

Disclosure Report as at 30 June 2021

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

Contents

Preliminary remarks	3
Key metrics (article 447 CRR)	4
Own funds (article 437 CRR)	5
Own funds requirements and risk-weighted exposure amounts (article 438 CRR)	13
Counterparty risk (article 439 CRR)	16
Countercyclical capital buffer (article 440 CRR)	21
Credit risk (article 442 CRR)	23
Use of the standardised approach (article 444 CRR)	29
Market risk (article 445 CRR)	32
Exposure to interest rate risk on positions not included in the trading book (article 448 CRR)	33
Exposure to securitisation positions (article 449 CRR)	34
Leverage ratio (article 451 CRR)	39
Liquidity requirements (article 451a CRR)	44
Use of the IRB approach to credit risk (article 452 CRR)	48
Use of credit risk mitigation techniques (article 453 CRR)	53
Covid-19 measures	56

Preliminary remarks

This disclosure report as at 30 June 2021 has been drafted in accordance with the supervisory provisions under Part Eight of the CRR (Capital Requirements Regulation/Regulation (EU) No 575/2013), amended by Regulation (EU) 2019/876, Commission Implementing Regulation No. (EU) 2021/637, CRD IV (Capital Requirements Directive IV/EU Directive 2013/36/EU) and the version of the EBA Guidelines currently in effect on reporting and disclosing exposures subject to measures taken in response to the Covid-19 crisis (EBA/GL/2020/07).

By publishing this information, the BayernLB Group meets the intrayear disclosure requirements for large institutions pursuant to article 433 and 433a para. 1 CRR. Pursuant to article 431 para. 3 CRR, the disclosure report provides an extensive overview of BayernLB's risk profile.

As an institution's disclosure practices are subject to regular reviews as to their suitability and effectiveness, BayernLB has established a set of rules for disclosure. The disclosure report is part of the Bank's process map and internal control system. The official disclosure process lays down the competencies and controls for the information published in the disclosure report. The accounting parameters, furthermore, are specified separately in writing. The disclosure report is released for publication by way of resolution by the Board of Management.

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.

Quantitative information has not been audited.

Note:

The last unit in the tables may be rounded to the nearest digit. In accordance with the mathematical rounding rules, amounts of less than EUR 500,000 are not shown.

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 it is not necessary to comply with regulatory requirements in 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.

In the course of this report, the terms "risk assets" and "risk-weighted exposure amounts" and the acronyms RWAs and RWEAs are used synonymously.

Key metrics (article 447 CRR)

The key indicators for the BayernLB Group are disclosed below pursuant to article 447 paras a) to g) CRR:

EU KM 1 Key metrics

		30.06.2021
Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	10,148
2	Tier 1 capital	10,148
3	Total capital	12,370
Risk-weighted exposure amounts		
4	Total risk exposure amount	65,075
Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	15.6
6	Tier 1 ratio (%)	15.6
7	Total capital ratio (%)	19.0
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional CET1 SREP requirements (%)	2.0
EU 7b	Additional AT1 SREP requirements (%)	1.1
EU 7c	Additional T2 SREP requirements (%)	1.5
EU 7d	Total SREP own funds requirements (%)	10.00
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.5
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	
9	Institution specific countercyclical capital buffer (%)	0.02
EU 9a	Systemic risk buffer (%)	
10	Global Systemically Important Institution buffer (%)	-
EU 10a	Other Systemically Important Institution buffer	0.5
11	Combined buffer requirement (%)	3.0
EU 11a	Overall capital requirements (%)	13.0
12	CET1 available after meeting the total SREP own funds requirements (%)	8.1
Leverage ratio		
13	Leverage ratio total exposure measure	230,176
14	Leverage ratio	4.4
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
EU 14a	Additional CET1 leverage ratio requirements (%)	-
EU 14b	Additional AT1 SREP requirements (%)	-
EU 14c	Additional T2 leverage ratio requirements (%)	3.1
Total SREP leverage ratio requirements (%)		
EU 14d	Applicable leverage buffer	-
EU 14e	Overall leverage ratio requirements (%)	3.1
Liquidity coverage ratio (%)		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	59,625
EU 16a	Cash outflows - Total weighted value	33,247
EU 16b	Cash inflows - Total weighted value	7,277
16	Total net cash outflows (adjusted value)	25,970
17	Liquidity coverage ratio (%)	228.8
Net Stable Funding Ratio		
18	Total available stable funding	187,853
19	Total required stable funding	137,494
20	NSFR ratio (%)	136.6

Own funds (article 437 CRR)

Regulatory capital adequacy / Normative ICAAP perspective (solvency)

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 mostly 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 the BayernLB Group. It establishes for the planning period upper limits for credit risks, market risks, credit valuation adjustments (CVA) and operational risks arising from the business activities.

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.

RWAs are allocated to the Group units through a top-down distribution approved by the Board of Management, combined with an internally assumed capital ratio. Compliance with the RWA budgets available to each Group unit is constantly monitored. 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). Due to the SREP findings, BayernLB was assigned a total capital ratio of 10 percent on a consolidated basis and with the CRR transitional provisions taken into account.

In support of the coronavirus crisis management efforts, the banking supervisory authorities passed various easing measures in 2020, including a temporary reduction of the capital adequacy requirements.

With a CET1 ratio of 15.6 percent, the BayernLB Group has a very solid capital base despite the ongoing coronavirus pandemic.

Own funds (article 437 CRR)

Pursuant to article 72 of the CRR, the BayernLB Group's own funds comprise Common Equity Tier 1 and Tier 2 capital. BayernLB currently does not have any additional Tier 1 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). A new addition is the deduction for non-performing loans (NPL). These items must be deducted in full from CET1 capital.

Tier 2 capital (T2 capital)

At the BayernLB Group T2 capital consists primarily of subordinated liabilities and IRB provisions in excess of the expected losses.

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.

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 own funds structure in detail.

Own funds structure

Table EU CC1 below shows the composition of the BayernLB Group's Common Equity Tier 1 capital and Tier 2 capital pursuant to article 437 letters a, d, e and f of the CRR, each divided into instruments, reserves and regulatory adjustments. The capital ratios resulting in relation to RWAs are also included. Reconciliation between regulatory capital and the published balance sheet is performed based on the reference numbers provided.

As at 30 June 2021, the own funds of the BayernLB Group were as follows:

EU CC1 Composition of regulatory own funds

EUR million		30.06.2021	reference	31.12.2020
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	3,888	j) plus k) plus m)	3,888
	of which share capital including premium	3,276	j) plus m)	3,276
	of which capital contribution	612	k)	612
2	Retained earnings	6,718	n) minus o) minus q)	6,718
3	Accumulated other comprehensive income (and other reserves)	144	l) minus m) plus o) minus p) plus r) plus s)	199
EU-3a	Funds to general banking risk	–		–
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	–		–
5	Minority interests (amount allowed in consolidated CET1)	–		–
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	–		–
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	10,750		10,805
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(31)		(22)
8	Intangible assets (net of related tax liability) (negative amount)	(165)	a) plus b)	(144)
9	Empty set in the EU			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(101)		(101)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	–		–
12	Negative amounts resulting from the calculation of expected loss amounts	(6)		(9)
13	Any increase in equity that results from securitised assets (negative amount)	–		–
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	(25)		(40)
15	Defined-benefit pension fund assets (negative amount)	–		–
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	–		–
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–		–
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–		–
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–		–
20	Empty set in the EU			
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	–		–
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	–		–
EU-20c	of which: securitisation positions (negative amount)	–		–
EU-20d	of which: free deliveries (negative amount)	–		–

21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	–		–
22	Amount exceeding the 17.65% threshold (negative amount)	–		–
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	–		–
24	Empty set in the EU			
25	of which: deferred tax assets arising from temporary differences	–		–
EU-25a	Losses for the current financial year (negative amount)	–		–
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	–		–
26	Other deductions from CET1	–		–
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	–		–
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant)	(274)		(188)
28	Total regulatory adjustments to Common Equity (CET1) Tier 1 capital	(602)		(504)
29	Common Equity Tier 1 (CET1) capital	10,148		10,301
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	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) CRR	0	h) minus i)	1
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	–		–
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	–		–
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	–		–
35	of which: instruments issued by subsidiaries subject to phase-out	–		–
36	Additional Tier 1 (AT1) capital before regulatory adjustments	0		1
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	–		–
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–		–
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–		–
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	–		–
41	Empty set in the EU			
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	–		–
42a	Other regulatory adjustments to AT1 capital	–		–
43	Total regulatory adjustments to additional Tier 1 (AT1) capital	-		-
44	Additional Tier 1 (AT1) capital	-		1
45	Tier 1 capital (T1 = CET1 + AT1)	10,148		10,302
Tier 2 capital: instruments				
46	Capital instruments and the related share premium accounts	1,792	c) minus d) minus e)	1,188
47	Amount of qualifying items referred to in Article 484 (5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	132	d)	151
EU-47a	Amount of qualifying items referred to in Article 494a (2) CRR subject to phase out from T2	–		–

EU-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2	–		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	16	f) minus g)	16
49	of which: instruments issued by subsidiaries subject to phase-out	–		–
50	Credit risk adjustments	282		336
51	Tier 2 (T2) capital before regulatory adjustments	2,222		1,691
Tier 2 (T2) capital: regulatory adjustments				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	–		–
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–		–
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–		–
54a	Empty set in the EU	–		–
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	–		–
56	Empty set in the EU			
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	–		–
EU-56b	Other regulatory adjustments to T2 capital	–		–
57	Total regulatory adjustments to Tier 2 (T2) capital	–		–
58	Tier 2 (T2) capital	2,222		1,691
59	Total capital (TC = T1 + T2)	12,370		11,993
60	Total risk exposure amount	65,075		64,974
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	15.6%		15.9%
62	Tier 1 capital ratio	15.6%		15.9%
63	Total capital (as a percentage of total risk exposure amount)	19.0%		18.5%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount)	8.7%		8.6%
65	of which: capital conservation buffer requirement	2.5%		2.5%
66	of which: countercyclical buffer requirement	0.0%		0.0%
67	of which: systemic risk buffer requirement	–		–
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.5%		0.5%
EU-67b	Of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.1%		1.1%
68	Common Equity Tier 1 (as a percentage of total risk exposure amount)	8.1%		8.4%
keine Übersetzung in der englischen Version				
69	Empty set in the EU			
70	Empty set in the EU			
71	Empty set in the EU			
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	275		269
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	23		23
74	Empty set in the EU			

75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	593		593
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	–		–
77	Cap on inclusion of credit risk adjustments in T2 capital under the standardised approach	23		15
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	282		392
79	Cap on inclusion of credit risk adjustments in T2 capital under the Internal Ratings-Based approach	333		336
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements	–		–
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–		–
82	Current cap on AT1 instruments subject to phase out arrangements	–		295
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–		–
84	Current cap on T2 instruments subject to phase out arrangements	434		869
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	–		–

Common Equity Tier 1 capital (CET1) fell by EUR 153 million in the first half of 2021 from 31 December 2020. The decline is due in particular to the deduction for non-performing loans, which was applied for the first time (NPL backstop) and the interest-rate-driven drop in the revaluation surplus.

