Group Financial Report

First quarter of 2013
Facts. Figures.

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Note:

This Group financial report as at 31 March 2013 has been prepared with great care. The information is presented voluntarily for our customers and the public. The report does not contain all the information and data required under IAS 34 (Interim Financial Reporting) nor does it fully comply with the disclosure and valuation standards of IFRS. The results have not been audited or reviewed for correctness.

Foreword

Ladies and Gentlemen,
Dear Customers and Business Partners,

"BayernLB finances a solar power plant by the Baltic Sea", "BayernLB provides credit for new Paul-Moor school in Nuremberg", or "BayernLB joint lead manager on EUR 1.25 billion VW bond": These are just a few examples of typical headlines which appeared in the first few months of BayernLB's new financial year. They confirm that BayernLB is well on the way to becoming a normal bank, in which the customers and day-to-day business are at the heart of its activities.

The BayernLB Group's results reflect the success of our customers and of our business with these customers. In this pleasing first quarter of 2013, the Bank achieved profit before taxes of EUR 156 million, far exceeding the EUR 54 million in the year-before period, which was beleaguered by negative measurement effects. The Bank's business model works. BayernLB is recognised as a highly capable corporate and real estate lender with a regional focus on Bavaria and Germany, as well as a partner to the savings banks. With this core business, which also includes Deutsche Kreditbank (DKB), the BayernLB Group even generated profit before taxes of EUR 201 million.

Although the Bank continued to downsize and the BayernLB Group's total assets shrank a further 3.0 percent to EUR 278.1 billion in the first quarter of 2013, net interest and commission income were up on Q1 2012. The good quality of our loan portfolio can be seen in the practically unchanged low level of risk provisions. BayernLB also benefited in this regard from the healthy structure of the Bavarian and German economy.

We are moving in the right direction. The same holds true for the implementation of the requirements from the EU state aid proceedings concluded in summer 2012. For example, good progress has been made on slimming down the shareholding portfolio as agreed. Following various disposals last year, including BayernLB's sale of LBS Bayern to the Bavarian savings banks, the Bank sold its stake in Lufthansa in January 2013. The process to sell the Luxembourg subsidiary Banque LBLux began in February. Moreover, BayernLB also successfully concluded the sales process to dispose of its 92 percent holding in GBW AG in April. The gain on the sale will be recognised in the second quarter when it is expected to close.

The repayment of EUR 5 billion in state aid to the Free State of Bavaria by 2019, as required by the European Commission, is proceeding on schedule. Since the end of the state aid proceedings, BayernLB has transferred almost EUR 1.1 billion to the Free State of Bavaria. Of this amount, around EUR 870 million can be classed as repayment of state aid; the rest represents higher fees for the guarantee agreement on the ABS portfolio. In November 2012 the Bank made an initial payment of EUR 350 million followed by another EUR 451 million in February 2013. On 7 May 2013, a further transfer of EUR 279 million was made. Including the topping up of the Free State of Bavaria's silent partner contributions by approximately EUR 450 million, BayernLB has repaid more than EUR 1.5 billion to the Free State of Bavaria. Furthermore, the savings banks and other institutional investors in BayernLB also benefited from the replenishment of their silent partner contributions.

The Bank's capital base remains solid: Its core tier 1 ratio as defined by the European Banking Authority (EBA) was 11.6 percent as at 31 March 2013.

Regardless of BayernLB's good performance in the year to date, it goes without saying that we must not let up. As the year progresses, BayernLB will continue to press ahead with its customer business in the core business areas while simultaneously systematically implementing the conditions agreed with the European Commission. In addition, it will focus on measures to cut costs and improve efficiency. As previously announced with the release of its 2012 annual results, BayernLB intends to reduce administrative expenses, not including at Group subsidiaries, by 15 percent by 2017. This goal will be supported by a corresponding cultural shift to a more entrepreneurial and performance-oriented culture within the Bank and to the benefit of the customer.

