

Statutes of Bayerische Landesbank

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I. General Provisions

Section 1 Legal Form, Registered Office, Branches

- (1) Bayerische Landesbank (hereinafter referred to also as “the Bank”) is an institution established under public law as a legal entity and is under the supervision of the Bavarian State Ministry of Finance and for Regional Identity.
- (2) ¹The Bank’s registered office is located in Munich. It maintains branches within the meaning of the German Commercial Law. ²The establishing of branches in Bavaria requires the approval of the Free State of Bavaria and the Association of Bavarian Savings Banks.

Section 2 Nominal Capital

- (1) ¹The nominal capital of the Bank is EUR 2,800,000,000. ²The nominal capital is due to BayernLB Holding AG as the entity entrusted with ownership pursuant to Art. 3 para. 1 sentence 2 BayLaBG. ³The Free State of Bavaria and the Association of Bavarian Savings Banks are indirect owners (shareholders).
- (2) The nominal capital may be increased by amendment to the Statutes by means of contributions or from the Bank’s own capital resources.

Section 2a Special-purpose Assets

¹The special-purpose assets transferred from the Free State of Bavaria to the Bank, based on Section 1, Sub-section 1 of the Special-purpose Assets Act dated 23 July 1994 (GVBl. page 602), will be used by Bayerische Landesbodenkreditanstalt pursuant to the stipulations of the Special-purpose Assets Act and the code on using proceeds from loans of the Free State of Bavaria for housing development (BayRS 2330-6-I) to continuously support measures of social housing development. ²The capital created from the special-purpose assets shall serve as the Bank’s liable capital as defined by banking supervisory regulations.

Section 3 Duties and Functions

¹The Bank has the duties and functions stipulated under Art. 2 BayLaBG. ²The taking of savings book deposits is not permitted, except for savings book deposits made by the Bank’s staff and its pension-ers, their spouses, companion partners and children.

Section 4 Participations and real property

¹The Bank can — notwithstanding Art. 2 para. 4, and in conjunction with Art. 18a BayLaBG — acquire

and dispose of other enterprises and participations in enterprises, establish its own independent entities and establish legally dependent institutions within the Bank. ²The Bank shall also be entitled to acquire and dispose of real property and buildings.

Section 5 Status of Trustee Investment Security

The Bank has the status of trustee investment security under the provisions of the German Civil Code (Bürgerliches Gesetzbuch).

II. Administration

Section 6 Bodies of the Bank

The Board of Management, the Supervisory Board and the General Meeting shall act as the bodies of the Bank.

Section 7 Board of Management

- (1) The Board of Management shall conduct the business of the Bank.
- (2) ¹The Board of Management shall consist of at least three full Members; Deputy Members may also be appointed. ²Within the Board of Management, the Deputy Members shall have the same rights and obligations as full Members. ³The Supervisory Board shall appoint a Chairman of the Board of Management from amongst the group of full Members.
- (3) Board Members shall be appointed for a maximum of five years; re-appointment for a further term of office and early termination for material reasons shall be permitted.
- (4) ¹The Chairman of the Board shall convene and chair the Board meetings. ²He or she shall be the superior of the employees of the Bank who are not Members of the Board of Management.
- (5) ¹The Board of Management shall regulate its course of business by rules of procedure. ²It shall inform the Supervisory Board of its allocation of responsibilities. ³The Board of Management shall constitute a quorum provided that at least three of its Members participate in the process for adopting resolutions. ⁴Resolutions shall be adopted by means of a simple majority vote; in the event of a tied vote, the vote cast by the Chairman shall prevail.
- (6) ¹A Member of the Board of Management may not be involved in the consultation and passing of the resolution if the decision can constitute a direct advantage or disadvantage for him or her, his or her spouse or companion partner, for his or her relatives up to the third degree or relationship by marriage up to the second degree, or for a person represented by him or her by virtue of law or by power of attorney. ²In case of doubt, the Board of Management shall make a corresponding decision excluding the Member in question.
- (7) ¹The Chairman and the Deputy Chairman of the Supervisory Board may, in special cases and upon request, attend meetings of the Board of Management in an advisory capacity. ²The decision as to whether any special case exists shall be taken by the Chairman of the Supervisory Board.
- (8) The Board of Management must take appropriate measures, in particular the establishing of a monitoring system, so that trends that could jeopardise the continued existence of the Bank can be identified at an early stage.