Tier 2 capital (T2) increased by approx. EUR 531 million compared with 31 December 2020. This stemmed largely from the issue of the first green subordinated benchmark bond (subordinated Tier 2 bond) with a volume of EUR 500 million in the first half of the year. The decline resulting from maturities, daily amortisation of Tier 2 capital components and lower net loss allowances was considerably more than offset through the benchmark bond and the raising of another approximately EUR 91 million in new T2-compliant subordinated Schuldschein loans and subordinated bonds with fixed rates and terms of between 10 and 20 years.

Despite the continuing coronavirus pandemic, the BayernLB Group has a sound capital base with a CET1 ratio of 15.6 percent. From today's perspective, we expect a CET1 ratio > 15 percent at the end of 2021. The fully-loaded total capital ratio for the Group is 18.8 percent.

Table EU CC2 shows the reconciliation of the balance sheet scope of consolidation with the supervisory scope of consolidation pursuant to article 437 letter a CRR. Differences between the two scopes of consolidation are due to DKB Nachhaltigkeitsfonds EUROPA AL, Klimaschutz AL and SDG AL, which are included in the balance sheet scope of consolidation. The disclosure of the share capital rows in template EU CC2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements below does not apply to BayernLB, as BayernLB does not have any share capital.

EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Assets		Balance sheet	Under	
EUR million		as in published	regulatory	
		financial	scope of	
		statements	consolidation	Reference
		per 30.6.2021	per 30.6.2021	
1	Cash reserves	33,915	33,915	
2	Loans and advances to banks	59,069	59,067	
3	Loans and advances to customers	154,730	154,730	
4	Risk provisions	(1,039)	(1,039)	
5	Portfolio hedge adjustment assets	541	541	
6	Assets held for trading	9,516	9,516	
7	Positive fair values from derivative financial instruments (hedge accounting)	583	583	
8	Financial investments	20,417	20,316	
9	Investment property	29	29	
10	Property, plant and equipment	469	469	
11	Intangible assets	147	147	a)
12	<i>Regulatory adjustment¹</i>	<i>18</i>	<i>18</i>	b)
13	Current tax assets	100	100	
14	Deferred tax assets	485	485	
15	Non-current assets or disposal groups classified as held for sale	138	138	
16	Other assets:	3,350	3,350	
17	Total assets	282,448	282,345	

Liabilities				
EUR million				
18	Liabilities to banks	92,476	92,476	
19	Liabilities to customers	118,190	118,190	
20	Securitised liabilities	45,981	45,981	
21	Liabilities held for trading	7,961	7,961	
22	Negative fair values from derivative financial instruments (hedge accounting)	1,017	1,017	
23	Provisions	1,902	1,902	
24	Current tax liabilities	98	98	
25	Liabilities from assets held for sale	28	28	
26	Other liabilities	609	506	
27	Subordinated capital	2,222	2,222	
28	Subordinated liabilities	2,191	2,191	c)
29	Of which grandfathered instruments	132	132	d)
30	Regulatory adjustment ²	267	267	e)
31	Profit participation certificates (debt component)	30	30	f)
32	Regulatory adjustment ³	14	14	g)
33	Dated contributions of silent partners	1	1	h)
34	Regulatory adjustment	1	1	i)
35	Equity	11,963	11,963	
36	Subscribed capital	3,412	3,412	
37	Of which: statutory nominal capital	2,800	2,800	j)
38	of which: capital contribution	612	612	k)
39	Capital surplus	2,182	2,182	l)
40	of which: premium on subscribed capital	476	476	m)
41	Retained earnings	5,989	5,988	n)
42	of which: revaluation surplus of defined benefit plans	(1,413)	(1,413)	o)
43	Regulatory adjustment ⁴	265	265	p)
44	Regulatory adjustment ^{1/4}	683	683	q)
45	Revaluation surplus	114	114	r)
46	Foreign currency transaction reserve	2	2	s)
47	Consolidated profit/loss	248	248	
48	Profit/loss attributable to non-controlling interests	17	17	
49	Total liabilities	282,448	282,345	

1 Adjusted as per article 26 para. 2 CRR.

2 I.a. restated for regulatory maturity (173 million), hedge accounting and pro rata interest.

3 Restated partly due to minority interests as per article 87 CRR.

4 I.a. the value of so-called special purpose assets, carried at nominal value in the IFRS annual financial statements, restated to its lower present value in accordance with German GAAP.(679 million).

Own funds requirements and risk-weighted exposure amounts (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.

Risks associated with equity interests are measured using the simple risk-weighted method. Own funds requirements for investment units are calculated using the transparency method.

BayernLB uses the standardised approach (SACCR) to determine the exposure value for the calculation of own funds requirements from 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).

BayernLB uses the internal assessment approach, SEC-SA and SEC-ERBA to calculate own funds 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 EU OV1 below, shows the composition of the own funds requirements and the RWAs and how they are broken down in terms of regulatory approach, risk type and exposure class, pursuant to article 438 letter d CRR.

OV1 – Overview of total risk exposure amounts (risk-weighted assets, RWAs)

EUR million		RWA	Total own funds requirements
		30.6.2021	30.6.2021
1	Credit risk (excluding CCR)	54,803	4,384
2	Of which the standardised approach	1,596	128
3	Of which the foundation IRB (FIRB) approach	47,496	3,800
4	Of which slotting approach	-	-
EU 4a	Of which equities under the simple riskweighted approach	1,748	140
	of which equity exposures subject to other risk weights	42	3
5	Of which the advanced IRB (AIRB) approach	3,664	293
6	Counterparty credit risk - CCR	2,995	240
7	Of which standardised approach SA-CCR	1,852	148
8	Of which internal model method (IMM)	-	-
EU 8a	Of which exposures to a CCP	156	12
EU 8b	Of which credit valuation adjustment - CVA	199	16
9	Of which other CCR	788	63
10	Empty set in the EU	-	-
11	Empty set in the EU	-	-
12	Empty set in the EU	-	-
13	Empty set in the EU	-	-
14	Empty set in the EU	-	-
15	Settlement risk	-	-
16	Securitisation exposures in the non-trading book (after the cap)	422	34
17	Of which SEC-IRBA approach	-	-
18	Of which SEC-ERBA (including IAA)	382	31
19	Of which SEC-SA approach	40	3
EU 19a	Of which 1250%/ deduction	-	-
20	Position, foreign exchange and commodities risks (Market risk)	2,730	218
21	Of which the standardised approach	2,730	218
22	Of which IMA	-	-
EU 22a	Large exposures	-	-
23	Operational risk	4,125	330
EU 23a	Of which basic indicator approach	-	0
EU 23b	Of which the standardised approach	4,125	330
EU 23c	Of which advanced measurement approach	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)¹	1,542	123
25	Empty set in the EU	-	-
26	Empty set in the EU	-	-
27	Empty set in the EU	-	-
28	Empty set in the EU	-	-
29	Total	65,075	5,206

¹ In row 24, the material equity interests to be assigned a risk-weighting of 250 percent within the financial sector and deferred taxes resulting from temporary differences are disclosed for information purposes only.

RWAs fell by approximately EUR 750 million in Q2 2021. The effects of growth in line with strategy in the real estate business and at DKB were offset by the focus on the new sector-based sales approach in the Corporates and Markets segment and rating improvements across all portfolios.

Table EU CR10.5 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 own funds requirements pursuant to article 438 letter e CRR. As BayernLB has no specialised lending under the slotting approach, the table below is restricted to equities.

EU CR10.5 – IRB equity exposures pursuant to the simple risk-weighted approach

Categories	On-balance-sheet amount	Offbalance sheet amount	Risk weight	EAD	RWA	Expected loss
EUR million						
Private equity exposures	542	17	190%	559	1,062	4
Exchange-traded equity exposures	235	1	290%	237	686	2
Other equity exposures	0	0	370%	0	0	0
Total	777	18		795	1,748	6

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 EU CR8 shows the changes in RWAs from 31 March 2021 to 30 June 2021 for the IRB credit risk pursuant to article 438 letter h CRR. 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	RWA
1 RWAs as at 30 March 2021	52,351
2 Asset size (+/-)	(600)
3 Asset quality (+/-)	(681)
4 Model updates (+/-)	0
5 Methodology and policy (+/-)	(171)
6 Acquisitions and disposals (+/-)	0
7 Foreign exchange movements (+/-)	(45)
8 Others	(434)
9 RWAs as at 30 Jun 2021	50,420

Counterparty risk (article 439 CRR)

Table EU CCR1 shows various aspects of counterparty credit risk pursuant to article 439 letters f, g and k CRR. All tables are based on supervisory figures pursuant to CoRep reporting.

EU CCR1 – Analysis of CCR exposure by approach

	a	b	c	d	e	f	g	h
	Replacement cost (RC)	Potential future exposure (PFE)	Effective expected positive exposure (EEPE)	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EUR million								
EU-1	EU - Original Exposure Method (for derivatives)	-	-	1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-	1.4	-	-	-	-
1	SA-CCR (for derivatives)	2,171	2,591	1.4	9,755	6,668	6,668	1,852
2	IMM (for derivatives and SFTs)	-	-	-	-	-	-	-
2a	Of which securities financing transactions netting sets	-	-	-	-	-	-	-
2b	Of which derivatives and long settlement transactions netting sets	-	-	-	-	-	-	-
2c	Of which from contractual cross-product netting sets	-	-	-	-	-	-	-
3	Financial collateral simple method (for SFTs)	-	-	-	-	-	-	-
4	Financial collateral comprehensive method (for SFTs)	-	-	-	7,774	4,761	4,761	882
5	VaR for SFTs	-	-	-	-	-	-	-
6	Total				17,529	11,429	11,429	2,734

Table CCR2 shows the regulatory calculations for the credit valuation adjustment (CVA) by approach pursuant to article 439, letter h CRR. BayernLB uses only the standardised approach.

EU CCR2 – Transactions subject to own funds requirements for CVA risk

		a	b
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3x multiplier)	-	-
3	(ii) stressed VaR component (including the 3x multiplier)	-	-
4	Transactions subject to the Standardised method	1,243	199
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	Total transactions subject to own funds requirements for CVA risk	1,243	199

Table EU CCR3 shows the exposure values subject to counterparty credit risk (derivatives and securities financing transactions), by credit risk mitigation technique calculated in accordance with

the standardised approach and broken down by exposure class, pursuant to article 439 letter l in conjunction with article 444 letter e CRR. CVA positions and exposures cleared through a CCP are excluded.

