 – Market risk under the standardised approach

Outright products		
• Interest rate risk (general and specific)	1,790	143
• Equity risk (general and specific)	42	3
• Foreign exchange risk	304	24
• Commodity risk	20	2
Options		
• Simplified approach	–	–
• Delta-plus method	1,182	95
• Scenario approach	17	1
Securitisation (specific risk)	**–**	**–**
Total	**2,660**	**213**

Operational risk (article 446 CRR)

Details on the management of operational risks are disclosed under the corresponding heading in the section “Risk management objectives and policies (article 435 CRR)”.

For the RWA and capital requirements, please refer to Table OV1 in the section “Own funds and capital requirements (articles 437 and 438 CRR)”.

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 which BayernLB wishes to dispose of are allocated to non-core investments.

Core investments
- The Group's strategic subsidiaries: investments that, given their current importance in the Group, form an integral part of BayernLB's business model; 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 dispose of

In the interest of confidentiality, and to prevent any possible damage to BayernLB through the disclosure of any of the investments which BayernLB plans to dispose of, the investments cited below are only examples from the portfolios. 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 non-core investments 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 Gesellschaft für Immobilien Assetmanagement.
- 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 Global Format GmbH & Co. KG (a specialist for balance sheet analysis) support BayernLB's operational tasks

Non-core investments:
- BayernLB has already divested itself of such sizeable non-strategic investments as GBW AG, Landesbank Saar and MKB Bank Zrt.

Measurement and accounting principles

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. Investment funds are calculated mainly using the look-through approach.

The table below shows the book values, 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.

The table includes all investment instruments in the BayernLB Group less consolidated Group investments. As investments are recognised at fair value, the book value is identical to the fair value. A separate breakdown of the amounts receivable, exposures and RWAs of equity investments in the categories of "exchange-traded equity exposures", "private equity exposures in sufficiently diversified portfolios" and "other equity exposures" is presented in the section "Own funds and capital requirements (articles 437 and 438 CRR)" in table CR10.

Values of investment instruments

EUR million	Carrying amount	Fair value	Stock market value
HGB investments	**580**	**580**	**–**
• listed positions	–	–	–
• unlisted	580	580	
Non-HGB investments	**180**	**180**	**6**
• listed positions (equities in the banking book)	6	6	6
• unlisted (investment units)	174	174	
• other investment positions	–	–	
Total	**760**	**760**	**6**

With the introduction of IFRS 9, BayernLB reports equity instruments measured at fair value no longer through other comprehensive income in the revaluation surplus but instead through profit or loss.

For the year 2018, a realised loss of EUR 3.4 million was incurred for sales and liquidations of unlisted commercial-law investments.

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 BayernLB 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 VaR 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 (EVE (economic value of equity) and NII (net interest income)) which contain, in addition to parallel shifts, pivots in the yield curve. The ratio of selected EVE stress test results to the capital is 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, in some cases, for limiting purposes. Interest rate risk in the banking book is dominated by risk exposure in EUR; risk exposure in other currencies is of secondary importance.

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 (VaR and sensitivities) 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 net 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.

In addition to the VaR and sensitivity analyses, various other stress tests are conducted on a monthly basis.

Interest rate shock scenario

For the interest rate risk in the banking book, an interest rate shock scenario of +200/–200 basis points, among other things, is calculated at both Bank and Group level. As at the reporting date, the calculated change in net present value at both BayernLB and the BayernLB Group (BayernLB and DKB) was well below the limit (20 percent of the capital). If the net present value falls by more than 20 percent of the 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

	Changes in the net present value		
EUR million	**Interest rate schock +200 basis points**	**Interest rate schock -200 basis points**	**Relevant for Group limit (+/-200 basis points)**
EUR	123	−963	−963
USD	−35	32	−35
CHF	−29	7	−29
GBP	−32	27	−32
JPY			
Other	−20	22	−20
Total	**6**	**−875**	**−1,080**
Limit (20% of liable equity)			2,293
Limit utilisation			47%

	Change in net interest income	
Delta EUR million	**Interest rate schock +200 basis points**	**Interest rate schock -200 basis points**
BayernLB	88	1
DKB	96	5

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 2018 the BayernLB Group had securitisation exposures, acting either as sponsor or investor, of EUR 2.9 billion (FY 2017: EUR 2.3 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 2.8 billion (FY 2017: EUR 2.2 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 40 million (FY 2017: EUR 50 million).
- These securitisation positions have senior ranking with corporate and retail loans as underlying assets.

Originator function
As at 31 December 2018, 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 influence of the parties involved at individual transaction level are 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 2018, 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 securitsation 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 Corelux S.A. programme. 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. 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 validating 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 2018 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.

Financial assets mandatorily measured at fair value through profit or loss: These instruments are measured at fair value. Gains or losses on fair value measurement also includes realised and current income. Current income from financial instruments not held for trading and derivatives in economic hedges is recognised in net interest income.

Financial assets designated at fair value through profit or loss (fair value option): These instruments are measured at fair value. Measurement gains or losses are recognised under gains or losses on fair value measurement. Current income is reported under net interest income.

Financial assets measured at amortised cost: These instruments are measured at amortised cost. Current income is reported under net interest income.

Financial assets mandatorily measured at fair value through other comprehensive income: These instruments are measured at fair value. Measurement gains and losses are reported through other comprehensive income in the revaluation surplus. If financial assets are derecognised from the "financial assets mandatorily measured at fair value through other comprehensive income" category, the amounts booked in the revaluation surplus are reclassified to the income statement. These released gains or losses are shown in gains or losses on financial investments or other income and expenses. Current income is reported under net interest income.

Financial assets measured at fair value through profit or loss: This includes "financial assets mandatorily measured at fair value through profit or loss". These instruments are measured at fair value. Measurement results are reported under gains or losses on fair value measurement. Gains or losses on fair value measurement also includes realised and current income. Current income from financial instruments is reported under net interest income. These instruments are measured at fair value. Measurement gains or losses are recognised under gains or losses on fair value measurement. Current income is reported under net 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 new accounting rules notwithstanding, the methods, basic assumptions, and data and parameter principles used for measuring securitisation exposures were unchanged from 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.

There are no securitisation exposures for which BayernLB assumes the role of originator.

The first table shows BayernLB’s sponsor exposures.

Total sponsor activity (by type of securitised receivable)

	Banking book
EUR million	**Sponsor exposure**
On-balance sheet exposures	
• Receivables from residential mortgage loans	–
• Receivables from commercial mortgage loans	–
• Receivables from corporate loans	1,721
• Receivables from other retail loans	12
• Other on-balance sheet items	–
• Resecuritisations	–
Total on-balance sheet exposures	**1,733**
Off-balance sheet exposures	
• Liquidity facilities	1,099
• Derivatives	2
Total off-balance sheet exposures	**1,101**
Total	**2,834**

The sponsor exposures are associated solely with the ABCP programme Corelux S.A. 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)

	Banking book	
EUR million	**CRSA**	**IRBA**
On-balance sheet exposures		
• Receivables from residential mortgage loans	–	–
• Receivables from commercial mortgage loans	–	–
• Receivables from corporate loans	–	1,730
• Receivables from other retail loans	19	12
• Other on-balance sheet items	–	–
• Resecuritisations	–	–
Total on-balance sheet exposures	**19**	**1,742**
Off-balance sheet exposures		
• Liquidity facilities	12	1,099
• Derivatives	–	2
Total off-balance sheet exposures	**12**	**1,101**
Total	**30**	**2,844**

The increase in the IRB exposure values over the previous year stems solely from the securitisation exposures associated with the ABCP programme Corelux S.A.

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)

	Banking book			
	Securitisations		Resecuritisations	
EUR million	**Exposure**	**Capital requirements**	**Exposure**	**Capital requirements**
Ratings-based approach (standardised approach)				
20%	–	–	–	–
40%	–	–	–	–
50%	30	1	–	–
100%	–	–	–	–
225%	–	–	–	–
350%	–	–	–	–
650%	–	–	–	–
1250%	–	–	–	–

Ratings-based approach (IRBA)				
≤ 10%	–	–	–	–
> 10% ≤ 20%	–	–	–	–
> 20% ≤ 50%	–	–	–	–
> 50% ≤ 100%	–	–	–	–
> 100% ≤ 650%	–	–	–	–
1250% / capital deduction	–	–	–	–
Supervisory formula approach				
≤ 10%	9	0	–	–
> 10% ≤ 20%	–	–	–	–
> 20% ≤ 50%	–	–	–	–
> 50% ≤ 100%	–	–	–	–
> 100% ≤ 650%	–	–	–	–
1250% / capital deduction	–	–	–	–
Internal rating procedure				
≤ 10%	1,367	11	–	–
> 10% ≤ 20%	1,219	14	–	–
> 20% ≤ 50%	249	7	–	–
> 50% ≤ 100%	–	–	–	–
> 100% ≤ 650%	–	–	–	–
1250% / capital deduction	–	–	–	–
Total	**2,874**	**34**	**–**	**–**

The increase in the exposure values and capital requirements was due solely to the broadening of the securitisation exposures associated with the ABCP programme Corelux S.A.

No securitisation exposures exist to which a risk weighting of 1,250 percent would be assigned.

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

Remuneration policy (article 450 CRR)

Pursuant to section 16 para. 1 of the Remuneration Ordinance for Institutions (InstitutsVergV) dated 4 August 2017, 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 on article 450 of Regulation (EU) No 575/2013 (CRR) and section 16 InstitutsVergV.

This section of the disclosure report describes the remuneration systems for all employees, not least those employees whose activities have a material influence on the overall risk profile – i.e. risk takers – of the consolidated institutions BayernLB ("BayernLB Bank") and DKB AG, and of the Group as a whole. It also describes the remuneration system for these institutions' boards of management.

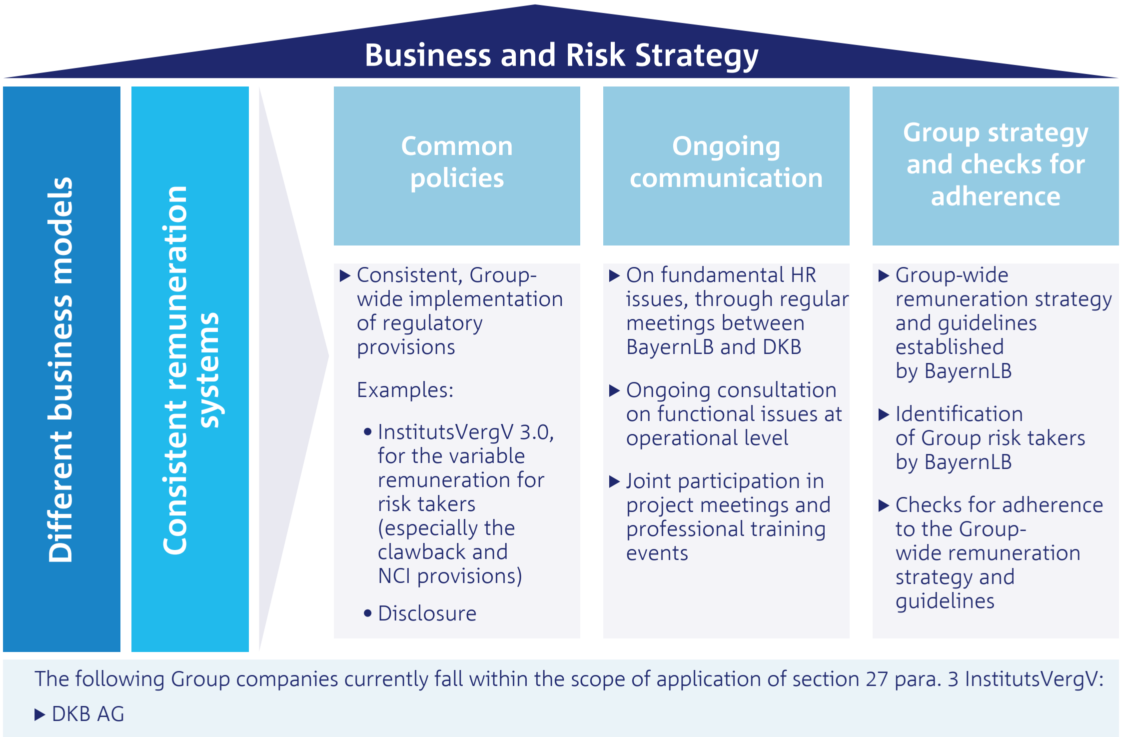
The legal provisions under InstitutsVergV (section 27) are implemented throughout the Group by virtue of adhering to the "BayernLB (Bank/Group) Remuneration Strategy and Guidelines". These guidelines apply for BayernLB and all companies cited in their scope of application. In 2018, DKB AG was the only subordinated company that fell within the scope of application of the "BayernLB (Bank/Group) Remuneration Strategy and Guidelines".

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 disclosures, pursuant to article 450 of the CRR and pursuant to section 16 para. 4 InstitutsVergV, for the 2018 financial year midway through 2019, in a separate remuneration report. This report also discloses the qualitative information for the BayernLB Bank and DKB AG.

Institution-specific remuneration systems for the BayernLB Bank and DKB AG under the Group-wide remuneration strategy guidelines and principles

Given the remuneration requirements placed on Group management, which are necessary due to the regulatory provisions, a set of common, Group-wide principles has been established so as to ensure consistency between the different remuneration systems. These principles, furthermore, satisfy section 27 para. 1 InstitutsVergV, which requires that a binding group-wide remuneration strategy be established. The remuneration systems for BayernLB and DKB lie within these shared parameters. Derived from the Group-wide Business Strategy and Risk Strategy, they are based on each institution's specific business and risk strategies.

Elements of cooperation in the Group



The difference between BayernLB's business model and that of DKB AG is reflected in the remuneration systems as each of the two business models calls for its own specific remuneration-related features:

As a wholesale bank, BayernLB serves, through its segments Corporates & Mittelstand and Real Estate & Savings Banks/Association, chiefly large companies, including large Mittelstand companies, as well as the savings banks and other public-sector customers. Via its Financial Markets Division, moreover, it gives all its customers access to capital market and treasury products. The Bank also serves German customers in selected foreign markets.

To the extent that DKB operates as an online bank, its business model is focused on enhancing its relationships with its avid web- and credit card-using retail customers in a principal bank-like capacity, while also building up its second brand, SKG BANK, its centre of expertise for instalment loans. The bank, however, also serves private, retail-like customers (preferred clients and freelancers). For its business with corporate customers, DKB is concentrating on selected target sectors in Germany, particularly public service, infrastructure and renewable energy. DKB has 20 branches throughout Germany.

BayernLB and DKB are active in their "own" markets, each competing with different institutions for customers and employees.

These institution-specific business models give rise to differences in the remuneration systems, especially with regard to the workforce structure (i.e. the ratio of employees who are not on the standard pay scale to employees who are), the remuneration structure and the resulting amount of variable remuneration. Another distinguishing factor is BayernLB's international operations.

Remuneration policy for the BayernLB Bank

The BayernLB Bank (referred to below as "BayernLB") is considered, pursuant to section 17 para. 2 InstitutsVergV, a major institution. BayernLB must therefore fulfil the special requirements set out under section 17 et. seq. InstitutsVergV in addition to the general provisions.

Remuneration strategy and external market validation

BayernLB's remuneration policy is manifested in its remuneration strategy. The remuneration strategy, which forms part of the Bank's 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. Despite the closure of the EU state aid proceedings on 1 June 2017, BayernLB's strategic alignment did not undergo any material changes in the reporting year. The post-EU strategy adopted by the Board of Management and the Supervisory Board entailed no major changes to BayernLB's Business Strategy or Risk Strategy.

In 2018 the remuneration strategy therefore remain centred on providing remuneration that is in line with the market, strengthening the ties to performance, enhancing employee motivation and loyalty, and enabling the employees to share appropriately in the Bank's success. The Group-wide parameters for the remuneration systems are laid down in the Remuneration Strategy and Guidelines.

To ensure the appropriateness of the employees' 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.