Section 8 Composition of the Supervisory Board

- (1) ¹The Supervisory Board shall consist of 11 Members. ²It shall comprise
1. ten shareholder representatives, with
 - a) at least half of said representatives being external Members (external representatives) and
 - b) at least three of said representatives being from the Free State of Bavaria, and
 2. one representative from the staff council of Bayerische Landesbank.
- (2) ¹The shareholder representatives pursuant to para. 1 sentence 2 no. 1 shall be appointed by the General Meeting. ²The state representatives and four external representatives shall be recommended by the State Ministry of Finance and for Regional Identity for appointment. ³The Association of Bavarian Savings Banks shall recommend three Members, at least one of whom being an external Member, at least one of whom being an external Member, for appointment. ⁴The Member pursuant to para. 1 sentence 2 no. 2 will be chosen by the staff council of the Bank.
- (3) The Supervisory Board shall appoint from among its Members at the recommendation of the General Meeting a Chairman and at least one Deputy Chairman.

Section 9 Membership of the Supervisory Board

- (1) ¹Supervisory Board Members may not be appointed beyond the adjournment of the General Meeting that deliberates on the approval of their actions during the fourth financial year following the beginning of their term of office. ²The financial year in which the term of office has begun shall not be counted towards this period. ³A renewed appointment shall be permitted. ⁴On expiry of the standard term of office pursuant to sentence 1, current Members shall remain in office until the newly elected Members assume their responsibilities or until they are re-appointed.
- (2) The Members of the Supervisory Board may resign their office with six weeks' written notice to the end of a month to the Chairman of the Supervisory Board.
- (3) ¹The Members of the Supervisory Board may be withdrawn and replaced by another person at any time. ²Shareholder representatives shall be withdrawn by the General Meeting. ³Representatives pursuant to Section 8 para. 1 sentence 2 no. 2 shall be withdrawn by the staff council of Bayerische Landesbank.
- (4) ¹The Members of the Supervisory Board shall receive remuneration at the going market rate. ²They shall also receive an expense allowance and reimbursement of travelling expenses.

Section 10 Proceedings of the Supervisory Board

- (1) ¹The Supervisory Board shall meet when convened by its Chairman as often as is necessary. ²If so decreed by the Chairman of the Supervisory Board, the meetings may be held in exceptional cases in the form of a telephone or video conference or — provided no objection is raised by any Member present at the meeting — with the participation of individual Members via telephone or video. ³The Supervisory Board shall meet at least twice every calendar half-year. ⁴Meetings of the Supervisory Board must be convened immediately upon request by the supervisory authority or if at least three Members of the Board of Management or two Members of the Supervisory Board request such a meeting, stating the subject of business to be dealt with.
- (2) ¹The agenda is to be enclosed with the invitation to the convened meeting. ²It should reach the

Members at the latest one week prior to the meeting.

(3) ¹The Supervisory Board shall constitute a quorum if all the Members have been invited and a majority of its Members is present and participates in the passing of the resolution. ²If no quorum is constituted, a new meeting may be convened within two weeks to deal with the same agenda, at which the Supervisory Board shall constitute a quorum, irrespective of the number of Members present. ³This fact is to be expressly referred to when convening the second meeting.

(4) ¹The Supervisory Board shall adopt its resolutions by simple majority of the votes cast unless otherwise stipulated in the Statutes. ²A motion shall be deemed to be rejected in the event of a tie. ³Section 7, para. 6 shall apply accordingly.

(5) ¹Supervisory Board Members not present at the passing of a resolution of the Supervisory Board may participate by submitting written votes to the meeting. ²Such written votes may be submitted by other Members of the Supervisory Board.

(6) The Chairman of the Supervisory Board may also procure the adoption of a resolution of the Supervisory Board by means of a written circular, by telefax or by e-mail, or by any other frequently used means of telecommunication, unless any Member raises an objection to this procedure within a period deemed reasonable by the Chairman.

(7) ¹Unless otherwise stipulated by the Chairman of the Supervisory Board, the Members of the Board of Management shall attend meetings of the Supervisory Board in an advisory capacity. ²Section 7, para. 6 shall apply accordingly.

(8) The Supervisory Board may have rules of procedure drawn up for itself.

Section 11 Duties and Functions of the Board

(1) ¹The Supervisory Board shall supervise the executive management. ²The Supervisory Board may not be assigned executive management tasks.