EU CCR3 – Standardised approach– CCR exposures by regulatory exposure class and risk weights

Exposure classes	a	b	c	d	e	f	g	h	i	j	k	l
	Risk weight (%)											
EUR million	0	2	4	10	20	50	70	75	100	150	Others	Total
1 Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2 Regional governments or local authorities	34	-	-	-	40	-	-	-	-	-	-	73
3 Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4 Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5 International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6 Institutions	1,970	1,211	-	-	-	-	-	-	-	-	-	3,181
7 Corporates	-	24	-	-	-	-	-	-	246	-	-	271
8 Retail	-	-	-	-	-	-	-	-	-	-	-	-
9 Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10 Other items	-	-	-	-	-	-	-	-	-	-	-	-
11 Total	2,003	1,235	-	-	40	-	-	-	246	-	-	3,525

Table EU CCR4 shows the key parameters that are used to calculate own funds requirements for counterparty credit risk in IRBA pursuant to article 439 letter l in conjunction with article 452 letter g CRR. The table contains the exposure values (derivatives and securities financing transactions) underlying the counterparty credit risk, calculated using the IRB approach and broken down by exposure class and PD range. As BayernLB does not have any counterparty credit risk exposures in its retail business, no such exposures are shown here.

EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale

Exposure class	Exposure value	Average PD (%)	Number of obligors	Average LGD (%)	Average maturity (years)	RWA	Risk-weight	
EUR million	PD scale							
Central governments and central banks	0.00 to < 0.15	934	-	80	45	3	21	2
	0.15 to < 0.25	-	-	-	45	-	-	-
	0.25 to < 0.50	-	-	-	45	-	-	-
	0.50 to < 0.75	-	-	-	45	-	-	-
	0.75 to < 2.50	-	-	-	45	-	-	-
	2.50 to < 10.00	-	-	-	45	-	-	-
	10.00 to < 100.00	-	-	-	45	-	-	-
	100.00 (Default)	-	-	-	45	-	-	-
Total	934	-	86	45	3	21	2	
Institutions	0.00 to < 0.15	2,867	0.07	97	45	1	609	21
	0.15 to < 0.25	194	0.17	6	45	1	64	33
	0.25 to < 0.50	42	0.30	11	45	1	22	51
	0.50 to < 0.75	-	0.59	2	45	3	0	79
	0.75 to < 2.50	1	1.32	2	45	3	1	112
	2.50 to < 10.00	-	-	-	45	-	-	-
	10.00 to < 100.00	-	-	6	45	-	-	-
	100.00 (Default)	-	-	-	45	-	-	-
Total	3,105	0.08	124	45	1	697	22	
Corporates -SMEs	0.00 to < 0.15	15	0.08	11	45	3	3	22
	0.15 to < 0.25	7	0.17	6	45	3	2	31
	0.25 to < 0.50	15	0.37	11	45	3	8	49
	0.50 to < 0.75	8	0.59	9	45	3	5	62
	0.75 to < 2.50	17	1.32	12	45	3	15	86
	2.50 to < 10.00	-	6.67	1	45	3	-	147
	10.00 to < 100.00	-	20.00	1	45	3	1	200
	100.00 (Default)	-	-	-	45	-	-	-
Total	63	0.65	51	45	3	33	53	
Corporates – Specialised lending	0.00 to < 0.15	408	0.08	138	45	3	98	24
	0.15 to < 0.25	79	0.17	41	45	3	31	40
	0.25 to < 0.50	140	0.31	85	45	3	73	52
	0.50 to < 0.75	21	0.59	23	44	3	14	64
	0.75 to < 2.50	72	0.94	23	45	3	67	93
	2.50 to < 10.00	3	3.10	4	45	3	4	137
	10.00 to < 100.00	-	-	-	45	-	-	-
	100.00 (Default)	18	100.00	3	45	3	-	-
Total	741	2.71	317	45	3	287	39	
Corporates - Others	0.00 to < 0.15	3,339	0.10	171	45	1	850	25
	0.15 to < 0.25	423	0.17	64	45	1	163	39
	0.25 to < 0.50	250	0.32	111	45	2	154	62
	0.50 to < 0.75	51	0.59	25	45	3	40	79
	0.75 to < 2.50	225	1.08	41	45	3	221	99
	2.50 to < 10.00	5	5.66	11	45	3	9	165
	10.00 to < 100.00	1	20.00	241	45	3	4	253
	100.00 (Default)	2	100.00	1	45	3	-	-
Total	4,296	0.23	665	45	1	1,441	34	
Total	9,139	0.36	1,234	45	2	2,480	27	

Table CCR5 shows all types of collateral that have been received or furnished in order to reduce counterparty credit risk in connection with derivatives transactions pursuant to article 439 e CRR. In addition, the table shows whether the collateral is held in a bankruptcy-remote form as defined in article 300 of the CRR (“segregated”) or not (“unsegregated”).

EU CCR5-Composition of collateral for CCR exposures

EUR million		a		b		c		d		e		f		g		h	
		Collateral used in derivative transactions								Collateral used in SFTs							
		Fair value of collateral received				Fair value of posted collateral				Fair value of collateral received				Fair value of posted collateral			
		Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated
1	Cash – domestic currency	278	2,674	172	3,617	-	1,423	-	921	-	1,423	-	921	-	-	-	921
2	Cash – other currencies	1	66	-	238	-	668	-	3,642	-	668	-	3,642	-	-	-	3,642
3	Domestic sovereign debt	-	53	-	10	-	1,662	-	797	-	1,662	-	797	-	-	-	797
4	Other sovereign debt	-	6	-	50	-	2,520	-	1,761	-	2,520	-	1,761	-	-	-	1,761
5	Government agency debt	-	-	-	-	-	0	-	0	-	0	-	0	-	-	-	0
6	Corporate bonds	-	7	-	-	-	503	-	43	-	503	-	43	-	-	-	43
7	Equity securities	-	-	-	-	-	0	-	0	-	0	-	0	-	-	-	0
8	Other collateral	-	60	-	16	-	6,323	-	3,048	-	6,323	-	3,048	-	-	-	3,048
9	Total	279	2,866	172	3,931	-	13,099	-	10,213	-	13,099	-	10,213	-	-	-	10,213

Table EU 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, pursuant to article 439 letter j CRR. BayernLB only uses credit derivatives for its own risk portfolio, not for brokerage activities.

EU CCR6 – Credit derivatives exposures

EUR million		a	b
		Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	90	-
2	Index credit default swaps	320	-
3	Total return swaps	-	-
4	Credit options	-	-
5	Other credit derivatives	-	-
6	Total notionals	410	-
Fair values			
7	Positive fair value (asset)	1	-
8	Negative fair value (liability)	(8)	-

Table EU CCR8 below provides an extensive overview of BayernLB's exposures to central counterparties (CCPs) pursuant to article 439 letter i CRR. 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.

EU CCR8 – Exposures to CCPs

EUR million		a	b
		Exposure value	RWEA
1	Exposures to QCCPs (total)		156
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,235	25
3	(i) OTC derivatives	606	12
4	(ii) Exchange-traded derivatives	151	3
5	(iii) SFTs	479	10
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non-segregated initial margin	264	94
9	Prefunded default fund contributions	133	37
10	Unfunded default fund contributions	-	-
11	Exposures to non-QCCPs (total)		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

Countercyclical capital buffer (article 440 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.

Table EU CCyB1 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 440 letter a CRR. 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.

EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

Breakdown by country	General credit exposures		Trading book exposures		Securitisat ion exposure	Own funds requirements					Risk weighted exposure amount	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Banking book exposure value	Total exposure value	of which credit exposures	of which Trading book exposures	of which banking book securitisation exposure	Total			
EUR million													
Bulgaria	-	-	-	-	-	-	-	-	-	-	-	0	0.50%
Hong Kong	2	1	-	-	-	3	-	-	-	-	1	-	1.00%
Luxembourg	79	3,711	-	-	-	3,790	157	-	-	157	1,960	4	0.50%
Norway	-	529	-	-	-	529	5	-	-	5	69	0	1.00%
Slovakia	1	3	-	-	-	4	0	-	-	-	1	-	1.00%
Czech Republic	1	565	-	-	-	565	11	-	-	11	139	0	0.50%
Germany	6,643	102,198	1,234	-	1,436	111,511	2,783	5	23	2,811	35,142	71	0.00%
Other EU	93	16,174	-	-	103	16,371	530	-	1	530	6,630	13	0.00%
Others	428	15,201	-	-	390	16,020	435	-	10	445	5,567	11	0.00%
Total	7,247	138,392	1,234	-	1,930	148,803	3,922	5	34	3,961	49,514	100.0	

The amount of the BayernLB Group's institution-specific countercyclical capital buffer is shown in table EU CCyB2 below pursuant to article 440 letter b CRR.

EU CCyB2 – Amount of institution-specific countercyclical capital buffer

EUR million	30.6.2021
Total risk exposure amount	65,075
Institution-specific countercyclical buffer rate (in %)	0.02
Institution-specific countercyclical buffer requirement	15

The institution-specific countercyclical capital buffer rose from 0.01 percent as at 31 December 2020 to 0.02 percent. This is due in part to the increase in the countercyclical capital buffer by the national authority in Luxembourg from 0.25 percent to 0.5 percent.

Credit risk (article 442 CRR)

The tables below show for credit risk the credit quality, maturity, geographical origin and the sectors of the performing, non-performing and forborne exposures and the related risk provisions.

Table EU CR1 shows the performing and non-performing exposures and related provisions pursuant to article 442 letters c and e CRR.

