BayernLB

Financing progress.

Disclosure Report as at 31 December 2023

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

Finanzgruppe

Content

Preliminary remarks

This disclosure report, which refers to the reporting date 31 December 2023, has been drafted in accordance with the supervisory provisions under Part Eight of the CRR (Capital Requirements Regulation/Regulation (EU) No 575/2013), as amended by Regulation (EU) 2019/876, Implementing Regulation No. (EU) 2021/637 and Regulation (EU) 2022/2453.

By publishing this information the BayernLB Group, as an overarching institution, meets the disclosure requirements for large institutions pursuant to article 433 and 433a para. 1 CRR. In accordance with Article 431 para. 3 CRR, the disclosure report provides a comprehensive picture of the BayernLB Group's risk profile. As a wholly owned subsidiary of BayernLB, DKB also publishes a separate report as a large institution in accordance with article 13 CRR. This report can be viewed on DKB's website.

As the BayernLB Group's disclosure practices are subject to regular reviews as to their suitability and effectiveness, it has drawn up a framework for the disclosure report; this framework is part of BayernLB'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. This disclosure report was approved for publication by way of resolution by the Board of Management, by which the Board of Management confirms that the BayernLB Group has made the disclosure in accordance with the formal procedures and internal processes, systems and controls pursuant to article 431 para. 3 CRR.

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

As the BayernLB Group is not classified as globally systemically important, the disclosure requirements under article 437a CRR for the disclosure of own funds and eligible liabilities and, under article 441, for the disclosure of indicators of global systemic importance do not apply.

The disclosure report is published as a separate report on BayernLB's website in accordance with article 434 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.
In the course of this report, the terms "risk assets" and "risk-weighted exposure amounts", abbreviated respectively as "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) and article 438 b) CRR:

EU KM1 Key metrics

EUR million		31.12.2023	30.9.2023	30.6.2023	31.3.2023	31.12.2022
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	12,424	11,737	11,291	11,343	11,357
2	Tier 1 capital	12,424	11,737	11,291	11,343	11,357
3	Total capital	15,124	14,121	13,575	13,875	13,919
Risk-weighted exposure amounts						
4	Total risk exposure amount	64,532	64,507	64,002	65,166	65,311
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	19.3	18.2	17.6	17.4	17.4
6	Tier 1 ratio (%)	19.3	18.2	17.6	17.4	17.4
7	Total capital ratio (%)	23.4	21.9	21.2	21.3	21.3
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional CET1 SREP requirements (%)	2.0	2.0	2.0	2.0	2.0
EU 7b	of which to be made up of CET1 capital (%)	1.1	1.1	1.1	1.1	1.1
EU 7c	of which to be made up of CET1 capital (%)	1.5	1.5	1.5	1.5	1.5
EU 7d	Total SREP own funds requirements (%)	10.0	10.0	10.0	10.0	10.0
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.5	2.5	2.5	2.5	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 (%)	0.66	0.66	0.64	0.59	0.05
EU 9a	Systemic risk buffer (%)	0.18	0.17	0.18	0.18	–
10	Global Systemically Important Institution buffer (%)	–	–	–	–	–
EU 10a	Other Systemically Important Institution buffer	0.5	0.5	0.5	0.5	0.5
11	Combined buffer requirement (%)	3.8	3.8	3.8	3.8	3.1
EU 11a	Overall capital requirements (%)	13.8	13.8	13.8	13.8	13.1
12	CET1 available after meeting the total SREP own funds requirements (%)	11.8	10.7	10.1	9.9	9.9
Leverage ratio						
13	Leverage ratio total exposure measure	262,151	281,237	266,948	277,817	254,000
14	Leverage ratio	4.7	4.2	4.2	4.1	4.5
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)	–	–	–	–	–
EU 14b	of which: to be made up of CET1 capital (%)	–	–	–	–	–
EU 14c	Total SREP own funds requirements (%)	3.0	3.0	3.0	3.0	3.0
Leverage Ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14d	Leverage ratio buffer requierment (%)	–	–	–	–	–
EU 14e	Overall leverage ratio requirements (%)	3.0	3.0	3.0	3.0	3.0
Liquidity coverage ratio (%)						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	65,506	67,314	69,077	71,659	73,051
EU 16a	Cash outflows - Total weighted value	44,877	47,040	47,979	47,107	45,180
EU 16b	Cash inflows - Total weighted value	7,747	7,922	7,906	7,720	7,535
16	Total net cash outflows (adjusted value)	37,130	39,119	40,073	39,388	37,645
17	Liquidity coverage ratio (%)	176.4	172.1	172.4	181.9	195.5
Net Stable Funding Ratio						
18	Total available stable funding	181,456	177,674	164,229	167,965	165,773
19	Total required stable funding	130,261	128,453	127,401	127,325	130,389
20	NSFR ratio (%)	139.3	138.3	128.9	131.9	127.1

Risk management objectives and policies (article 435 CRR)

EU OVA a) Business model – article 435 para. 1 CRR

As a streamlined specialised bank, BayernLB is a major investment lender to the Bavarian and German economies. As a commercial bank, central bank to the regional savings banks, principal bank for the Free State of Bavaria and development bank, it is a reliable partner to its customers – companies, savings banks, financial institutions, retail customers, institutional investors and the public sector.

The BayernLB Group comprises BayernLB and the subsidiaries over which BayernLB can exercise a direct or indirect controlling influence. BayernLB is in charge of managing the Group, which comprises the following operating segments:

- Real Estate & Savings Banks/Financial Institutions, including BayernLabo and the subsidiaries Real I.S. AG Gesellschaft für Immobilien Assetmanagement, Munich (Real I.S.), and BayernInvest Kapitalverwaltungsgesellschaft mbH, Munich (BayernInvest)
- Corporates & Markets
- DKB – comprising the Deutsche Kreditbank Aktiengesellschaft, Berlin (DKB), sub-group

Real Estate & Savings Banks/Financial Institutions segment

In the real estate business, BayernLB prioritises commercial real estate financing and services, focusing on Germany and established and stable international markets, with branches in Paris, London, Milan and New York and, from 2023, Amsterdam. In commercial real estate, products include financing for existing real estate assets, project development, housing developers and real estate portfolios. In terms of asset classes, the focus is on offices, residential property, logistics, retail and managed real estate in the areas of hotels and social care.

To serve customers more comprehensively under one roof, the Bank makes extensive use of its close working relationship with subsidiaries and equity interests, such as Real I.S., Bayerische Landesbank Immobilien-Beteiligungs-Gesellschaft mbH & Co. KG, Munich (BayernImmo), LB Immobilienbewertungsgesellschaft mbH, Munich (LBImmoWert), Bayerngrund Grundstückbeschaffungs- und -erschließungs GmbH (BayernGrund) and Bayern Facility Management GmbH, Munich (BayernFM). Real I.S.-Gruppe is an asset manager that handles real estate investments for retail and institutional investors, with its focus on Germany, Europe and Australia. Along with its real estate services companies, BayernLB offers a coordinated range of products from advising on energy-efficient upgrades, sustainable valuations, green financing products, including the use of subsidies, right through to institutional investments in green assets.

The Bank is a dependable partner to the savings banks and the central bank to the S-Finanzgruppe (Savings Banks Finance Group) in Bavaria. BayernLB performs key tasks in its Association business for the savings banks (especially those from Bavaria), which are an important group of customers and sales partners. In these times of necessary structural change, the Bank helps the savings banks and their customers become more sustainable by offering them a needs-oriented and growing selection of products and services. This working relationship is centred around complementary products and services for the savings banks' own and end-customer business. These include payment services, capital markets business, international business, syndicated business, subsidised loan business and foreign notes and coins/precious metal activities. Through its broad range of precious metal products, and by expanding its foreign notes and coins and precious metals centre of expertise in Nuremberg, BayernLB has evolved in this segment into one of Germany's market-leading providers. Funding from the savings banks is also an important source of refinancing for BayernLB, while also strengthening the common liquidity pool.

BayernLB also acts as a lender and service provider to the public sector, especially in its role as the principal bank for the Free State of Bavaria, as well as to public-law and non-profit institutions.

BayernLB's subsidised loan business for the Free State of Bavaria is assigned to BayernLabo. BayernLabo has a public mandate to provide financial support, as part of government housing policy and in conformity with the state aid provisions of the European Community, for measures aimed at improving and strengthening Bavaria's housing and settlement structure. As a municipal bank of the Free State of Bavaria, it also provides financing to Bavarian local authorities and public-sector special-purpose associations.