(2) The Supervisory Board shall resolve upon

1. the audit assignment for the certified public accountants to audit the annual accounts and the consolidated accounts pursuant to Section 14 para. 1 no. 5,
2. the adoption of the annual accounts and the approval of the consolidated accounts,
3. the appointment, withdrawal, recruitment, dismissal and retirement of the Members of the Board of Management and the regulation of their employment contracts,
4. the establishment of basic guidelines for the recruitment, remuneration, pension benefits, retirement and dismissal of the Bank's employees,
5. the formation of advisory committees or committees with decision making powers (Section 12 para. 1) and the definition and amendment of their rules of procedure (Section 12 para. 4 sentence 2),
6. the extent to which the granting of loans and guarantees requires its consent or notification,
7. the definition of the types of transactions for which it reserves the right to give its consent,

(3) Unless the Supervisory Board decides otherwise, the following measures shall require the consent of the Supervisory Board:

1. the amendment to the Board of Management's rules of procedure,
2. the budget (including medium-term budget) to be submitted annually by the Board of Management,
3. the establishment, transfer and dissolution of branches,
4. the acquisition and the sale of companies or of participations in companies, the conclusion of and amendments to company agreements and the issuing of hard letters of comfort for the benefit of participations,
5. the assumption of ownership of other institutions established under public law (Art. 2 para. 4

- no. 6 BayLaBG),
6. the participation in associations,
 7. the acquisition and disposal of real estate insofar as it has not been acquired in order to avoid losses, and the construction of buildings,
 8. appointments to executive positions of the Bank from the position “division manager” or a comparable position upwards,
 9. the issue of framework conditions for internal auditing at the Bank.
- (4) The resolution in accordance with para. 2 no. 5 requires a majority of three-quarters of the votes cast.

Section 12 Committees

- (1) ¹The Supervisory Board may form from among its Members committees with advisory and resolving functions. ²Section 12a, Section 12b and Section 24a remain unaffected. ³Reports on the work of the committees shall be submitted to the Supervisory Board on a regular basis.
- (2) ¹The committees shall have a minimum of three and a maximum of seven Members. ²The Supervisory Board shall determine the Chairman of the committee. ³If a committee Member’s term of office on the Supervisory Board ends, and if he or she is subsequently re-appointed as a Member of the Supervisory Board, he or she shall retain his or her position on the committee until the next meeting of the Supervisory Board.
- (3) ¹The committees shall meet when convened by their Chairmen as often as is necessary. ²Each committee shall hold a meeting at least once every calendar year. ³A committee meeting must be convened immediately when at least three Members of the Board of Management or two Members of the committee request such a meeting, stating the matter of business to be dealt with.
- (4) ¹Section 10 para. 1 sentence 2 and para. 2 to 7 and Section 11 para. 4 shall apply to committees accordingly. ²Further details concerning the committees shall be regulated in rules of procedure resolved by the Supervisory Board in each case.

Section 12a Audit Committee

- (1) ¹The Supervisory Board shall form an Audit Committee from among its Members. ²The Audit Committee shall concern itself with matters pertaining to financial reporting, risk management, compliance and the auditing of financial statements.
- (2) ¹At least one Member must have specialist knowledge in the area of financial reporting and at least one other Member must have specialist knowledge in the area of auditing of financial statements; the Members must, collectively, be familiar with the sector in which the Bank is active. ²The Chairman of the Audit Committee must have specialist knowledge in the areas of financial reporting and the auditing of financial statements.
- (3) The certified public accountants appointed as auditors shall report to the Committee on the most important findings identified in the course of auditing the financial statements and particularly on any material weaknesses in the internal system for monitoring the financial reporting process.
- (4) Section 12 para. 1 sentences 2 to 4 shall apply accordingly, subject to the following:
- a) at least half of the shareholder representatives on the Audit Committee are external representatives
 - b) the Chairman of the Supervisory Board should not simultaneously be Chairman of the Committee.

Section 12b Risk Committee

- (1) ¹The Supervisory Board shall form a Risk Committee from among its Members. ²The Risk Committee shall address all essential matters related to the Bank's risk strategy and risk situation, both at group level and at bank level.
- (2) Section 12 para. 1 sentence 3 and para. 2 to 4 shall apply accordingly under the condition that at least half of the shareholder representatives on the Risk Committee be external representatives.