EU CR1 Performing and non-performing exposures and related provisions

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received			
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures	
	of which Stage 1	of which Stage 2	of which Stage 2	of which Stage 3	of which Stage 1	of which Stage 2	of which Stage 1	of which Stage 2	of which Stage 2	of which Stage 3						
EUR million																
005	Cash balances at central banks and other demand deposits	69,168	67,871	1,297	0	0	0	(0)	(0)	(0)	0	0	0	0	0	
010	Loans and advances	177,070	161,460	15,452	1,484	0	1,381	(420)	(138)	(281)	(620)	0	(575)	(303)	65,280	258
020	Central banks	533	533	0	0	0	0	(0)	(0)	0	0	0	0	0	0	0
030	General governments	27,172	26,089	1,083	17	0	17	(6)	(0)	(6)	(1)	0	(1)	0	480	0
040	Credit institutions	22,971	20,306	2,665	7	0	7	(3)	(2)	(1)	(6)	0	(6)	0	15	0
050	Other financial corporations	11,069	8,799	2,159	100	0	99	(28)	(6)	(22)	(39)	0	(39)	0	5,060	1
060	Non-financial corporations	94,925	85,941	8,940	1,201	0	1,104	(311)	(106)	(205)	(522)	0	(479)	(41)	47,904	200
070	Of which SMEs	27,905	26,670	1,205	389	0	364	(116)	(49)	(66)	(155)	0	(138)	(13)	16,802	108
080	Households	20,400	19,791	605	160	0	154	(71)	(24)	(47)	(51)	0	(49)	(262)	11,821	57
090	Debt securities	19,726	18,744	619	9	0	0	(3)	(2)	(1)	(2)	0	0	0	0	0
100	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	General governments	11,480	11,380	0	0	0	0	(0)	(0)	0	0	0	0	0	0	0
120	Credit institutions	7,630	7,032	574	0	0	0	(3)	(2)	(1)	0	0	0	0	0	0
130	Other financial corporations	479	242	6	5	0	0	(0)	(0)	(0)	(0)	0	0	0	0	0
140	Non-financial corporations	137	90	39	4	0	0	(0)	(0)	(0)	(2)	0	0	0	0	0
220	On-balance-sheet exposures	265,965	248,075	17,368	1,493	0	1,381	(424)	(141)	(283)	(622)	0	(575)	(303)	65,280	258
150	Off-balance-sheet exposures	64,553	50,762	7,740	285	0	238	81	24	55	46	0	22	3,957	29	
160	Central banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
170	General governments	3,095	2,868	227	0	0	0	2	0	2	0	0	0	0	35	0
180	Credit institutions	5,842	5,065	599	0	0	0	1	0	1	0	0	0	0	50	0
190	Other financial corporations	6,298	2,126	4,095	0	0	0	2	2	1	0	0	0	0	128	0
200	Non-financial corporations	34,022	25,536	2,697	284	0	236	68	18	48	45	0	21	0	3,469	29
210	Households	15,295	15,168	122	2	0	2	8	4	3	1	0	1	274	0	

Table EU CR 1-A shows the residual maturity of the exposures pursuant to article 442 letter g CRR.

EU CR 1-A Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
EUR million		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	13,804	21,684	58,587	81,880	1,560	177,515
2	Debt securities	541	2,395	10,136	6,418	239	19,730
3	Total	14,345	24,079	68,724	88,298	1,799	197,245

Table EU CR2 shows the changes in the stock of non-performing loans and advances pursuant to article 442 letter f CRR.

EU CR2: Change in the stock of non-performing loans and advances

EUR million		Gross carrying amount
010	Initial stock of non-performing loans and advances	1,457
020	Inflows to non-performing portfolios	326
030	Outflows from non-performing portfolios	(299)
040	Outflows due to write-offs	(6)
050	Outflow due to other situations	(293)
060	Final stock of non-performing loans and advances	1,484

Table EU CQ1 below shows the credit quality of forborne exposures pursuant to article 442 letter c CRR.

EU CQ1: Credit quality of forborne exposures

		a	b	c	d	e		f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne		On performing forborne exposures	On non-performing forborne exposures			of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
			Of which defaulted	of which impaired						
EUR million										
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-	-
010	Loans and advances	670	647	645	636	(21)	(321)	276	95	
020	Central banks	-	-	-	-	-	-	-	-	
030	General governments	-	-	-	-	-	-	-	-	
040	Credit institutions	-	5	5	5	-	(5)	-	-	
050	Other financial corporations	19	57	57	56	(1)	(27)	4	-	
060	Non-financial corporations	599	547	547	540	(15)	(277)	236	80	
070	Households	51	38	37	34	(5)	(12)	36	15	
080	Debt securities	-	-	-	-	-	-	-	-	
100	Total	670	647	645	636	(21)	(321)	276	95	
090	Loan commitments given	283	167	167	167	10	13	42	3	

Table EU CQ4 below shows the quality of non-performing exposures from countries that are material within the meaning of article 432 CRR pursuant to article 442 letters c and e CRR. Exposures in countries who make up a share of > 2 percent of the total on-balance sheet exposures. All other exposures are combined under “Other countries”. Exposures to supranational organisations are not assigned to the domicile of the institution but to “Other countries”.

EU CQ4: Quality of non-performing exposures by geography

	a	b	c	d	e	f	g
	Gross carrying amount/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which non-performing	Of which defaulted	of which subject to impairment			
EUR million							
010 On-balance-sheet exposures	198,290	1,493	1,493	197,792	(1,043)		(2)
020 Germany	156,303	1,064	1,064	156,024	(765)		(2)
030 France	5,642	0	0	5,642	(10)		-
040 United States of America	5,318	83	83	5,210	(30)		-
050 United Kingdom	4,259	85	85	4,259	(44)		-
070 Other countries	26,767	260	260	26,657	(194)		-
080 Off-balance-sheet exposures	64,891	285	285			128	
090 Germany	52,566	117	117			73	
100 France	1,312	-	-			1	
110 United States of America	2,307	-	-			16	
120 United Kingdom	574	1	1			1	
140 Other countries	8,132	168	168			37	
150 Total	263,180	1,778	1,778	197,792	(1,043)	128	(2)

1 The countries stated in the table account for more than 85 percent of total exposure (on and off-balance sheet) of the BayernLB Group. The following countries are included in the “Other” rows: Austria, Belgium, Canada, Cayman Islands, Czech Republic, Finland, Ireland, Italy, Luxembourg, Netherlands, Norway, Poland, Sweden, Switzerland, Spain, Turkey. Other countries that make up less than 0.2 percent of the total exposure are not listed here for reasons of materiality.

Table EU CQ5 below shows the classification of counterparties by industry pursuant to article 442 letters c and e CRR. Only counterparties mentioned in connection with non-financial corporations in these industries are considered in the classification.

Materiality is measured in accordance with article 432 CRR, non-material industries or types of counterparty are disclosed in aggregated form in the row entitled “Other services”.

EU CQ5: Credit quality of loans and advances by industry

	a	b	c	d	e	f
	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		of which non-performing		of which subject to impairment		
			Of which defaulted			
EUR million						
010 Agriculture, forestry and fishing	2,241	86	86	2,241	(17.0)	-
020 Mining and quarrying	328	13	13	328	(1.0)	-
030 Manufacturing	6,198	369	369	6,198	(234.1)	-
040 Electricity, gas, steam and air conditioning supply	18,588	245	245	18,588	(157.6)	-
050 Water supply	5,384	21	21	5,384	(2.9)	-
060 Construction	2,029	21	21	2,029	(21.4)	-
070 Wholesale and retail trade	1,546	45	45	1,546	(26.8)	-
080 Transport and storage	5,084	46	46	5,084	(66.1)	-
090 Accommodation and food service activities	928	7	7	928	(53.3)	-
100 Information and communication	1,187	1	1	1,187	(2.5)	-
110 Financial and insurance activities	41,440	121	121	41,439	(112.6)	-
120 Real estate activities	-	-	-	-	-	-
130 Professional, scientific and technical activities	1,856	4	4	1,856	(6.7)	-
140 Administrative and support service activities	4,938	211	211	4,938	(98.9)	-
150 Public administration and defense, compulsory social security	-	-	-	-	-	-
160 Education	365	1	1	365	(1.5)	-
170 Human health services and social work activities	2,837	8	8	2,837	(10.1)	-
180 Arts, entertainment and recreation	392	2	2	392	(18.1)	-
190 Other services	783	1	1	771	(2.6)	-
200 Total	96,126	1,201	1,201	96,112	(833.3)	-

Disclosure of the templates CR2-A, CQ2, CQ6 and CQ 8 is not required, as BayernLB's NPL ratio of 0.5 percent is far below 5 percent.

Disclosure of template EU CQ7 "Collateral obtained by taking possession and execution processes" is not required either, as BayernLB does not take possession of any collateral

Use of the standardised approach (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. They are based on supervisory figures pursuant to CoRep reporting.

Table EU 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, pursuant to article 444 letter e CRR. 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.

EU CR4 – Standardised approach – Credit risk exposure and CRM effect

Exposure classes	Exposures before CCF and before CRM		Exposures after CCF and CRM		RWAs and RWAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWA	Risk weight (%)
	a	b	c	d	e	f
Central governments or central banks	23	-	64	-	-	-
Regional governments or local authorities	103	19	5,240	253	309	6
Public sector entities	295	36	209	3	89	42
Multilateral development banks	1,080	-	1,080	-	-	-
International organisations	789	-	789	-	-	-
Institutions	19,158	4,755	19,624	1,327	17	0
Corporates	2,827	630	659	61	596	83
Retail	3,519	4,068	565	7	393	69
Secured by mortgages on immovable property	127	-	127	-	45	36
Exposures in default	53	-	48	-	67	138
Exposures associated with particularly high risk	15	4	15	2	25	150
Covered bonds	-	-	-	-	-	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
Collective investment undertakings	61	-	61	-	55	89
Equity	-	-	-	-	-	-
Other items	-	-	-	-	-	20
Total	28,051	9,512	28,482	1,653	1,596	5

Table EU CR5 includes information on the assignment of risk weightings within the respective exposure class pursuant to article 444 letter e CRR.

EU CR5 Standardised approach

Exposure-class EUR million	Risk weight (%)															Without rating	
	0	2	4	10	20	35	50	70	75	100	150	250	370	1250	Other		Total
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
Central governments or central banks	64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	64	-
Regional governments or local authorities	5,148	-	-	-	-	-	72	-	-	273	-	-	-	-	-	5,493	61
Public sector entities	1	-	-	-	56	-	156	-	-	-	-	-	-	-	-	212	156
Multilateral development banks	1,080	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,080	931
International organisations	789	-	-	-	-	-	-	-	-	-	-	-	-	-	-	789	728
Institutions	20,817	54	-	-	80	-	-	-	-	-	-	-	-	-	-	20,951	20,871
Corporates	44	-	-	-	38	-	-	-	-	638	-	-	-	-	-	720	707
Retail exposures	-	-	-	-	-	-	-	-	572	-	-	-	-	-	-	572	572
Exposures secured by mortgages on immovable property	-	-	-	-	-	102	24	-	-	-	-	-	-	-	-	127	127
Exposures in default	-	-	-	-	-	-	-	-	-	11	37	-	-	-	-	48	48
Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	17	-	-	-	-	17	15
Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proportional consolidation	1	-	-	1	2	-	11	-	-	40	3	-	-	-	3	61	58
Equity exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	27,943	54	-	1	177	102	263	0	572	963	57	-	-	-	3	30,135	24,275

Market risk (article 445 CRR)

Table EU MR1 below shows the composition of RWAs under the standardised approach for market risk pursuant to article 445 CRR. The table is based on supervisory figures pursuant to CoRep reporting.