Another focus is on providing services to insurers, (correspondent) banks, building societies and asset managers around the globe. In its business with European insurers, BayernLB handles a significant LOC volume (letters of credit). An extensive network of institutional customers provides BayernLB with a broad investor pool. This also enables the Bank to support the development and sales of sustainable financial products and services, and thereby support customers in their own sustainable alignment or transformation.

Securities asset management for BayernLB is handled by the subsidiary BayernInvest. This asset management company focuses mainly on advisory services and managing securities investment funds for institutional and private investors.

Corporates & Markets segment

Corporates handles business with large German and selected international companies and the Mittelstand corporate customer business. BayernLB focuses here in particular on providing financing to corporate customers in the growth sectors of the future – mobility, energy, technology, manufacturing & engineering, and construction & basic resources. The Bank's core competencies include traditional and structured credit financing. Its range of products includes working capital, capex and trade financing, project and export financing, lease financing and asset finance. It also offers a well-developed ESG advisory service, which actively supports sustainable financial solutions.

The range offered by Markets largely comprises money market, interest, foreign currency and CO_2 trading product groups, and assistance for customers in tapping capital markets for their financing needs, especially through bonds or Schuldschein note loans. Its main customers include German and international corporate and Mittelstand customers, real estate customers, savings banks and financial institutions, which are served in the respective business areas. On the sustainability front, BayernLB offers the full range of products in debt capital markets with green, social and sustainable bonds and Schuldschein note loans. It also assists customers with structuring, creating a framework, commissioning a second party opinion and placement.

DKB segment

DKB, an integral part of the BayernLB Group, complements the business model. Its business activities are focused primarily on Germany, with certain activities in Austria, Switzerland and France.

In retail banking, DKB operates as an online bank with a steadily growing customer base and mainly offers account packages, construction financing, private loans and investment products. By making targeted investments in digitalisation, DKB will fulfil the conditions for achieving significant growth in the retail customer business.

It is also a corporate banking specialist in corporate customers and infrastructure, which mainly includes business with customers in local authorities, social infrastructure, energy and utilities, residential property and property administration. DKB's expertise includes in particular financing and investment products in selected and, for the most part, sustainable sectors in Germany: renewable energy, health, social care, education, agriculture and residential property.

EU OVA a) Business strategy – article 435 para. 1 CRR

In 2023 the BayernLB Group moved closer towards the strategic goals and transformation it had set out for itself back in 2019, ending the year, as planned, with these targets essentially met. The main thrust of this strategy was to focus distinctly on high-growth fields of the future while lowering the cost base as part of its strategic vision for 2024 (Fokus 2024) and helping DKB to develop into a modern tech bank.

As part of the BayernLB Group's regular strategy-setting process, and given the current challenges, especially the changed geopolitical and macroeconomic environment (with emphasis here on the higher interest rates), BayernLB subjected its envisioned strategy to a regular review in the first half of 2023. In July 2023 the Board of Management and Supervisory Board readopted the business strategy of the BayernLB Group and its segments, with only a few isolated adjustments made in some segments, including a shift of weightings between individual business activities. For example, growth in the commercial real estate business has been temporarily reduced due to the present market environment. At the same time, DKB is adhering to its growth strategy, with more focus placed on maintaining cost discipline in the company by fleshing out and implementing appropriate measures.

The overriding aim of the BayernLB Group's strategic realignment was to achieve consistently profitable growth by building on its own strengths while focusing on customers it could create real added value for, mainly through financing and advisory services. The strategic objectives for the Bank's Sales units were twofold: firstly, to reduce dependence on the traditional lending business by expanding specific advisory expertise, increasing customer benefits and maintaining and (further) developing long-term customer relationships; and, secondly, to increase regional earnings and risk diversification while seizing growth opportunities in the sectors of the future in high-margin, high-growth (foreign) markets.

The Group-wide Fokus 2024 transformation programme implemented the strategic realignment in a multi-year process involving many different, intertwined projects. Apart from certain ongoing IT transformation projects, it was completed on schedule at the end of 2023. The process to consolidate the trading application landscape will be completed in the first quarter of 2024, while the project to modernise bank management will also continue after the end of the transformation programme.

The following strategic goals were pursued once again in 2023 without any changes:

- Clearly focusing business activities on the challenges of tomorrow and optimising the customer experience by building up product and consulting expertise along the value chains
- Achieving target growth in the high-margin core business within the existing risk guidelines, especially in the asset-based and structured financing and real estate businesses
- Improving profitability by systematically leveraging efficiencies in the operating model, sustainably reducing the cost basis, and making targeted investments in the Bank’s infrastructure
- Promoting and improving cooperative and collaborative working and selectively digitalising distribution channels, the range of services offered and the operating model

The BayernLB Group, furthermore, is focusing actively on sustainability and has defined a clear vision for the Bank and its subsidiaries for this purpose. To operationalise its Sustainability and Environmental Policy and its Sustainability Strategy, BayernLB has implemented a Sustainability Programme published in its Sustainability Report according to the GRI that entails goals and measures for each relevant issue. It is a key tool for making further improvements to the Bank’s sustainability performance.

Over the past four years, BayernLB has successfully positioned itself on the market as a “financier of progress” and steadily transformed its business model from universal bank to streamlined, specialised lender. At the same time, it has achieved its goals of improving profitability and strengthening the BayernLB Group’s capital base.

BayernLB’s goal for the next few years will be to continue realising its envisioned strategy, taking account of technological progress, market developments and the competition at large.

EU OVA a) and CRA a) – Risk strategy and risk statement – article 435 para. 1 CRR

Decisions regarding risk management are made in accordance with the Business Strategy and Group Risk Strategy, which are harmonised with each other.

The Group Risk Strategy, which is the concise risk statement pursuant to article 435 para. 1 b) CRR, is based on the Business Strategy and is reviewed regularly. It is set by the Board of Management and discussed with the Risk Committee of the Supervisory Board. Its general objectives and guidelines, as well the individual strategies for the specific risk types, are drawn up based on business-strategic principles.

The Group Risk Strategy encompasses the following main objectives:

- Ensure the appropriateness of the amount and quality of the cover potential from a normative and economic perspective (capital and liquidity adequacy) for the long term
- Ensure solvency at all times
- The BayernLB Group only takes on risks it is able to assess and manage
- Ensure quality takes priority over quantity when it comes to portfolio growth

- Maintain a risk culture that promotes the identification of and a conscious approach to risks and ensures that decision-making processes produce results which are also balanced from a risk perspective
- Sales and Risk units are jointly responsible for earnings after risk provisions
- In managing the material and significant risks, assess the ESG risk-drivers continuously and in an increasingly granular fashion
- The BayernLB Group sets high fundamental ethical standards for itself in its business activities and actively aligns its business activities to ESG criteria and sustainability (by adhering to its Sustainability Strategy and sustainability policy)
- Ensure the employee incentive schemes (remuneration system) are consistent with the Business and Risk Strategies

The basis for setting the Risk Strategy is the risk inventory, which is carried out at least once a year in accordance with MaRisk, and the risk-bearing capacity calculation. The risk inventory examines not only BayernLB but also the participations and special-purpose entities in the BayernLB Group, regardless of whether they are consolidated under German commercial or supervisory law. The BayernLB Group's overall risk profile is then presented to the Board of Management. The major risks at the BayernLB Group and BayernLB are credit risk, market risk, liquidity risk, operational risk, risk associated with equity interests and pension basis risk, business and strategic risk and reputational risk. The individual risk types and the significant individual risks they include are discussed in this report.

The normative and economic perspectives on risk-bearing capacity are closely coordinated in keeping with the ECB's guidelines on internal bank processes for ensuring an adequate capital base and sufficient liquidity. Capital is the starting point for the regulatory and economic perspectives. Economic capital is based on the normative capital but is adjusted for economic factors (e.g. by deducting deferred tax assets). It is qualitatively suitable for absorbing losses in harmony with the going-concern perspective as per the ICAAP Guide.

The risk assessment is based on the risks that could have a significant economic impact on the capital position, which ensures that both the normative and economic perspectives of risks are taken into account.

The Group Risk Strategy, in tandem with the Business Strategy, sets the risk appetite and the framework for risk planning. The Risk Strategy allows only a proportion of the economic capital to be allocated to risks in the course of business activities.