In order to demonstrate our Bank's performance even more clearly to the outside world, its activities have been presented in a new segment structure since the beginning of this year. To this end, the new BayernLB's core business: the "Corporates & Mittelstand", "Real Estate & Savings Banks/Association", "Deutsche Kreditbank (DKB)" and "Markets" segments, as well as the central areas, have been segregated more systematically from non-core activities in terms of financial reporting. All non-core activities to be wound down are pooled in the Non-Core Unit (NCU). This includes Group subsidiary MKB, which is currently undergoing restructuring and is still suffering from the tough economic and political situation in Hungary; the Restructuring Unit established in mid-2009; and all other holdings which no longer form part of BayernLB's core business. The NCU closed the first quarter with negative profit before taxes of EUR 45 million due to losses at MKB.

BayernLB's Board of Management continues to expect a profit for the full year. This is based on the assumption, however, that no unexpected economic events with far-reaching consequences occur. The ongoing phase of low interest rates is already weighing on the financial sector. Major additional regulatory interventions could also affect the banks' ability to achieve their targets. Among these are regulatory and judiciary initiatives such as the proposed financial transaction tax which would have a negative effect on the profitability of banks. On the other hand, BayernLB will continue to benefit from the economic strength of the Bavarian and German domestic market in future.

2012 was an important and successful year for BayernLB. We want to build on this success in 2013, together with our customers, whom we thank for their trust and dedication, and our employees.

Sincerely,
The Board of Management

Gerd Haeusler,
CEO

Dr Edgar Zoller,
Deputy CEO

Marcus Kramer,
Member of the Board
of Management

Stephan Winkelmeier,
Member of the Board
of Management

Nils Niermann,
Member of the Board
of Management

Michael Bücker,
Member of the Board
of Management

BayernLB Group – the first quarter of 2013 at a glance

Income statement (IFRS)

EUR million	1 Jan – 31 Mar 2013	1 Jan – 31 Mar 2012	Change in %
Net interest income	461	428	7.7
Risk provisions in the credit business	–58	–53	10.8
Net commission income	71	64	12.4
Gains or losses on fair value measurement	94	6	>100.0
Gains or losses on financial investments	–25	4	–
Administrative expenses	–337	–354	–4.8
Expenses for bank levies	–52	–54	–2.9
Gains or losses on restructuring	–5	–3	96.5
Profit before taxes	**156**	**54**	>100.0

Balance sheet (IFRS)

EUR million	31 Mar 2013	31 Dec 2012	Change in %
Total assets	278,081	286,823	–3.0
Credit volume	206,665	207,771	–0.5
Equity and subordinated capital	20,994	21,514	–2.4

Banking supervisory ratios under the German Banking Act (KWG)

EUR billion	31 Mar 2013	31 Dec 2012	Change in %/pp[1]
Core capital	13.0	13.0	Unchanged
Own funds	17.2	17.3	–0.6%
Risk positions under the Solvency Ordinance	100.4	100.4	Unchanged
Core capital ratio	12.9%	12.9%	Unchanged
Overall ratio	17.2%	17.3%	–0.1 pp

Employees

	31 Mar 2013	31 Dec 2012	Change in %
Number of employees	9,891	9,932	–0.4

Current ratings

	Long-term	Short-term	Pfandbriefs[2]
Fitch Ratings	A+	F1+	AAA
Moody's Investors Service	Baa1	Prime-2	Aaa

1 Percentage points
2 Applies to public-sector and mortgage Pfandbriefs

Business performance in the first quarter of 2013

Earnings

EUR million	1 Jan – 31 Mar 2013	1 Jan – 31 Mar 2012	Change in %
Net interest income	461	428	7.7
Risk provisions in the credit business	–58	–53	10.8
Net interest income after risk provisions	**402**	**375**	**7.3**
Net commission income	71	64	12.4
Gains or losses on fair value measurement	94	6	>100.0
Gains or losses on hedge accounting	–13	5	–
Gains or losses on financial investments	–25	4	–
Income from interests in companies measured at equity	0	–1	–
Administrative expenses	–337	–354	–4.8
Expenses for bank levies	–52	–54	–2.9
Other income and expenses	20	12	68.0
Gains or losses on restructuring	–5	–3	96.5
Profit before taxes	**156**	**54**	**>100.0**

Rounding differences may occur in the tables.