Section 13 Reports by the Board of Management to the Supervisory Board

- (1) The Board of Management must report to the Supervisory Board on
1. the intended business policy and other fundamental issues of corporate planning (in particular financial, investment and personnel planning) at least twice a year, indicating deviations from goals reported in the past and stating reasons therefore, unless changes in the situation or new issues necessitate an immediate reporting,
 2. the Bank's profitability, in particular return on equity, in the meeting of the Supervisory Board in which the annual accounts are dealt with,
 3. the course of business, in particular the income and expenditure situation and the situation of the Bank on a quarterly basis,
 4. the decisions and transactions that can be of considerable importance for the profitability or liquidity of the Bank (important transactions) in good time so as to enable the Supervisory Board to comment on these transactions prior to their conclusion,
 5. the outsourcing of operations that are material to the execution of banking business to legally independent subsidiaries or to another company in good time so as to enable the Supervisory Board to comment on these measures prior to their execution.
- (2) ¹The Board of Management must report to the Supervisory Board at regular intervals, at least once a year, on the legal and business relations with associated companies as well as on material business transactions carried out by these companies. ²Individual Members of the Supervisory Board may also request that a report be made, however only to the Supervisory Board.
- (3) ¹The Chairman and the Deputy Chairman of the Supervisory Board must be informed of particular events without delay. ²As a particular event shall also be considered a business transaction carried out by an associated company that has come to the attention of the Board of Management and that might have a considerable impact on the situation of the Bank. ³The Chairman of the Supervisory Board must inform the Members of the Supervisory Board of these reports, at the latest in the next meeting of the Supervisory Board.
- (4) ¹All reports must conform to the principles of true and fair accounting. ²They shall be drawn up on as timely a basis as possible and in text form, with the exception of the report to be made pursuant to para. 3 sentence 1.
- (5) ¹All Members of the Supervisory Board shall be entitled to take note of the reports. ²Insofar as the reports have been drawn up in text form, they shall also be submitted to Members of the Supervisory Board upon request, unless the Supervisory Board has stipulated provisions to the contrary.
- (6) The reporting duties of the Board of Management in accordance with regulatory requirements remain unaffected.

Section 14 General Meeting

- (1) The General Meeting shall resolve
1. amendments to the Statutes, including measures for the purpose of adjusting the nominal capital,
 2. the issuing of profit participation rights, the acceptance of silent participations and other liable capital,
 3. the establishment of legally dependent public-law institutions within the Bank,
 4. the allocation of distributable profit and coverage of a net loss for the year,
 5. the appointment of certified public accountants as auditors based on a proposal by the Supervisory Board that is supported by a recommendation from the Audit Committee,
 6. the appointment of auditors in special cases,
 7. the discharge from liability of the Board of Management as proposed by the Supervisory Board,
 8. the discharge from liability of the Supervisory Board,
 9. the determination of remuneration for the Members of the Supervisory Board,
 10. the implementation of conversion measures pursuant to Art. 1a para. 1 sentence 2 BayLaBG.
- (2) ¹Each indirect owner shall assign up to three representatives to the General Meeting. ²The indirect owners must designate the representatives and their proxies to the Chairman of the Supervisory Board in writing. ³They shall be deemed to be authorised for all subsequent meetings of the General Meeting until the indirect owner concerned changes the authorisation in writing. ⁴The authorisation or changing of the authorisation must be received by the Bank prior to commencement of the meeting of the General Meeting.
- (3) ¹The proxy of the indirect owner holding the largest share of the nominal capital of the entity entrusted with ownership shall serve as Chairman of the General Meeting. ²The Members of the Board of Management shall attend the meetings in an advisory capacity. ³The Members of the Supervisory Board may attend the meetings.
- (4) ¹Voting rights shall be exercised in accordance with the indirect owners' shares in the nominal capital of the entity entrusted with ownership. ²The voting rights may only be exercised uniformly.
- (5) The representatives in the General Meeting should not simultaneously be Members of the Supervisory Board.