For further information, please refer to the section "Own funds requirements and risk-weighted exposure amounts (article 438 CRR)" under EU OVC a) and b).

Separate sub-risk strategies are in place for the significant and material risks. In addition to the overarching Risk Strategy, there are namely strategies for financial risks (i.e. credit, market, liquidity and equity-interest-related risks) and for non-financial risks (i.e. legal, tax law, compliance, HR, information security, fraud, outsourcing, model, project and other operational risks, as well as pension basis, reputational and business and strategic risks (including earnings concentration risks)). Climate and environmental risks are deemed and treated as risk drivers under their risk types.

The sub-risk strategies contain qualitative and quantitative objectives that define the options for hedging and minimising these individual risks. This means that risks are accepted to a certain degree and are otherwise capped/limited, reduced or avoided altogether. These strategies also cite measures for ensuring adherence to the objectives. The risk strategies furthermore address how risk concentrations are to be dealt with, i.e. limited, also in the face of ESG risks. The sub-risk strategies are created by the risk units, which are also responsible for monitoring adherence to the objectives. Their findings are stated in the risk reports submitted to the Board of Management and the Supervisory Board's Risk Committee. The measures that are taken for hedging and minimising risks are scrutinised in terms of their effectiveness either on a daily basis (such as is the case for market price limits) or monthly, as part of the risk reporting process (see the section "Size and nature of the risk reporting system"). In addition, the degree to which the objectives have been achieved (as determined in a deviation analysis) are integrated accordingly into the risk-strategic objectives for the following year.

There are currently no other intra-Group transactions or transactions with related companies or persons that could have a material impact on the risk profile of the consolidated Group.

EU OVA a), OVA c) and OVA e) – Risk management – article 435 para. 1 e) and f) CRR

The risk management procedures are deemed appropriate in terms of the type, scope, complexity and risk content of the business activities and strategy. The procedure for each risk takes account of the provisions set by the national, European and international supervisory authorities. All material and significant risks are subject to the risk management procedures. The processes, procedures and methods are checked on a regular basis in terms of their appropriateness and revised as necessary. That is, the findings of the internal auditing units, the internal validation unit, the external auditor and the supervisory authorities are all factored in. When setting the risk appetite through the Risk Strategy and the sub-risk strategies, the Board of Management upholds the appropriateness of the risk management. The Board of Management furthermore confirms to the supervisory authority each year in its capital adequacy statement (CAS) and liquidity adequacy statement (LAS), as required under the EBA Guidelines, that the risk management and capital base are sound, and the liquidity sufficient.

EU OVA b) – Risk culture – article 435 para. 1 e) and f) CRR

For BayernLB, its Board of Management and its employees, acting lawfully, ethically and responsibly is an elementary and indispensable aspect of corporate and social responsibility.

The rules for the Bank's corporate management and controls are based to a great degree on the German Corporate Governance Code. Most of the discrepancies come from the fact that BayernLB is an unlisted company under public law with only two, indirect shareholders.

The rules exceed the requirements of the German Corporate Governance Code in a number of areas.

The Code of Conduct serves as a normative guideline for the employees' day-to-day activities. It applies for the employees, no matter the business area, and for the members of the Board of Management and Supervisory Board alike. By adhering closely to it, BayernLB both promotes a culture of fairness and ensures that it reaches its most important corporate goal – sustained commercial success that is consistent with its social responsibilities.

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

Through online training, the employees are schooled on the key core elements of the risk culture.

EU OVA b) and CRA d) – Internal control procedures – article 435 para. 1 b) CRR

The internal control procedures consist of the internal control system (ICS) and the internal control functions of Risk Management, Compliance and Internal Audit.

Internal control procedures

The rules under Group governance require that each Group company establish an internal control system (ICS) that is consistent and, above all, in line with BayernLB's regulations – i.e. they are required to set rules for their own structures and workflows, along with a risk management system that is appropriate to the type, scope, complexity and risk content of the business activities.

Risk management

BayernLB's Group Risk Control Division has a Group-wide mandate to identify the material risks at Group level and ensure that the Group risk management is appropriate and effective. It does this by imposing uniform standards that it lays down in its rules and regulations.

BayernLB prescribes strategy processes for key risks for the Group companies. Risks are managed at Group level with the help of key risk indicators and portfolio reports and by incorporating them in Group-wide stress tests, the aim being to guarantee the stability and sustainability of the risk strategy and risk tolerance level.

In order to implement the Group-wide risk guidelines at the Group companies, each Group company must install a risk management function with direct access to that company's supervisory board. The specific risk management framework must be regularly subjected to an independent internal review, for example by Internal Audit. The risk management function at the Group companies must be included in the decision-making processes regarding changes to, for example, processes and business activities in addition to new products, to ensure that risk considerations are appropriately taken into account.

Compliance

Group Compliance at BayernLB has a Group-wide mandate and corresponding Group governance authority, including for the following:

- combating of money laundering and terrorism financing; compliance with embargoes and sanctions,
- combating other criminal offences (white-collar crimes),
- capital market compliance function,
- MaRisk compliance function,
- managing conflicts of interest,
- compliance culture

The goal of Compliance Group governance is to establish a uniform standard in terms of Group-wide minimum requirements. Group Compliance at BayernLB is responsible for advising on compliance in the broader sense to ensure that the BayernLB Group's image on the market is defined by statutory and compliance and to protect it against illegal acts.

The function of the Chief Compliance Officer is performed by BayernLB's head of Group Compliance. This officer reports both regularly and on an ad hoc basis to the appropriate committees of the BayernLB Group.

Regulations must be set up at the Group companies to ensure that the local compliance officer receives all information and documents needed for the performance of his duties in handling conflicts of interest. All facts and circumstances that can trigger conflicts of interest or give rise to the reasonable suspicion that a conflict of interest has arisen are documented at the respective Group company (e.g. mandates, investments, secondary employment).

The compliance officers of the Group companies also report to the Group compliance officer any identified or potential conflicts of interest that affect or may affect multiple Group members or the BayernLB Group as a whole.

In accordance with the Code of Conduct of BayernLB, a whistleblower system must be set up at the Group companies that allows the reporting of (potential) legal and compliance violations or risks of legal violations while maintaining the utmost possible anonymity and discretion.

The objective of the Offshore Policy of the BayernLB Group is to create a clear and binding framework for its business activities as regards "offshore countries" to prevent the BayernLB Group from being (unintentionally) involved in illegally motivated transactions wherever possible. This policy therefore supplements and clarifies Framework Instruction RA023 Reputational risk and sustainability management.

The "Group requirements for sanctions and embargoes" describe minimum standards in relation to complying with and preventing the circumvention of sanctions and embargoes for the relevant Group members. It governs which transactions or business relationships with third parties are restricted or prohibited. These third parties may be customers, business partners, providers, external suppliers, outsourcing partners, natural persons, groups of people, legal entities, private and public institutions, countries or associations.

The standards set out in these Group requirements are based on both the requirements imposed by Group Compliance at BayernLB and on national laws and international rules and regulations. They apply to all relevant Group members, including those in countries where less restrictive legal requirements are applicable. The objective is to set a uniform, Group-wide understanding of compliance with regard to sanctions and embargoes, and to enable a clear distinction of functions, tasks and responsibilities with regard to processing transactions with a potential or actual connection to sanctions.

Internal Audit

BayernLB's Internal Audit Division assumes the role of Group internal auditor. It is responsible for promoting and implementing a uniform audit framework, comparable audit results throughout the Group and standardised reporting to the management body and the committees. This comprises defining uniform internal audit conditions and operating standards for the Group, ongoing communication and cooperation with the Internal Audit functions at the Group companies, in addition to appropriate quality assurance and monitoring. Group Audit assists the Group Board of Management of BayernLB in exercising its responsibility for the proper business organisation of the Group in accordance with sections 25a(3) and 25c(4b) KWG.

Each internal audit unit in the BayernLB Group is an independent unit of the respective Group company. It is an instrument of the respective management and reports to it directly. Within the management, one member – usually the chairman – is responsible for the internal audit function. In addition to direct contact with management, the respective head of the internal audit function of a Group company must also have direct access to the supervisory management body. If the supervisory management board has formed an audit committee, this also applies to that audit committee. The responsibility for establishing such an internal audit unit and ensuring that it is functional lies with the respective management. This responsibility cannot be delegated.