EU MR1 – Market risk under the standardised approach

EUR million		RWA
Outright products		
1	Interest rate risk (general and specific)	1,314
2	Equity risk (general and specific)	8
3	Foreign exchange risk	299
4	Commodities	877
Options		
5	Simplified approach	-
6	Delta-plus method	213
7	Scenario approach	19
8	Securitisation (specific risk)	-
9	Total	2,730

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

Table EU IRRBB1 below shows changes in the economic value of capital, calculated for six supervisory interest rate shock scenarios in accordance with article 98 para. 5 of Directive 2013/35/EU for the current and the preceding period, pursuant to article 48 para. 1 (a) CRR.

EU IRRBB1 Interest rate risks of non-trading book activities

Changes of the economic value of equity		
EUR million	30.6.2021	31.12.2020
Parallel up	265.02	185.55
Parallel down	(301.51)	(27.85)
Steeper	101.05	136.50
Flattener	(259.53)	(172.89)
Short rate up	23.80	(66.66)
Short rate down	(132.65)	(21.73)

The considerable downturn in the “Parallel down” scenario is due in particular to higher interest rates and the related higher effective shift, taking into account the supervisory floor requirements.

In article 448 para. 1 (b) CRR, disclosure of the quantitative results of the two net interest income (NII) interest rate shock “Parallel up” and “Parallel down” is expected. Since the standards announced by the EBA have so far neither stipulated in a legally effective form what constitutes NII in this context (no definition of NII) nor stipulated the two NII shock scenarios, disclosure pursuant to article 448 1 (b) CRR is omitted in this report.

Exposure to securitisation positions (article 449 CRR)

As at 30 June 2021 the BayernLB Group had securitisation exposures, acting either as sponsor or investor, of EUR 1.9 billion (31 December 2020: EUR 2.5 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 1.5 billion (31 December 2020: EUR 2.1 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 corporate customers. The strategic goal of BayernLB here is to offer ABCP customer transactions to its corporate customers as funding.

All of these securitisation exposures have senior ranking with trade or leasing receivables as underlying assets.

Investor function

- The exposure to securitisation positions where BayernLB acts as an investor is EUR 0.4 billion (31 December 2020: EUR 0.4 billion).
- These securitisation positions have senior ranking, with residual leased asset values and retail loans as underlying assets.

Originator function

As at 30 June 2021, there are no securitisation exposures for which BayernLB assumes the role of originator. Furthermore, no own receivables were securitised in the first half of 2021.

EU-SEC1 – Securitisation exposures in the non-trading book

Table EU-SEC1 below shows the exposure values of the securitisation and re-securitisation exposures in the non-trading book, broken down into exposures as originator, sponsor and investor pursuant to article 449 letter j CRR. The disclosures are also sub-divided by STS and non-STS property and type of securitised receivable.

EU-SEC1 – Securitisation exposures in the non-trading book

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Institution acts as originator						Institution acts as sponsor			Institution acts as investor					
	Traditional securitisation		Synthetic securitisation		Sub-total	Traditional securitisation		Synthetic securitisation	Sub-total	Traditional securitisation		Synthetic securitisation	Sub-total		
	STS	Non-STS	of which SRT			STS	Non-STS			STS	Nicht-STS				
in Mio. Euro	of which SRT	of which SRT													
1 Total exposures	-	-	-	-	-	1.166	340	-	1.507	400	23	-	423		
2 Retail (total)	-	-	-	-	-	-	-	-	-	-	23	-	23		
3 Residential mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-		
4 Credit card	-	-	-	-	-	-	-	-	-	-	-	-	-		
5 Other retail exposure	-	-	-	-	-	-	-	-	-	-	23	-	23		
6 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-		
7 Wholesale (total)	-	-	-	-	-	1.166	340	-	1.507	400	-	-	400		
8 Loans to corporates	-	-	-	-	-	-	-	-	-	-	-	-	-		
9 Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-		
10 Lease and receivables	-	-	-	-	-	1.166	340	-	1.507	400	-	-	400		
11 Other Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-		
12 Re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-		

Traditional sponsor securitisation exposures include solely securitisation exposures in relation to the BayernLB-sponsored ABCP Programme Corelux.

Table EU-SEC2 shows the securitisation exposures in the trading book pursuant to article 449 letter j CRR. Since BayernLB does not hold any securitisation exposures in the trading book subject to reporting, this table is omitted.

Table EU-SEC3 includes the securitisation and re-securitisation exposures in the non-trading book, in which an institution acts as an originator or a sponsor, broken down by traditional and synthetic securitisations, STS property and type of securitised receivables, pursuant to article 449 letter k (i) CRR. The exposure figures, the risk-weighted exposure amounts (RWEAs) and the own funds requirements must be shown separately in accordance with the approaches used to determine the risk-weighted exposure amounts. In addition, the exposure values must be broken down by risk-weighting bands.

Table EU-SEC4 includes the securitisation and re-securitisation exposures in the non-trading book which are investor exposures, broken down by traditional and synthetic securitisations, STS property and type of securitised receivables, pursuant to article 449 letter k (ii) CRR. The exposure figures, the risk-weighted exposure amounts (RWEAs) and the own funds requirements must be shown separately in accordance with the approaches used to determine the risk-weighted exposure amounts. In addition, the exposure values must be broken down by risk-weighting bands.

EU-SEC4 – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Exposure values (by RW bands/deductions)				Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap				
EUR million	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/deductions
1 Total exposures	400	-	23	-	-	-	23	400	-	-	16	40	-	-	1	3	-
2 Traditional securitisation	400	-	23	-	-	-	23	400	-	-	16	40	-	-	1	3	-
3 Securitisation	400	-	23	-	-	-	23	400	-	-	16	40	-	-	1	3	-
4 Retail	-	-	23	-	-	-	23	-	-	-	16	-	-	-	1	-	-
5 of which STS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Wholesale	400	-	-	-	-	-	-	400	-	-	-	40	-	-	-	3	-
7 of which STS	400	-	-	-	-	-	-	400	-	-	-	40	-	-	-	3	-
8 Resecuritisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Retail	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Resecuritisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Table EU-SEC5 includes the total outstanding nominal amount of the securitised exposures, in which the institution acts as originator or sponsor, broken by the type of securitised receivables, pursuant to article 449 letter l CRR. In addition, the total nominal amount of the securitised exposures in default and the amount of the specific credit risk adjustments undertaken in accordance with article 110 CRR for the securitised exposures must be shown.

EU-SEC5 – Exposures securitised by the institution – Exposures in default and specific credit risk adjustments

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
1	Total exposures	1,592	1	-
2	Retail (total)	-	-	-
3	residential mortgage	-	-	-
4	credit card	-	-	-
5	other retail exposures	-	-	-
6	Resecuritisations	-	-	-
7	Wholesale (total)	1,592	1	-
8	loans to corporates	-	-	-
9	commercial mortgage	-	-	-
10	lease and receivables	1,592	1	-
11	other wholesale	-	-	-
12	Resecuritisations	-	-	-

The securitised exposures are related to the BayernLB-sponsored Corelux S.A. ABCP programme.

Leverage ratio (article 451 CRR)

The procedure to monitor the risk of excessive indebtedness (LRA a)

In addition to risk-weighted capital requirements, a non-risk-based metric was also introduced under CRR/CRD IV rules. The leverage ratio is already integrated into the BayernLB Group's governance and planning processes, although it was only in the monitoring phase until 28 June 2021.

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 budget 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 429 of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (CRR) as amended, is derived from the total exposure in terms of the non-risk-weighted on 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 (LRA b)

Disclosure is pursuant to Commission Implementing Regulation (EU) 2021/637 of 15 March 2021. On 28 June 2021, the new provisions of Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019, which amends the CRR, came into force for calculating the leverage ratio.

The leverage ratio came to 4.4 percent as at the 30 June 2021 reporting date, an increase of 0.1 percentage points from 31 December 2020 (4.3 percent).

Changes relevant for the BayernLB Group in the period under review included the new regulatory option to exclude certain exposures to counterparties that are members of an institutional protection scheme (DSGV-Haftungsverbund) from the total exposure (LRSum row 12) and the calculation of derivatives in accordance with the new standardised approach SACCR). The regulatory changes from CRR II, which increase quotas on balance, were countered by the EUR 153 million decline in Tier 1 capital.

BayernLB continues to utilise the option of temporarily excluding certain exposures to central banks from the total exposure calculation. The basis for this is Decision (EU) 2021/1074 of the European Central Bank of 18 June 2021. Pursuant to article 429a para. 7 CRR, the minimum capital ratio the BayernLB Group has to comply with has increased to 3.1 percent.

Table EU LR1-LRSum shows the reconciliation between accounting assets and leverage ratio exposures pursuant to article 451 para. 1 letter b CRR.

EU LR1 – LRSum – Summary reconciliation of accounting assets and leverage ratio exposures

		Applicable amount
1	Total assets as per published financial statements	282,448
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(105)
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	(62,516)
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	1,795
9	Adjustment for securities financing transactions (SFTs)	952
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	22,128
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(14,526)
13	Leverage ratio total exposure measure	230,176

EU LR2 – LRCom – Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		30.6.21	31.12.20
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	281,044	246,682
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(1,779)	(4,049)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(276)	(363)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	278,989	242,270
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	5,468	3,553
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	5,657	3,969
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	(1,280)	(1,642)
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	9,845	5,880
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	4,482	4,929
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(782)	(852)
16	Counterparty credit risk exposure for SFT assets	1,734	2,042
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	Total securities financing transaction exposures	5,435	6,119

Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	64,402	64,007
20	(Adjustments for conversion to credit equivalent amounts)	(42,274)	(41,774)
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance-sheet exposures	22,128	22,233
Excluded exposures			
EU-22a	(Exposures excluded in accordance with point (c) of Article 429a(1) CRR)	(21,766)	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks - Public sector investments)	-	-
EU-22d	(Excluded promotional loans of public development banks: - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(1,938)	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
	(Excluded exposures to the central banks in accordance with point (n) of Article 429a (1) CRR)	(62,516)	(37,655)
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	(86,220)	(37,655)
Capital and total exposure measure			
23	Tier 1 capital	10,148	10,302
24	Leverage ratio total exposure measure	230,176	238,847
Leverage ratio			
25	Leverage ratio	4.4%	4.3%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	4.4%	4.3%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	3.5%	3.7%
26	Regulatory minimum leverage ratio requirement (%)	3.1%	n/a
EU-26a	Additional own funds requirements to address risks of excessive leverage (%)	-	n/a
EU-26b	of which to be made up CET 1 capital	-	n/a

27	Required leverage buffer (%)	-	n/a
EU-27a	Overall leverage ratio requirement (%)	3.1%	n/a
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Without transitional arrangement	Transitional arrangement
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	4,596	n/a
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	3,700	n/a
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	231,071	n/a
30a	Total exposures (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	293,588	n/a
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.4%	n/a
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	3.5%	n/a

1 Figures as at 31 December 2020 based on the legal provisions applicable on that date.

EU LR3 – LRSpl – Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

EUR million		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	192,272
EU-2	Trading book exposures	5,370
EU-3	Banking book exposures, of which:	186,902
EU-4	Covered bonds	8,240
EU-5	Exposures treated as sovereigns	55,026
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	14,414
EU-7	Institutions	10,469
EU-8	Secured by mortgages of immovable properties	39,078
EU-9	Retail exposures	9,237
EU-10	Corporate	46,987
EU-11	Exposures in default	750
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	2,700

ECB's long-term refinancing facilities. Persistent growth in retail deposits at Group subsidiary DKB positively impacted the trend in balances at central banks.