The appropriate structure for BayernLB's remuneration system is derived from the following key principles:

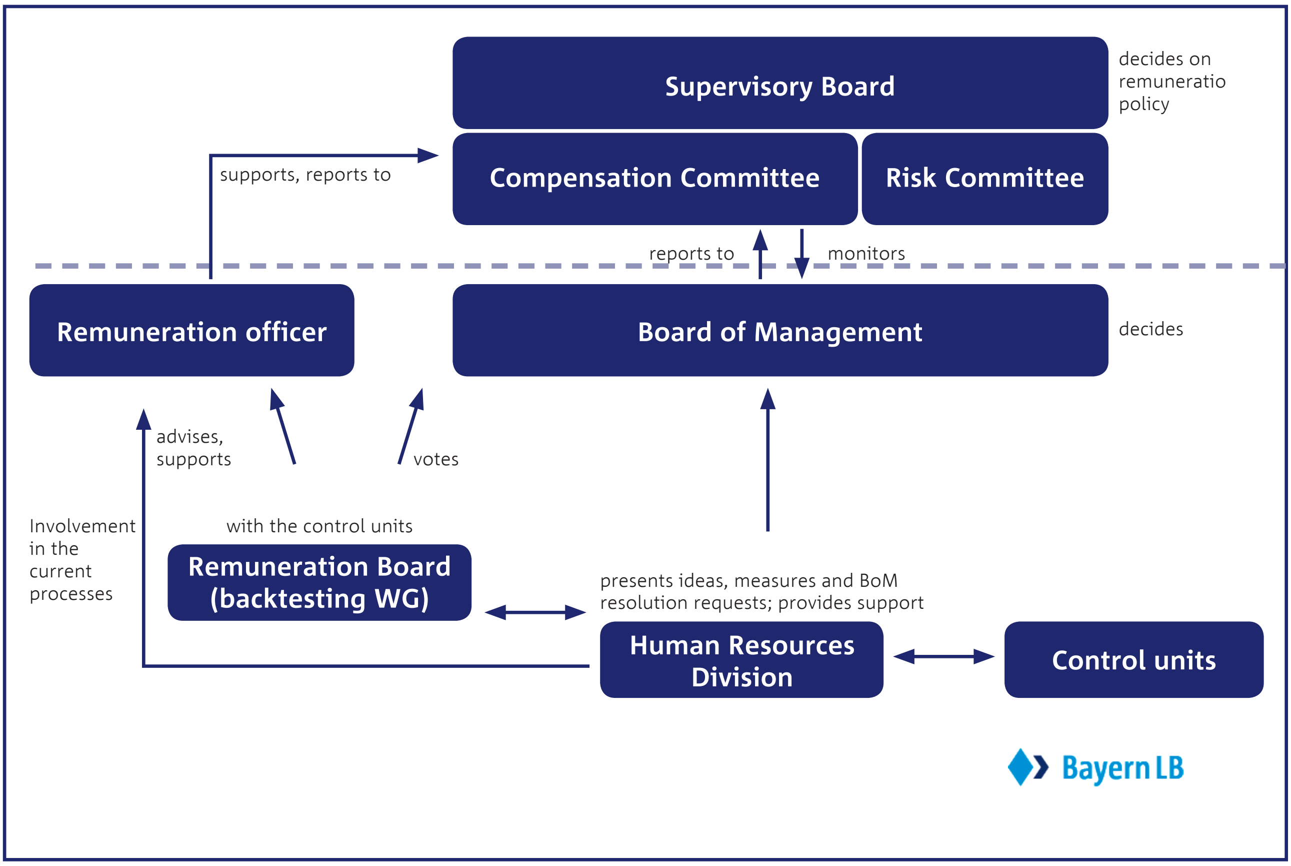
- The total remuneration shall comprise an annual base salary to which variable remuneration components and salary-related ancillary payments may be added.
- For the reporting year, BayernLB remains subject to an upper limit for the ratio of fixed remuneration to maximum achievable variable remuneration of 1:1.
- The fixed and variable components are thereby in proportion to one another such that no undesirable incentives exist that could encourage employees to enter an unjustifiably high risk.
- The fixed remuneration shall be sufficient so that the employee need not depend on the variable component to cover his or her reasonable living expenses.
- The remuneration systems shall not run counter to the monitoring function assumed by the control units, as the amount of variable remuneration for the employees in these units and for the employees in the units they control is not determined primarily by parallel remuneration parameters, thereby precluding the potential for a conflict of interest.
- Any severance pay shall be based on principles that apply throughout the institution, whereby negative performance contributions or misconduct on the part of the employee shall not be remunerated. Guaranteed benefit entitlements will not be granted in the event that the employment is terminated.

The Board of Management remuneration is also reviewed at regular intervals with regard to market conformity. These reviews are carried out by the Supervisory Board, again with the help of external remuneration consultants. In the 2018 reporting year, the consulting firm Kienbaum presented the Supervisory Board with an up-to-date market comparison of executive remuneration.

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.

Remuneration roles and responsibilities



The Supervisory Board of BayernLB determines, and monitors the appropriateness of, the remuneration systems applicable to the members of the Board of Management and to the employees. One source of assistance with this task is its Compensation Committee (section 15 para. 2 and 3 InstitutsVergV). On the Committee's agenda for its six meetings in 2018 was employee remuneration, in particular with regard to implementing the revised German Remuneration Ordinance for Institutions. The Committee evaluated the impact of the remuneration systems on the risk, capital and liquidity of both the Bank and the Group, and deliberated on the proposal for calculating and allocating the total amount of variable remuneration for employees for the 2018 financial year.

The Committee was furthermore informed about the process for identifying risk takers in the Bank and in the Group, as well as of the sustainability review findings. A focal point of its works was introducing a new remuneration system for the Board of Management. This took effect retroactively on 1 January 2018.

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).

The remuneration officer works with the chairperson of the Compensation Committee. One of the tasks of the remuneration officer is monitoring the appropriateness of the remuneration systems for the employees. To this end, she must be integrated into the ongoing processes of redesigning, adapting and applying the remuneration systems (section 24 para. 1 InstitutsVergV). Another task of the remuneration officer is supporting the Supervisory Board and its Compensation Committee in their monitoring of the appropriateness of the structuring of the remuneration systems for the employees.

BayernLB furthermore has a Remuneration Board below the Board of Management level. This body is tasked among other things with advising the Board of Management and the Human Resources Division on the structure for an appropriate employee remuneration system geared towards the sustainable development of BayernLB, with a particular focus on variable remuneration. It also advises and assists the remuneration officer on specific issues relating to the monitoring of employee remuneration systems. 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.

A backtesting working group is in place which functions as a Remuneration Board committee and is comprised of these same Board members. In the reporting year, the backtesting working group assisted the managers in reviewing the sustainability of the risk takers' contributions. To this end, it conducted a preliminary check for certain criteria which are applied when reviewing the contribution of the organisational unit and that of the individual risk taker.

Remuneration system for employees below the Board of Management

The remuneration systems for the employees are not extraordinarily complicated. BayernLB's remuneration scheme is uniform to a large degree – whether in Germany or abroad, whether for risk takers or non-risk takers. As is the case with employees in general, the total remuneration for risk takers comprised an annual base salary, an annual bonus, benefits and, in some cases, an additional bonus paid during the course of the year in recognition of outstanding individual achievements.

When setting risk-orientated objectives and disbursing variable remuneration to risk takers, however, special internal provisions (Management by Objectives guidelines, employer/staff council service agreement for risk takers, individual binding arrangements) apply in addition.

The remuneration systems for the employees vary as follows:
- Remuneration for standard pay scale employees
- Remuneration for employees outside the standard pay scale
- Disbursement of variable remuneration for risk takers

Employees who are risk takers tend to be outside the standard pay scale. However, there were a few employees on the standard pay scale who were also identified as risk takers.

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, and which are regulated throughout the institution in a separate service agreement between BayernLB and the General Staff Council.

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). This as well is regulated in a service agreement.

Assuming the Board of Management sets aside a bonus pool for variable remuneration, a standard pay scale employee is entitled to variable remuneration, 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.

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. 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 (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 – KS1, KS2 and KS3. 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) fall within a uniform salary bandwidth.

These base-salary bandwidths are regularly validated by means of market comparisons made with the help of the external remuneration consultant WillisTowersWatson, 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. The external remuneration consultant has in fact validated the market conformity of the base-salary bandwidths for the 2018 financial year.

An analogous system is used at the foreign branches whereby the number of job families is dependent on the size of the foreign branch.

Variable remuneration (annual bonus)

Variable remuneration serves as an incentive for employees to actively pursue the goals and interests of BayernLB. It also gives the employees the opportunity to share in the financial success of the institution. As it “lives” on the financial success of BayernLB, variable remuneration is also an element of cost flexibility. Moreover, it gives the Bank the opportunity to financially reward prudence and solid, sustainable performance.

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. Beginning with the variable remuneration payable for the year 2018, regulatory provisions require that a portion of the variable remuneration for second-level management be rewarded in the form of instruments which are being introduced for risk takers below second-level management as part of their variable remuneration for the year 2019. In order to avoid significant dependencies on variable remuneration, market validations are undertaken for BayernLB’s workforce 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.

Similarly to the previous years, the reference values for the variable remuneration were validated, based on current market data, for the reporting year by the external remuneration consultant WillisTowersWatson. This approach ensures an appropriate relationship between the reference values and the associated base-salary bandwidths. WillisTowersWatson has verified their market conformity for both years.

As in Germany, variable remuneration at the foreign branches is subject to reference values derived from the market which are also checked for market conformity, in this case with the help of the external remuneration consultants WillisTowersWatson and MacLaghan.

The Board of Management passed a proposal, in large part identical to that for the previous year, for the calculation and distribution of the total amount of variable remuneration (annual bonus) for employees for the 2018 financial year. This resolution was approved by the Compensation Committee.

The procedure for calculating and distributing the total amount of variable remuneration for employees consists of 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 internal management system.
- Step 3 involves calculating the budgets for each budget unit (normally at division level) from which the individual variable remuneration is to be paid.

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 over- or underutilisations.

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

The amount of variable remuneration 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.

Risk taker analysis at BayernLB (as an institution)

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, 298 persons on the employee level were identified as risk takers as at the reference date of 1 January 2018.

While risk takers tend to be outside the standard pay scale, a number of standard pay scale employees were also identified as risk takers.

As is the case with employees in general, the total remuneration of risk takers in the 2018 financial year comprised an annual base salary and, in some cases, a variable remuneration component such as an annual bonus, an additional bonus paid during the course of the year in recognition of outstanding individual achievements, and benefits.

Risk taker analysis (Group basis)

Furthermore, based on a risk analysis pursuant to section 27 para. 2 InstitutsVergV for 2018, BayernLB classed five members of the Board of Management of DKB AG as risk takers from the Group's perspective.

As a result, the overall success of the BayernLB Group is weighted more heavily when determining the (individual) variable remuneration of the DKB Board of Management than in the case of risk takers who are deemed as such through the institution-based analysis.

Deferrals of portions of the 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 the disbursement of 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 threshold permitted by the supervisory authorities).

For cases in which an employee's variable remuneration, calculated in financial year 2018, 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.

BayernLB 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 temporary "Service agreement on variable remuneration for risk takers" was concluded for the year 2018 with the BayernLB General Staff Council, along with the "Guidelines for the annual 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 generally depend equally on the sustainability of the success of: the BayernLB Group, the organisation unit and the individual the risk taker. The annual deferral ascertained for the financial year through the backtesting process 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, stipulated by regulatory law, 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 2018, a portion of the variable remuneration for 83 risk takers (excluding Board of Management members) was deferred in accordance with the regulatory provisions. In 30 of these cases, the risk takers were second-level managers, i.e. were immediately subordinate to the Board of Management. The other 53 risk takers were employees below second-level management.

In the reporting year, moreover, the special regulations for risk takers at second-level management and below were fundamentally revised as a result of the amended InstitutsVergV and adapted to meet the new legal requirements. The system takes particular account of the new regulations on awarding, withholding and disbursing variable remuneration. Non-cash instruments (NCIs), maluses and clawbacks are among the items being newly regulated. In keeping with the provisions of the new Remuneration Ordinance, the backtesting procedure was thoroughly revised.

The new regulations for risk takers are being phased in:

- With retroactive effect from 1 January 2018, individual binding NCI agreements for risk takers at second-level management and General Managers at the foreign branches are being signed. The introduction was necessitated by the regulatory requirement (section 20 para. 5 InstitutsVergV) that at least 50 percent of variable remuneration – withheld and non-withheld portions – be awarded as non-cash salary components. The first payment in the form of an NCI will be made in the year 2019, for the 2018 annual bonus.
- The new backtesting regulations will be applied beginning with the upcoming round of backtesting in the second quarter of 2019 for all withheld variable remuneration components vested in the year 2018.
- The regulations governing maluses and clawbacks will apply for the first time for variable remuneration to be awarded for the year 2019. This also holds true for NCIs for risk takers at second-level management and General Managers at the foreign branches.

Remuneration associated with becoming an employee of BayernLB

In the 2018 reporting year an agreement on the disbursement of guaranteed variable remuneration, as well as on a sign-on bonus, was reached with 21 new employees in conjunction with the regulatory provisions governing a former employer's cancellation of variable remuneration upon the employee's change of employer. These agreements apply to their first year of employment.

Intra-year bonuses

As a reward for outstanding performance, employees on the standard pay scale as well as those outside it are eligible for an intra-year bonus (monetary or non-monetary) in line with the employer/staff council service agreement on the awarding of intra-year bonuses. For the 2018 reporting year as well the Board of Management has set aside a budget for intra-year bonuses. The amount of this budget is less than 10 percent of the sum of the reference values for the annual bonus. In establishing the intra-year bonus budget, and prior to disbursement of said bonus, a review is conducted to ensure that the provisions of section 7 InstitutsVergV are complied with.

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 retirement fund and the provision of company cars that may be used for both business and personal purposes.

All permanent employees also receive a pension commitment for their retirement funds pursuant to the Bank's internal, defined-contribution-based pension schemes, as well as an additional company retirement fund under a contract concluded with BVV Versicherungsverein des Bankgewerbes AG, an insurance association for the banking industry, to which BayernLB makes (pro rata) contributions. In some cases, employees who joined BayernLB prior to 31 December 2001 have received a direct commitment of a defined-benefit pension similar to that of a civil servant.

Severance pay

Bayerische Landesbank observes a severance policy and documentation principles that set the maximum amount for severance payments, the criteria used for calculating severance payments and the rules for documenting severance pay agreements. The severance policy stipulates clearly that negative performance contributions and misconduct on the part of the employee shall not be remunerated. For cases in which BayernLB has a particularly strong interest in ending the employment relationship at short notice, the employee in question may receive a so-called sprinter bonus. In 2018 a total of nine employees signed a termination contract in return for severance pay.

Remuneration system for the Board of Management

The 2018 performance-based remuneration system for the Board of Management of BayernLB, effective 1 January 2018, is geared both towards the Business Strategy and the Risk Strategy of the BayernLB Group and the respective multi-year planning. It is also a contributing factor in the achievement of the strategic targets while taking account of sustainability. The remuneration system specifically takes into consideration the nature of the Board of Management as a risk-taking body within the meaning of the Remuneration Ordinance for Institutions.

Performance-based remuneration may lie between zero percent and 150 percent of the relevant reference value.

Performance-based remuneration consists of a short-term incentive (40 percent) and a long-term incentive (60 percent). The objectives set for the Board of Management comprise financial objectives (weighted at 70 percent) and qualitative objectives (weighted at 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 held as a non-cash remuneration instrument and is not paid to the members of the Board of Management until the end of a one-year lock period.

The non-cash remuneration instrument is subject to price fluctuations during the lock period. The value of the non-cash remuneration instrument is measured by means of a ratio-based approach that reflects over a long period of time the value of the Bank. During the lock period these calculations are based on the capital, under IFRS, of the BayernLB Group.

The long-term incentive is paid out in five instalments, each amounting to one fifth of the initial value of the long-term incentive, as follows:

In the five years following the 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. As a second step, an additional ex-ante risk adjustment is made. If the Supervisory Board deems that the sustainability-related requirements have been met and the ex-ante risk adjustment passes scrutiny, half of the relevant instalment of the long-term incentive is paid out once that decision is made. The other half of each instalment of the long-term incentive ("long-term deferral") is held as a non-cash remuneration instrument and is paid to the Board of Management once the one-year lock period has ended (cf. "short-term deferrals").

Entitlement to a withheld portion of the performance-based remuneration, i.e. to a long-term incentive, arises when and insofar as, at the time of the Supervisory Board's decision,
- the success of the BayernLB Group (Group component),
- the success of the Board of Management member's area of responsibility (BoM segment component) and
- the qualitative success (individual component)

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, and of the financial position, of the BayernLB Bank and the BayernLB Group. Furthermore, an adequate capital and liquidity base must be ensured, and the capital buffer requirements for the BayernLB Bank and the BayernLB Group met.

DKB AG's remuneration policy

Remuneration strategy and external market validation

DKB AG's remuneration strategy is aimed at the fulfilment of the regulatory requirements and of the criteria of sustainability, appropriateness and consistency with market conditions. It also accounts for the formal requirements internal to the Group, in particular the BayernLB Remuneration Strategy and Guidelines and the requirement of ensuring capital adequacy at all times, taking particular consideration of its business and risk strategies and current business plan. The remuneration strategy is furthermore focused on enhancing employee motivation and acquiring new staff. 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 and perform well.

In order to ensure appropriate remuneration, DKB AG regularly takes part in a study by an external remuneration consultant. This study takes account of both the fixed and the variable components of remuneration. The amount and structure of remuneration are then adjusted as necessary on the basis of the market comparisons.

Remuneration governance structure

In terms of the remuneration governance structures, the responsibilities, tasks and duties are all derived from the regulatory provisions of the KWG (German Banking Act) and the InstitutsVergV (German Remuneration Ordinance for Institutions).

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 2018 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.

In order to adapt to the stricter requirements affecting risk adjustments for remuneration systems, and to involve the control units in shaping and monitoring the remuneration systems and also to better identify risk takers, DKB AG passed a resolution in 2018 to set up a remuneration committee.

The remuneration committee is an advisory body to the Board of Management. It monitors the appropriateness of the remuneration systems of DKB AG and the DKB Group. The constituent meeting was held in the 2018 financial year.

Remuneration systems for employees at DKB AG

DKB AG's remuneration structure distinguishes between the following groups of employees:
- Standard pay scale employees as per collective agreement
- Employees outside the standard pay scale
- Risk takers

In accordance with sections 18–22 InstitutsVergV, special requirements apply with regard to remuneration for employees whose activities have a major influence on the overall risk profile of DKB AG or the Group. Consequently, DKB AG has implemented a remuneration system for risk takers which satisfies these requirements (currently in the version dated 1 January 2018).

The performance-based remuneration system for risk takers at DKB AG was, due to the amended InstitutsVergV, revised in close cooperation with BayernLB and a law firm so as to conform to the new legal requirements. The system takes particular account of the regulations on awarding, withholding and disbursing variable remuneration. It also introduces such items as non-cash remuneration instruments and clawback regulations.