The “Group Audit Guidelines” also regulate the Group-wide binding principles, processes, objectives, tasks and duties of BayernLB Bank’s internal audit units and its subsidiaries (e.g. resources, regular communication, compliance with professional standards etc.).

EU OVA d) – Scope and nature of the risk reporting system – article 435 para. 1 c) CRR

The Group Risk Control Division ensures that the Board of Management receives independent reports which accurately reflect the risks to which the Group is exposed. The risk reports address the risk profile of the BayernLB Group and essentially comprise BayernLB and DKB, which are scrutinised closely. BayernLB’s other direct participations are covered in the risk associated with equity interests. The reports cover, in addition to the adherence to the Risk Strategy and the operational limits set for each risk type, changes in the economic capital and in risk capital requirements, material changes within the risk types, and changes concerning non-financial risks. Issued quarterly, they delve into specific topics, such as stress tests (including those in relation to a particular risk type) or the changes in the risks inherent in the Pfandbrief business. The Group risk reports are accompanied by such additional documents as the daily market risk and performance reports and the information security report issued by the Chief Information Security Officer

(CISO) as well as, in certain cases, ad hoc reports on how the current crises are impacting the BayernLB Group's risk situation.

Management is informed of the current status of the risk profile (at Group level), with the use of the key risk ratios, within approximately two weeks following the end of the month. This keeps the Board of Management up to date and thereby in a position to take any necessary action. The Supervisory Board receives updates on the risk profile each month in a brief report (the Group management report). The Supervisory Board's Risk Committee also discusses these developments at length every quarter (in the Group risk report).

EU OVA f) – Stress testing – article 435 para. 1 letter a) CRR

To produce an in-depth, forward-looking analysis of normative and economic capital adequacy of even unexpected scenarios, risk-bearing capacity is calculated based on the Business Strategy and supplemented by stress tests. Both scenario and sensitivity analyses are carried out for this purpose. The integration of different divisions in the overarching stress testing core team makes it possible to analyse varying perspectives of the BayernLB Group's risk and earnings situation simultaneously and integrate them into the stress testing in a consistent manner. The stress tests are performed for both the normative and the economic perspectives.

The impact of adverse changes in risk factors both on specific risk types and across risk types is analysed using hypothetical scenarios. These are of fundamental importance especially in the analysis of situational scenarios. They also take into account potential threat scenarios for the BayernLB Group that are triggered by external situations. The BayernLB Group's stress-testing programme includes both a potential severe economic downturn (global economic crisis) and other market-wide and idiosyncratic (combination) scenarios. Under the assumption of a global property crisis triggered by plunging prices, with contagion effects on other sectors then leading to a global economic crisis (given current geopolitical risks), risk-bearing capacity would thereby be maintained at all times despite a significant increase in economic capital requirements.

Given the increasing relevance of ESG risks, climate stress tests are also performed on physical and transitory risks and incorporated into the stress-testing programme in stages. The BayernLB Group has therefore analysed in various scenarios the transitory risks arising from the transformation into a more sustainable economy and way of living. While in a short-term scenario the impact of a sharp increase in CO_2 prices, stricter energy efficiency requirements and the resulting macroeconomic risks and individual risks on the BayernLB Group were analysed, a long-term scenario (to 2050) focused on the strategic goals of portfolio decarbonisation. All relevant risk types as well as the normative and economic ICAAP perspective and the impact on the Group's liquidity situation were taken into account in this process. Although the risks must be considered in a highly differentiated manner, their overall impact is much lower than with other stress tests. No threats to risk-bearing capacity were detected in the scenarios applied.

Sensitivity analysis too plays a part in the comprehensive evaluation of risk-bearing capacity by increasing transparency with regard to the impact of potential changes in individual risk factors (such as the implications of changes in interest rates).

Inverse stress tests are conducted at the BayernLB Group level as an integral element of the stress-testing programme. Contrary to the logic of conventional stress tests, scenarios that could potentially jeopardise the existence of the BayernLB Group's current business model are identified using a retrograde procedure. Inverse stress tests are conducted for both individual risk types and across all risk types.

EU CRA b), OVA b) and g) – Credit risk management – article 435 para. 1 CRR

In accordance with its business model, the largest risk for the BayernLB Group and BayernLB is credit risk. Customers include large corporates and Mittelstand companies, real estate customers, financial institutions, the public sector and the savings banks in Germany. DKB is a further significant segment of the business model of the BayernLB Group, with its retail customers and target infrastructure and corporate customers.

Definition

BayernLB defines credit risk as the risk of losses (in value) from any transaction giving rise to an actual, possible or contingent claim by the Bank against a borrower, counterparty, obligor or issuer (hereinafter referred to as "borrower" for simplicity's sake), provided that these losses (in value) result from a default or change in the borrower's credit rating (migration risks) and/or from a change in the value of collateral provided.

In particular, credit risk also encompasses the country risk borne of country-specific circumstances (e.g. political or economic crises, or currency restrictions). A distinction is made between transfer risk and country risk in the sense of a credit event caused by the country itself. Transfer risk is the risk of a loss occurring if, due to government transfer restrictions, a borrower is unable to meet its obligations in a foreign currency or the institution is unable to access an amount paid. Country risk as a credit event risk is the risk of a loss due to a macroeconomic or (socio)political event, especially a crisis, occurring in a particular country, with the loss arising from parallel changes in credit ratings (including default) of those borrowers that are attributable to that country from a risk perspective.

EU CRA c) – Organisation

The credit approval process at BayernLB consists of several stages. The Competence Regulations define the authority of the different competence holders based on the loan volume to be approved, the business area it is allocated to and the rating classification. Credit decisions which, pursuant to the KWG or the Competence Regulations, require the approval of the Board of Management or Risk Committee of the Supervisory Board, are discussed and voted on in advance by the Credit Risk Board, which itself is a competence holder.

The decision-making process at DKB is similarly organised. In addition, members of BayernLB's Board of Management sit on DKB's Supervisory Board and its committees.

The Group Risk Control Division is responsible for measuring and monitoring credit risks.

Strategy

The credit risk strategy – which is part of the comprehensive Risk Strategy – is determined by the Board of Management for BayernLB and the BayernLB Group, with risk-bearing capacity considerations taken into account.

EU CCRA d) – Risk management

The general policy on credit risk is as follows: Credit risks are entered into when concluding financial transactions involving trading and credit products. Credit risks can be accepted in principle, provided that they are taken into account in the customer calculation in a risk-adequate manner, while at the same time managing permanent compliance with capital adequacy. The management tools for this are pro-active capital and risk planning and the operationalisation thereof via the limit system and portfolio and new business management. Transparency is established through the reporting system.

Measurement

Risk classification procedure

In accordance with the Internal Ratings-Based approach (IRBA), the BayernLB Group uses mostly rating procedures that are approved by the supervisory authorities. To maintain and refine the rating procedures, BayernLB works chiefly with RSU GmbH & Co. KG, Munich, and Sparkassen Rating und Risikosysteme GmbH, Berlin. All rating procedures are subjected to regular validations. Validation includes both qualitative and quantitative analyses of the rating factors and of the overall models. The accuracy and calibration of the procedures, the data quality and the design of the models etc. are examined using statistical and qualitative analyses and user feedback from daily application. The procedures are regularly modified where necessary.

Due to new supervisory requirements, it was decided in 2020 that in future the parameters probability of default (PD), loss given default (LGD) and credit conversion factor (CCF) will be estimated without a margin of conservatism (best estimate) and that the margin of conservatism will be disclosed separately. This was first implemented in 2020 for the parameters LGD and CCF, as the supervisory review and approval for the parameter PD is currently awaited or pending due to BayernLB's IRBA status. The parameter PD was implemented in 2023 for the project financing and the international commercial real estate rating procedures. The timeframe for full implementation will depend on the supervisory approval processes.

Exposure at default

Exposure at default is the expected claim amount taking account of a potential (partial) drawdown of unutilised lines and contingent liabilities that would negatively impact risk-bearing capacity in the event of a default. For trading transactions, the current market value is taken as the basis. Any replacement risks are taken account of by means of a premium for future increases in value.