Section 15 repealed

Section 16 Proceedings of the General Meeting

- (1) ¹The General Meeting shall meet when convened by its Chairman, but at least once a year. ²If so decreed by the Chairman of the General Meeting, the meetings may be held in exceptional cases in the form of a telephone or a video conference or – provided no objection is raised by any Member present at the meeting – with the participation of individual Members via telephone or video. ³A meeting must be convened immediately when requested by the Board of Management, by a minimum of two Members of the Supervisory Board or by representatives in the General Meeting who indirectly represent at least 25 percent of the nominal capital of the Bank, stating the subject of business to be dealt with.
- (2) ¹The agenda is to be enclosed with the invitation to the convened meeting. ²It should reach the Members at the latest one week prior to the meeting.

(3) ¹The General Meeting shall constitute a quorum if the representatives present indirectly represent at least half of the nominal capital of the Bank. ²The presence of one representative of each indirect owner shall be sufficient. ³If the proxy is not present or may not participate in the process for adopting the resolution, the proxy shall pass to the oldest other representative in terms of age unless the indirect owner stipulates otherwise. ⁴If no quorum is constituted, a new meeting may be convened within two weeks to deal with the same agenda at which the General Meeting shall constitute a quorum, irrespective of the amount of nominal capital represented by the representatives present. ⁵This fact is to be expressly referred to when convening the second meeting.

(4) ¹The Chairman may have a resolution of the General Meeting adopted independent of meetings by way of a written survey, by telefax or by e-mail (circulation procedure). ²A resolution may not be adopted by way of circulation insofar as an assigned representative in the General Meeting expresses the wish, within one week following the dispatch of such notification, that the matter be resolved in a meeting. ³Resolutions adopted by way of circulation shall be deemed valid if the majority of the nominal capital is indirectly represented.

(5) ¹The resolutions of the General Meeting taken in accordance with Section 14 para. 1 nos. 1 to 5 require a majority of three-quarters of the nominal capital represented at the passing of the resolution. ²Other resolutions shall require simple majority of votes, unless the Law on Bayerische Landesbank or these Statutes prescribe another majority or additional requirements. ³A motion shall be deemed to be rejected in the event of a tie. ⁴Section 7, para. 6 shall apply accordingly.

(6) Section 10 para. 7 and 8 shall apply accordingly.

Section 17 Advisory Boards

(1) ¹To provide expert support to the Bank in executing its business and to foster contact with the business and academic environment and with the savings banks, a Business Advisory Board and a Savings Bank Advisory Board may be set up. ²The Members of the Business Advisory Board shall be appointed by the Board of Management. The Savings Banks District Association for Upper Bavaria shall appoint two Members to the Savings Bank Advisory Board, and the other savings bank district associations shall appoint one Member each. ³The Association of Bavarian Savings Banks may appoint two Members from its offices. ⁴The term of office of the advisory board Members shall be three years. ⁶The Board of Management may regulate further details by rules of procedure.

(2) A remuneration and an expense allowance may be paid to the Members of the advisory boards. The Board of Management resolves upon remuneration and expense allowance.

Section 18 Power of Representation and Signing Authority

(1) ¹The Bank shall be represented in and out of court by the Board of Management and, in dealings with Members of the Board of Management, by the Supervisory Board. ²The Supervisory Board may, under certain circumstances, release the Members of the Board of Management from the restrictions regulated under Section 181 of the German Civil Code.

(2) ¹For signatures to be legally binding, the signature of two Members of the Board of Management shall be required, in addition to the name of the Bank. ²The Board of Management may regulate the representational authorities in such a way that the signature of one Member of the Board of Management and of another Bank employee, or the joint signatures of two Bank employees may be legally binding. ³For day-to-day business the Board of Management may make other arrangements. ⁴The signing authorities shall be made known in the Bank's customary List of Authorised Signatures, which the Bank shall make available upon request.

(3) ¹Documents complying with the provisions contained in para. 2 shall under certain circumstances

be legally binding on the Bank, irrespective of the observance of any other provisions of the Statutes. ²Documents issued by the Bank or its branches and carrying the seal of the Bank or its branches shall be public deeds.

Section 19 Secrecy Pledge, Liability of the Members of the Supervisory Board

(1) ¹The Members of the Board of Management, the Members of the Supervisory Board, the Members of the General Meeting and the Members of the advisory boards as well as all employees of the Bank shall be bound by the secrecy pledge, even after leaving the Bank. ²Exceptions may be approved, insofar as they are permissible, by the supervisory authority in the case of the Members of the Board of Management, the Members of the Supervisory Board, the Members of the General Meeting and the Members of the advisory boards, and by the Chairman of the Board of Management in the case of all other employees of the Bank; the Chairman of the Board of Management may delegate this authority for day-to-day business. ⁴The representatives in the General Meeting shall be entitled to forward information to the indirect owners and to the savings banks, provided that this is necessary to safeguard the owners' interests, no trade or business secrets are violated and reference is made to the confidential nature of the information.