The BayernLB Group's earnings in the first quarter of 2013 – taking into account the planned downsizing of its business activities – were stable overall. In core business it generated profit before taxes of EUR 201 million. After deducting losses of EUR 45 million from non-core business pooled in the Non-Core Unit, net profit before taxes amounted to EUR 156 million (Q1 2012: EUR 54 million).

By disposing of its entire holding in Deutsche Lufthansa AG, Cologne, in January 2013, the Bank fulfilled another requirement of the European Commission ruling. On 8 February 2013, BayernLB repaid a further EUR 451 million in state aid to the Free State of Bavaria. This payment was included in the 2012 financial statements.

On 8 April 2013, BayernLB sold its stake of approximately 92 percent in GBW AG, Munich, to a consortium led by PATRIZIA Immobilien AG, Augsburg, Germany. The transaction is still subject to approval by competition authorities but it is expected to close in the second quarter of 2013 and the gains on deconsolidation will be recorded then.

The comparative figures for Q1 2012 include the earnings contribution from LBS Bayerische Landesbausparkasse (LBS Bayern), which was sold on 31 December 2012. As this was of negligible importance, the previous year's figures have not been adjusted. In Q1 2012, LBS Bayern contributed EUR 10 million to profit before taxes.

The 7.7 percent rise in net interest income to EUR 461 million is due in particular to higher interest income at Deutschen Kreditbank AG, Berlin (DKB). The background to this is a reporting change under which the increase in interest income is offset by a corresponding reduction in the gains or losses on fair value measurement item.

At EUR 58 million, risk provisions in the credit business were slightly higher than the year-before period. They were divided between the banking subsidiaries MKB Bank Zrt., Budapest (MKB) and DKB. At BayernLB itself there was a net write-back of risk provisions thanks to its good portfolio structure.

Net commission income rose by EUR 7 million to EUR 71 million. Adjusted for net commission expenses of EUR 7 million at LBS Bayern in the first quarter of 2012, net commission income remained unchanged.

In Q1 2012, gains or losses on fair value measurement included EUR –146 million from the measurement of cross currency swaps on the reporting date. In the first quarter of 2013, the volatile measurement gains or losses on cross currency swaps and own credit spreads had a comparatively minor negative impact, weighing on earnings to the tune of EUR 19 million in total. Overall, gains or losses on fair value measurement (including gains or losses on hedge accounting) amounted to EUR 81 million (Q1 2012: EUR 11 million). It was primarily the reversal of fair value adjustments of EUR 53 million (Q1 2012: EUR 38 million) and reversals of impairments in the ABS portfolios impacted by the financial crisis (EUR 23 million, Q1 2012: EUR 39 million) which contributed to this result. An expense equivalent to the reversals was posted in the gains or losses on financial investments item, resulting from the “umbrella” guarantee agreement concluded with the Free State of Bavaria. The aim of the umbrella is to offset losses and valuation changes in the ABS portfolio, whereby for measurement reasons, earnings are reported in different periods and interdependencies with the gains or losses on fair value measurement arise. Customer margins were EUR 38 million (Q1 2012: EUR 53 million).

In particular losses from the measurement of the umbrella guarantee agreement weighed on gains or losses on financial investments, which was reported at EUR –25 million (Q1 2012: EUR 4 million).

Administrative expenses amounted to EUR 337 million, which was 4.8 percent less than the previous-year period.

Expenses for bank levies for financial year 2013 are expected to amount to EUR 52 million (2012: EUR 54 million). The full amount due for the year has been recognised in the first quarter. Other income and expenses represents the net amount of other income and expenses. The income from the Group’s real estate activities are reported here, among other things. Other income and expenses in Q1 2013 totalled EUR 20 million (Q1 2012: EUR 12 million).

The cost/income ratio was 53.3 percent (Q1 2012: 68.9 percent), return on equity amounted to 6.7 percent and was thus much higher than the year-before figure of 2.7 percent.