The new remuneration system will apply beginning with the performance-based bonuses for 2018, if any, to be awarded in 2019. In the reporting year, the performance-based bonuses were disbursed on the basis of the remuneration system for risk takers as effective on 1 January 2015. This is described below.

The risk analysis, based on the criteria derived from the regulatory technical standards (RTS) 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 178 risk takers (as at 31 December 2018). For these persons, the above-mentioned remuneration systems are applied.

Standard pay scale employees

Employees who fall under the standard pay scale receive remuneration in accordance with the wage agreement for the private banking industry and public-sector banks. In addition to a 13th monthly salary, DKB AG offers these employees variable remuneration in the form of a one-off bonus in recognition of especially good work, a commission payment and certain benefits. Performance-based bonuses in and of themselves 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). They may receive, in addition, variable remuneration components in the form of a performance-based bonus, an intra-year bonus, commission and/or other benefits. The amount of the 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 may also receive variable remuneration, comprising three components:

- Performance-based bonus (employees outside the standard pay scale only)
- Intra-year bonus
- Commission

At DKB AG, variable remuneration is not guaranteed. Neither in the reporting year nor in the previous years has it been disbursed.

The total variable remuneration payable to an employee must not exceed the amount of that employee's annual base salary.

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 and first- and second-level management employees, 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. 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.

Every year DKB AG 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 AG 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 intra-year 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, intra-year 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.

The cash component comprises
- 40%, for first-level management risk takers just below the Board of Management, such as division or regional managers, and
- 60%, for risk takers at the second management level below the Board of Management or lower, such as specialist unit managers, branch managers, administrative managers and subordinate levels,

of the performance-based bonus calculated by the Board of Management for the respective risk taker for the previous financial year and of the intra-year 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 RoE. 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 comprises
- 60%, for first-level management risk takers just below the Board of Management, such as division or regional managers, and
- 40%, for risk takers at the second management level below the Board of Management or lower, such as specialist unit managers, branch managers, administrative managers and subordinate levels,

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.

The payment is disbursed in instalments over a period of three years. 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.

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 above rules on the spreading of disbursement of variable remuneration do not apply to variable remuneration of less than EUR 50,000. If such variable remuneration is below this threshold, these components are paid out in full, in cash, in the following year.

Intra-year bonuses

In recognition of outstanding performance, employees may receive an intra-year bonus. A separate budget is available to DKB AG for this purpose. This is set by the Board of Management once a year (part of the main bonus pool). The intra-year bonus amount is a very small fraction of the total remuneration and does not serve as an incentive for taking inappropriately high risks.

Commission

Under the internal regulations, employees may receive commission for brokering insurance services, building society products and real estate sales or purchases. The commission amount is very low and does not serve as an incentive for taking inappropriate risks. A commission budget as well is determined by the Board of Management as part of the annual process of creating the main bonus pool.

Benefits

Benefits are salary-related ancillary payments and services which DKB AG offers to its employees on a voluntary basis. These include: childcare subsidies, group accident insurance, overtime accounts and, for certain groups of employees, a company car. All employees also receive a pension commitment for their retirement funds pursuant to the bank's internal pension scheme. Permanent employees, moreover, receive an additional company retirement fund under a contract concluded with BVV Versicherungsverein des Bankgewerbes AG, an insurance association for the banking industry, to which DKB AG makes pro rata contributions.

Remuneration system for the Board of Management

At DKB AG, the Supervisory Board decides on the remuneration system and the amounts and composition of remuneration for the Board of Management. 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.

In the reporting year the remuneration system for the Board of Management was also revised as a result of the amended InstitutsVergV and adapted to meet the new legal requirements. The system takes particular account of the regulations on awarding, withholding and disbursing variable remuneration. It also introduces such items as malus and clawback regulations.

The new remuneration system will apply beginning with the performance-based bonuses for 2018, if any, to be awarded in 2019. In the reporting year, the performance-based bonuses were disbursed on the basis of the remuneration system for the Board of Management as effective on 1 January 2015. This is described below.

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 levels:
- BayernLB Group (Group level)
- DKB Group (individual entity level) and
- The contribution towards the bank's success made by the organisation unit for which the respective member of the Board of Management is responsible (organisation unit level)

The specific objectives for each of these levels are agreed at the beginning of the year with each Board of Management member. These agreed objectives contain both qualitative and quantitative objectives that are aimed at fulfilling the business and risk strategy.

Once the annual net income for the financial year in question has been established and the main bonus pool created, the actual amount of the performance-based bonus is calculated, taking account of the degree to which the objectives have been reached, and the first half of the STI is paid out immediately. The LTI instalments are spread over a period of three years: one third each (deferral) of the LTI is paid one, two or three years, respectively, following the disbursement of the first half of the STI, without interest and with due consideration taken for the achievement of the objectives during the following year. The second portion of the STI, as well as one half of each LTI instalment, are aggregated as a non-cash instrument and withheld for one year.

For the Board of Management, the use of non-cash instruments was adopted for determining the deferral amounts payable in the reporting year which are based on a sustained increase in value. The performance of the instrument pursuant to section 20 para. 5 no. 1 InstitutsVergV is calculated based on ratios and changes in capital. A supplemental risk alignment and a one-year lock period are taken into account. Upon expiry of this lock period, the instrument is converted into cash, in an amount commensurate with the increase in value, and disbursed as such.

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. The leverage ratio is currently in a test phase and there is no mandatory minimum figure. However, it has now been integrated into the BayernLB Group's management and planning processes.

Core capital, as a key component, is distributed to each planning unit through RWAs 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 (RWAs) 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. For management purposes, the total risk exposure is allocated to the Group units and integrated in the planning process. 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

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

The leverage ratio came to 4.1% as at 31 December 2018, representing an increase of 0.1 percentage points in comparison to the previous year (4.0%). The main driving force is core capital, which improved significantly – by EUR 581 million – due to the retention rate. This was countered, however, by the EUR 8,380 million rise in the leverage exposure. This increase stems mostly from the controlled growth of on-balance sheet transactions with companies.

Summary reconciliation of accounting assets and leverage ratio exposures

EUR million		
1	Total assets as per published financial statements	220,227
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	9
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")	–
4	Adjustments for derivative financial instruments	–2,627
5	Adjustments for securities financing transactions ("SFTs")	2,365
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	21,555
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	–
EU-6b	Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013	–
7	Other adjustments	–412
8	**Total leverage ratio exposure**	**241,117**

Leverage ratio common disclosure

EUR million		**CRR leverage ratio exposures**
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	207,791
2	Asset amounts deducted in determining Tier 1 capital	–238
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**207,554**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	4,306
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	4,453
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	–
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–2,171
8	Exempted CCP leg of client-cleared trade exposures	–1,602
9	Adjusted effective notional amount of written credit derivatives	–
10	Adjusted effective notional offsets and add-on deductions for written credit derivatives	–
11	**Total derivative exposures (sum of lines 4 to 10)**	**4,986**

EUR million		CRR leverage ratio exposures
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	4,659
13	Netted amounts of cash payables and cash receivables of gross SFT assets	−620
14	Counterparty credit risk exposure for SFT assets	2,984
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	–
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	**7,023**
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	60,215
18	Adjustments for conversion to credit equivalent amounts	−38,659
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	**21,555**
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
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)	–
Capital and total exposures		
20	**Tier 1 capital**	**9,974**
21	**Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	**241,117**
Leverage ratio		
22	**Leverage ratio**	**4.1%**
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	Transitional
EU-24	Amount of derecognised fiduciary items in accordance with Article 429 (13) of Regulation (EU) No 575/2013	4,940

Breakdown of balance sheet exposures (not including derivatives, securities financing transactions (SFT) and exempted exposures)

EUR million		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures), of which:	205,182
EU-2	Trading book exposures	6,017
EU-3	Banking book exposures, of which:	199,165
EU-4	Covered bonds	5,760
EU-5	Exposures treated as sovereigns	66,204
EU-6	Exposures to regional governments, multilateral development banks, international organisations and public-sector entities NOT treated as sovereigns	11,155
EU-7	Institutions	24,153
EU-8	Secured by mortgages of immovable properties	20,261
EU-9	Retail exposures	5,448
EU-10	Corporate	60,379
EU-11	Exposures in default	973
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	4,833

Most of the controlled increase over the previous year in other exposures was in securitisation exposures associated with the ABCP programme Corelux S.A.

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 (whereby the worst category is broken down into a maximum of three sub-categories, depending on the rating procedure) 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 qualitative and quantitative 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 (qualitative and quantitative) 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 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, customer compact rating (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

The fields of application of the rating systems are set out in the written regulations at BayernLB. These describe the rating procedures and define criteria for differentiation and fields of application (borrowers/exposures). By applying these in accordance with the criteria, the allocation of a borrower to the respective rating system is ensured.

Ratings are updated at least once per year (every 12 months). In certain cases – for example in the event of a significant change in the risk situation, changes in a support provider’s rating or the identification or discontinuation of a default criterion – the rating is updated on an ad hoc basis.

The table below shows the scope of application and methods for the approved IRB rating procedures.

Approved IRB rating approaches

Borrower/Exposure	Rating approach	Method
Credit institutions, financial services providers, financial companies	Banks	Scorecard
Insurance companies	Insurance companies	Scorecard
Large/multinational corporations, public-sector entities (municipally-owned / municipal companies) in and outside Germany*	Corporates	Scorecard
Small and medium-sized enterprises, freelancers and contractors in Germany	Savings banks standard rating	Scorecard
Regional authorities outside Germany*	International public finance	Scorecard
Central governments and regional authorities in Germany*	Country and transfer risk	Scorecard
Supranational financial institutions, multilateral development banks, international organisations	Supranationals	Scorecard
Leveraged finance	Leveraged finance	Scorecard
Retail customers	Savings banks customer scoring	Scorecard
Small and medium-sized enterprises, freelancers and contractors in Germany up to EUR 750k, national commercial real estate up to EUR 750k*	Savings banks customer compact rating	Scorecard
Securitisation exposures vis-à-vis ABCP programmes	Internal Assessment Approach (IAA)	Scorecard and simulation
Leasing companies, real estate SPVs (special-purpose vehicles)	Leasing	Scorecard and simulation
Aircraft financing SPVs (special-purpose vehicles)	Aircraft financing	Simulation
International commercial real estate	International commercial real estate	Simulation
National commercial real estate*	Savings banks real estate business rating	Simulation
Project financing SPVs (special-purpose vehicles)	Project financing	Simulation
Ship financing SPVs (special-purpose vehicles)	Ship financing	Simulation

** Plus public-sector authorities*

With a view to the technical harmonisation with the standard rating module, the “savings banks real estate business rating” module is being moved to a joint platform. As a result of this combination, the simulation technique currently used for property rating will be replaced by a scorecard procedure. Subject to approval by the responsible supervisory authority, the new rating model is to be implemented in 2020.

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.

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 following table shows this mapping.

Master rating scale

BayernLB rating	PD	External rating equivalent	
		S&P	Moody's
0	0.00%		
1	0.01%	AAA / AA+	Aaa /Aa1
2	0.02%	AA / AA-	Aa2 / Aa3
3	0.03%	A+	A1
4	0.04%	A+	A1
5	0.05%	A	A2
6	0.07%	A-	A3
7	0.09%	A-	A3
8	0.12%	BBB+	Baa1
9	0.17%	BBB	Baa2
10	0.26%	BBB-	Baa3
11	0.39%	BBB-	Baa3
12	0.59%	BB+	Ba1

BayernLB rating	PD	External rating equivalent	
		S&P	Moody's
13	0.88%	BB	Ba2
14	1.32%	BB	Ba3
15	1.98%	BB-	Ba3
16	2.96%	B+	B1
17	4.44%	B+	B1
18	6.67%	B	B2
19	10%	B-	B3
20	15%	B-	B3
21	20% to 45%	CCC+ to C	Caa to C
22	Default	D	D
23	Default	D	D
24	Default	D	D

The recession as well 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 capture 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 was 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.

Allocation of exposures to exposure classes

At BayernLB, the allocation of exposures to exposure classes is generally based on information about the specific business partners and transactions, taking account of the requirements in accordance with article 112 et seq. (CRSA) and article 147 (IRBA) of the CRR.

The table below shows the allocation of borrowers/exposures to the IRBA exposure classes.

Allocation of borrowers/exposures to exposure classes

	IRB exposure classes										
Borrower/Exposure	**Central governments and central banks**	**Institutions**	**Corporates – SMEs**	**Corporates – specialised lending**	**Corporates – other**	**Retail – secured by immovable property – SMEs**	**Retail – secured by immovable property – non-SMEs**	**Retail – qualified revolving**	**Retail – other – SMEs**	**Retail – other retail**	**Securitisations**
Credit institutions, financial services providers, financial companies		x	x		x						
Insurance companies					x						
Large/multinational corporations, public-sector entities (municipally-owned / municipal companies) in and outside Germany*		x	x		x						
Small and medium-sized enterprises, freelancers and contractors in Germany		x	x		x						
Regional authorities outside Germany*	x	x									
Central governments and regional authorities in Germany*	x	x	x		x						
Supranational financial institutions, multilateral development banks, international organisations	x				x						
Leveraged finance					x						
Retail customers						x	x	x	x	x	
Small and medium-sized enterprises, freelancers and contractors in Germany up to EUR 750k, national commercial real estate up to EUR 750k*	x	x	x	x	x	x	x	x	x	x	
Securitisation exposures vis-à-vis ABCP programmes											x
Leasing companies, real estate SPVs (special-purpose vehicles)				x	x						
Aircraft financing SPVs (special-purpose vehicles)				x							
International commercial real estate				x							
National commercial real estate*	x	x	x	x	x						
Project financing SPVs (special-purpose vehicles)			x	x	x						
Ship financing SPVs (special-purpose vehicles)				x							

** Plus public-sector authorities*

Coverage ratio of the IRBA exposures at default (EAD)

In keeping with the implementation plan, the IRBA coverage ratio as at the reporting date was 98.88 percent in relation to the exposure values (EAD) and 97.82 percent for RWAs pursuant to section 11 of the Solvency Ordinance (SolvV). The RWA coverage ratio is thus above the regulatory mandatory threshold of 92 percent. The supervisory authorities are informed at regular intervals of changes in the coverage ratio. All necessary measures are coordinated and agreed upon, wherever required, with a view to potential changes in supervisory requirements.

The following table shows the share of exposure values (EAD) treated under the standardised approach and the share treated under the IRB approach for each regulatory exposure class. It should be borne in mind that the exposure values below are those which are shown in this report for the BayernLB Group and do not reflect the specific requirements of section 11 of SolvV for calculating the coverage ratio.

Share of exposure values treated under CRSA vs IRBA

in %	CRSA	IRBA	Total
Central governments and central banks	2.47	27.98	30.45
Institutions	9.76	11.36	21.12
Corporates	0.30	39.41	39.71
Retail	0.43	6.34	6.77
Equity exposure	0.02	0.38	0.40
Securitisation exposures	0.01	1.19	1.20
Other non-credit obligation assets	0.03	0.33	0.36
Total	**13.02**	**86.98**	**100.00**

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. Management, moreover, is informed of the viability of the rating procedures in quarterly reports.

Within the “Group Risk Control” Division, the Group Credit Risk Control Department is responsible for introducing, developing, updating and optimising the rating systems.

The internal rating systems that are in use are validated once a year in accordance with article 144 para. 1 point (e) CRR and article 185 CRR. The Group Model Validation unit is responsible for preparing consistent requirements for validating models; presenting a validation plan; conducting the model validations; reporting the validation findings to management; and for following up on the recommendations for action.

As from 1 April 2018, all IRB models used at DKB are now also validated by the Group Model Validation Department. DKB installed an independent validation unit with effect from 1 April 2018 in order to assist BayernLB in rendering the validation services. In tandem with this, the Group Model Validation Department deploys staff to the validation workgroups at the rating and validation services providers RSU and S-Rating.

The validation process comprises a qualitative and a quantitative component. In order to check the general usability of the rating procedures, the qualitative validation entails assessing the model design, primarily by identifying potential weaknesses in the model. How the models are used internally at the institution or the Group is also evaluated, as is the quality of the data. The quantitative validation is made up of a quantitative check of the underlying data and of the model. The representative check accommodates the use of pool models as it allows for comparisons of creditworthiness-relevant data from the institution or Group against such data in the pool. The degree of consistency between the features of the pooled data and those of the BayernLB Group's data is namely checked so as to subsequently enable an assessment of the findings and a validation of any discrepancies. In checking the model itself, the very quality of the model is scrutinised. The deciding factor in this case is the analysis of the accuracy, calibration and stability of the rating procedures. The specific, annual validation activities are documented in a validation plan (work plan) for individual rating procedures.

In the case of pool models, the institutions are assisted in their institution or Group-level validations by external service providers. Pool validations are assessed by independent bodies of RSU and S-Rating. The BayernLB Group is represented in these bodies by employees from the Group Model Validation unit. The pool validation findings are a part of the institution's or the Group's validation.

The Audit Division, as a process-independent authority, regularly checks the suitability of the internal rating systems, including the adherence to the minimum requirements imposed for using the rating systems. Comparable regulations are implemented at DKB for the internal rating systems in use there.

Total loan portfolio and exposure values in IRBA by PD category

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 corporate 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.

The following tables show the main parameters used to calculate own funds requirements under the IRBA. 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 exposure classes are presented in a separate table.

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. The CR6 tables do not include any exposures with alternative treatment.