(2) ¹The Members of the Supervisory Board shall promote the Bank's business to the best of their abilities through their activities. ²If a Member of the Supervisory Board violates his or her obligations, whether statutory or laid down in the Bank's Statutes, intentionally or through negligence, he or she shall reimburse the Bank for any losses incurred thereby.

III. Annual Accounts and Allocation of Profits

Section 20 Annual Accounts

(1) The Bank's financial year shall be the calendaryear.

(2) The annual accounts including the management report and the consolidated accounts shall be submitted without delay to the indirect owners.

(3) ¹The annual accounts including the management report and the consolidated annual accounts with the management report shall be audited by a certified public accountant appointed as auditor by the General Meeting and shall be submitted without delay to the Supervisory Board, the indirect owners and the supervisory authority, together with the auditor's report and the recommendation concerning the allocation of distributable profit. ²Should the annual accounts reveal a net loss for the year, then the percentage of the amount to be deducted from Bayerische Landesbodenkreditanstalt's capital shall be equal to the percentage of the amount to be deducted from the Bank's capital. ³The certified public accountant appointed as auditor shall attend the consultations of the Supervisory Board and of the Audit Committee on the annual accounts of the Bank and the consolidated annual accounts and shall report on the main findings of his or her audit. ⁴The Supervisory Board shall adopt the annual accounts of the Bank and decide on the approval of the consolidated accounts (Section 11 para. 2 no.2).

(4) The annual accounts and the management report shall be disclosed pursuant to legal provisions following the decision of the General Meeting on the allocation of the distributable profit or coverage of a net loss for the year.

Section 21 Allocation of Profit

¹At least 25 percent of the annual net income is to be allocated to the statutory reserves until they reach a level of ten percent of nominal capital; other reserves may be created from the remainder.

²Otherwise, the distributable profit shall be transferred as follows:

1. to the holders of the nominal capital in proportion to their holdings and
2. to the Free State of Bavaria in proportion to its holdings pursuant to Art. 23 para. 3 BayLaBG; further details shall be regulated in a separate contractual agreement.

³To round off the transfer amount, pursuant to sentence 2 no. 1, a carry-forward to new account shall be possible.

Section 22 Auditing of the Bank

(1) The Bank shall be subject to auditing by the Bavarian Supreme Audit Office.

(2) ¹The Chairman and the Deputy Chairman of the Supervisory Board shall have the right to examine the business activities as well as all legal circumstances of the Bank. ²The Board of Management must be notified before any audit begins. ³The audit can also be carried out by an external auditor (company of chartered accountants) or a person qualified to hold the position of a judge.

(3) ¹It shall be the duty of the Chairman of the Board of Management to audit the business operations of the Bank subject to the framework conditions for the Bank's internal auditing. ²The internal Audit Department as a permanent entity of the Bank shall audit all the Bank's activities and processes. ³This department shall report to the Chairman of the Board of Management. ⁴He or she shall also supervise the enforcement of the measures that are proven to be necessary by the audits. ⁵This shall also apply to the audits performed pursuant to para. 2.

IV. Bayerische Landesbodenkreditanstalt

Section 23 Duties and Functions

The duties and functions of Bayerische Landesbodenkreditanstalt ensue from Section 20 BayLaBG.

Section 24 Administration

(1) The rules of procedure of the Board of Management shall specify the Board Members who shall be responsible for Bayerische Landesbodenkreditanstalt.

(2) ¹An advisory board may be set up at Bayerische Landesbodenkreditanstalt to consult on housing policy issues as part of its legal duties and functions. ²The advisory board shall consist of the Chairman and up to six other Members who shall be appointed by the Board of Management on the recommendation of the State Minister for Housing, Construction and Transport for a period of three years. ³The Chairman shall be the State Minister for Housing, Construction and Transport or a representative appointed by him or her. ⁴They may receive an expense allowance.