Net assets and financial position

Assets

EUR million	31 Mar 2013	31 Dec 2012	Change in %
Cash reserves	2,731	2,583	5.8
Loans and advances to banks	46,469	44,446	4.6
Loans and advances to customers	147,191	150,612	–2.3
Risk provisions	–2,784	–2,830	–1.6
Portfolio hedge adjustment assets	2,127	2,334	–8.8
Assets held for trading	35,128	42,094	–16.5
Positive fair values from derivative financial instruments (hedge accounting)	3,970	4,162	–4,6
Financial investments including interests in companies measured at equity	38,413	38,717	–0.8
Investment property	68	69	–2.1
Property, plant and equipment	620	629	–1.5
Intangible assets	181	186	–2.4
Tax assets	479	484	–1.1
Non-current assets or disposal groups classified as held for sale	2,376	2,460	–3.4
Other assets	1,113	877	27.0
Total assets	**278,081**	**286,823**	**–3.0**

Liabilities

EUR million	31 Mar 2013	31 Dec 2012	Change in %
Liabilities to banks	66,504	70,521	–5.7
Liabilities to customers	94,523	90,819	4.1
Securitised liabilities	58,350	60,319	–3.3
Liabilities held for trading	28,233	34,747	–18.7
Negative fair values from derivative financial instruments (hedge accounting)	3,651	3,864	–5.5
Provisions	2,858	2,880	–0.8
Tax liabilities	368	364	1.2
Liabilities of disposal groups	1,299	1,250	3.9
Other liabilities	1,302	545	>100.0
Subordinated capital	5,833	6,346	–8.1
Equity	15,162	15,168	–
Total liabilities	**278,081**	**286,823**	**–3.0**

Rounding differences may occur in the tables.

Compared to the end of 2012, total assets fell by 3.0 percent to EUR 278.1 billion. This was mainly due to a sharp decline in assets and liabilities held for trading.

Banking supervisory capital and ratios

Banking supervisory ratios only showed marginal changes on the figures at 31 December 2012. While core capital and the core capital ratio remained unchanged at EUR 13.0 billion and 12.9 percent respectively, own funds fell slightly from EUR 17.3 billion to EUR 17.2 billion due to maturities in subordinated capital. Although risk positions remained unchanged at EUR 100.4 billion, the own funds ratio (overall ratio) shrank 0.1 percentage points to 17.2 percent. The solid capital base of the BayernLB Group is also reflected in its EBA core tier 1 ratio – as defined by the European Banking Authority (EBA) – which was unchanged from the end of 2012 at 11.6 percent.

Core and non-core business of the BayernLB Group

As part of the focussing of its business model, BayernLB defined its businesses as either core or non-core in 2009. Non-core activities are being systematically scaled back to free up liquidity and capital while keeping losses to a minimum.

In compliance with the European Commission's ruling in the state aid proceedings on 25 July 2012 (replaced by the German version of the ruling with the same content dated 5 February 2013), selected additional portfolios were transferred to non-core business in the second half of 2012. Core business must have a close connection to Germany.

Taking this into account, BayernLB restructured its business segments as at 1 January 2013. The core business was segregated from all business activities that are to be discontinued or sold off in the ongoing realignment of the Bank. The core business now consists of five segments: "Corporates & Mittelstand", "Real Estate & Savings Banks/Association", "Deutsche Kreditbank AG (DKB)", "Markets" and "Central Areas & Others". All non-core activities are being transferred to the new "Non-Core Unit" segment. This contains the "Restructuring Unit" and the remaining non-core activities to include the subsidiaries MKB and Banque LBLux S.A., Luxembourg (LBLux).

The core business, which looks ahead to the future, was thoroughly positive in the first quarter of 2013. The Non-Core Unit, however, was affected by losses at MKB, especially the bank levy due in Hungary.