Collateral valuations and loss ratios

The fair value is taken as the starting point for collateral valuations. It is reviewed on both a scheduled and ad hoc basis and adjusted whenever there is a change in valuation-relevant parameters. Based on this individual collateral valuation, the Bank estimates the size of the loss given default for the collateralised portion of a receivable based on the liquidation value determined using models for realisation ratios (average expected proceeds from the realisation of collateral). The Bank calculates the size of the loss for the unsecured portion of the receivable (unsecured loss given default) using the customer segment-specific models. These models are likewise updated and refined mainly in partnership with RSU GmbH & Co. KG, Munich, and using pooled data and internal loss data. All models are regularly validated and checked for their representativeness.

Expected loss

Expected loss per transaction/borrower is a (risk) ratio which not only takes account of the expected claim amount at the time of default but also the customer's credit rating/assigned probability of default and the estimated loss upon default. This ratio can be used as an indicator of a portfolio's expected risk level.

Furthermore, expected losses are used as a basis for determining standard risk costs and are considered when calculating loss allowances for transactions on and off the balance sheet under IFRS 9 and HGB.

Risk capital requirements

The BayernLB Group calculates risk capital requirements using a simulated credit portfolio model which quantifies default and migration risks as well as the uncertainty in determining loss ratios on a one-year horizon with a confidence level of 99.90 percent. Dependencies among borrowers in the portfolio and risk concentrations are quantified using a country and sector-specific model and through idiosyncratic dependencies (e.g. Group interdependencies). Settlement risks and defaulted positions are additionally taken into account. The risk contributions by individual business partners to the risk capital requirements of the whole portfolio are calculated for risk analysis purposes.

BayernLB manages risk capital requirements using appropriate limits at Group and individual institution levels. This applies also to the credit risks of the positions created in connection with the contractual trust arrangement (CTA) to secure the risks from the pension obligations in the BayernLB Group. In addition, the Bank regularly calculates risk sensitivities with regard to relevant input parameters (especially default probabilities, loss ratios and dependencies) and supplements them with various stress tests.

Monitoring

The following instruments are used for monitoring and limiting credit risks in the BayernLB Group.

Early risk identification

The aim of the early warning system is to identify negative changes in the risk profile of a business partner at an early stage so as to be able to undertake suitable measures in good time to reduce the risk. To achieve this objective, a list of various risk signals has been created to give an early indication of a deterioration in risk.

The risk signals in the early warning system fall under quantitative signals (e.g. based on market price information about business partners or exposure data from feeder systems) and qualitative signals, i.e. based on the expert opinion of relationship managers and analysts.

The defined and system-supported early warning process allows the analysts responsible to respond promptly and appropriately to indicated deteriorations in risk and, if necessary, to take measures and enter them in the early warning system. As part of this process, the business partner’s form of support is reviewed and modified, if necessary.

Credit risk limits for borrowers and borrower units

In keeping with MaRisk, credit risks at borrower and borrower unit level are monitored daily using a limit system. BayernLB and DKB each conduct their own monitoring. The monitoring takes account of various transaction features using different credit limit types (e.g. issuer risk limit). When the limits within the BayernLB Group add up to at least EUR 400 million per economic borrower unit, a Group-wide (Group) limit is required. BayernLB’s Group Risk Control Division monitors the Group limit centrally. To limit risk concentrations, the maximum gross credit volume for each economic borrower unit is limited to EUR 400 million Group-wide. The Board of Management or the Risk Committee of BayernLB’s Supervisory Board may approve exceptions to this limit in well-founded individual cases (e.g. due to good credit rating, profitability or strategy). These customers are listed individually in the quarterly internal risk reports along with their Group limit and gross credit volume.

Sector and country limits

To manage risk concentrations, limits are set for sectors and countries. Sector and country limits apply Group-wide. Limits are set on gross credit volumes and, in some cases, also on the net credit volume for specific countries. BayernLB’s Board of Management sets these limits or may delegate this action to another competence holder, based in part on an analysis of the sector, country and portfolio structure – and prepared with a vote taken under the lead of the Credit Risk Management Division. In addition to sector and country limits, additional specific portfolio thresholds and individual transaction terms and conditions can be set to safeguard portfolio quality; these are approved by the Board of Management or according to applicable delegation regulations. Sector and country limits and portfolio thresholds are monitored centrally by BayernLB’s Group Risk Control Division, while compliance with the individual transaction conditions is reviewed in the course of the approval process. Sector and country strategies are reviewed annually. Irrespective of this, strategies can be changed as events arise.

Collateral

Another key way in which risks are limited is by accepting the customary types of bank collateral and valuing them on an ongoing basis. When deciding what collateral is needed, particular account is taken of the type of financing, the borrower's available assets, their value and liquidity and whether the relative costs are reasonable (costs of acceptance and ongoing valuation).

Collateral is processed and valued in accordance with directives which also set out any discounts to be applied, along with the valuation intervals. Net risk positions are calculated on the basis of the liquidation value of the collateral.

As part of its IRBA approval, the supervisory authority has granted BayernLB approval to lower its regulatory capital requirements through the use of real estate liens, ship mortgages, registered liens on aircraft, guarantees, financial collateral in the form of securities, cash deposits and credit derivatives.

In derivatives trading, the usual practice is to conclude master agreements for the purposes of close-out netting. Furthermore, in many cases there are collateral agreements restricting the current default risk to an agreed maximum and authorising a call for additional collateral should this limit be exceeded. Limits are imposed as part of the generally applicable limitation process for credit risk.

Intensive support, restructuring and workout, and forbearance

Problem exposures are all exposures that require special attention due to their elevated risk situation, i.e. categorised as requiring intensive support or restructuring and workout.

By initiating suitable measures at an early stage as part of an intensive support or restructuring and workout, BayernLB aims to prevent or minimise potential losses.

Within the Credit Risk Management Division at BayernLB, two Credit Consulting departments are responsible for handling problem loans and therefore act as an independent workout unit as defined in the regulatory requirements. At DKB this function is performed by the institution's own Credit Consulting Division.

Forbearance measures are approved as part of restructuring and workout. All exposures where forbearance measures have been agreed are designated as forborne exposures. Such measures aim to restore the borrower's ability to repay its loan, i.e. to minimise potential losses. A forbearance measure is a concession granted to a counterparty experiencing financial difficulties by way of refinancing or restructuring the loan and/or modifying the original terms and conditions of the loan agreement (e.g. through a deferral, waiver or standstill agreement).

Exposures cease to be reported as forborne if all of the relevant supervisory criteria are met.

ESG risks

ESG risks are factored into various features of the credit risk management process, such as the credit approval process, the internal stress test, the risk reports and the risk inventory.

BayernLB analysed and evaluated the potential impact of physical and transitory risks in the risk inventory from a qualitative perspective. For the transitory risks, BayernLB conducted a stress test which observed normative, economic and short and long-term perspectives.

It also intensively analysed and evaluated the transmission channels for the climate and environmental risks in the risk inventory. Over 130 transmission channels were observed for various risks and sub-portfolios, with primarily minor impacts being ascertained. Most of the risks deemed transitory related to political measures. For example, legal requirements or a tightening of CO_2 targets and CO_2 prices might result in increased risks for the Corporates sub-portfolio. The Real Estate sub-portfolio may be affected by energy efficiency guidelines, for example. Risks from changes in consumer and/or investor behaviour may also become relevant. By contrast, technological progress would be considered more of an opportunity rather than a risk driver. Physical risks are mainly regarded as related to natural disasters.

The credit approval process includes an analysis of ESG risks in an internal ESG assessment (ESGA), which normally covers all of BayernLB's borrowers. Savings banks, S-Plafond, banks/insurers, regional authorities and non-profit organisations are some of the entities excluded from the risk assessment. The evaluation of the ESG assessment is carried out for all business partners – that is, all natural persons or legal entities that are party to a credit transaction. These rules do not apply, however, to customers with a default rating of 24.[1]

The ESGA consists of three modules: the ESG risk module, the ESG impact model and the ESG reputational risk module. The ESG risk module of the ESG assessment supports Sales and Risk Office units in their detailed assessment of ESG risks at business partner level. The first step here is to analyse the exposure of the borrower and its business model. As part of the ESG risk module, a distinction is made between three categories that can have an impact on a customer's default risk, creditworthiness and ability to service their debts:

- Environmental/climate risks, which can be broken down further into physical and transitory risks of climate change
- Social risks arising from a disregard for employees or suppliers, as perceived in particular by stakeholders, e.g. violations of human and labour rights
- Governance risks arising from deficiencies in the design of structures, policies and processes in companies dealing with management functions and their monitoring; these include, for example, corruption and bribery, antitrust violations and balance sheet manipulation

The analysis findings provide the basis for assessing the customer's ESG risk management and for determining mitigating measures and their effectiveness. The ESGA enables sustainability risks and the positive impact of financing on the achievement of climate and sustainability goals in the portfolio to be identified at an advanced level.