Section 24a BayernLabo Committee

(1) ¹The Supervisory Board shall form from among its Members a committee for addressing matters pertaining to Bayerische Landesbodenkreditanstalt (BayernLabo Committee). ²The Committee shall have five Members, including at all times the state representatives and one representative from the Association of Bavarian Savings Banks. ³The Supervisory Board shall designate the Chairman of the Committee from among the state representatives.

- (2) ¹The BayernLabo Committee shall decide on all matters pertaining to Bayerische Landesbodenkreditanstalt within the remit of the Supervisory Board. ²The Supervisory Board's responsibilities as an overall body serving the Bank as a whole shall remain unaffected.
- (3) The Chairman of the Committee shall report to the Supervisory Board on the work of the Committee on a regular basis.
- (4) Section 12 para. 3 and 4 shall apply accordingly.

Section 25 Annual Accounts

¹Bayerische Landesbodenkreditanstalt shall have its own separate accounting system. ²Separate annual accounts are to be prepared for Bayerische Landesbodenkreditanstalt in conformity with the Bank's accounting principles and are to be adopted by the BayernLabo Committee.

V. Bayerische Landesbausparkasse

Section 26
repealed

Section 27
repealed

Section 28
repealed

Section 28a
Conversion

The provisions of Sections 28a to 28d apply to separations (spin-offs/split-offs) in accordance with Art. 1a para. 1 sentence 2 no. 2 BayLaBG (Law on Bayerische Landesbank) and asset transfers in accordance with Art. 1a para. 1 sentence 2 no. 3 BayLaBG, which, through the divestiture of LBS (a dependent institution under public law within the Bank), took place for the purpose of fulfilling the requirements of the European Commission set forth by the resolution thereof dated 5 February 2013 in the matter SA.28487 (C 16/2009 ex N 254/2009).

Section 28b
Separations

- (1) ¹A separation shall become effective upon announcement in the Bavarian State Gazette of the approval thereof by the supervisory authority, unless the parties to the separation and takeover agreement (Agreement) agree to a later point in time. ²Deficiencies in the separation shall not affect the legal impact of the announcement under sentence 1.
- (2) ¹The Agreement, as well as other agreements, statements and decisions required for implementation of the separation under Art. 1a para. 1 sentence 2 no. 2 BayLaBG, does not require notarial certification; formal legal requirements shall not be affected. ²Legal acts that become necessary as a result of the separation shall not be subject to a fee.
- (3) ¹In the case of a spin-off, the participating entities may agree that no shares in the acquiring legal entity shall be granted to the transferring legal entity. ²Separations do not require a closing financial statement, audit or issuance of a separation report; these may, however, be agreed. ³The special provisions of Section 28d apply for subsequent liability.
- (4) The Agreement shall contain information concerning

1. the spun-off or split-off assets for which documentation such as balance sheets and inventories may be cited; Section 28d of the GBO does not apply in this regard,
2. the consideration, unless the participating entities have waived it,
3. the balance sheet on which the separation is to be based, provided that its requirement is agreed pursuant to para. 3 sentence 2,
4. the date, pursuant to para. 1, on which the spun-off or split-off assets pass to the acquiring legal entity,
5. the date as from which the activities of the transferring legal entity apply to the account of the acquiring legal entity, if it deviates from the date specified under no. 4,
6. an audit of the separation and a separation report, provided that their requirement is agreed pursuant to para. 3 sentence 2.

(5) The Agreement concerning the planned spin-off or split-off, or a draft thereof, shall be provided to the General Staff Council of the Bank and the relevant works or staff councils of each of the other participating entities no later than one week prior to the resolution by the General Meeting on the spin-off or split-off.

(6) In addition to the approval, the announcement of the separation in the State Gazette shall specifically include:

1. the code for the assets included in the separation under para. 4 no. 1,
2. the date under para. 4 no. 4.

(7) ¹The separation shall be entered in the commercial registers of the participating entities. ²The effective date of the separation shall be based exclusively on the provisions of Art. 1a BayLaBG and this Statute, as well as on the pertinent contractual requirements. ³Entry into the commercial register is not a precondition for the separation to take effect.

(8) ¹Unless otherwise specified in para. 1 to 7, the provisions of the Third Book of the German Transformation Act (UmwG) shall not apply to separations pursuant to Section 28b in conjunction with Art. 1a para. 1 sentence 2 no. 2, para. 3, 4 BayLaBG. ²The application of universal succession according to Art. 1a para. 1 sentence 2 no. 2 BayLaBG and the special regulations pursuant to Section 28d concerning subsequent liability remain unaffected.