1 Jan 2013 – 31 Mar 2013	Core business (EUR million)	Share of (%)	Non-Core Unit (EUR million)
Total income	481	79.1	127
Risk provisions	– 28	48.6	– 30
Administrative expenses	– 246	73.0	– 91
Expenses for bank levies	– 6	11.6	– 46
Profit before taxes	**201**	**128.6**	**– 45**

Segment reporting

The contributions of the individual segments to profit before taxes of EUR 156 million (Q1 2012: EUR 54 million) were as follows:

EUR million	1 Jan – 31 Mar 2013	1 Jan – 31 Mar 2012
Corporates & Mittelstand	74	85
Real Estate & Savings Banks/Association	37	94
DKB	42	82
Markets	31	– 263
Central Areas & Others/Consolidation	16	– 23
Non-Core Unit	– 45	79

The Corporates & Mittelstand segment reported profit before taxes of EUR 74 million (Q1 2012: EUR 85 million). Good growth in new customer numbers, especially in the Mittelstand division, once again contributed to the segment's results. Total income was stable in the first quarter and risk provisions were a positive EUR 8 million, as write-backs more than offset additions. However, higher administrative expenses and lower fair value earnings depressed the segment's results.

The Real Estate & Savings Banks/Association segment posted pre-tax profits of EUR 37 million, well below that of the year-before period (EUR 94 million). This reflected in large part the missing earnings contribution from LBS Bayern which was sold at the end of 2012.

The Real Estate division's customer business continued to perform well in the period under review. Earnings were slightly lower year-on-year mainly due to the fact that risk provisions in the year-before period were positive as a result of write-backs. In the Savings Banks & Association division, low interest rates and the drop in the price of gold and silver since the beginning of the year weighed on earnings.

Profit before taxes at Bayerische Landesbodenkreditanstalt (BayernLabo) slid in the first quarter. Low interest rates and a lower return on equity as a result of a transfer of equity to BayernLB at the start of 2013 contributed in particular to this decline.

Profit before taxes in the Deutsche Kreditbank Sub-Group (DKB) segment amounted to EUR 42 million in Q1 2013 (Q1 2012: EUR 82 million). One-off items in 2012 and a flat interest rate curve were the main factors accounting for the drop in earnings. In addition, a change in methodology for interest rate hedging transactions makes the year-on-year comparison more difficult. Business with customers continued to perform very well. Credit volume increased by EUR 0.4 billion to EUR 55.6 billion. Customer deposits, a key element of funding, grew by 3.4 percent in the reporting period to approximately EUR 41.0 billion.

Profit before taxes in the Markets segment swung to a positive EUR 31 million in Q1 2013, far exceeding the EUR –263 million posted in the year-before period. This sharp swing predominantly resulted from the higher gains on fair value measurement item. The negative figure in the year-before period was mainly due to cross-currency swaps and own credit spreads used to manage risks at Group level. In Q1 2013, these did not have any material measurement effects. Furthermore, higher net interest income also contributed to earnings.

The Central Areas and Others/Consolidation segment comprises the central areas and business transactions executed in the overall interests of the Bank or Group and therefore not allocated to the individual segments. Profit before taxes in Q1 2013 was a solidly positive EUR 16 million (Q1 2012: EUR –23 million).

Since the beginning of 2013, all non-core activities have been pooled in the "Non-Core Unit" segment. This contains the Restructuring Unit, the Other NCU division and the subsidiaries MKB and LBLux. The segment's negative profit before taxes figure of EUR –45 million (Q1 2012: EUR 79 million) is primarily attributable to MKB.

The Restructuring Unit division further shrank its loan and investment portfolios. Scheduled repayments and active winding down measures reduced these by EUR 2.8 billion to EUR 29.3 billion in the first quarter. This resulted in the freeing up of a significant amount of capital. Despite the decrease in assets and the accompanying fall in income, the RU posted a positive profit before taxes of EUR 8 million (Q1 2012: EUR 52 million). The Restructuring Unit benefited in particular from the positive performance of risk provisions.