BayernLabo uses the ESG impact module in the BayernLB ESG assessment to assess sustainability opportunities in individual programmes. This ties both environmental sustainability and social

1 *The ESG risk assessment is typically carried out for an entire limit entity ("LimE") – a prudent approach, as business strategy and risk management tend to be homogeneous within a given group. This means that the ESG risk assessment will, as a rule, apply to all business partners subsumed into the LimE. Should the estimated ESG score for the LimE and that for one of its LimE members (i.e. as an individual borrower) differ drastically, or should the group's structure not lend itself to being assessed at the LimE level (e.g. because the transaction involves non-recourse financing or project financing), then the LimE member must be ESG-rated in and of itself.*

equity through the creation of affordable housing for low to moderate-income households to public services of general interest. As regards the ESG Basic and ESG Plus categories, BayernLabo uses the criteria defined by BayernLB analogously. For an appropriate and risk-adjusted representation of the ESG risks arising from BayernLabo's lending business, a process was created to assess the exposures classified as risk-relevant in BayernLabo's own liabilities, based on a procedure established at BayernLB which uses the ESG risk module of the ESG assessment. The resulting findings will be integrated into relevant reports in the future.

DKB takes a portfolio approach when assessing ESG risks. The portfolio is assessed in the categories of low, medium and high ESG risk.

The basis for managing the BayernLB Group's current and future business activities designed for a sustainable economy is the ESG assessment. In addition to sustainability risks, this also records and evaluates sustainability opportunities (impact) using the labels "ESG Basic" and "ESG Plus". The "ESG Basic" category is given when the business purpose of the company in question is predominantly sustainable, or is given directly on the basis of the financed measure (e.g. sustainability-linked products), barring any earmarking. Earmarked financing is classified as "ESG Basic" if it contributes to selected overarching environmental or social objectives or sub-goals and thus embodies a qualitative contribution. If a financing additionally meets the criteria of the EU taxonomy (technical standards (EU) alignment), it is to be classified as "ESG Plus" and thus embodies a quantitative contribution. Since September 2022, ESG-specific information has been an integral part of the internal Group risk report, which is submitted to the Board of Management and the Risk Committee of the Supervisory Board each quarter. The focus is on the ESG risk assessment of BayernLB and DKB borrowers (ESG risk module) and their future performance.

Both the risk assessments (ESG risk module) and sustainability benefits of the financing (ESG impact module) are integrated in the sector portfolio reports as well. With all ESG tools now available, both qualitative and quantitative statements on ESG criteria are now included in all sector portfolio reports.

The assessment of reputational risks in the context of ESG is now a firm part of the ESG assessment (RepRisk module). Each business transaction is reviewed for ecological risks (e.g. high levels of air pollution, high levels of waste generation, CO_2 emissions and high levels of water consumption, the destruction of biodiversity) and negative societal and/or social risks posed by the business activities of a customer or project (e.g. due to inadequate product safety, poor working conditions, human rights violations or adverse impacts on the local population).

For more information about ESG risks, see the section "Environmental, social and governance risks (article 449a CRR)", below.

EU MRA a) to c), OVA b) and g) – Market risk management – article 435 para. 1 and article 445 CRR

EU MRA a), OVA b) and OVA g) – Explanation of the strategic goals

Market risk is the risk of financial losses due to changes in prices on money, currency, capital or commodity markets. The potential losses arise through the financial transactions conducted in the course of the Bank's business activities (in both the trading and banking books), whose performance varies according to changes in market risk factors / market prices. Accordingly, the BayernLB Group breaks down its market risks into interest rate risks (further broken down into present-value general, present-value specific and earnings-related interest rate risks), currency risks, equity price risks, commodity risks and volatility risks. Interest rate risks in the banking book are considered separately in article 448. The Business Strategy and market risk strategy call in particular for a strong and consistent customer orientation in the trading book and are not aimed at making short-term gains by exploiting market movements (dedicated proprietary trading). Risks resulting from customer-induced trading positions are managed based on the portfolio situation. This includes transactions designed to maintain market management/access. Most market risks in the BayernLB Group therefore arise chiefly in the banking book, primarily from (cross-portfolio) liquidity and asset/liability management (specifically pension obligations, interest rates, FX, liquidity reserve management, investing of own funds and management of collateral holdings). The BayernLB Group takes active, market-orientated interest rate positions. It does not generate income by pursuing a strict maturity transformation policy ("riding-the-yield-curve" approach); the interest rate maturity transformation positions result primarily from the customer transactions, securities positions and pension obligations. Positions that are not aligned with its objectives are being wound down. Given the focus of the trading strategy, the risk appetite in the trading book is much lower than in the banking book; DKB, moreover, does not engage in trading book transactions.

EU MRA a) and OVA g) – Processes for calculating, measuring, monitoring and controlling market risks

For operational monitoring and management, market risk is normally calculated by means of a value-at-risk (VAR) procedure based on a one-day holding period and a confidence level of 99 percent. BayernLB and DKB, however, use the historical simulation approach. Customer deposits at DKB are modelled using the dynamic replication method. Market risk measurement methods are continuously checked for the quality of their forecasting. In the backtesting process, the risk forecasts are compared with actual outcomes (gains or losses). The backtesting results at BayernLB fell just within the amber zone under the Basel traffic light approach, owing in particular to historical market volatility, as at 31 December 2023. Therefore, a corresponding premium is included at BayernLB when reporting the risk capital requirement. At DKB, the relevant backtesting outliers went down during the first half of 2023, so it has not been necessary to include an appropriate premium since June 2023.

For economic risk-bearing capacity, one-day VaR is scaled to a one-year horizon, i.e. it is assumed risk positions are closed or hedged over a one-year time horizon. This takes particular account of market liquidity risk – the risk of having to close out risk positions on financial terms that are less favourable than had been expected.

The measurements for market risks must always be looked at in the context of the assumptions used in the model (primarily the confidence level selected, holding period, and the use of historical data over a period of around one year to forecast future events). For this reason, stress tests simulating extraordinary changes in market prices are conducted monthly on the risk positions and the potential risks are analysed accordingly. Additional stress tests are used at individual institution level. Stress tests take into account all relevant types of market risk. They are regularly reviewed, and their parameters are modified where necessary.

In the BayernLB Group, several tools are used to monitor and limit market risks. The economic capital provided as backing for market risks is broken down by risk unit and market risk type (as the case may be) and made operational in the form of VaR limits. As part of this operationalisation, the respective trading strategy, including the respective earnings and performance targets, as well as any risk hedging options available to the individual trading/treasury units, are taken into account when setting the limits.

In addition to the VaR indicators, market risk sensitivities are included in the monitoring process in various forms, and corresponding sensitivity limits have been installed for trading-intensive Sales units. Risk concentrations are limited via the VaR limitation logic and the granular sensitivity analyses.

The limit units monitor risk separately for the trading and banking books. This helps to fulfil their underlying dispositional purposes while closely interlinking economic with regulatory capital adequacy. The standard approach is used at BayernLB and DKB to calculate the regulatory capital backing for market risks.

Market risks are monitored and reported daily at BayernLB. At DKB, the A custody account is monitored daily and the other banking book monitored weekly. If a (VaR) limit is breached, appropriate measures are initiated as part of an escalation procedure.

All financial transactions in the trading/treasury units must be conducted within approved limits. The responsibility for compliance with the various limits and other risk requirements lies with the respective trading/treasury units, which are also responsible for the results of the relevant financial transactions. In particular in the event of breaches of warning thresholds or limits, the trading/treasury units have the following options: winding down exposures, hedging with derivatives (especially interest rate hedging, using swaps to reduce mismatches), issuing securities for efficient funding management.

EU MRA b) – Structure and organisation of the market risk management function

The Business Strategy covers the overarching business activities of the business areas, based on the trading strategy, while the Risk Strategy addresses the question of how to deal with the material risks identified. Based on the maximum overall risk appetite, the management body determines the overarching risk appetite for the market risks.

In operational terms, market risk is managed at the relevant trading/treasury units of the Group institutions, with the prescribed limits taken into account. The trading/treasury units have documents which provide a detailed framework for their business activities by laying down the parameters for their trading operations and citing the books with the permissible products. As a large proportion of market risks result from liquidity and asset/liability management, the treasury units are particularly affected.