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	54,785	3,006	54%	65,767	0.00%	5,117	45%	481	1%	0	
	0.15 to < 0.25	342	-	-	342	0.17%	2	45%	147	43%	0	
	0.25 to < 0.50	55	-	-	59	0.39%	3	45%	39	66%	0	
	0.50 to < 0.75	45	19	75%	2	0.59%	1	45%	2	79%	0	
	0.75 to < 2.50	7	-	-	7	1.33%	2	45%	7	108%	0	
	2.50 to < 10.00	56	13	75%	1	6.67%	2	45%	2	176%	0	
	10.00 to < 100.00	324	412	-	2	19.27%	4	45%	4	249%	0	
	100.00 (Default)	-	-	-	-	–	-	-	-	-	-	
	Subtotal	*55,614*	*3,451*	*54%*	*66,180*	*0.00%*	*5,131*	*45%*	*683*	*1%*	*1*	*2*
Institutions	0.00 to < 0.15	22,682	1,546	48%	21,811	0.05%	1,168	34%	3,581	16%	4	
	0.15 to < 0.25	473	6	44%	427	0.17%	62	39%	171	40%	0	
	0.25 to < 0.50	688	125	48%	652	0.32%	105	38%	365	56%	1	
	0.50 to < 0.75	149	13	69%	37	0.59%	30	43%	29	78%	0	
	0.75 to < 2.50	803	15	55%	680	1.31%	61	45%	879	129%	4	
	2.50 to < 10.00	126	0	-	39	3.88%	22	38%	48	123%	1	
	10.00 to < 100.00	66	155	32%	118	10.25%	33	45%	251	212%	5	
	100.00 (Default)	30	-	-	26	100.00%	7	42%	-	-	11	
	Subtotal	*25,016*	*1,860*	*47%*	*23,790*	*0.26%*	*1,488*	*35%*	*5,324*	*22%*	*26*	*23*
Corporates – SMEs	0.00 to < 0.15	13,019	1,357	46%	13,084	0.06%	2,022	38%	2,399	18%	3	
	0.15 to < 0.25	1,524	120	34%	1,491	0.17%	475	40%	498	33%	1	
	0.25 to < 0.50	3,995	440	51%	4,172	0.32%	1,569	41%	1,904	46%	5	
	0.50 to < 0.75	2,036	259	34%	2,104	0.59%	753	40%	1,319	63%	5	
	0.75 to < 2.50	3,529	894	28%	3,678	1.31%	1,448	40%	3,082	84%	19	
	2.50 to < 10.00	745	46	30%	744	3.94%	395	40%	801	108%	12	
	10.00 to < 100.00	536	129	32%	435	15.61%	284	22%	757	174%	28	
	100.00 (Default)	411	21	20%	412	100.00%	108	44%	-	-	181	
	Subtotal	*25,795*	*3,266*	*39%*	*26,120*	*2.27%*	*7,054*	*39%*	*10,761*	*41%*	*255*	*157*
Corporates – Specialised lending	0.00 to < 0.15	6,673	459	61%	6,872	0.08%	600	44%	1,629	24%	2	
	0.15 to < 0.25	3,157	466	42%	3,116	0.17%	167	45%	1,185	38%	2	
	0.25 to < 0.50	4,268	848	56%	4,522	0.32%	299	44%	2,427	54%	6	
	0.50 to < 0.75	1,403	385	48%	1,406	0.59%	99	44%	1,056	75%	4	
	0.75 to < 2.50	1,905	258	61%	1,735	1.21%	162	44%	1,716	99%	9	
	2.50 to < 10.00	426	23	62%	371	4.40%	37	45%	560	151%	7	
	10.00 to < 100.00	209	27	46%	120	12.80%	16	15%	248	206%	7	
	100.00 (Default)	755	66	38%	776	100.00%	28	51%	-	-	383	
	Subtotal	*18,797*	*2,533*	*54%*	*18,918*	*4.56%*	*1,408*	*44%*	*8,820*	*47%*	*420*	*520*
Corporates – Others	0.00 to < 0.15	14,303	14,865	57%	22,723	0.07%	670	45%	5,772	25%	7	
	0.15 to < 0.25	4,587	3,847	60%	7,180	0.17%	296	45%	2,955	41%	5	
	0.25 to < 0.50	6,342	5,427	50%	8,720	0.32%	559	45%	5,002	57%	12	
	0.50 to < 0.75	1,934	1,421	38%	2,194	0.59%	245	45%	1,746	80%	6	
	0.75 to < 2.50	3,128	2,566	52%	3,050	1.19%	497	45%	3,097	102%	16	
	2.50 to < 10.00	740	479	51%	518	4.17%	120	44%	777	150%	10	
	10.00 to < 100.00	2,177	799	50%	229	16.27%	259	41%	531	232%	17	
	100.00 (Default)	362	54	43%	341	100.00%	152	46%	-	-	155	
	Subtotal	*33,573*	*29,459*	*55%*	*44,954*	*1.12%*	*2,798*	*45%*	*19,881*	*44%*	*228*	*313*
Total		**158,794**	**40,568**	**53%**	**179,962**	**1.13%**	**17,879**	**43%**	**45,469**	**25%**	**930**	**1,016**

In the fourth quarter, BayernLB updated its policy for identifying exposures that fall under the sub-class “specialised lending”. These are now disclosed separately only when the respective business partners have been assessed using a special rating procedure and denoted in the system as “specialised lending”. After having received supervisory approval, DKB disclosed “specialised lending” exposures for the first time and for the reporting date 30 September 2018. This led to a shift in the exposures from the exposure class Corporates – SMEs, as at 30 June 2018, to the exposure class Corporates – Specialised lending.

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	159	5	33%	161	0.08%	1,433	23%	6	4%	0	
	0.15 to < 0.25	63	1	31%	64	0.17%	394	23%	4	7%	0	
	0.25 to < 0.50	170	3	32%	171	0.34%	1,311	25%	20	12%	0	
	0.50 to < 0.75	93	1	37%	93	0.59%	698	27%	18	19%	0	
	0.75 to < 2.50	118	2	47%	119	1.13%	652	25%	32	27%	0	
	2.50 to < 10.00	31	0	31%	31	4.26%	172	25%	18	59%	0	
	10.00 to < 100.00	20	1	35%	21	25.88%	151	30%	27	129%	2	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	
	Subtotal	*654*	*12*	*35%*	*659*	*1.42%*	*4,811*	*25%*	*125*	*19%*	*3*	*2*
Retail – Secured by immovable property – non-SMEs	0.00 to < 0.15	1,534	47	35%	1,551	0.06%	22,026	22%	55	4%	0	
	0.15 to < 0.25	965	10	57%	970	0.17%	12,477	23%	86	9%	0	
	0.25 to < 0.50	2,771	12	55%	2,778	0.32%	34,466	24%	403	15%	2	
	0.50 to < 0.75	376	1	53%	376	0.59%	3,863	26%	90	24%	1	
	0.75 to < 2.50	203	1	54%	203	1.35%	1,973	27%	87	43%	1	
	2.50 to < 10.00	229	1	56%	230	4.10%	2,545	30%	210	92%	3	
	10.00 to < 100.00	191	0	53%	191	20.68%	1,969	31%	339	178%	12	
	100.00 (Default)	75	-	-	75	100.00%	745	49%	30	40%	34	
	Subtotal	*6,343*	*72*	*42%*	*6,373*	*2.19%*	*80,064*	*24%*	*1,299*	*20%*	*53*	*40*
Retail – Qualifying revolving	0.00 to < 0.15	90	6,929	30%	2,183	0.04%	2,245,445	54%	34	2%	0	
	0.15 to < 0.25	15	270	37%	116	0.17%	181,497	53%	6	5%	0	
	0.25 to < 0.50	40	299	32%	136	0.33%	137,165	54%	12	9%	0	
	0.50 to < 0.75	14	71	33%	38	0.59%	37,902	54%	5	14%	0	
	0.75 to < 2.50	48	143	34%	97	1.19%	89,634	54%	23	24%	1	
	2.50 to < 10.00	85	122	34%	126	3.93%	74,989	56%	74	59%	3	
	10.00 to < 100.00	8	7	59%	12	24.73%	8,946	58%	18	150%	2	
	100.00 (Default)	3	0	99%	4	100.00%	1,921	81%	1	30%	3	
	Subtotal	*303*	*7,842*	*31%*	*2,711*	*0.53%*	*2,777,499*	*54%*	*174*	*6%*	*9*	*11*
Retail – Other SMEs	0.00 to < 0.15	122	52	33%	139	0.09%	2,872	61%	15	11%	0	
	0.15 to < 0.25	62	13	32%	66	0.17%	867	62%	12	18%	0	
	0.25 to < 0.50	169	30	34%	179	0.32%	2,033	63%	50	28%	0	
	0.50 to < 0.75	83	14	35%	87	0.59%	944	62%	34	39%	0	
	0.75 to < 2.50	149	13	37%	154	1.23%	1,801	63%	85	55%	1	
	2.50 to < 10.00	49	6	40%	51	4.22%	751	61%	37	72%	1	
	10.00 to < 100.00	16	3	62%	17	26.19%	568	62%	20	113%	3	
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	
	Subtotal	*649*	*131*	*35%*	*694*	*1.43%*	*9,836*	*62%*	*253*	*36%*	*6*	*5*
Retail – Other retail	0.00 to < 0.15	881	751	56%	1,304	0.07%	65,495	63%	154	12%	1	
	0.15 to < 0.25	353	245	58%	495	0.17%	8,109	64%	124	25%	1	
	0.25 to < 0.50	686	340	58%	885	0.32%	30,275	64%	323	36%	2	
	0.50 to < 0.75	339	78	58%	385	0.59%	19,623	60%	192	50%	1	
	0.75 to < 2.50	1,140	164	59%	1,237	1.27%	68,199	58%	834	67%	9	
	2.50 to < 10.00	197	17	56%	206	3.70%	14,926	58%	182	88%	4	
	10.00 to < 100.00	139	13	40%	144	25.25%	9,086	59%	202	140%	22	
	100.00 (Default)	85	0	63%	85	100.00%	2,951	82%	31	36%	67	
	Subtotal	*3,820*	*1,607*	*57%*	*4,740*	*3.19%*	*218,664*	*62%*	*2,041*	*43%*	*106*	*67*
Total		**11,770**	**9,664**	**35%**	**15,177**	**2.14%**	**3,090,874**	**43%**	**3,893**	**26%**	**178**	**125**

Table CCR4 shows the main parameters used to calculate own funds requirements for counterparty credit risk under the IRBA. The figures are based on supervisory figures pursuant to COREP reporting. The table contains 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 busness, 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	331	0.00%	92	45%	0	0
	0.15 to < 0.25	–	–	–	–	–	–
	0.25 to < 0.50	–	–	–	–	–	–
	0.50 to < 0.75	–	–	–	–	–	–
	0.75 to < 2.50	–	–	–	–	–	–
	2.50 to < 10.00	–	–	–	–	–	–
	10.00 to < 100.00	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–
	Subtotal	*331*	*0.00%*	*92*	*45%*	*0*	*0*
Institutions	0.00 to < 0.15	2,478	0.06%	107	45%	547	22%
	0.15 to < 0.25	38	0.17%	9	45%	16	41%
	0.25 to < 0.50	869	0.11%	17	45%	176	20%
	0.50 to < 0.75	4	0.59%	3	45%	3	79%
	0.75 to < 2.50	14	1.34%	3	45%	15	111%
	2.50 to < 10.00	–	–	–	–	–	–
	10.00 to < 100.00	0	20.00%	5	45%	0	253%
	100.00 (Default)	–	–	–	–	–	–
	Subtotal	*3,403*	*0.08%*	*144*	*45%*	*757*	*22%*
Corporates – SMEs	0.00 to < 0.15	1	0.12%	1	45%	0	31%
	0.15 to < 0.25	2	0.17%	2	45%	1	36%
	0.25 to < 0.50	5	0.37%	3	45%	3	53%
	0.50 to < 0.75	0	0.59%	2	45%	0	65%
	0.75 to < 2.50	6	1.32%	3	45%	5	84%
	2.50 to < 10.00	8	4.44%	1	45%	9	115%
	10.00 to < 100.00	–	–	–	–	–	–
	100.00 (Default)	–	–	–	–	–	–
	Subtotal	*23*	*2.00%*	*12*	*45%*	*18*	*79%*
Corporates – Specialised lending	0.00 to < 0.15	178	0.09%	116	45%	44	25%
	0.15 to < 0.25	160	0.17%	52	45%	68	43%
	0.25 to < 0.50	139	0.28%	51	45%	77	55%
	0.50 to < 0.75	46	0.59%	13	45%	36	77%
	0.75 to < 2.50	49	0.91%	11	45%	46	94%
	2.50 to < 10.00	13	6.39%	3	45%	23	173%
	10.00 to < 100.00	1	10.01%	2	45%	2	205%
	100.00 (Default)	28	100.00%	3	45%	–	–
	Subtotal	*614*	*4.91%*	*251*	*45%*	*295*	*48%*
Corporates – Others	0.00 to < 0.15	1,336	0.09%	221	45%	396	30%
	0.15 to < 0.25	248	0.19%	74	45%	103	41%
	0.25 to < 0.50	754	0.28%	137	45%	374	50%
	0.50 to < 0.75	53	0.59%	29	45%	42	79%
	0.75 to < 2.50	81	1.06%	66	45%	79	97%
	2.50 to < 10.00	6	5.22%	12	45%	10	168%
	10.00 to < 100.00	24	19.97%	851	45%	60	252%
	100.00 (Default)	0	100.00%	1	45%	–	–
	Subtotal	*2,502*	*0.41%*	*1,391*	*45%*	*1,063*	*42%*
Total		**6,874**	**0.64%**	**1,890**	**45%**	**2,133**	**31%**

Expected and actual losses in the credit business

The tables below are only relevant for the IRB approach. The disclosures therefore are not comparable with the values from the CR1 tables or the “Changes in risk provisions” table in the section “Credit risk adjustments (article 442 CRR)”. Actual losses consist of utilisations of SLLPs and direct writedowns less recoveries on written down receivables.

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 having 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

	2018		2017		2016	
EUR million	Expected loss (EL)	Actual loss	Expected loss (EL)	Actual loss	Expected loss (EL)	Actual loss
Central governments and central banks	**1**	**–**	**1**	**–**	**1**	**–**
Institutions	**27**	**1**	**17**	**8**	**24**	**45**
Corporates	**922**	**–119**	**1,250**	**241**	**2,427**	**1,406**
• of which specialised lending	434	0	570	56	576	41
Retail	**178**	**43**	**218**	**66**	**248**	**70**
• Secured by immovable property – SMEs	3	–	3	0	3	0
• Secured by immovable property – non-SMEs	53	9	87	21	116	28
• Qualifying revolving	9	3	10	4	11	4
• Other SMEs	6	0	6	0	7	2
• Other retail	106	31	12	39	110	37
Total	**1,127**	**–75**	**1,486**	**315**	**2,699**	**1,527**

The negative figure showing the actual loss in the corporates exposure class is the result of the EUR 246 million in recoveries on written down receivables in 2018. Recoveries on written down receivables includes a significant gain resulting from a settlement to end all legal disputes with HETA.

The table below shows the additions and releases of the credit risk adjustments in IRBA, broken down by exposure class. The change in risk provisions was much more positive in comparison to the plan, with the result that less risk provisions were made overall.

Credit risk adjustments in IRBA

EUR million	SLLP additions in 2018	SPPL releases in 2018	Net of additions / releases in 2018
Central governments and central banks	**6**	**5**	**2**
Institutions	**38**	**26**	**12**
Corporates	**741**	**666**	**75**
• of which specialised lending	179	133	46
Retail	**155**	**137**	**18**
• of which secured by immovable property, SMEs	3	4	0
• of which secured by immovable property, non-SMEs	36	37	-2
• of which qualifying revolving	35	33	2
• of which other SMEs	10	9	0
• of which other retails	72	54	17
Total	**940**	**834**	**102**

Backtesting of the probability of default

Table CR9 provides backtesting data for PD calculation for credit risk. The table compares the estimated one-year probabilities of default used to calculate own funds requirements against the default rates. The average estimated probabilities of default for 2018 (reporting date 31 December 2017) are compared against defaults in 2018. The average historical annual default rate is generally based on a five-year period. The figures are based on supervisory figures pursuant to COREP reporting. The retail exposure classes are presented in a separate table.