At MKB, profit before taxes remained deeply in the red at EUR –61 million (Q1 2012: EUR –44 million). Quarterly earnings suffered from the non-earnings related bank levy. The full amount for the year was posted upfront to Q1's earnings. Moreover the ongoing tough economic and political environment in Hungary continued to weigh on MKB's earnings. In addition to a weak investment climate with little potential for concluding new business which complies with strategy, negative measurement effects on government/central bank bonds and cross-currency swaps also had a negative impact on MKB. Net interest income came under pressure from the sharp reduction in the mortgage loan portfolio resulting from the Foreign Currency Loan Repayment Law in 2012 combined with a series of key interest rate cuts by the Hungarian National Bank. Adjusted for one-off items, however, it could be kept at the level of the year-before period thanks to some transactions with higher margins. Furthermore, the difficult situation on the Hungarian real estate market required high portfolio loan loss provisions to be set aside. In contrast, administrative expenses were significantly cut as part of MKB's systematic restructuring.

Thanks to its leading position in private and corporate banking, LBLux produced earnings before taxes of EUR 11 million (Q1 2012: EUR 12 million) and therefore once again made a solid contribution to the segment's results. Various non-core activities of the BayernLB Group are pooled in the Other NCU division. For example, the holding in GBW AG and the minority stake in Landesbank Saar, Saarbrücken (SaarLB) are reported in this division. In Q1 2013, the unit posted a profit before taxes that was slightly in the red at EUR –3 million (Q1 2012: EUR 58 million).

Outlook

For the full year, the BayernLB Group expects profit before taxes in its core business areas to be positive, despite pressure from the continuing phase of low interest rates. Overall, the statements in the Outlook section of the 2012 Annual Report remain valid.

Segment reporting as at 31 March 2013

EUR million	Corporates & Mittelstand	Real Estate & Savings Banks/Association	DKB	Markets	Central Areas & Others	Consolidation	Non-Core Unit	Group
Net interest income	84	57	152	54	84	–52	81	461
Risk provisions in the credit business	8	–4	–29	–1	–2	0	–30	–58
Net commission income	29	16	–3	5	–2	0	25	71
Gains or losses on fair value measurement	12	14	1	42	–2	–3	31	94
Gains or losses on hedge accounting	0	0	–16	1	1	0	1	–13
Gains or losses on financial investments	5	0	12	3	0	0	–45	–25
Income from interests in companies measured at equity	0	0	0	0	0	0	0	0
Administrative expenses	–63	–50	–75	–54	–4	0	–91	–337
Expenses for bank levies	0	0	–3	0	–3	0	–46	–52
Other income and expenses	0	5	2	–19	–2	0	35	20
Gains or losses on restructuring	0	0	0	0	0	0	–5	–5
Profit before taxes	**74**	**37**	**42**	**31**	**70**	**–54**	**–45**	**156**
Return on equity (RoE) (%)	12.4	14.0	5.7	9.2	–	–	1.0	6.7 [1]
Cost/income ratio (CIR) (%)	50.7	55.1	55.0	65.1	–	–	52.9	53.3

1 BayernLabo's earnings and share in Group equity are not included in the return on equity (expressed in %) at Group level.

Segment reporting as at 31 March 2012[1]

EUR million	Corporates & Mittelstand	Real Estate & Savings Banks/Association	DKB	Markets	Central Areas & Others	Consolidation	Non-Core Unit	Group
Net interest income	84	111	105	11	74	–51	93	428
Risk provisions in the credit business	–1	4	–36	–3	0	0	–17	–53
Net commission income	31	7	3	4	–6	0	24	64
Gains or losses on fair value measurement	22	33	99	–194	1	–31	76	6
Gains or losses on hedge accounting	0	1	–1	4	1	–3	3	5
Gains or losses on financial investments	0	3	0	0	0	0	1	4
Income from interests in companies measured at equity	0	0	0	0	0	0	–1	–1
Administrative expenses	–52	–72	–80	–53	–5	1	–94	–354
Expenses for bank levies	0	0	–5	0	–3	0	–46	–54
Other income and expenses	0	7	–3	–32	1	–1	41	12
Gains or losses on restructuring	0	0	0	0	0	0	–2	–3
Profit before taxes	**85**	**94**	**82**	**–263**	**63**	**–86**	**79**	**54**
Return on equity (RoE) (%)	11.2	21.0	10.6	–47.6	–	–	13.8	2.7[2]
Cost/income ratio (CIR) (%)	37.5	45.2	39.4	–25.4	–	–	39.6	68.9

1 The figures for 2012 have been adjusted to reflect the new segments.
2 BayernLabo's earnings and share in Group equity are not included in the return on equity (expressed in %) at Group level.