Both the operationalisation of the risk appetite in the form of VaR limits for the individual trading/treasury units and the operationalisation of the market risk monitoring are carried out independently by the risk-controlling units of the respective Group institution. These units are segregated from the trading/treasury units in terms of organisational structure. In particular the standardised reconciliation process for the relevant key figures ensures a close and constant exchange between the trading/treasury units responsible for the positions and the risk-controlling units.

Group Risk Control is responsible for setting Group-wide methodological standards and for the overall, Group-wide monitoring of market risk. BayernLB's and DKB's market risks are integrated into the daily Group-wide reporting by Group Risk Control. As part of Group risk reporting, which is independent of the risk type, the Board of Management is informed monthly, and the Risk Committee of the Supervisory Board quarterly, of the market risk situation.

In addition, there are regular overarching working groups and committees at Group and institution level in which market risk topics are discussed and debated.

EU MRA c) – Scope and nature of the market risk disclosure and measurement systems

The transactions that are subject to market risk are recorded in the respective trading and credit systems, along with all their relevant features. Market risk-specific evaluations take place either directly in these front office systems or in downstream risk systems. Care is taken to ensure that these systems are tailored to the relevant exposures in terms of complexity and number, and that the evaluations can be produced with integrity and reliability and in good time. All the necessary valuation parameters are usually obtained from external market data providers.

For the purposes of the overall aggregation, appropriate control processes are followed to ensure that all the exposures are analysed.

EU ORA a) and (b), OVA b) and g) – Operational risk management – article 435 para. 1 and article 446 CRR

Definition

In line with the regulatory definition in the CRR, the BayernLB Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes or systems, human error or external events. This includes legal risks.

In 2023, the following non-financial risks were identified as significant operational risks during the risk inventory carried out pursuant to MaRisk: general legal risk, compliance risk and tax law risk, fraud risk, information security risk (including cyber risk), HR risk, project risk, outsourcing risk, model risk and other operational risks.

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

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

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

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

Information security risk describes the risk relating to the availability, integrity (including the authenticity) or confidentiality of information. It is derived from the individual data protection requirements.

HR risk includes unforeseeable costs arising from the acquisition and employment, training and retraining and permanent retention of employees who are critical to the success of the business and for compliance with legal and regulatory requirements at all times.

Project risk is the risk of additional costs being incurred under a project without an increase in the countervalue. A distinction is made between project risk associated with inadequate project structures, poor performance of employees, risk arising from contracts with external service providers – all of which fall under operational risk – and risk arising from planning uncertainties (such as those created by strategic decisions taken erroneously or late). These risks form part of business and strategic risk.

Outsourcing risk arises when performance is poor or the outsourcing company defaults.

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

OpRisk events that cannot be allocated to other OpRisk sub-types due to their nature, particularly those caused by external events or actions of employees (e.g. processing errors), are allocated to other operational risks. This risk sub-type acts as a “miscellaneous” category of OpRisk sub-types.

Organisation

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

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

Strategy

The treatment of operational risks is set out in the Risk Strategy and related sub-risk strategies and guidelines for non-financial risks. The strategic objective is to minimise or avoid risk based on a cost-benefit analysis. This requires operational risks to be identified and assessed as completely as possible.

Moreover, as part of ensuring risk-bearing capacity, the risk appetite and limits are set for operational risks, and compliance with these is monitored on an ongoing basis.

Measurement

Operational risks are quantified for the calculation of risk-bearing capacity using the operational value at risk (OpVaR) calculation. The calculation is based on the losses incurred at BayernLB and DKB, the external losses collected via a data consortium and the potential losses identified as part of the operational risk self assessment (OSA) and scenario analyses at BayernLB and DKB. The calculation applies a loss distribution approach, using a confidence level of 99.90 percent. The key model assumptions and parameters used in the model are reviewed once a year.

In addition to recording losses, the OSA, which was repeated in 2023, serves as an important database for OpRisk management activities. As part of the assessment, the risks that had already been identified were updated where necessary. The assessment also took into consideration the results of Group-internal risk analyses (e.g. project analysis). The OSA also specifically addressed and dealt with current issues (e.g. effects of the Fokus 2024 transformation project relevant to OpRisk and sustainability risks with an OpRisk background).

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

Management and monitoring

Operational risks at the BayernLB Group are reported to the Board of Management monthly as part of the regular reporting on risk and on an ad hoc basis if material losses occur. Transpired loss events, changes in the risk profile (risks and scenarios) and the resulting capital charges form a major part of the regular reporting.

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

Business continuity management

Business continuity management (BCM) is used at the BayernLB Group to manage risks to the continuation of business operations and deal with crisis situations. BCM establishes core procedures for continuing/restoring operations and has an integrated emergency/crisis management procedure for handling events that could have a sustained negative impact on activities and resources.

In financial year 2023, the effectiveness of the process-specific business continuity plans was also verified through emergency exercises in the departments. By creating a Bank-wide alert tool, it is possible to respond promptly to potential disruptions which could put the Bank's ability to continue as a going concern at risk, and to implement appropriate emergency and crisis-management measures. Despite the incidents that occurred in the financial year, the Bank was able to continue as a going concern.

BCM is anchored in the framework instruction on BCM for BayernLB and the BayernLB Group and in the strategy and Group BCM management directive. The requirements include identifying time-critical activities and processes and specifying business continuity and restarting procedures to protect these. They also cover regular testing of the efficiency and suitability of the measures established. Care is taken to ensure that the interfaces between disruption management, emergency management and crisis management are clear-cut and that escalation and de-escalation processes are in place. As part of the NFR reporting (fourth quarter), compliance with standards by Group companies is regularly reported to the member of the Board of Management responsible for BCM.

EU OVA b) and g) – Pension basis risk management – article 435 para. 1 CRR

Definition

Pension basis risk is defined as the loss potential, with an immediate impact on own funds, resulting from an adverse impact on the present values of the pension obligations (including benefit obligations) for BayernLB as a result of changes in trends (mainly in terms of salary or medical payment obligations), mortality tables or other factors. There are pension obligations for those entitled to and those who are recipients of benefits of BayernLB's civil service-style pension (direct and indirect).

Organisation

Group Risk Control monitors pension basis risks for the BayernLB Group. DKB's pension basis risk is classified as non-material from a stand-alone perspective in the risk inventory, but is also taken into account in order to ensure the consistency of the Group-level analysis.

Measurement

The risk capital requirements for pension basis risk (risk from pension liabilities) is calculated using a scenario-based approach. The parameters for the recognition of adverse new trends in salary or medical payment obligations are derived from a historical time series and past experience. A maximum stress is also calculated from the trend factors.

Monitoring

The risk capital limits for pension basis risk are monitored monthly on a Group-wide basis. As part of Group risk reporting, the Board of Management is informed monthly, and the Risk Committee of the Supervisory Board quarterly, about the pension basis risk situation.

Strategy

Under the Risk Strategy, this risk is covered by allocating a corresponding risk limit to the calculated risk capital requirement. Active management is limited by the dependence on exogenous factors such as rate increases, the cost of medical advances and life expectancy. However, measures of personnel policy are contributing toward the objective of limiting the growth in the pension obligations underlying the pension basis risk.

EU OVA b) and g) – Management of risk associated with equity interests – article 435 para. 1 CRR

Definition

At the BayernLB Group, risk associated with equity interests is defined as the risk incurred through acquiring equity interests.

These risks can lead to financial losses. These result, for example, from the provision of equity or equity-like financing (e.g. silent partner contributions), the suspension of dividends, partial writedowns, losses on disposals or reductions in hidden reserves, liability risks and/or profit and loss transfer agreements, e.g. assumption of losses (under letters of comfort or company agreements) or contribution commitments.

Risk associated with equity interests may impact other risk types and therefore affect the BayernLB Group's risk profile.

Strategy

The Group strategy for risks associated with equity interests, derived from the overarching BayernLB Group Risk Strategy, forms the framework for handling this risk type.

BayernLB has classified its investment portfolio into interests relevant to the business model, interests under public mandate and interests not relevant to the business model (with/without exit status). DKB, BayernInvest and Real I.S. are the equity interests that form an integral part of the Group business model. The BayernLB Group is looking to dispose of the equity interests that have been assigned exit status.