CR9 – IRB approach: backtesting of PD per exposure class

Exposure class EUR million	PD range (in %)	External rating equivalent		Weighted average PD	Arithmetic average PD by obligors	Number of obligors		Defaulted obligors in the year	Of which new obligors	Average historical annual default rate
		Moody's	S&P			End of previous year	End of the year			
Central governments and central banks	0.00 bis < 0.15	AAa, Aa1, Aa2, Aa3, A1, A2 ,A3, Baa1	AAA,AA+,AA,AA-, A+,A,A-,BBB+	0.00%	0.00%	5,064	5,116	–	–	0.00%
	0.15 bis < 0.25	Baa2	BBB	–	–	–	3	–	–	0.00%
	0.25 bis < 0.50	Baa3	BBB-	0.39%	–	–	3	–	–	0.00%
	0.50 bis < 0.75	Ba1	BB+	0.59%	0.59%	1	1	–	–	0.00%
	0.75 bis < 2.50	Ba2, Ba3	BB, BB-	1.01%	1.10%	2	2	–	–	0.00%
	2.50 bis < 10.00	B1, B2	B+, B	5.99%	5.19%	4	2	–	–	5.00%
	10.00 bis < 100	B3, Caa1, Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC, C	35.25%	12.61%	4	4	–	–	6.67%
Institutions	0.00 bis < 0.15	AAa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA,AA+,AA,AA-, A+,A,A-,BBB+	0.05%	0.01%	1,058	1,167	–	–	0.00%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.04%	96	63	–	–	0.00%
	0.25 bis < 0.50	Baa3	BBB-	0.30%	0.10%	108	108	–	–	0.12%
	0.50 bis < 0.75	Ba1	BB+	0.59%	0.19%	32	30	–	–	0.30%
	0.75 bis < 2.50	Ba2, Ba3	BB, BB-	1.32%	0.32%	58	61	–	–	0.35%
	2.50 bis < 10.00	B1, B2	B+, B	4.03%	1.50%	42	22	2	–	2.52%
	10.00 bis < 100	B3, Caa1, Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC, C	20.00%	12.64%	8	33	–	–	0.00%
Corporates – SMEs	0.00 bis < 0.15	AAa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA,AA+,AA,AA-, A+,A,A-,BBB+	0.07%	0.00%	2,050	2,001	–	–	0.01%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.00%	473	475	–	–	0.00%
	0.25 bis < 0.50	Baa3	BBB-	0.33%	0.01%	1,497	1,579	–	–	0.07%
	0.50 bis < 0.75	Ba1	BB+	0.59%	0.01%	993	757	–	–	0.02%
	0.75 bis < 2.50	Ba2, Ba3	BB, BB-	1.27%	0.02%	2,139	1,453	–	–	0.14%
	2.50 bis < 10.00	B1, B2	B+, B	3.98%	0.13%	540	395	–	–	0.80%
	10.00 bis < 100	B3, Caa1, Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC, C	16.34%	0.56%	401	284	–	–	5.49%
Corporates – Specialised lending	0.00 bis < 0.15	AAa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA,AA+,AA,AA-, A+,A,A-,BBB+	0.09%	0.09%	400	533	–	–	0.00%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.17%	168	181	–	–	0.00%
	0.25 bis < 0.50	Baa3	BBB-	0.31%	0.32%	222	295	1	–	0.13%
	0.50 bis < 0.75	Ba1	BB+	0.59%	0.59%	76	111	–	–	0.53%
	0.75 bis < 2.50	Ba2, Ba3	BB, BB-	1.15%	1.17%	74	178	3	–	2.23%
	2.50 bis < 10.00	B1, B2	B+, B	4.16%	3.98%	19	60	1	–	7.45%
	10.00 bis < 100	B3, Caa1, Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC, C	10.73%	11.67%	3	15	1	–	20.83%
Corporates – Others	0.00 bis < 0.15	AAa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA,AA+,AA,AA-, A+,A,A-,BBB+	0.07%	0.07%	506	664	–	–	0.00%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.16%	238	296	–	–	0.00%
	0.25 bis < 0.50	Baa3	BBB-	0.32%	0.29%	516	563	2	–	0.14%
	0.50 bis < 0.75	Ba1	BB+	0.59%	0.52%	204	245	–	–	0.10%
	0.75 bis < 2.50	Ba2, Ba3	BB, BB-	1.17%	1.07%	409	497	10	1	0.71%
	2.50 bis < 10.00	B1, B2	B+, B	4.08%	3.75%	120	120	23	–	6.44%
	10.00 bis < 100	B3, Caa1, Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC, C	16.90%	18.38%	200	259	31	1	4.63%

CR9 – IRB approach: backtesting of PD per retail exposure class

		External rating equivalent				Number of obligors				
Exposure class EUR million	**PD range** (in %)	**Moody's**	**S&P**	**Weighted average PD**	**Arithmetic average PD by obligors**	**End of previous year**	**End of the year**	**Defaulted obligors in the year**	**Of which new obligors**	**Average historical annual default rate**
Retail – Secured by immovable property – SMEs	0.00 bis < 0.15	A1, A2, A3	A+, A, A-	0.08%	0.07%	1,302	1,433	0	0	0.00%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.17%	395	394	0	0	0.00%
	0.25 bis < 0.50	Baa3	BBB-	0.34%	0.35%	1,543	1,311	0	0	0.11%
	0.50 bis < 0.75	Baa3	BBB-	0.59%	0.59%	615	698	0	0	0.00%
	0.75 bis < 2.50	Ba1, Ba2, Ba3	BB+, BB	1.14%	1.15%	697	652	1	0	0.17%
	2.50 bis < 10.00	B1	B+	4.16%	4.21%	198	172	2	0	0.82%
	10.00 bis < 100	B3, Caa, D	B-, CCC, D	27.00%	26.29%	147	151	11	0	5.86%
Retail – Secured by immovable property – non-SMEs	0.00 bis < 0.15	A1, A2, A3	A+, A, A-	0.06%	0.05%	21,386	22,026	1	0	0.02%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.17%	9,968	12,477	2	0	0.05%
	0.25 bis < 0.50	Baa3	BBB-	0.31%	0.31%	47,617	34,466	37	1	0.09%
	0.50 bis < 0.75	Baa3	BBB-	0.59%	0.59%	951	3,863	2	0	0.26%
	0.75 bis < 2.50	Ba1, Ba2, Ba3	BB+, BB	1.28%	1.28%	1,474	1,973	6	1	0.35%
	2.50 bis < 10.00	B1	B+	4.08%	4.07%	3,160	2,545	18	2	0.74%
	10.00 bis < 100	B3, Caa, D	B-, CCC, D	21.57%	21.36%	2,940	1,969	126	13	5.86%
Retail – Qualifying revolving	0.00 bis < 0.15	A1, A2, A3	A+, A, A-	0.04%	0.04%	2,038,462	2,245,445	138	0	0.01%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.17%	177,493	181,497	64	0	0.04%
	0.25 bis < 0.50	Baa3	BBB-	0.33%	0.32%	146,698	137,165	88	19	0.07%
	0.50 bis < 0.75	Baa3	BBB-	0.59%	0.59%	40,772	37,902	52	9	0.13%
	0.75 bis < 2.50	Ba1, Ba2, Ba3	BB+, BB	1.19%	1.22%	85,512	89,634	197	36	0.25%
	2.50 bis < 10.00	B1	B+	4.02%	3.75%	74,842	74,989	361	27	0.64%
	10.00 bis < 100	B3, Caa, D	B-, CCC, D	26.40%	24.48%	8,646	8,946	154	104	2.43%
Retail – Other SMEs	0.00 bis < 0.15	A1, A2, A3	A+, A, A-	0.09%	0.08%	2,692	2,872	0	0	0.02%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.17%	844	867	0	0	0.00%
	0.25 bis < 0.50	Baa3	BBB-	0.33%	0.33%	2,051	2,033	1	0	0.05%
	0.50 bis < 0.75	Baa3	BBB-	0.59%	0.59%	974	944	1	0	0.04%
	0.75 bis < 2.50	Ba1, Ba2, Ba3	BB+, BB	1.24%	1.22%	1,972	1,801	7	0	0.32%
	2.50 bis < 10.00	B1	B+	4.11%	4.33%	784	751	11	0	1.31%
	10.00 bis < 100	B3, Caa, D	B-, CCC, D	23.14%	33.29%	578	568	20	0	3.10%
Retail – Other retail	0.00 bis < 0.15	A1, A2, A3	A+, A, A-	0.07%	0.07%	39,493	43,047	17	0	0.15%
	0.15 bis < 0.25	Baa2	BBB	0.17%	0.17%	8,109	14,233	4	0	0.23%
	0.25 bis < 0.50	Baa3	BBB-	0.32%	0.32%	30,275	28,088	31	0	0.26%
	0.50 bis < 0.75	Baa3	BBB-	0.59%	0.59%	19,624	21,088	46	4	0.25%
	0.75 bis < 2.50	Ba1, Ba2, Ba3	BB+, BB	1.28%	1.26%	68,199	81,417	493	22	0.59%
	2.50 bis < 10.00	B1	B+	3.98%	4.08%	14,926	16,822	314	38	2.05%
	10.00 bis < 100	B3, Caa, D	B-, CCC, D	24.65%	24.78%	9,086	10,629	655	175	7.07%

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. The table includes both credit risk and counterparty credit risk.

Average PDs and LGDs by geographical location

in %		Germany	Italy	USA	UK	Total
Central governments and central banks	**Avg. PD**	**0.00**	**–**	**0.00**	**–**	**0.00**
	Avg. LGD	**–**	**–**	**–**	**–**	**–**
Institutions	**Avg. PD**	**0.24**	**0.87**	**0.03**	**0.07**	**0.24**
	Avg. LGD	**–**	**–**	**–**	**–**	**–**
Corporates	**Avg. PD**	**2.44**	**0.42**	**0.78**	**–**	**2.37**
	Avg. LGD	**–**	**–**	**–**	**–**	**–**
• of which specialised lending	Avg. PD	5.75	2.07	1.91	–	**5.52**
	Avg. LGD	–	–	–	–	–
Retail	**Avg. PD**	**2.14**	**–**	**–**	**–**	**2.14**
	Avg. LGD	**43**	**–**	**–**	**–**	**43**
• Secured by immovable property – SMEs	Avg. PD	1.42	–	–	–	**1.42**
	Avg. LGD	25	–	–	–	**25**
• Secured by immovable property – non-SMEs	Avg. PD	2.19	–	–	–	**2.19**
	Avg. LGD	24	–	–	–	**24**
• Qualifying revolving	Avg. PD	0.53	–	–	–	**0.53**
	Avg. LGD	54	–	–	–	**54**
• Other SMEs	Avg. PD	1.43	–	–	–	**1.43**
	Avg. LGD	62	–	–	–	**62**
• Other retail	Avg. PD	3.19	–	–	–	**3.19**
	Avg. LGD	62	–	–	–	**62**
Total	**Avg. PD**	**1.33**	**0.42**	**0.30**	**0.07**	**1.28**
	Avg. LGD	**43**	**–**	**–**	**–**	**43**

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 15.1 billion as at 31 December 2018 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 76 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.

Table CR3 below shows all outstanding secured and unsecured exposures for credit risk and the amounts secured by collateral, financial guarantees and credit derivatives. The values are shown separately for each exposure class. Under the standardised approach, exposures secured by immovable property are reported in their original exposure class. The outstanding exposure value is the carrying amount less impairment (cf. values in table CRB-B). The figures are based on supervisory figures pursuant to COREP reporting.

CR3 – CRM techniques

Exposure class EUR million	Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Of which secured by immovable property	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Central governments and central banks	58,674	871	3	–	865	–
Institutions	17,554	9,299	4,512	4,494	2,508	–
Corporates	67,904	45,755	28,643	27,683	10,774	–
• *of which specialised lending*	*8,629*	*12,832*	*7,728*	*7,214*	*1,393*	–
• *of which SMEs*	*9,724*	*19,205*	*14,173*	*13,941*	*1,138*	–
Retail	8,134	13,176	5,550	5,530	9	–
• *Secured by immovable property – SMEs*	–	*665*	*515*	*514*	*0*	–
• *Secured by immovable property – non-SMEs*	–	*6,375*	*5,023*	*5,016*	–	–
• *Qualifying revolving*	*8,134*	–	–	–	–	–
• *Other SMEs*	–	*775*	*10*	–	*8*	–
• *Other retail*	–	*5,361*	*1*	–	–	–
Total IRB approach	**152,267**	**69,101**	**38,709**	**37,707**	**14,156**	**–**
Central governments or central banks	30	–	–	–	–	–
Regional governments or local authorities	42	30	–	–	30	–
Public sector entities	155	108	–	–	107	–
Multilateral development banks	293	–	–	–	–	–
International organisations	48	–	–	–	–	–
Institutions	21,264	–	–	–	–	–
Corporates	378	2,774	50	35	2,599	–
Retail exposures	5,079	3,332	199	199	3,128	–
Exposures in default	45	17	8	8	3	–
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)	105	–	–	–	–	–
Equity exposures	–	–	–	–	–	–
Other items	71	–	–	–	–	–
Total standardised approach	**27,511**	**6,260**	**257**	**242**	**5,867**	**–**
Total	**179,777**	**75,361**	**38,966**	**37,949**	**20,023**	**–**
• of which loans	120,846	69,858	38,363	37,484	15,987	–
• of which debt securities	25,316	–	–	–	–	–
• of which defaulted	516	494	267	223	63	–

Table CR4 shows the effects of the credit risk mitigation techniques applied on the calculation of own funds requirements under the standardised approach for credit risk. Broken down by exposure class, the table shows the on-balance-sheet and off-balance-sheet amounts before and after applying conversion factors and credit risk mitigation techniques, as well as the RWAs and the average risk weightings. The figures are based on supervisory figures pursuant to COREP reporting.

CR4 – Standardised approach – Credit risk exposure and CRM effects

	Exposure before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
Exposure classes EUR million	**On-balance-sheet amount**	**Off-balance-sheet amount**	**On-balance-sheet amount**	**Off-balance-sheet amount**	**RWAs**	**RWA density**
Central governments or central banks	30	-	94	-	-	1%
Regional governments or local authorities	64	8	5,262	199	199	0%
Public sector entities	233	30	193	8	8	20%
Multilateral development banks	293	-	295	-	-	0%
International organisations	48	-	48	-	-	0%
Institutions	17,282	3,982	17,682	1,397	1,397	0%
Corporates	2,786	331	447	19	19	98%
Retail exposures	3,776	4,435	763	5	5	70%
Exposures secured by mortgages on immovable property	234	0	234	0	0	36%
Exposures in default	61	0	58	0	0	139%
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)	105	-	105	-	-	76%
Equity exposures	-	-	-	-	-	-
Other items	71	-	71	-	-	100%
Total	**24,984**	**8,787**	**25,253**	**1,628**	**1,628**	**5%**

As BayernLB does not use credit derivatives as credit risk mitigation techniques, table CR7 in the EBA Guidelines EBA/GL/2016/11 is omitted.

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

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

Use of Internal Market Risk Models (article 455 CRR)

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

Liquidity coverage ratio (article 435 CRR)

The requirements for disclosing the liquidity coverage ratio are specified in the EBA's Guidelines on liquidity coverage ratio (LCR) disclosure to complement the disclosure of liquidity risk management under article 435 of the CRR (EBA/GL/2017/01).

Liquidity risk management within the BayernLB Group includes the typical components of a management process. The primary objective is to maintain solvency at all times and thus ensure that the BayernLB Group's maturing liabilities can be adequately met from a liquidity perspective in normal situations as well as in various stress situations. The main guidelines for liquidity risk management are based on the liquidity risk strategy approved by the BayernLB Group's Board of Management, which, in turn, is derived from the Business Strategy. Under the liquidity risk strategy, risk tolerance is defined in the form of specific limits for the key indicators to assess liquidity risk in the BayernLB Group. The main management metrics are based on a comparison of projected liquidity needs with projected counterbalancing capacity for various scenarios (normal case and, in addition, severe crisis scenarios).

These management metrics provide feedback for managing and monitoring compliance with the strategies in order to ensure an efficient escalation process, as well as the necessary input for the supporting processes, such as managing the funding profile, managing liquidity reserves in connection with collateral management, and managing and monitoring liquidity risks using stress tests.

To be prepared at all times for liquidity crises and manage appropriate mitigation measures, BayernLB has installed a sound liquidity contingency planning. Liquidity management is supported by funds transfer pricing and intraday liquidity management. Other components are maintaining a risk inventory, validating the adequacy of liquidity risk limits and ensuring compliance with internal rules and regulations.

The Bank's funding strategy defines the medium-term framework and describes the overall strategic objectives. When conducting its funding planning, the Bank decides on the desired funding mix specifically for the coming years as part of the funding strategy.

Liquidity risk governance is centred around internal instructions for monitoring and managing liquidity risks. These lay down the specific rules in the context of processes, roles and responsibilities for monitoring and managing liquidity risks in the BayernLB Group.

The Group Treasury and the Structuring & Trading Divisions of the Financial Markets Business Area are responsible for strategic and operational liquidity management at the BayernLB Group. This ensures adequate liquidity reserves at all times and the management of operational liquidity on the market. Group-wide risk controlling of liquidity risks is conducted by the Group Risk Control Division in Risk Office. This division prepares liquidity overviews, such as liquidity gap analyses and the corresponding limits as key indicators for managing and monitoring liquidity risks. The Liquidity Committee consults with the Group Treasury, Group Risk Control and the Controlling Divisions on liquidity issues such as liquidity and funding strategies and acts as a driving force by preparing courses of action for the Board of Management so that the latter can decide swiftly on necessary measures. In the event of an economic liquidity emergency, the Board of Management and the members of the Liquidity Committee are notified and a liquidity emergency response team convened. In addition, the Supervisory Board is informed about the declaration of an economic liquidity emergency and the next steps to be taken.

Reports are regularly sent to the Board of Management, Supervisory Board and Risk Committee in the form of the ILAAP report prepared by Group Risk Control. The ILAAP report is an integral part of the Group risk report, which shows the key liquidity ratios for BayernLB and the BayernLB Group. The contents of the report include, in addition to the economic liquidity situation, the regulatory liquidity ratios and limits, as well as early warning indicators and funding monitoring. The ILAAP report is supplemented by ad hoc analyses, results of stress tests and reports outside of regular reporting.