The BayernLB Group's sources of funding are well diversified. 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 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 wholly-owned subsidiary DKB. The key components of BayernLB Group's liquidity buffer include a well diversified portfolio of top securities and central bank balances, which have climbed sharply with the participation in the ECB tender programmes. Liquidity outflows from derivatives and collateral requirements only make up a small part of the total net liquidity outflows in the LCR and hardly fluctuate over time. The BayernLB Group's LCR is mostly dominated by EUR transactions. Transactions in foreign currencies - primarily in USD - are only included to a small degree. BayernLB has access to USD liquidity from the Fed through its New York Branch via the discount window. The BayernLB Group has a large portfolio of ECB-eligible commercial loans, which as potential liquidity to mobilise central bank funds are not originally included in the LCR calculation. These are only considered in the LCR if the potential via the central bank is utilised and, in the case of tender drawings, investments in highly liquid assets are increased.

Table EU LIQ2 below includes information of the NSFR pursuant to article 451a para. 3 CRR.

EU LIQ2: Net stable funding ratio

EUR million	Unweighted value by residual maturity				Weighted value	
	No maturity	< 6 months	6 months to < 1yr	≥ 1yr		
Available stable funding (ASF) Items						
1	Capital items and instruments	10,491	-	-	2,355	12,846
2	Total capital	10,491	-	-	2,091	12,581
3	Other capital instruments		-	-	265	265
4	Retail deposits		57,719	25	54	54,370
5	Stable deposits		46,916	12	30	44,611
6	Less stable deposits		10,804	12	25	9,759
7	Wholesale funding:		57,270	6,402	101,764	119,735
8	Operational deposits		6,445	-	-	1,953
9	Operational deposits		63,715	6,402	101,764	121,688
10	Interdependent liabilities		2,356	1,147	29,833	-
11	Other liabilities:		2,764	-	901	901
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		2,764	-	901	901
14	Total available stable funding (ASF)					187,853
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					11,619
EU-15a	Assets encumbered for more than 12m in cover pool		3,630	620	47,349	43,860
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		22,895	7,031	69,812	73,697
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		571	804	46	448
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		8,474	1,045	3,131	4,368
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		12,800	4,493	54,027	65,575
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,804	1,240	16,945	26,737
22	Performing residential mortgages, of which:		313	291	9,623	-
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		310	291	9,466	-
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		738	398	2,985	3,305
25	Interdependent assets		2,277	1,146	29,836	0
26	Other assets:		41,314	30	3,467	6,875
27	Physical traded commodities				-	-
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		324	-	324	551
29	NSFR derivative assets		1,438			1,438
30	NSFR derivative liabilities before deduction of variation margin posted		3,523			176
31	All other assets not included in the above categories		36,029	30	3,143	4,711
32	Off-balance sheet items		7,009	2,853	16,753	1,444
33	Total RSF					137,494
34	Net Stable Funding Ratio (%)					136.6

With the entry into force of the CRR II on 28 June 2021, a minimum threshold of 100 percent must be complied with for the net stable funding ratio, which is defined as the ratio between available stable funding (ASF) and the amount of required stable funding (RSF). This was reached comfortably at 136.6 percent.

As available stable funding (ASF), BayernLB has access to 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 wholly-owned subsidiary DKB.

The required stable funding (RSF) favours the ratio partly through a well diversified portfolio of top securities and central bank balances, which have climbed sharply with the participation in the ECB tender programmes.

The “interdependent assets” and “interdependent liabilities” items comprise derivatives transactions for customer clearing in the short-term bracket and received and forwarded funds for state-subsidised loans in the long-term bracket.

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

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 following tables show the main parameters used to calculate own funds requirements under the IRBA.

Table EU CR6 F shows the exposures underlying the credit risk, calculated using the IRB standard approach (F-IRB) 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 the separate table EU CR 6 A. The data for retail apply solely to DKB as it is the only member of the BayernLB Group to use this procedure.

As a foundation IRB institution, BayernLB does not use its own estimates of residual maturity when calculating the RWAs. The CR6 tables do not include any exposures with alternative treatment pursuant to article 230 para. 3 of the CRR.

EU CR6 F- IRB approach: Credit risk exposures by exposure class and PD range

F-IRB	PD scale (in %)	On-balance sheet exposures	Off-balance sheet exposures pre-CCF	Avg. CCF (in %)	EAD post CRM and post CCF	Avg. PD (in %)	Avg. LGD (in %)	average maturity (years)	RWA after supporting factors	RWA density (in %)	Expected loss amount	Value adjustments and provisions	
Central governments and central banks	0.00 to < 0.15	106,589	3,031	31	118,109	0.00	45	2.5	350	0	-	(2)	
	0.00 to < 0.10	106,511	3,031	31	117,956	0.00	45	2.5	297	0	-	(2)	
	0.10 to < 0.15	78	-	-	153	0.12	45	2.5	52	34	-	-	
	0.15 to < 0.25	204	-	-	204	0.17	45	2.5	88	43	-	-	
	0.25 to < 0.50	-	-	-	-	-	-	2.5	-	-	-	-	
	0.50 to < 0.75	25	8	100	1	0.59	45	2.5	1	79	-	-	
	0.75 to < 2.50	2	-	-	2	0.88	45	2.5	2	93	-	-	
	0.75 to < 1.75	2	-	-	2	0.88	45	2.5	2	93	-	-	
	1.75 to < 2.50	-	-	-	-	-	-	2.5	-	-	-	-	-
	2.50 to < 10.00	37	-	-	1	6.67	45	2.5	1	176	-	-	
	2.50 to < 5.00	-	-	-	-	0.00	0	2.5	-	-	-	-	
	5.00 to < 10.00	37	-	-	1	6.67	45	2.5	1	176	-	-	
	10.00 to < 100.00	421	230	74	-	20.00	45	2.5	-	253	-	(4)	
	10.00 to < 20.00	420	227	75	-	10.00	45	2.5	-	200	-	(4)	
	20.00 to < 30.00	-	3	-	-	20.00	45	2.5	-	253	-	-	
	30.00 to < 100	-	-	-	-	-	-	2.5	-	-	-	-	
	100.00 (Default)	17	-	-	1	100.00	45	2.5	-	-	-	(1)	
Total		107,295	3,269	34	118,318	0.00	45		442	0	1	(8)	
Institutions	0.00 to < 0.15	22,913	1,806	21	22,633	0.04	37	2.5	3,918	17	4	(12)	
	0.00 to < 0.10	22,054	1,723	19	21,890	0.04	37	2.5	3,718	17	4	(11)	
	0.10 to < 0.15	859	83	49	743	0.12	33	2.5	200	27	-	(1)	
	0.15 to < 0.25	516	46	59	311	0.17	41	2.5	124	40	-	-	
	0.25 to < 0.50	1,166	161	56	1,230	0.34	41	2.5	705	57	2	(2)	
	0.50 to < 0.75	142	36	42	101	0.59	44	2.5	83	82	-	-	
	0.75 to < 2.50	397	29	46	253	1.31	45	2.5	303	120	2	(1)	
	0.75 to < 1.75	370	26	43	226	1.23	45	2.5	271	120	1	(1)	
	1.75 to < 2.50	27	3	75	26	1.98	45	2.5	32	121	-	-	
	2.50 to < 10.00	56	2	0	46	4.30	42	2.5	65	141	1	(2)	
	2.50 to < 5.00	53	2	0	43	4.13	42	2.5	61	141	1	(2)	
	5.00 to < 10.00	3	0	0	3	6.67	36	2.5	4	142	-	-	
	10.00 to < 100.00	15	22	49	29	11.35	45	2.5	60	211	2	-	
	10.00 to < 20.00	9	21	50	25	10.00	45	2.5	51	205	1	-	
	20.00 to < 30.00	6	2	34	4	20.00	45	2.5	10	253	-	-	
	30.00 to < 100	0	0	-	-	-	-	2.5	-	-	-	-	
	100.00 (Default)	19	0	-	16	100.00	45	2.5	-	-	7	(4)	
Total		25,223	2,102	25	24,618	0.16	37		5,258	21	17	(22)	
Corporates - SMEs	0.00 to < 0.15	12,238	1,536	40	12,835	0.07	37	2.5	1,975	15	3	(1)	
	0.00 to < 0.10	10,888	1,339	41	11,393	0.06	37	2.5	1,650	14	3	(1)	
	0.10 to < 0.15	1,350	196	29	1,442	0.12	40	2.5	326	23	1	(0)	
	0.15 to < 0.25	1,434	248	10	1,515	0.17	40	2.5	423	28	1	(1)	
	0.25 to < 0.50	4,992	665	25	5,140	0.33	41	2.5	2,003	39	7	(8)	
	0.50 to < 0.75	2,089	395	40	2,176	0.59	42	2.5	1,175	54	6	(7)	
	0.75 to < 2.50	3,237	1,042	37	3,505	1.29	41	2.5	2,454	70	21	(22)	
	0.75 to < 1.75	2,473	731	32	2,626	1.06	41	2.5	1,741	66	13	(14)	
	1.75 to < 2.50	764	311	47	880	1.98	42	2.5	712	81	8	(8)	
	2.50 to < 10.00	752	65	19	751	4.18	42	2.5	755	100	13	(30)	
	2.50 to < 5.00	592	48	19	585	3.48	41	2.5	539	92	9	(17)	
	5.00 to < 10.00	160	17	21	166	6.67	43	2.5	215	130	5	(13)	
	10.00 to < 100.00	362	28	16	312	15.14	42	2.5	482	155	20	(36)	
	10.00 to < 20.00	280	21	11	238	12.12	42	2.5	359	151	13	(29)	
	20.00 to < 30.00	66	4	31	58	20.00	42	2.5	95	165	5	(5)	
	30.00 to < 100	16	3	30	16	42.04	41	2.5	28	169	3	(1)	
	100.00 (Default)	305	17	10	304	100.00	44	2.5	0	0	134	(155)	
Total		25,409	3,996	34	26,539	1.77	39		9,265	35	205	(260)	