Administrative bodies of BayernLB

Board of Administration

Dr Markus Söder
Chairman
State Minister
Bavarian State Ministry of Finance
Munich

Alexander Mettenheimer
First Deputy Chairman
Former financier
Munich

Walter Strohmaier
Second Deputy Chairman
Chairman of the Board of Directors
Sparkasse Niederbayern-Mitte
Straubing

Dr Dr Axel Diekmann
Shareholder
Verlagsgruppe Passau GmbH
Passau

Ralf Haase
Chairman of the General Staff Council
BayernLB
Munich

Joachim Herrmann
State Minister
Bavarian State Ministry of the Interior
Munich

Jakob Kreidl
President of the Bavarian Districts Council
Chief District Administrator
Miesbach

Wolfgang Lazik
Deputy Secretary
Bavarian State Ministry of Finance
Munich

Dr Klaus von Lindeiner-Wildau
Member of the Executive Board (retired)
Wacker Chemie GmbH
Independent Consultant
Munich

Professor Dr Christian Rödl
Managing Partner
Rödl & Partner GbR
Nuremberg

Martin Zeil
State Minister
Bavarian State Ministry of Economic Affairs,
Infrastructure, Transport and Technology
Munich

Board of Management (including allocation of responsibilities as at 15 April 2013)

Gerd Haeusler
CEO
Corporate Center
Markets
Deutsche Kreditbank AG

Dr Edgar Zoller
Deputy CEO
Real Estate & Savings Banks/Association
Bayerische Landesbodenkreditanstalt[1]

Marcus Kramer
CRO
Risk Office
Restructuring Unit
Group Compliance

Stephan Winkelmeier
CFO
Financial Office
MKB Bank Zrt.

Nils Niermann
COO
Operating Office & Human Resources
Banque LBLux S.A.
BayernInvest Kapitalanlagegesellschaft mbH

Michael Bücker
since 1 February 2013
Corporates, Mittelstand & Retail Customers

1 Dependent institution of the Bank.

Segment definitions

Corporates & Mittelstand

The Corporates & Mittelstand segment serves large German companies and international companies with a connection to Germany and German Mittelstand customers focusing on Bavaria. These include in particular DAX and MDAX-listed companies, and family-owned businesses which conduct international business from their German home market.

Deutsche Kreditbank Sub-Group (DKB)

The core business of subsidiary DKB is pooled in this segment. DKB is well positioned in retail banking as “Your bank on the web”. In addition to being an online bank, it also operates in the areas of infrastructure and corporate customers, where it specialises in selected sectors such as residential housing, agriculture and renewable energy.

Real Estate & Savings Banks/Association

The Real Estate & Savings Banks/Association segment incorporates the commercial and residential real estate business, the savings banks and the public sector. Furthermore, the legally dependent institution BayernLabo and the subsidiary Real I.S. AG Gesellschaft für Immobilien Assetmanagement, Munich are also assigned to the segment.

Markets

The Markets segment comprises the business area bearing the same name and BayernInvest Kapitalanlagegesellschaft mbH, Munich, a consolidated asset manager which contributes to the segment’s earnings. The Markets business area is responsible for all trading and issuing activities, asset liability management and business relations worldwide with banks, insurance companies and other institutional customers.

Central Areas & Others

The Central Areas & Others segment incorporates the earnings contributions from the Corporate Center, Financial Office, Operating Office, and Risk Office central areas. The segment also includes cross-divisional transactions whose earnings contributions are generated from core business but cannot be allocated to either a business area or a central area.

Non-Core Unit

All non-core activities are being transferred to the “Non-Core Unit” segment. This contains the Restructuring Unit, the Other NCU division and the subsidiaries MKB and LBLux.

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