Group Risk Control also prepares the liquidity status report and sends it each working day to the liquidity managers at the limited units and to the Chief Risk Officer and the head of the Financial Markets segment. It contains the status of compliance with the liquidity risk limits. These limits ensure adequate liquidity surpluses on all currencies and for strategic foreign currencies, and also that a sufficient time-to-wall ratio is maintained in the defined stress scenarios. The time-to-wall ratio shows the earliest point in time at which the forecasted liquidity needs cease to be met by the liquidity counterbalancing capacity.

Various liquidity risk thresholds or limits are taken into account in the escalation process. The escalation process is a multi-level early warning thresholds system in the form of a four-colour traffic light system (emergency/liquidity crisis/early warning level/normal case).

This stringent escalation process is supplemented by early warning thresholds to ensure early detection of a relevant deviation from the funding plan and thus for the measurement and monitoring of adverse financial concentration risks. The Group Funding Guidelines, in conjunction with the funding strategy, govern the framework for managing fund procurement activities within the BayernLB Group in terms of processes and responsibilities.

In addition, BayernLB has an LCR early warning indicator to ensure compliance with the minimum liquidity coverage ratio (LCR). This is supplemented by the early warning indicators for the diversification of highly liquid assets. Their thresholds were established to prevent unwanted concentrations in highly liquid assets.

For the early detection of stress situations BayernLB has also set up an early warning indicator system, which is discussed in regular round tables of experts. The main objective of the early warning indicator system is to recognise increased liquidity risk in good time.

Reports are regularly sent to the banking supervisors via BayernLB’s main official reporting system, in compliance with supervisory regulations, at both individual institution and Group level for all currencies and, where necessary, separately for “USD” due to this foreign currency’s importance. The regular reports include, besides the metrics for the liquidity coverage ratio (LCR) and net stable funding ratio (NSFR), additional liquidity monitoring metrics (ALMM).

BayernLB has in place appropriate strategies and management and monitoring processes, including methods and procedures, and keeps the Board of Management and Supervisory Board informed to ensure liquidity tolerance thresholds are complied with and the liquidity profile is adequate. The Bank ensures liquidity risks are comprehensively identified, measured and monitored through processes by which the main liquidity ratios are monitored every working day, independently of Trading, and through various reports to the Board of Management and Supervisory Board that are submitted at graded intervals.

BayernLB has created the necessary framework to continue to meet in good time the various current and future liquidity risk management requirements stemming from e.g. the ECB's own rules, EU directives, MaRisk, BaFin and the CEBS "Guidelines on Liquidity Buffers & Survival Periods".

The foregoing information shows that BayernLB is well furnished with all major components of liquidity risk management. Risks are adequately mapped and monitored, and the BayernLB Group is well positioned due to the quality of its liquidity reserves and funding facilities. Regular validations and adequate governance create the framework needed for ensuring adequate controls. BayernLB's Board of Management therefore deems the existing organisational structure, together with the processes implemented for ongoing planning, measuring and monitoring of the BayernLB Group's liquidity and funding risks, as appropriate.

At year-end 2018 all liquidity risk ratios both for the BayernLB Group and the limited sub-units exceeded the defined minimum thresholds for achieving green traffic light status that are derived from the liquidity risk strategy.

The BayernLB Group management scenario showed the following results as at 31 December 2018 compared to 31 December 2017:

Liquidity situation

31 Dec 2018 Cumulative figures in EUR million	**Up to 1 month**	**Up to 3 months**	**Up to 1 year**	**Up to 5 years**
Liquidity surplus	**18,096**	**14,987**	**10,461**	**14,503**
• Liquidity counterbalancing capacity	31,076	37,302	30,286	12,883
• Less liquidity gap	12,980	22,314	19,825	−1,619

31 Dec 2017 Cumulative figures in EUR million	**Up to 1 month**	**Up to 3 months**	**Up to 1 year**	**Up to 5 years**
Liquidity surplus	**28,502**	**24,412**	**17,534**	**17,478**
• Liquidity counterbalancing capacity	38,804	38,220	30,600	11,505
• Less liquidity gap	10,302	13,808	13,066	−5,973

The changes in liquidity overviews between 31 December 2017 and 31 December 2018 showed a marked increase in the lending business at the BayernLB Group. Given the maturity transformation in funding, this resulted in an increase in the liquidity gap, especially in the maturity bands up to three months and up to one year.

The BayernLB Group's good liquidity status and developments over 2018 are also confirmed by the supervisory ratios. The liquidity coverage ratio (LCR) in accordance with the Delegated Regulation is the ratio of the portfolio of liquid assets classified as high quality to the total net cash outflows over the following 30 days. The average utilisation rates with the most important positions for the BayernLB Group are shown in the table below. In 2018 the Group subsidiary DKB further improved its strong position in the retail business through continued increases in customer deposits.

LIQ1 – Liquidity coverage ratio (LCR)

Scope of consolidation: consolidated		Total unweighted value (average)				Total weighted value (average)			
Currency and units: EUR million									
Quarter ending on		31 Mar	30 Jun	30 Sep	31 Dec	31 Mar	30 Jun	30 Sep	31 Dec
Number of data points used in the calculation of averages		12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					32,631	33,227	33,107	33,047
CASH – OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	34,724	35,664	36,574	37,663	2,336	2,393	2,441	2,510
3	• Stable deposits	25,925	26,700	27,530	28,354	1,296	1,335	1,376	1,418
4	• Less stable deposits	8,796	8,962	9,041	9,306	1,037	1,056	1,062	1,089
5	Unsecured wholesale funding	34,246	35,602	35,870	35,735	18,103	19,428	19,996	20,368
6	• Operational deposits (all counterparties) and deposits in networks of cooperative banks	9,138	9,019	8,858	8,369	2,346	2,318	2,279	2,158
7	• Non-operational deposits (all counterparties)	19,664	20,443	20,554	20,487	10,313	10,970	11,258	11,331
8	• Unsecured debt	5,444	6,140	6,458	6,879	5,444	6,140	6,458	6,879
9	Secured wholesale funding					707	614	511	584
10	Additional requirements	21,855	22,511	23,157	23,395	5,347	5,549	5,589	5,588
11	• Outflows related to derivative exposures and other collateral requirements	2,255	2,436	2,531	2,612	2,255	2,436	2,531	2,612
12	• Outflows related to loss of funding on debt products	1,191	1,144	1,005	886	1,191	1,144	1,005	886
13	• Credit and liquidity facilities	18,409	18,931	19,622	19,897	1,901	1,969	2,054	2,090
14	Other contractual funding obligations	270	256	296	340	168	151	189	230
15	Other contingent funding obligations	28,985	28,822	28,999	29,397	1,176	1,178	1,192	1,210
16	**TOTAL CASH OUTFLOWS**					**27,837**	**29,313**	**29,918**	**30,491**
CASH – INFLOWS									
17	Secured lending (e.g. reverse repos)	1,689	1,562	1,633	1,886	1,232	1,181	1,195	1,361
18	Inflows from fully performing exposures	8,550	8,715	8,477	8,230	5,299	5,400	5,182	4,985
19	Other cash inflows	1,138	1,065	1,192	1,336	824	835	1,003	1,113
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					–	–	–	–
EU-19b	(Excess inflows from a related specialised credit institution)					–	–	–	–
20	**TOTAL CASH INFLOWS**	**11,378**	**11,341**	**11,302**	**11,453**	**7,356**	**7,416**	**7,381**	**7,460**
EU-20a	**Fully exempt inflows**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
EU-20b	**Inflows subject to 90% cap**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
EU-20c	**Inflows subject to 75% cap**	**11,378**	**11,341**	**11,302**	**11,453**	**7,356**	**7,416**	**7,381**	**7,460**
						Total adjusted value			
21	**Liquidity buffer**					**32,631**	**33,227**	**33,107**	**33,047**
22	**Total net cash outlfows**					**20,481**	**21,896**	**22,538**	**23,031**
23	**Liquidity coverage ratio (%)**					**160%**	**153%**	**148%**	**144%**

As can be seen, the minimum threshold of 100 percent for the liquidity coverage ratio, imposed in 2018 by the regulatory authorities, is by far exceeded. To ensure compliance with the statutory minimum ratio at individual institution and Group levels, BayernLB and DKB hold an adequate safety buffer at all times.

Within the scope of liquidity limits, the Group Treasury Division’s liquidity risk management predictively manages liquidity gaps and the liquidity reserve. Over the last few years a diversified portfolio of high-quality collateral has been built up and is actively managed to ensure appropriate realisability, credit quality and maturity distribution at all times.

In addition to having access to central bank money at the ECB, BayernLB also has the option through its New York branch to procure USD directly from the FED in New York via the discount window and therefore to refinance transactions in a foreign currency that is important for the BayernLB Group, even in times of an emergency.

The BayernLB Group’s sources of funding were well diversified as at year-end 2018. BayernLB has achieved this comfortable situation by strategically focusing on a universal bank-type business model. This provides the Bank with a broad mix of short, medium and long-term funding options.

BayernLB has access to a fully diversified range of funding sources, which include Pfandbriefs, Schuldschein note loans, unsecured bonds and deposits from commercial customers, public institutions and partner banks. In addition, BayernLB has a stable portfolio of retail deposits through its 100% subsidiary DKB.

BayernLB’s Board of Management therefore considers that the BayernLB Group has appropriate liquidity and liquidity risk monitoring in place.

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.

Appendix

Brief profiles of the Board of Management and Supervisory Board members (article 435 para. 2 CRR)

Members of the Supervisory Board

Dr Wolf Schumacher, Chairman of the Supervisory Board

Dr Wolf Schumacher has been serving as Chairman of the Supervisory Board of BayernLB and BayernLB Holding since 12 April 2018.

Having studied law, Dr Schumacher (*1958) launched his career in 1988 at Bayerische Hypotheken- und Wechsel-Bank AG. In the years that followed he assumed various executive functions within the HypoVereinsbank Group before becoming a full member (CFO) of HVB Real Estate AG.

In February 2003 Dr Schumacher joined the Deutsche Genossenschafts-Hypothekenbank Group and took up the position of deputy chairman at VR Immobilien AG. In April that year he became the spokesperson for DG Hyp AG.

From April 2005 to September 2015 Dr Schumacher was the CEO of Aareal Bank AG.

Walter Strohmaier, Deputy Chairman of the Supervisory Board

Walter Strohmaier (*1965) has served as Deputy Chairman of BayernLB's Supervisory Board since July 2013.

After completing a banking trainee programme at Sparkasse Dingolfing-Landau, Mr Strohmaier started his professional career by holding various positions at the Bavarian savings bank in question.

In parallel to this he studied for, and was conferred, a Diplom degree in savings bank management by the German Savings Banks Academy. Walter Strohmaier was entrusted with managerial responsibilities in various fields at Sparkasse Dingolfing-Landau before being appointed a deputy member of the Board of Directors in October 1999 and head of the Corporate and Commercial Customers business area in January 2000. Mr Strohmaier was appointed to the Board of Directors in January 2001, before taking over as Chairman of the Board of Directors of Sparkasse Dingolfing-Landau in April of the same year. Sparkasse Dingolfing-Landau merged with neighbouring savings bank Sparkasse Straubing-Bogen at the beginning of 2007 to form a new savings bank serving Central Lower Bavaria (Sparkasse Niederbayern-Mitte). Walter Strohmaier acted as Deputy Chairman of the Board of Directors at the newly-merged entity for two years before being appointed Chairman of the Board of Directors on 1 April 2009, a post which he holds to this day.

Mr Strohmaier has been district representative of Lower Bavaria's savings banks since 2009, and also became Chief Representative of the Bavarian Savings Banks on 1 September 2013. In October 2017 he was appointed deputy federal representative of Germany's savings banks, before taking over as federal representative at the beginning of 2018.

Jan-Christian Dreesen, member of the Supervisory Board

Dr Jan-Christian Dreesen joined BayernLB's Supervisory Board on 12 April 2018. Following his studies in business management, his professional career took off in 1995 at Bayerische Vereinsbank and later at HypoVereinsbank, where he worked his way up to the board of management level. In July 2006 Dr Dreesen became a board member of UBS and headed its wealth management division. Two years later, in March 2008, he was in charge of the investment banking, asset management and wealth management divisions as UBS CEO. In September 2009 Jan-Christian Dreesen joined BayernLB's Board of Management and was put in charge of the Bank's corporate and retail business.

Dr Dreesen has been a board member of FC Bayern since February 2013 and, since February 2014, serving as deputy CEO of FC Bayern München AG. Among his responsibilities at FC Bayern are the company's finances and controlling, security and facility management, IT, legal and human resources services, and also representing the company in matters concerning its participations.

Dr Dreesen has been representing FC Bayern since August 2016 at the DFL Deutsche Fußball Liga's nine-member association board.

Dr Roland Fleck, member of the Supervisory Board

Dr Roland Fleck (*1961) has been a member of BayernLB's Supervisory Board since October 2014.

Having studied business administration, earning first-class honours (Diplom-Kaufmann), he went on to gain a doctorate in 1990. Dr Fleck embarked on his professional career in 1986 at HYPO-Bank AG, ultimately holding the position of deputy head of department in the corporate customers division of the bank's Nuremberg operation until 1996. Simultaneously, from 1993 until 1996, he served as an honorary member of the Nuremberg City Council, rising to be CSU Deputy Chairman on the council. From 1996 onwards, he worked as City Counsellor and Head of the Economic Section of the City of Nuremberg, being appointed in this capacity to the supervisory board of Nuremberg Airport (Flughafen Nürnberg GmbH) as well as to other bodies.

In 2011, Dr Roland Fleck became CEO of the Nuremberg Trade Fair Group (NürnbergMesse Group).

He is also a board member of the Global Association of the Exhibition Industry (UFI), of the Association of the German Trade Fair Industry (AUMA) and of the Association of Major German Exhibition Organisers (GDG). Dr Fleck serves as chairman of the supervisory board of the Nuremberg Trade Fair Group's Chinese subsidiary (NürnbergMesse China Co. Ltd.) and of the board of partners of its Brazilian offshoot (NürnbergMesse Brasil Ltda.). He is also a member of the board of trustees of the Nuremberg-based foundation Schöller-Stiftungen and of the advisory board of the soccer club 1. FC Nürnberg.

Dr Ute Geipel-Faber, member of the Supervisory Board

Dr Ute Geipel-Faber (*1950) has been a member of BayernLB's Supervisory Board since June 2014. Dr Geipel-Faber studied economics at the University of Regensburg, graduating in 1975 and gaining her doctorate in 1979. From 1981 to 1984, she was on the staff of the German Council of Economic Experts.

From 1984 to 1991, she worked for Citibank AG (Germany), initially as head of the Economics Department and, from 1987 onwards, as head of the Asset Management/Research business area.

In 1991, Dr Geipel-Faber moved to Bayerische Vereinsbank, setting up and heading the Investors Relations division until 1995. After Bayerische Vereinsbank had merged with cross-town rival HYPO-Bank to form HypoVereinsbank, Dr Geipel-Faber was entrusted with managerial responsibilities in the real estate asset management domain, a business area she expanded further, focusing on fund structuring and equity-fund and specialised-fund management.
In late 2003, this business area was spun off into Invesco Real Estate GmbH. From 2004 to 2015, Dr Geipel-Faber served as a board member at Invesco Real Estate GmbH, with responsibility for corporate planning, client relations and human resources.

As well as being a senior advisor at Invesco Real Estate, Dr Geipel-Faber has been on the supervisory board of Vonovia SE since the end of 2015.

Dr Kurt Gribl, member of the Supervisory Board

Dr Kurt Gribl (*1964) has been a member of BayernLB's Supervisory Board since January 2017.

He studied law at the University of Augsburg, graduating in 1990 before going on to gain a doctorate in 1991. During the period from 1990 to 1993, he worked as a trainee lawyer for the Higher Regional Court (Oberlandesgericht) in Munich, following this up with a spell at a law firm in Augsburg. Dr Gribl specialises in construction and architectural law.

Since May 2008, Dr Gribl has been Lord Mayor of the City of Augsburg.

Since July 2010, he has been on the board of the Bavarian Association of Cities and Towns (Bayerischer Städtetag), chairing this organisation since July 2017. In June 2014, Dr Kurt Gribl was appointed to the governing board of the Federal Association of Cities and Towns (Deutscher Städtetag), acting as deputy chairman of this organisation since June 2016.

Harald Hübner, member of the Supervisory Board

Harald Hübner joined BayernLB's Supervisory Board on 12 April 2018.

Having studied law at the University of Erlangen-Nürnberg and served as a legal clerk at the Higher Regional Court of Nuremberg, Mr Hübner joined the Bavarian civil service in 1992. After his appointment to the Bavarian State Ministry of Finance and an interim delegation to the Bavarian State Minister for Federal Affairs, one of the authorised representatives of the Free State of Bavaria to the German federal government, Dr Hübner took up the position in 2001 of Head of the Ministry Office at the Bavarian State Ministry of Finance. In 2007 Harald Hübner became head of the ministry's department for financial policy and EU, federal and state affairs and, in 2013, appointed as undersecretary to the permanent representative of the department head of, and as head of the Nuremberg office of, the State Ministry of Finance, Regional Development and Regional Identity.

Since May 2018, Harald Hübner has been Department Head at the Bavarian State Ministry of Finance and Regional Identity.

Dr Thomas Langer, member of the Supervisory Board

Dr Thomas Langer (*1967) has been a member of BayernLB's Supervisory Board since November 2015.

He holds an undergraduate degree in law and gained a doctorate in the same subject in 1997. Dr Langer started his professional career in 1994 with a position in the Bavarian Ministry of Economic Affairs before being appointed to the Bavarian State Chancellery in 1996. Five years later, he became head of the Information and Communication Department at the Bavarian State Ministry for Health, Nutrition and Consumer Protection, before moving back in 2003 as head of Department to the Bavarian State Chancellery, where he held various executive positions, especially in the administrative-reform, legal and human-resources spheres, until 2014.