Corporates - Specialised lending	0.00 to < 0.15	8,103	970	14	8,350	0.09	39	2.5	1,806	22	3	(8)
	0.00 to < 0.10	5,279	691	11	5,477	0.07	39	2.5	1,014	19	1	(3)
	0.10 to < 0.15	2,824	279	20	2,873	0.12	39	2.5	792	28	1	(5)
	0.15 to < 0.25	3,274	281	36	3,381	0.17	39	2.5	1,165	34	2	(9)
	0.25 to < 0.50	6,350	2,234	32	6,922	0.31	41	2.5	3,330	48	9	(23)
	0.50 to < 0.75	1,580	792	24	1,762	0.59	41	2.5	1,096	62	4	(13)
	0.75 to < 2.50	1,644	418	1	1,662	1.13	43	2.5	1,337	80	8	(16)
	0.75 to < 1.75	1,389	385	1	1,413	0.98	43	2.5	1,104	78	6	(11)
	1.75 to < 2.50	255	33	10	249	1.98	43	2.5	233	94	2	(5)
	2.50 to < 10.00	263	16	41	204	3.70	43	2.5	227	111	3	(9)
	2.50 to < 5.00	248	13	48	187	3.43	43	2.5	198	106	3	(7)
	5.00 to < 10.00	16	2	3	17	6.67	45	2.5	29	171	1	(1)
	10.00 to < 100.00	138	7	23	76	16.09	44	2.5	140	185	5	(9)
	10.00 to < 20.00	95	2	42	31	10.40	44	2.5	50	164	1	(6)
	20.00 to < 30.00	43	5	15	45	20.00	44	2.5	90	200	4	(3)
	30.00 to < 100	0	-	-	-	-	-	2.5	-	-	-	-
100.00 (Default)	401	39	11	408	100.00	44	2.5	0	0	182	(160)	
Total	21,754	4,757	24	22,765	2.16	40		9,102	40	218	(247)	
Corporates - Others	0.00 to < 0.15	18,928	13,204	50	24,697	0.07	42	2.5	5,939	24	8	(11)
	0.00 to < 0.10	15,103	10,962	48	19,494	0.06	42	2.5	4,298	22	5	(7)
	0.10 to < 0.15	3,824	2,242	61	5,202	0.12	41	2.5	1,640	32	2	(4)
	0.15 to < 0.25	5,631	3,697	59	7,889	0.17	44	2.5	3,288	42	6	(12)
	0.25 to < 0.50	6,703	5,503	50	9,109	0.32	43	2.5	5,185	57	13	(21)
	0.50 to < 0.75	1,647	1,690	49	2,014	0.59	42	2.5	1,484	74	5	(11)
	0.75 to < 2.50	2,742	2,772	50	2,884	1.33	44	2.5	2,958	103	17	(37)
	0.75 to < 1.75	1,972	1,337	48	2,136	1.10	44	2.5	2,102	98	10	(29)
	1.75 to < 2.50	769	1,435	52	748	1.98	42	2.5	856	114	6	(8)
	2.50 to < 10.00	1,177	987	66	896	4.27	45	2.5	1,343	150	17	(65)
	2.50 to < 5.00	687	807	69	651	3.37	44	2.5	906	139	10	(48)
	5.00 to < 10.00	489	181	54	245	6.67	45	2.5	437	179	7	(17)
	10.00 to < 100.00	1,367	764	70	185	12.21	41	2.5	361	195	9	(25)
	10.00 to < 20.00	932	120	77	148	10.13	40	2.5	274	185	6	(24)
	20.00 to < 30.00	434	643	69	36	20.00	42	2.5	86	236	3	(0)
	30.00 to < 100	0	1	60	1	42.58	40	2.5	2	220	0	(0)
100.00 (Default)	622	142	69	495	100.00	45	2.5	0	0	221	(326)	
Total	38,815	28,759	52	48,168	1.38	43		20,556	43	296	(508)	
Total	218,496	42,882	45	240,407	0.69	42		44,623	19	737	(1,045)	

EU CR 6 A – IRB approach: Credit risk exposures by exposure class and PD range

Exposure class EUR million	PD scale (in %)	On- balance sheet exposu res	Off- balance- sheet exposures pre-CCF	Avg. CCF (in %)	EAD post CRM and post CCF	Avg. PD (in %)	Avg. LGD (in %)	RWE A	RWA density (in %)	EL	Value adjust- ments and provisions
Retail - Secured by immovable property - SMEs	0.00 to < 0.15	247	11	91	257	0.07	22	8	3	-	-
	0.00 to < 0.10	214	9	90	222	0.06	22	7	3	-	-
	0.10 to < 0.15	34	1	92	35	0.12	22	2	5	-	-
	0.15 to < 0.25	22	-	114	22	0.17	23	2	7	-	-
	0.25 to < 0.50	115	1	98	116	0.33	24	13	11	-	-
	0.50 to < 0.75	32	-	91	32	0.59	24	5	17	-	-
	0.75 to < 2.50	26	-	64	26	1.24	21	6	24	-	-
	0.75 to < 1.75	20	-	73	20	1.01	21	4	21	-	-
	1.75 to < 2.50	6	-	55	6	1.98	21	2	33	-	-
	2.50 to < 10.00	9	-	109	8	4.78	25	5	62	-	-
	2.50 to < 5.00	6	-	87	6	3.82	26	3	59	-	-
	5.00 to < 10.00	3	-	109	3	6.67	22	2	68	-	-
	10.00 to < 100.00	6	-	117	6	23.05	21	6	90	-	-
	10.00 to < 20.00	3	-	117	3	13.64	22	3	90	-	-
	20.00 to < 30.00	1	-	-	1	20.00	21	1	93	-	-
30.00 to < 100	2	-	-	2	40.69	20	2	89	-	-	
100.00 (Default)		5	-	-	5	100.00	29	6	117	2	-
Total		462	12	92	473	1.65	23	51	11	2	(1)
Retail - Secured by immovable property - non-SMEs	0.00 to < 0.15	4,070	65	70	4,116	0.07	20	151	4	1	-
	0.00 to < 0.10	3,618	61	70	3,661	0.06	20	120	3	-	-
	0.10 to < 0.15	452	4	66	455	0.12	24	31	7	-	-
	0.15 to < 0.25	370	4	66	373	0.17	24	35	9	-	-
	0.25 to < 0.50	547	3	65	549	0.31	29	94	17	1	-
	0.50 to < 0.75	117	1	66	118	0.59	26	29	24	-	-
	0.75 to < 2.50	244	1	72	244	1.63	27	122	50	1	(1)
	0.75 to < 1.75	111	-	74	111	1.21	26	44	39	-	-
	1.75 to < 2.50	133	1	72	133	1.98	29	78	59	1	(1)
	2.50 to < 10.00	73	-	95	73	4.76	28	69	94	1	(1)
	2.50 to < 5.00	51	-	95	51	3.96	28	44	85	1	(1)
	5.00 to < 10.00	22	-	95	21	6.67	29	25	117	-	(1)
	10.00 to < 100.00	48	-	100	48	23.32	31	85	177	3	(3)
	10.00 to < 20.00	19	-	100	19	13.17	30	29	157	1	(1)
	20.00 to < 30.00	8	-	100	8	20.00	30	15	181	-	-
30.00 to < 100	21	-	100	21	33.49	32	41	192	2	(2)	
100.00 (Default)		38	-	100	38	100.00	47	59	155	14	(5)
Total		5,508	73	70	5,558	1.13	22	643	12	20	(11)
Retail - Qualifying revolving	0.00 to < 0.15	236	8,387	71	6,185	0.03	69	111	2	3	(1)
	0.00 to < 0.10	222	8,257	71	6,079	0.03	69	106	2	3	(1)
	0.10 to < 0.15	13	130	72	106	0.12	64	5	5	-	-
	0.15 to < 0.25	13	102	72	86	0.17	64	6	6	-	-
	0.25 to < 0.50	36	161	73	154	0.32	64	16	11	1	-
	0.50 to < 0.75	16	55	71	55	0.59	64	9	17	-	-
	0.75 to < 2.50	34	86	72	95	1.20	64	28	29	1	(1)
	0.75 to < 1.75	24	73	72	76	1.00	64	19	26	1	(1)
	1.75 to < 2.50	10	13	73	19	1.98	65	9	44	-	-
	2.50 to < 10.00	14	12	76	23	4.31	67	18	78	1	(1)
	2.50 to < 5.00	12	10	75	19	3.87	67	14	72	1	(1)
	5.00 to < 10.00	2	2	79	4	6.67	68	4	105	-	-
	10.00 to < 100.00	4	2	80	6	20.66	67	10	168	1	(1)
	10.00 to < 20.00	3	1	78	4	11.76	67	5	143	-	-
	20.00 to < 30.00	-	-	84	0	20.00	66	1	185	-	-
30.00 to < 100	1	-	82	2	39.81	68	4	216	1	-	
100.00 (Default)		4	1	98	4	100.00	81	3	80	4	(2)
Total		356	8,805	71	6,608	0.16	68	202	3	11	(7)