Section 28c Transfer of Assets

(1) ¹For asset transfers, the provisions in Section 28b para. 1 and 2, para. 3 sentence 2, para. 4 to 7 shall apply accordingly. ²Submission under Section 28b para. 5 is not required if the ownership status or shares are transferred through the asset transfer.

(2) ¹Unless otherwise specified in para. 1, the provisions of the Fourth Book of the UmwG shall not apply to asset transfers under para. 1 and Art. 1a para. 1 sentence 2 no. 3 of the BayLaBG. ²The application of universal succession according to Art. 1a para. 1 sentence 2 no. 3 BayLaBG and the special regulations pursuant to Section 28d concerning subsequent liability remain unaffected.

Section 28d Subsequent Liability in the Event of Spin-Off and Asset Transfer

(1) ¹In the event of a spin-off in accordance with Section 28b, only the transferring legal entity shall be liable for fulfilment of the obligations assigned to it in the Agreement and that are entered into by the transferring legal entity up to the time the spin-off takes effect, including pension obligations arising from the Occupational Pensions Act. ²The participating entities are jointly and severally liable for fulfilment of the obligations that are assigned in the Agreement to the acquiring legal entity and are entered into by the transferring legal entity up to the time at which the spin-off takes effect, including pension obligations arising from the Occupational Pension Act. ³The transferring legal entity is liable for obligations within the meaning of sentence 2 only if they are due within five years following the effective date of the spin-off and the claims against it are legally asserted; for obligations under public law, the claim may be asserted by issue of an administrative act.

(2) In the event of an asset transfer under Section 28c in which shares or an ownership status are transferred, the acquiring legal entity is not liable for fulfilment of the obligations entered into by the transferring entity up to the time at which the spin-off takes effect.

(3) To the extent that subsequent liability is governed by para. 1 and 2 for spin-offs and asset transfers, Section 133 UmwG shall not apply; Art. 1a para. 5 BayLaBG shall remain unaffected.

Section 28e
repealed

VI.
Trustee

Section 29
Duties and Functions

(1) ¹The Labo trustee appointed by the supervisory authority shall ensure that the prescribed cover for the bonds and debt register claims of Bayerische Landesbodenkreditanstalt exists at all times and that the collateral securities are entered into a register (register of cover). ²The entries shall be signed by the Labo trustee.

(2) ¹Securities entered into the register of cover may be cancelled from the register only with the consent of the Labo trustee. ²His or her consent must be given in writing or in the form of text; it may be given by the Labo trustee by adding his or her personal signature to the memorandum of cancellation in the registers of cover.

Section 30
Covering Assets

(1) The assets entered into the register of cover as well as documents relating to such assets are to be held under joint control with the Labo trustee; the latter may surrender the covering assets only in accordance with the laws and the present Statutes.

(2) ¹At the Bank's request, the Labo trustee shall surrender the assets entered into the register of cover and documents relating to the same and shall assist in the cancellation thereof in the register of cover, insofar as the other assets entered into the registers are sufficient to provide the necessary cover or the Bank procures another form of cover that complies with applicable regulations. ²If the Bank is obliged to surrender any mortgage document to a mortgage debtor or to undertake any of the activities laid down in Section 1145 of the German Civil Code, then the Labo trustee shall release the document even if said prerequisites are not fulfilled. ³If the mortgage loan is repaid such money as has been paid is to be transferred in the latter case to the Labo trustee for safe custody in accordance with para. 1.

(3) If the document relating to a mortgage or land charge is required by the Bank merely for temporary use, the Labo trustee shall surrender the same temporarily without the Bank being required to procure any other cover.

Section 31
Notifications

The Bank shall be obliged to keep the Labo trustee informed on an ongoing basis of the capital repayments made against the assets entered into the register of cover and of such other material changes that affect such securities and that are relevant for the holders or creditors of debt instruments liable

to serve as cover.

**VII.
Final Provisions**

Section 32
repealed

Section 33
Announcements

Bank announcements shall be made in the Bavarian State Gazette insofar as no other publication is provided for.

Section 34
Date of Entry into Force

These Statutes and any amendments to the same shall come into force on being published in the Bavarian State Gazette.



Financing progress.

Bayerische Landesbank
Brienner Strasse 18
80333 Munich
www.bayernlb.com