Since 2014, Dr Langer has been head of the Central Tasks Department at the Bavarian Ministry of Economic Affairs, Regional Development and Energy.

Henning Sohn, member of the Supervisory Board

Henning Sohn (*1970) has been a member of BayernLB's Supervisory Board since August 2016, representing the interests of the Bank's staff councils. After completing a banking trainee programme, Mr Sohn went on to study law. He then worked as a trainee lawyer at the Higher Regional Court (Oberlandesgericht) in Düsseldorf before embarking on his career at BayernLB in 2001 in the Group Controlling Division. At the end of 2002, he moved to the Credit Consulting Division, where he handled chiefly recovery and liquidation exposures.

Since August 2011, Henning Sohn has been a member of the Munich Staff Council (Personalrat München). In October of the following year, he was elected chairman of that body, becoming Chairman of BayernLB's General Staff Council in August 2016.

Judith Steiner, member of the Supervisory Board

Judith Steiner (*1970) has been a member of BayernLB's Supervisory Board since April 2018.

After studying law in Passau and Munich, she joined the Bavarian civil service in 1997 as a speaker for the State Ministry of Finance. In April 2002 Ms Steiner was delegated to the Bavarian State Ministry for Federal and European Affairs in the Bavarian State Chancellery and as a representative of the State Ministry of Finance in Berlin. In December that year she assumed the position of head of the press and public relations section of the Bavarian State Ministry of Finance. This post was followed in June 2009 by her position as head of the section in charge of EU affairs, European law and inter- and supranational organisations. From April 2011 to November 2012 she served as head of the section for labour rights, collective wage agreements and state aid, and from December 2012 to May 2014, the section in charge of participations in the transport and trade fair industries.

Since May 2014 Judith Steiner has been heading the department for state participations and assets in the Bavarian State Ministry of Finance. The department is responsible for some 60 companies in which the Free State of Bavaria has a participation.

Stephan Winkelmeier, member of the Supervisory Board

Stephan Winkelmeier (*1967) has been a member of BayernLB's Supervisory Board since May 2017.

After completing his banking apprenticeship, Mr Winkelmeier studied business administration before beginning his professional career in October 1994 at UniCredit Bank AG, Munich. Until August 2008, he held various specialised and executive positions at UniCredit Bank AG, ultimately serving as head of its loan recovery and resolution division as well as the non-core business area concerned with the process of unwinding non-strategic risk assets. In September of that year, he was appointed to the board of management at Bank Austria Group in Vienna, serving as Chief Risk Officer. In July 2010, he joined the Board of Management at BayernLB.

From April 2014 until September 2015, Stephan Winkelmeier was Co-CEO of the senata Group. Since October 2015, he has been CEO and spokesman for the executive board at FMS Wertmanagement AöR, Munich.

Members of the Board of Management

Dr Johannes-Jörg Riegler, CEO

Dr Johannes-Jörg Riegler (*1964) has served as CEO of BayernLB since 2014, overseeing the Corporate Center Business Area with its Legal Services & BoM Support, Group Strategy and Group Communications, Human Resources and Audit Divisions. Dr Riegler studied law before starting his professional career at law firms in Germany and the US. In 1993, he switched to Deutsche Bank, where he held various specialised and managerial positions in Germany and abroad over a ten-year period. While working at Deutsche Bank, Dr Riegler also completed his dissertation at the University of Würzburg, earned an MBA degree in London and became qualified to practise insolvency law.

In 2003, Dr Riegler was appointed Chief Risk Officer (CRO) at Westfalenbank (HVB Group), joining the board of management there in the following year. In 2005, he also became CRO and board member at Hannover-based Norddeutsche Landesbank (Nord/LB), where one of his responsibilities was relationship management in the savings-bank association business. From 2013 until his move to BayernLB, Dr Riegler served as Deputy CEO of Nord/LB. On 1 March 2014 he was appointed a member of BayernLB's Board of Management and became CEO on 1 April 2014.

Mr Riegler is an honorary professor at Leuphana University of Lüneburg and President of the Association of German Public Banks, which is based in Berlin.

Dr Edgar Zoller, Deputy CEO

Dr Edgar Zoller (*1957) has been a member of BayernLB's Board of Management since May 2009. He is responsible for the Real Estate & Savings Banks/Association Business Area, including the municipal and development bank BayernLabo.

Since May 2011, Dr Zoller has been Deputy CEO at BayernLB.

After earning his doctorate in law, Dr Zoller began his career at Bayerische Vereinsbank in 1988. He then fulfilled various managerial positions before becoming head of the Real Estate Investment Banking division at HypoVereinsbank in 2001. In 2006, he joined BayernLB as head of the Real Estate Business Area.

In 2010, Dr Zoller was appointed to the Board of Managing Directors of the Association of German Pfandbrief Banks.

Dr Zoller is a lecturer in construction process management and real estate development (LBI) at the Technical University of Munich.

Marcus Kramer, member of the Board of Management

Marcus Kramer (*1963) joined the BayernLB Board of Management in May 2010 as Chief Risk Officer (CRO). As well as bearing responsibility for Group-wide risk management, Mr Kramer oversees the following divisions: Group Compliance, Credit Consulting and Economics & Research.

Having completed a bank apprenticeship, Kramer studied business administration, completed a training programme and in 1991 began his professional career with Credit Suisse Group in Frankfurt and, later, London.

He then moved to Deutsche Bank, where he held various positions in London, New York and Frankfurt. In 2004, he was appointed Senior Managing Director and Chief Credit Risk Officer at WestLB.

From 2008 to 2010, Mr Kramer served as an Executive and Chief Risk Officer at Commerzbank's Mittelstand bank.

Michael Bücker, member of the Board of Management

Michael Bücker (*1962) has been a member of BayernLB's Board of Management since February 2013. He is entrusted with supervising BayernLB's business with its corporate and Mittelstand customers.

Prior to joining BayernLB, Mr Bücker held a variety of managerial positions in corporate banking at Commerzbank. In 2009, he was appointed CEO spokesman of Commerz Real AG. Mr Bücker graduated from the University of Münster with a degree in business administration.

Dr Markus Wiegelmann, member of the Board of Management

Dr Markus Wiegelmann (*1969) joined BayernLB's Board of Management in January 2014 as CFO and COO. He is responsible for the Bank's Financial Office and Operating Office Central Areas.

After completing his studies in mathematics at RWTH Aachen University, Dr Wiegelmann went on to earn his doctorate at the Technical University of Munich. He subsequently completed a trainee programme at Deutsche Bank, before holding a number of specialised and executive positions in the credit business and risk management fields. In 2004, Dr Wiegelmann switched to BayernLB, where he served in several managerial positions before being appointed to the Board of Management. Among the units he oversaw were the Risk Office Corporates Department, the Restructuring Unit Division and, ultimately, the Group Controlling Division.

Ralf Woitschig, member of the Board of Management

Ralf Woitschig (*1967) has been a member of the Board of Management of BayernLB since October 2014. He oversees the Bank's capital market and treasury business.

Having studied business administration and engineering at the University of Karlsruhe, Mr Woitschig embarked on his career in 1993 at Deutsche Bank under a management trainee programme. He was soon thereafter entrusted with managerial responsibilities in risk controlling. In 1995 he switched to the Global Markets division, where he held various supervisory positions in Frankfurt and London. His most recent position at Deutsche Bank was that of COO for the bank's global fixed-income business.

In 2005 Mr Woitschig joined WestLB, taking up an executive position in Group Treasury before becoming Public Finance & Treasury Executive and COO at Commerzbank in 2007. Among Mr Woitschig's responsibilities in this latter position was integrating Hypothekenbank Essen into Eurohypo.

Ralf Woitschig headed the Public Finance division of Commerzbank from mid-2008 to September 2014 while serving as a member of the Managing Board of Directors of Hypothekenbank Frankfurt (formally Eurohypo AG), where he was responsible for the Treasury and Public Finance divisions.

Capital instruments main features

Capital instruments main features

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
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 Federal Republic of Germany
	Regulatory treatment				
4	Transitional CRR rules	CET1 capital pursuant to article 28 CRR	CET1 capital pursuant to article 28 CRR	AT1 capital pursuant to article 484 (4) 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	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	Share capital	Silent participation	Silent partner contribution	Silent partner contribution
8	Amount recognised in regulatory capital (in EUR million)	2.800	612	0	0
9	Nominal amount of instrument	2.800	612	1	5
9a	Issue price	Varied	Varied	1	5
9b	Redemption price	N/A	N/A	At carrying value	At carrying value
10	Accounting classification	Shareholders' equity (subscribed capital)	Shareholders' equity (subscribed capital)	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	Varied	Varied	30.05.2000	27.10.2000
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	N/A	N/A	31.12.2018	31.12.2018
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	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
16	Later call dates, where applicable	N/A	N/A	Callable daily following first call date option	Callable daily following first call date option
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Variable	Variable	Fixed	Fixed
18	Nominal coupon rate and any related index	N/A	N/A	10.0% p.a.	10.0% p.a.
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 (barring any net loss for the year)
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	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	No	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	N/A	Net loss for the financial year	Net loss for the financial year	Net loss for the financial year
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	Partial
33	If writedown: permanent or temporary	N/A	Temporary	Temporary	Temporary
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	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 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	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
	Regulatory treatment				
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	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	Silent partner contribution
8	Amount recognised in regulatory capital (in EUR million)	0	0	0	1
9	Nominal amount of instrument	10	5	26	1
9a	Issue price	10	5	26	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	30.05.2000	14.12.2001	31.12.1997	30.10.1992
12	Perpetual or dated	Dated	Dated	Dated	Perpetual
13	Original maturity date	31.12.2018	31.12.2018	31.12.2019	N/A
14	Issuer call subject to prior supervisory approval	Yes	Yes	No	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	31.12.2011; call option relating to tax or regulatory event (no earlier than 31.12.2006); redemption price: at carrying value	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	period of notice: 3 years first call date: 31.12.2022
16	Later call dates, where applicable	Callable daily following first call date option	Callable daily following first call date option	N/A	Callable annually on 31.12. following first call date option
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	10.0% p. a.	8.50% p. a.	5.64 % p. a.	3.51% p. a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory (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	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 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	Yes	Yes
37	Non-compliant features			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
	Regulatory treatment				
4	Transitional CRR rules	AT1 capital pursuant to article 484 (4) 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	Silent partner contribution	Registered profit participation certificate	Registered profit participation certificate	Registered profit participation certificate
8	Amount recognised in regulatory capital (in EUR million)	1	5	0	4
9	Nominal amount of instrument	1	26	25	20
9a	Issue price	1	26	25	20
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	30.12.1992	08.05.2007	26.04.2007	27.04.2007
12	Perpetual or dated	Perpetual	Dated	Dated	Dated
13	Original maturity date	N/A	31.12.2019	31.12.2018	31.12.2019
14	Issuer call subject to prior supervisory approval	Yes	No	No	No
15	Optional call date, conditional call dates and redemption amount	period of notice: 3 years 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	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	Callable annually on 31.12. following first call date option	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.51% p. a.	5.27% p. a.	5.22% 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 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	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 T2 capital instruments	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
	Regulatory treatment				
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 certificate	Registered profit participation certificate	Registered profit participation certificate	Registered profit participation certificate
8	Amount recognised in regulatory capital (in EUR million)	5	2	0	2
9	Nominal amount of instrument	25	10	1	13
9a	Issue price	25	10	1	12
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	27.04.2007	27.04.2007	27.04.2007	15.05.2007
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	31.12.2019	31.12.2019	31.12.2019	31.12.2019
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.235% p. a.	5.235% p. a.	5.235% p. a.	5.125% 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
	Regulatory treatment				
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 certificate	Registered profit participation certificate	Registered profit participation certificate	Registered profit participation certificate
8	Amount recognised in regulatory capital (in EUR million)	5	5	0	0
9	Nominal amount of instrument	25	25	10	5
9a	Issue price	25	25	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	03.05.2007	03.05.2007	11.05.2007	11.05.2007
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	31.12.2019	31.12.2019	31.12.2018	31.12.2018
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.292% p. a.	5.292% p. a.	5.242% p. a.	5.242% 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	DKB AG
2	Unique identifier	Bilateral agreement	Bilateral agreement	DE000BLB37M5	DE000A0LHLZ4
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
	Regulatory treatment				
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 63 CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	Not eligible	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	Registered profit participation certificate	Registered profit participation certificate	Bearer profit participation certificate	Profit participation certifi-cate
8	Amount recognised in regulatory capital (in EUR million)	0	0	48	29
9	Nominal amount of instrument	2	8	241	29
9a	Issue price	2	8	238	27
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	11.05.2007	18.05.2007	15.05.2007	01.01.2007
12	Perpetual or dated	Dated	Dated	Dated	Perpetual
13	Original maturity date	31.12.2018	31.12.2018	31.12.2019	N/A
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	No
16	Later call dates, where applicable	N/A	N/A	N/A	No
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Variable
18	Nominal coupon rate and any related index	5.242% p. a.	5.32% p. a.	5.125% p. a.	4% + variable component of 3%-11%
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
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)	Fully discretionary
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Cumulative	Cumulative	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 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 transi-tioned instruments	Yes	Yes	Yes	No
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	XS0108036160	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
	Regulatory treatment				
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 registered bond
8	Amount recognised in regulatory capital (in EUR million)	10	3	10	1
9	Nominal amount of instrument	40	5	10	4
9a	Issue price	40	5	10	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	10.03.2000	20.09.2006	19.09.2006	19.09.2006
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	10.03.2020	20.09.2021	19.09.2024	19.09.2019
14	Issuer call subject to prior supervisory approval	No	No	No	No
15	Optional call date, conditional call dates and redemption amount	10.03.2010 redemption price: at carrying value	N/A	N/A	N/A
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	6% p. a.	4.47% p. a.	4.473% p. a.	4.375% 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
	Regulatory treatment				
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)	6	20	21	22
9	Nominal amount of instrument	10 (USD 12)	36 (USD 41)	36 (USD 41)	36 (USD 41)
9a	Issue price	3 (USD 3)	8 (USD 9)	8 (USD 9)	8 (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	29.09.2000	29.09.2000	29.09.2000	29.09.2000
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.04.2022	15.06.2022	15.09.2022	15.12.2022
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
	Coupons/Dividends				
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
	Regulatory treatment				
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 Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	18	26	27	50
9	Nominal amount of instrument	27 (USD 31)	38 (USD 44)	38 (USD 44)	50
9a	Issue price	5 (USD 6)	8 (USD 9)	8 (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	05.09.2000	05.09.2000	05.09.2000	19.03.2001
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.06.2023	15.09.2023	15.12.2023	19.03.2031
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
	Coupons/Dividends				
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 transi-tioned 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
	Regulatory treatment				
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 registered bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	3	3	8	6
9	Nominal amount of instrument	5	3	10	7
9a	Issue price	5	3	10	7
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	07.11.2006	12.03.2007	15.02.2008	28.02.2008
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	08.11.2021	12.03.2037	15.02.2023	28.02.2023
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.35% p.a.	4.65% p.a.	5.75% p.a.	5.88% 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, 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
	Regulatory treatment				
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 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	Not eligible	Not eligible	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)	5	5	2	10
9	Nominal amount of instrument	6	5	2	10
9a	Issue price	6	5	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	03.03.2008	04.09.2008	04.08.2015	04.08.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	03.03.2023	04.09.2023	04.08.2025	04.08.2025
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	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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.88% p. a.	5.95% p. a.	3.70% p. a.	3.74% 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	No	No
37	Non-compliant features	Article 63j, k CRR	Article 63j, k CRR		