	0.00 to < 0.15	263	63	79	313	0.08	65	32	10	-	-
	0.00 to < 0.10	214	54	79	257	0.07	65	24	9	-	-
	0.10 to < 0.15	49	9	80	56	0.12	64	8	14	-	-
	0.15 to < 0.25	42	2	83	44	0.17	63	8	19	-	-
	0.25 to < 0.50	129	12	80	138	0.32	64	39	28	-	-
	0.50 to < 0.75	47	3	70	49	0.59	63	20	40	-	-
	0.75 to < 2.50	40	5	99	44	1.18	62	24	53	-	-
	0.75 to < 1.75	34	4	94	38	1.03	62	19	51	-	-
Retail -	1.75 to < 2.50	6	1	121	7	1.98	63	5	65	-	-
Other SMEs	2.50 to < 10.00	13	1	63	13	3.91	64	10	75	-	-
	2.50 to < 5.00	11	1	56	12	3.55	64	9	74	-	-
	5.00 to < 10.00	1	-	111	2	6.67	66	1	82	-	-
	10.00 to < 100.00	6	1	117	8	19.46	64	8	104	1	-
	10.00 to < 20.00	4	-	123	5	11.50	62	4	89	-	-
	20.00 to < 30.00	1	-	60	1	20.00	66	1	118	-	-
	30.00 to < 100	1	1	116	2	42.95	66	2	141	1	-
	100.00 (Default)	7	0	52	8	100.00	80	10	130	6	(3)
	Total	546	88	81	616	1.81	64	150	24	8	(5)
	0.00 to < 0.15	3,695	1,196	75	4,597	0.07	70	587	13	2	(2)
	0.00 to < 0.10	3,213	1,048	75	4,003	0.06	70	469	12	2	(2)
	0.10 to < 0.15	482	148	76	594	0.12	68	118	20	1	-
	0.15 to < 0.25	386	130	75	483	0.17	69	129	27	1	(1)
	0.25 to < 0.50	967	244	74	1,148	0.33	66	442	39	3	(3)
	0.50 to < 0.75	621	152	69	726	0.59	63	380	52	3	(3)
	0.75 to < 2.50	890	163	69	1,002	1.21	62	709	71	8	(10)
	0.75 to < 1.75	754	144	68	851	1.07	62	578	68	6	(9)
Retail -	1.75 to < 2.50	137	19	77	151	1.98	64	131	87	2	(2)
Other retail	2.50 to < 10.00	153	8	80	160	4.31	61	150	94	4	(8)
	2.50 to < 5.00	109	7	81	115	3.39	61	106	92	3	(3)
	5.00 to < 10.00	44	1	70	45	6.67	61	44	98	2	(5)
	10.00 to < 100.00	94	2	73	95	24.52	60	133	140	14	(23)
	10.00 to < 20.00	42	1	74	42	12.62	61	50	118	3	(8)
	20.00 to < 30.00	19	1	69	20	20.00	60	28	142	2	(5)
	30.00 to < 100	33	-	75	33	42.52	60	55	168	9	(11)
	100.00 (Default)	69	-	98	69	100.00	75	87	127	46	(40)
	Total	6,875	1,895	74	8,280	1.49	68	2,618	32	83	(91)
Total		13,747	10,872	72	21,535	1.00	68	3,664	17	124	(114)

Use of credit risk mitigation techniques (article 453 CRR)

Table EU CR3 below shows all outstanding secured and unsecured exposures for credit risk (in accordance with the standardised approach and IRB) and the amounts secured by collateral, financial guarantees and credit derivatives, pursuant to article 453 letter f CRR. The figures are based on supervisory figures pursuant to CoRep reporting.

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

	Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
EUR million	a	b	c	d	e
Loans and advances	182,184	65,538	53,966	11,573	17
Debt securities	19,735	-	-	-	-
Total	201,920	65,538	53,966	11,573	17
<i>Of which non-performing exposures</i>	1,235	258	240	18	-
<i>Of which defaulted</i>		1,493			

Tables EU CR7-A below disclose the exposures in accordance with IRB, broken down by A-IRB and F-IRB, pursuant to article 453 letter g CRR. They show the extent of use of credit mitigation techniques.

EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques – A-IRB

A-IRB In rEUR million		Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs			
		Funded credit Protection (FCP)										Unfunded credit Protection (UFCP)		RWAs without substitutions effects (reduction effects only)	RWAs with substitutions effects (both reduction and substitution effects)
		Part of exposures covered by financial collaterals (%)	Part of exposures covered by other eligible collaterals (%)	Part of exposures covered by immovable property collaterals (%)	Part of exposures covered by receivables (%)	Part of exposures covered by immovable property collaterals (%)	Part of exposures covered by other funded credit protection (%)	Part of exposures covered by cash on deposit (%)	Part of exposures covered by life insurance policies (%)	Part of exposures covered by instruments held by a third party (%)	Part of exposures covered by guarantees (%)	Part of exposures covered by credit derivatives (%)			
a	b	c	d	e	f	g	h	i	j	k	l	m	n		
1	Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	
2	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	
3	Corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	
	<i>Of which Corporates – SMEs</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	
3,1		-	-	-	-	-	-	-	-	-	-	-	-	-	
	<i>Of which Corporates – Specialised lending</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	
3,2		-	-	-	-	-	-	-	-	-	-	-	-	-	
	<i>Of which Corporates – Other</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	
3,3		-	-	-	-	-	-	-	-	-	-	-	-	-	
4	Retail	21.535	0,06	23,3	23,3	-	-	-	-	-	-	-	3.664	3.664	
	<i>Of which Retail – Immovable property SMEs</i>	473	0,22	81,0	81,0	-	-	-	-	-	-	-	51	51	
4,1															
	<i>Of which Retail – Immovable property non-SMEs</i>	5.558	0,01	83,5	83,5	-	-	-	-	-	-	-	643	643	
4,2															
	<i>of which Retail – Qualifying revolving</i>	6.608	-	-	-	-	-	-	-	-	-	-	202	202	
4,3															
	<i>of which Retail – Other SMEs</i>	616	1,59	-	-	-	-	-	-	-	-	-	150	150	
4,4															
	<i>of which Retail – Other non-SMEs</i>	8.280	0,02	-	-	-	-	-	-	-	-	-	2.618	2.618	
4,5															
5	Total	21.535	0,06	23,3	23,3	-	-	-	-	-	-	-	3.664	3.664	

EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques – F-IRB

F-IRB In EUR million		Credit risk Mitigation techniques										Credit risk Mitigation methods in the calculation of RWEAs		
		Funded credit Protection (FCP)										Unfunded credit Protection (UFCP)		RWAs without substitutions effects (reduction effects only)
	Total exposures	Part of exposures covered by financial collaterals (%)	Part of exposures covered by other eligible collaterals (%)	Part of exposures covered by immovable property collaterals (%)	"Part of exposures covered by receivables (%)	Part of exposures covered by immovable property collaterals (%)	Part of exposures covered by other funded credit protection in (%)	Part of exposures covered by cash on deposit (%)	Part of exposures covered by life insurance policies (%)	Part of exposures covered by instruments held by a third party (%)	Part of exposures covered by guarantees (%)	Part of exposures covered by credit derivatives (%)		
	a	b	c	d	e	f	g	h	i	j	k	l	m	n
1	Central governments and central banks	118.911	-	-	-	-	-	-	-	-	-	-	3.250	1.926
2	Institutions	24.618	0,08	23,2	23,2	-	0,00	-	-	-	-	-	6.388	5.258
3	Corporates	98.654	3,11	114,0	113,7	-	0,34	-	-	-	-	-	51.147	39.571
3,1	Of which Corporates – SMEs	26.556	0,91	52,3	52,3	-	0,05	-	-	-	-	-	9.628	9.274
3,2	Of which Corporates – Specialised lending	23.440	1,54	38,7	38,7	-	0,09	-	-	-	-	-	10.490	9.439
3,3	Of which Corporates – Other	48.659	0,65	22,9	22,7	-	0,21	-	-	-	-	-	31.028	20.858
4	Total	242.183	0,39	16,5	16,4	-	0,06	-	-	-	-	-	60.785	46.755

Table EU CR 4 is disclosed under Standardised approach (article 444), pursuant to article 444 letter e CRR.

As BayernLB does not use credit derivatives as credit risk mitigation techniques, table EU CR7 is omitted pursuant to article 453 letter j.

Covid-19 measures

On 2 June 2020 the EBA issued a set of guidelines on the reporting and disclosure of exposures subject to measures taken in response to the Covid-19 crisis (EBA/GL/2020/07). The guidelines state that credit institutions should publish information about: exposures that meet the conditions of the EBA guidelines on legislative and non-legislative moratoria for loan repayments applied in light of the Covid-19 crisis (EBA/GL/2020/02); exposures subject to forbearance measures applied in response to the Covid-19 crisis; and newly originated exposures subject to public guarantee schemes.

Countries around the world have undertaken a variety of measures to reduce the macroeconomic consequences of the coronavirus crisis. In Germany consumers were able to exercise the option of a legislative moratorium (see Section 3 Art. 240 EGBGB). The supervisory authorities have also permitted institutions to agree private moratoria among themselves, insofar as these comply with the EBA Guideline (EBA/GL/2020/02) criteria. The measures approved within the framework of a moratorium are not to be regarded as forbearance as defined in article 47b of the CRR. At BayernLB and DKB, only the legislative moratorium for consumers was in use. The moratorium expired on 30 June 2020 and was not renewed. As non-legislative moratoria were not applied at BayernLB or DKB, there were no loans and advances subject to any active moratoria as at the reporting date. The data on loans and advances that were subject to the since-expired legislative moratoria is presented in table Covid-19-2. Table Covid-19-1 is omitted.

All other measures associated with coronavirus are decided upon by considering each borrower on an individual basis.

Covid-19-2 – Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

EUR million	a	b	c	d	Gross carrying amount					i
	Number of obligors		of which legislative moratoria	of which expired	Residual maturity of moratoria					
					≤ 3 months	> 3 months ≤ 6 months	> 6 months ≤ 9 months	> 9 months ≤ 12 months	> 1 year	
1	Loans and advances for which moratorium was offered	3,028	104	-	-	-	-	-	-	-
2	Loans and advances subject to moratorium (granted)	3,028	104	104	104	-	-	-	-	-
3	of which households	-	104	104	104	-	-	-	-	-
4	of which collateralised by residential immovable property	-	66	66	66	-	-	-	-	-
5	of which non-financial corporations	-	-	-	-	-	-	-	-	-
6	of which SMEs	-	-	-	-	-	-	-	-	-
7	of which collateralised by commercial immovable property	-	-	-	-	-	-	-	-	-

The loans and advances shown here fall under the legislative moratorium for consumers (see section 3 article 240 EGBGB) and have therefore already expired.

Table Covid-19-3 shows information about loans and advances granted under new public guarantee rules in the context of the Covid-19 crisis.

Covid19-3 – Information about loans and advances granted under new public guarantee rules in the context of the Covid-19 crisis

	a	b	c	d
	Gross carrying amount	Of which exposures with forbearance measures	Maximum amount of the guarantee that can be considered	Gross carrying amount
EUR million			Public guarantees received	Inflows to non-performing exposures
1 Newly originated loans and advances subject to public guarantee schemes	506	34	410	-
2 of which households	12	-	-	-
3 of which collateralised by residential immovable property	1	-	-	-
4 of which non-financial corporations	478	29	390	-
5 of which SMEs	75	-	-	-
6 of which collateralised by commercial immovable property	77	-	-	-

The majority of the new loans subject to coronavirus-related public guarantees are guaranteed by KfW and LfA. These loans can have maturities of up to ten years and usually comprise a state-guaranteed portion of 80 to 100 percent.

Bayerische Landesbank
Brienner Strasse 18
80333 Munich, Germany

www.bayernlb.com