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB3QQ7	DE000BLB3QQ7	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
	Regulatory treatment			The Federal Republic of Germany	
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 Schuldschein loan	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	8	10	5	10
9	Nominal amount of instrument	8	10	5	10
9a	Issue price	8	10	5	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	05.08.2015	07.08.2015	07.08.2015	12.08.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	05.08.2025	05.08.2025	07.08.2025	12.08.2030
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 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.73% p.a.	3.73% p.a.	3.735% p.a.	4.09% 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
	Regulatory treatment				
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 registered bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	1	3	1	5
9	Nominal amount of instrument	1	3	1	5
9a	Issue price	1	3	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	11.08.2015	25.09.2015	18.08.2015	18.08.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	11.08.2025	25.09.2035	18.08.2025	18.08.2025
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 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.73% p. a.	4.5% p. a.	3.66% 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
	Regulatory treatment				
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 registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	4	1	1	1
9	Nominal amount of instrument	4	1	1	1
9a	Issue price	4	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	19.08.2015	26.08.2015	01.09.2015	01.09.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.08.2025	26.08.2025	01.09.2025	01.09.2025
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.68% p. a.	3.58% p. a.	3.76% p. a.	3.76% 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
	Regulatory treatment				
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)	2	2	2	3
9	Nominal amount of instrument	2	2	2	3
9a	Issue price	2	2	2	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	13.08.2015	13.08.2015	13.08.2015	08.09.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	13.08.2035	13.08.2035	13.08.35	08.09.2027
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 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
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.	4.52% p.a.	4.0% 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	DE000BLB3Q89	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
	Regulatory treatment				
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 bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	1	10	3	10
9	Nominal amount of instrument	1	10	3	10
9a	Issue price	1	10	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	14.09.2015	18.08.2015	30.09.2015	11.11.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.09.2025	18.08.2025	30.09.2025	11.11.2025
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 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.5% p.a.	3.75% p.a.	3.69% p.a.	3.72% 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 transi-tioned 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
	Regulatory treatment				
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 registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	3	5	1	5
9	Nominal amount of instrument	3	5	1	5
9a	Issue price	3	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	04.02.2016	08.02.2016	18.02.2016	04.02.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	04.02.2026	08.02.2036	18.02.2036	04.02.2036
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 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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.36% p. a.	3.85% p. a.	3.72% 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	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
	Regulatory treatment				
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	5	1
9	Nominal amount of instrument	1	1	5	1
9a	Issue price	1	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	04.02.2016	04.02.2016	11.03.2016	24.02.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	04.02.2036	04.02.2036	11.03.2026	24.02.2031
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 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.29% p.a.	4.29% p.a.	3.28% p.a.	3.56% 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	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB3YN8	Bilateral agreement	XS1400307838	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
	Regulatory treatment				
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 registered bond	Subordinated bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	5	10	342	3
9	Nominal amount of instrument	5	10	349 (USD 400)	3
9a	Issue price	5	10	342 (USD 392)	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	19.02.2016	14.03.2016	28.04.2016	04.05.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.02.2031	14.03.2031	28.04.2031	04.05.2026
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.66% p. a.	3.64% p. a.	6.10% p. a.	3.355% 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 transi-tioned 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
	Regulatory treatment				
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 registered bond	Subordinated Schuldschein loan
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	12.05.2016	18.05.2016	18.05.2016	18.05.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	12.05.2026	18.05.2026	18.05.2029	18.05.2026
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.187% p. a.	3.2% p. a.	3.42% p. a.	3.18% 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
	Regulatory treatment				
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 registered bond	Subordinated registered bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	1	5	5	3
9	Nominal amount of instrument	2	5	5	3
9a	Issue price	1	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	18.05.2016	18.05.2016	18.05.2016	20.05.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	18.05.2026	18.05.2032	18.05.2026	20.05.2026
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.17% p. a.	3.655% p. a.	3.233% p. a.	3.25% 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
	Regulatory treatment				
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)	1	5	5	5
9	Nominal amount of instrument	1	5	5	5
9a	Issue price	1	5	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	23.05.2016	19.05.2016	26.05.2016	19.05.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	23.05.2031	19.05.2036	26.05.2026	19.05.2036
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 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.233% p.a.	4.03% p.a.	3.25% 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
	Regulatory treatment				
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)	3	1	5	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	19.05.2016	19.05.2016	20.05.2016	20.05.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.05.2036	19.05.2036	20.05.2036	20.05.2036
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; redemp-tion 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; redemp-tion 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; redemp-tion 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; redemp-tion price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.05% p.a.	4.05% p.a.	4.06% 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 transi-tioned 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
	Regulatory treatment				
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	20.05.2016	20.05.2016	20.05.2016	20.05.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.05.2036	20.05.2036	20.05.2036	20.05.2036
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.05% p.a.	4.05% 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
	Regulatory treatment				
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	5	5
9	Nominal amount of instrument	1	5	5	5
9a	Issue price	1	5	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	20.05.2016	20.05.2016	27.05.2016	03.06.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.05.2036	20.05.2036	27.05.2036	03.06.2036
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 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 amountt	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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.00% p.a.	4.05% p.a.	3.83% p.a.	3.755% 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
	Regulatory treatment				
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 registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	4	5	2	60
9	Nominal amount of instrument	4	5	2	60
9a	Issue price	4	5	2	60
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	02.06.2016	23.06.2016	14.07.2016	08.08.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	02.06.2026	23.06.2036	14.07.2036	11.08.2036
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 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.88% p.a.	3.45% p.a.	3.43% 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
	Regulatory treatment				
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)	11	3	1	3
9	Nominal amount of instrument	11	3	1	3
9a	Issue price	11	3	1	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	08.08.2016	08.08.2016	08.08.2016	14.07.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	11.08.2036	11.08.2036	11.08.2036	14.07.2026
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; redemp-tion 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; redemp-tion 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; redemp-tion 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
	Coupons/Dividends				
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.	3.485% p. a.	2.655% 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 transi-tioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	DE000BLB34N0	DE000BLB3452	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
	Regulatory treatment				
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 registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	0	7	16	2
9	Nominal amount of instrument	1	7	16	2
9a	Issue price	0	7	16	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	27.07.2016	15.07.2016	26.07.2016	13.10.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	27.07.2026	15.07.2036	28.07.2036	13.10.2026
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 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 28.07.2026 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.60% p. a.	3.45% p. a.	3.50% p. a.	2.76% 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
	Regulatory treatment				
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)	2	4	5	3
9	Nominal amount of instrument	2	4	5	3
9a	Issue price	2	4	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	20.10.2016	20.10.2016	10.11.2016	29.12.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.10.2026	20.10.2026	10.11.2036	29.12.2036
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 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.74% p.a.	2.78% p.a.	3.3% p.a.	3.85% 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
	Regulatory treatment				
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)	1	2	5	1
9	Nominal amount of instrument	1	2	5	1
9a	Issue price	1	2	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	20.10.2016	25.11.2016	08.12.2016	02.11.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.10.2036	25.11.2031	10.12.2029	02.11.2026
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 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	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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.46% p.a.	3.34% p.a.	3.32% p.a.	2.85% 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	DE000BLB4RV3	DE000BLB4TE5	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
	Regulatory treatment				
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 bond	Subordinated bond
8	Amount recognised in regulatory capital (in EUR million)	5	5	5	5
9	Nominal amount of instrument	5	5	5	5
9a	Issue price	5	5	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	13.10.2016	14.10.2016	18.11.2016	22.02.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	13.10.2036	14.10.2036	18.11.2036	22.02.2027
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 11.09.2026 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	Call option up to 14.09.2026 for repayment on 14.10.2026 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	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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.58% p.a.	3.55% p.a.	3.85% p.a.	3.00% 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
	Regulatory treatment				
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 registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	1	3	3	3
9	Nominal amount of instrument	1	3	3	3
9a	Issue price	1	3	3	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	12.01.2017	11.01.2017	30.03.2017	09.03.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	12.01.2027	11.01.2027	30.03.2037	09.03.2037
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 26.02.2027 for repayment on 30.03.2027 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; redemp- tion price: at carrying amount	Call option up to 05.02.2027 for repayment on 09.03.2027 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; redemp- tion price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.02% p. a.	3.01% p. a.	3.76% p. a.	3.69% 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 transi- tioned 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
	Regulatory treatment				
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)	3	15	2	5
9	Nominal amount of instrument	3	15	2	5
9a	Issue price	3	15	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	09.03.2017	23.01.2017	25.01.2017	19.01.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	09.03.2037	26.01.2037	02.05.2028	19.01.2037
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 05.02.2027 for repayment on 09.03.2027 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; redemp-tion price: at carrying amount	Call option up to 23.12.2026 for repayment on 26.01.2027 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; redemp-tion 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 21.12.2026 for repayment on 19.01.2027 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; redemp-tion price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.74% p.a.	3.78% p.a.	3.01% p.a.	3.69% 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 transi-tioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	DE000BLB4UP9	DE000BLB4V73	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
	Regulatory treatment				
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 bond	Subordinated bond
8	Amount recognised in regulatory capital (in EUR million)	1	44	49	1
9	Nominal amount of instrument	1	45	50	1
9a	Issue price	1	44	49	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	12.01.2017	25.01.2017	08.03.2017	29.06.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	12.01.2032	25.01.2027	08.03.2027	29.06.2027
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.35% p. a.	2.50% p. a.	2.50% p. a.	2.32% p. a.
19	Existence of a dividend stopper	No	No	No	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	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 transi-tioned 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
	Regulatory treatment				
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 registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	5	5	1	5
9	Nominal amount of instrument	5	5	1	5
9a	Issue price	5	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	07.04.2017	28.04.2017	07.04.2017	07.04.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	07.04.2027	28.04.2037	07.04.2037	07.04.2037
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 up to 25.03.2027 for repayment on 28.04.2027 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 05.03.2027 for repayment on 07.04.2027 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 05.03.2027 for repayment on 07.04.2027 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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.97% p.a.	3.48% p.a.	3.46% p.a.	3.46% 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 transi-tioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB43H3	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
	Regulatory treatment				
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 registered bond	Subordinated bond	Subordinated bond
8	Amount recognised in regulatory capital (in EUR million)	6	2	1	5
9	Nominal amount of instrument	6	2	1	5
9a	Issue price	6	2	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	30.06.2017	11.10.2017	06.09.2017	15.11.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	30.09.2027	11.10.2027	06.09.2027	15.11.2027
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.40% p. a.	2.50% p. a.	2.39% p. a.	2.20% 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	DE000BLB48A7	DE000BLB48A7
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
	Regulatory treatment				
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 bond	Subordinated bond
8	Amount recognised in regulatory capital (in EUR million)	5	1	58	1
9	Nominal amount of instrument	5	1	59	1
9a	Issue price	5	1	58	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	15.11.2017	15.11.2017	15.11.2017	21.11.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.11.2027	15.11.2027	15.11.2027	21.11.2027
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.33% p.a.	2.33% p.a.	1.85% p.a.	1.85% 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 transi-tioned instruments	No	No	No	No
37	Non-compliant features				

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB5EB0	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
	Regulatory treatment				
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 registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital (in EUR million)	25	10	5	1
9	Nominal amount of instrument	25	10	5	1
9a	Issue price	25	10	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	14.02.2018	12.02.2018	12.02.2018	19.02.2018
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.02.2031	14.02.2033	14.02.2033	19.02.2031
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.73% p.a.	2.83% p.a.	2.83% p.a.	2.54% 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 transi- tioned 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	DE000BLB5EM7
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
	Regulatory treatment				
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 bond	Subordinated bond
8	Amount recognised in regulatory capital (in EUR million)	2	1	1	5
9	Nominal amount of instrument	2	1	1	5
9a	Issue price	2	1	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	19.02.2018	13.02.2018	13.02.2018	16.02.2018
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.02.2031	17.02.2038	17.02.2038	16.02.2038
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 up to 18.01.2028 for repayment on 17.02.2028 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 18.01.2028 for repayment on 17.02.2028 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 13.02.2028 for repayment on 16.02.2028 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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.54% p. a.	3.16% p. a.	3.16% p. a.	3.18% 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 transi-tioned 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
	Regulatory treatment				
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)	3	3	4	10
9	Nominal amount of instrument	3	3	4	10
9a	Issue price	3	3	4	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	22.02.2018	22.02.2018	22.02.2018	18.05.2018
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	22.02.2038	22.02.2038	22.02.2038	17.05.2030
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 21.01.2028 for repayment on 22.02.2028 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 21.01.2028 for repayment on 22.02.2028 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 21.01.2028 for repayment on 22.02.2028 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
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3.005% p.a.	3.005% p.a.	3.005% p.a.	2.35% 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	DE000BLB6TV4	DE000BLB6TU6
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
	Regulatory treatment				
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 bond	Subordinated bond
8	Amount recognised in regulatory capital (in EUR million)	5	1	20	8
9	Nominal amount of instrument	5	1	20	8
9a	Issue price	5	1	20	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	04.05.2018	20.09.2018	17.10.2018	17.10.2018
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	04.05.2038	20.09.2028	17.10.2028	17.10.2033
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 04.04.2028 for repayment on 04.05.2028 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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2.82% p.a.	2.00% p.a.	1.75% p.a.	2.25% 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
	Regulatory treatment				
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)	0	1	0	1
9	Nominal amount of instrument	1	5	1	4
9a	Issue price	1	5	1	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	21.10.2005	21.10.2005	10.03.2010	12.03.2010
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	21.10.2019	21.10.2019	10.03.2020	12.03.2020
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.065% p. a.	4.065% p. a.	6% 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
	Regulatory treatment				
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	1	2
9	Nominal amount of instrument	5	2	5	5
9a	Issue price	5	2	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	13.04.2010	12.05.2010	02.06.2010	07.07.2010
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.04.2020	12.05.2020	02.06.2020	07.07.2020
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
	Coupons/Dividends				
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.	5.67% 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	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
	Regulatory treatment				
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	0	1	2
9	Nominal amount of instrument	5	1	2	5
9a	Issue price	5	1	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	21.07.2010	07.09.2010	07.09.2010	09.11.2010
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	21.07.2020	07.09.2020	07.09.2020	09.11.2020
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.55% p. a.	5.24% p. a.	5.24% p. a.	5.43% 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
	Regulatory treatment				
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	3	1	1
9	Nominal amount of instrument	5	8	2	2
9a	Issue price	5	8	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	14.12.2010	20.01.2006	20.01.2006	25.01.2006
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.12.2020	20.01.2021	20.01.2021	25.01.2021
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5.95% p.a.	4.115% p.a.	4.115% 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	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
	Regulatory treatment				
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 Schuld-schein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	1	1	4	3
9	Nominal amount of instrument	2	2	10	7
9a	Issue price	2	2	10	7
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	25.01.2006	25.01.2006	25.01.2006	27.01.2006
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	25.01.2021	25.01.2021	25.01.2021	27.01.2021
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
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4.15% p.a.	4.17% p.a.	4.15% p.a.	4.2% 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 conver-sion 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 transi-tioned instruments	No	No	No	No
37	Non-compliant features				
37	Non-compliant features				

1	Issuer	DKB AG
2	Unique identifier	Bilateral agreement
3	Governing law(s) of the instrument	The Federal Republic of Germany
	Regulatory treatment	
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/ solo and consolidated level	Solo and consolidated level
7	Instrument type	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital (in EUR million)	4
9	Nominal amount of instrument	10
9a	Issue price	10
9b	Redemption price	At carrying value
10	Accounting classification	Liability – amortised cost
11	Original date of issuance	27.01.2006
12	Perpetual or dated	Dated
13	Original maturity date	27.01.2021
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, conditional call dates and redemption amount	No
16	Later call dates, where applicable	No
	Coupons/Dividends	
17	Fixed or variable dividend/coupon payments	Fixed
18	Nominal coupon rate and any related index	4.19% p. a.
19	Existence of a dividend stopper	No
20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
21	Existence of a step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, instrument type convertible into	N/A
29	If convertible, issuer of instrument it converts into	N/A
30	Writedown features	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial
33	If writedown: permanent or temporary	Permanent
34	If temporary writedown: description of writeup mechanism	N/A
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transi-tioned instruments	No
37	Non-compliant features	

List of tables and charts

List of abbreviations

ABCP	asset-backed commercial paper
ALMM	additional liquidity monitoring metrics
AT1	Additional Tier 1 capital
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht (German Federal Financial Supervisory Authority)
BCM	business continuity management
BWG	backtesting working group
CCF	credit conversion factor
CCP	central counterparty
CCR	counterparty credit risk
CDO	credit default obligation
CDS	credit default swap
CEBS	Committee on European Banking Supervision
CEO	Chief Executive Officer
CET1	Common Equity Tier 1 capital
CFO	Chief Financial Officer
CHF	Swiss franc
COO	Chief Operating Officer
COREP	Common Solvency Ratio Reporting
CR	credit risk
CRD	Capital Requirements Directive
CRM	credit risk mitigation techniques
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CRRM	central reputational risk management
CRSA	Credit Risk Standardised Approach
CVA	credit valuation adjustment
DORM	decentralised operational risk manager
DRRM	decentralised reputational risk management
EAD	exposure at default
EBA	European Banking Authority
ECAI	External Credit Assessment Institution
ECB	European Central Bank
EEPE	effective expected positive exposure
EL	expected loss
EU	European Union
EUR	euro
Fed	Federal Reserve System
FVA	funding value adjustment
GBP	British pound sterling
HGB	Handelsgesetzbuch (German Commercial Code)
IAA	internal assessment approach
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IMA	internal models approach
InstitutsVergV/ IVV	Institutsvergütungsverordnung (German Remuneration Ordinance for Institutions)
IRBA	Internal Ratings-Based approach
ISDA	International Swaps and Derivatives Association
KS	career level
KWG	Kreditwesengesetz (German Banking Act)
LCR	liquidity coverage ratio
LGD	loss given default
LTI	long-term incentive
MAR	Market Abuse Regulation
MaRisk	Mindestanforderungen an das Risikomanagement (Minimum Requirements for Risk Management)
MaSan	Mindestanforderungen an die Ausstattung von Sanierungsplänen (Minimum Requirements for the Design of Recovery Plans)
MR(P)	market risk (positions)
NCI	non-cash instruments
NII	net interest income
OpVaR	operational VaR
OTC	over-the-counter
PD	probability of default
PfandBG	Pfandbriefgesetz (German Pfandbrief Act)
POCI	purchased or originated credit-impaired financial assets
PVBP	price value of a basis point
RoE	return on equity
RTS	regulatory technical standards
RWA	risk-weighted assets
SA	standardised approach
SAG	Sanierungs- und Abwicklungsgesetz (German Recovery and Resolution Act)
SFT	securities financing transactions
SLLP	single loan loss provisions
SME	small and medium-sized enterprises
SPC	special-purpose company
SPV	special-purpose vehicle
SREP	Supervisory Review and Evaluation Process

SSM	Single Supervisory Mechanism
STI	short-term incentive
T1	Tier 1 capital
T2	Tier 2 capital
UK	United Kingdom
USA	United States of America
USD	US dollar
VaR	value at risk
WpHG	Wertpapierhandelsgesetz (German Securities Trading Act)
ZORC	central operational risk controller

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