Organisation

The Group Risk Control Division is responsible for setting standards and for internal risk reporting at portfolio level. The BayernLB Group has an independent central unit with the authority to issue guidelines for all methods relating to monitoring risk associated with equity interests. The operational implementation of the risk management instruments is the responsibility of the business units concerned.

Measurement, management and monitoring

A classification procedure for identifying and measuring risk with clear guidelines on the early detection of risks is followed for all direct equity interests held by BayernLB. Its key features are risk-based early warning indicators and the assessment of the maximum potential loss. Where BayernLB also provides debt capital, it examines any additional risks, particularly those arising from its status as a lender.

Risk capital requirements for risk associated with equity interests are measured in ICAAP using the PD/LGD method in accordance with CRR/CRD IV. For CRR/CRD IV reporting, risks associated with equity interests are measured using the simple risk weighting method.

The risks from direct equity interests are identified using the relevant procedures (classification and early warning) and reported to the Board of Management as part of the risk reporting process.

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

EU OVA b) and g) – Reputational risk management – article 435 para. 1 CRR

Definition

The BayernLB Group's reputation is determined by the perception of its stakeholders. Competence, performance, integrity and trustworthiness are the bases of the BayernLB Group's good reputation.

The BayernLB Group therefore defines reputational risk as the risk of being viewed in an unfavourable light by groups with a legitimate interest in it, as the result of negative public criticism or a negative internal or external event, leading in turn to a financial loss for the BayernLB Group.

Organisation

The reputational risk management system established at the BayernLB Group is hierarchical, whereby its elements are equally binding for all Group members. The overarching rules, which lay down e.g. the assessment methodology and minimum standards, are imposed by the so-called Group central reputational risk management (Group CRRM). These officers are members of the Sustainability Department and report directly to the member of the BayernLB Board of Management in charge. The central reputational risk managers (CRRM) at each Group member (BayernLB, DKB and other Group members that are relevant in terms of reputational risk) are responsible for implementing these rules at their respective institution. So-called decentralised reputational risk managers (DRRM) have been installed at the individual business areas and, where required, within certain Group members. These officers advise employees and managers who deal with matters relating to reputational risk. The primary responsibility for managing matters of reputational risk rests with the business area in question.

At BayernLB, furthermore, so-called stakeholder managers are installed where necessary; this is a cross-divisional function. Stakeholder managers serve as points of contact for a specific clientele/business partners or other groups with a legitimate interest in the BayernLB Group.

Strategy

How BayernLB handles reputational risk is anchored both in its reputational risk strategy (a sub-risk strategy for non-financial risks) for the Group and that for BayernLB, and in an official framework instruction and process. The often close links to sustainability issues are taken into account through an integrative approach (processing from a single source). In addition, climate and environmental risks in particular are increasingly being factored into reputational risk management as risk drivers.

The strategy aims to avoid or minimise any negative discrepancies from the BayernLB Group's expected reputation. It is on this basis that material reputational risk, i.e. the risk of a diminished reputation in the eyes of parties with a legitimate interest – and the potential concomitant financial losses – is managed.

The BayernLB Group therefore strives to take its strategy- and transaction-related (business) decisions and its risk-mitigating measures in such a way as not to endanger its good reputation in any material way (risk appetite).

For the BayernLB Group and all officers who act on its behalf, acting lawfully, ethically, responsibly and with a commitment to sustainability is an elementary and indispensable aspect of both their corporate and their social responsibility. Earning and building upon a sustainable reputation and avoiding reputational risks are thus of equal importance to other objectives. For the BayernLB Group, legal does not necessarily mean legitimate. Using the traditional ethos of the "honourable businessman" as its moral compass, the BayernLB Group only takes action that fulfils both of these conditions.

Measurement

Reputational risks are subjected to qualitative scrutiny applied uniformly throughout the Group and in the form of various risk gradings and criteria.

Reputational risk, furthermore, is factored into the quantified economic risk-bearing capacity calculation as an element of business and strategic risk. For the regulatory capital backing, no additional requirements exist.

Monitoring

The primary responsibility for managing reputational risks is organised in a decentralised fashion. Depending on the reputational risk present in any given matter, different levels of decision-making authority apply – from the organisationally local officer in charge to the CRRM all the way up to the Board of Management. Quantitative key risk indicators have been introduced as a way of further improving the system in place for managing the early identification and monitoring of risks. They are closely entwined with sustainability-related issues.

The Sustainability Department is continuously involved in assessing and managing event- and transaction-based matters so as to manage any given situation under sustainability and reputational risk aspects. Transactions include all types of business activities and relationships along the value chain (set out in an internal Group-wide framework instruction). The Sustainability Department must be consulted in all (planned) business activities that (potentially) fall within the scope of current ESG standards and policies related to environmental and social topics and/or which potentially could give rise to social or environmental risks, as well as all events and processes that pose a medium or high reputational risk. To carry out its duties, the Board of Management has delegated the department the right to prohibit activities and to grant approval, albeit subject to certain conditions.

The ESG assessment is implemented at BayernLB Bank as a tool for assessing sustainability risks and benefits for customers and transactions. This IT-supported tool forms the groundwork for portfolio management from a sustainability perspective and is being successively expanded, partly on the basis of current regulatory requirements (including the EU Taxonomy Regulation) and business strategy aspects. It consists of three components (modules) with different underlying questions:

- ESG risks: do environmental, social or governance issues arise that have a negative impact on a customer's ability to service its debts, probability of default or creditworthiness?
- ESG impact: what are the demonstrable sustainability benefits of the financing transaction?
- RepRisk: does the transaction give rise to a potential reputational risk in terms of ESG risks?

Reputational risks are monitored, and any derived measures taken, first locally at the particular business or central area at BayernLB or other Group members that are relevant in terms of reputational risk. The Sustainability Department furthermore bears the responsibilities for reputational risk as set out under the "three lines of defence" model and the written organisational rules. Climate and environmental risks, which have been classified as risk drivers, are increasingly being addressed. The CRRM is provided with all information relevant for risk management, in a summarised form, during the annual inventory that is taken for reputational risks. The Board of Management is informed by the Group CRRM each year of the outcome of the risk inventory. As a decision-making body, it also receives ad hoc information on critical matters that are relevant in terms of reputational risk. Updates on the situation regarding reputational risk are provided on a quarterly basis in the Group risk report.

EU OVB Disclosure of the governance arrangements – article 435 para. 2 CRR

EU OVB Structure and organisation

Within the framework of the "Fokus 2024" transformation programme, the BayernLB committees below the level of the Board of Management were subjected to a comprehensive review

Integrated reporting to the Board of Management via the TOP Group Management Report ensures that the information about the changes in the key performance indicators (capital, performance, risk and liquidity) is comprehensive.

Management structure

EU OVB Supervisory Board

The Supervisory Board monitors and advises BayernLB's Board of Management.

Pursuant to the Bayerische Landesbank Act and the Statutes, the Supervisory Board of BayernLB consists of eleven members, ten of whom representing the Bank's owners and one representing the Bank's staff. The Free State of Bavaria enjoys the right to propose three representatives of the Bavarian state government and four external officials to represent the owners. The Association of Bavarian Savings Banks proposes three members, at least one of whom must be external. Pursuant to the Statutes, the Supervisory Board elects one of its members as Chairperson and at least one of its other members as Deputy Chairperson. These members are proposed by the General Meeting.

These legal provisions have been complied with in full: As at 31 December 2023 the Supervisory Board comprises eleven members – three of whom female – namely one staff representative, three government officials of the Free State of Bavaria, two representatives of the Association of Bavarian Savings Banks, and five external members. The Supervisory Board members come from different professional backgrounds, particularly in the fields of economics, law, information technology and the natural sciences. The Supervisory Board members, both individually and as a regulatory body, have the knowledge, capabilities, experience and qualifications otherwise required under banking supervisory law and will continuously enhance them.

Dr Geipel-Faber's term of office on the Supervisory Board expired by rotation on 19 April 2023. She was succeeded by Sylvia Steinmann.

Dr Wolf-Prexler stepped down from her position on the Supervisory Board with effect from 1 February 2024. Dr Potthast succeeded Dr Wolf-Prexler with effect from 1 February 2024.

The Supervisory Board held a total of six meetings (including extraordinary meetings) and three training seminars in the 2023 financial year.

EU OVB d) to e) – Committees of the Supervisory Board

The Supervisory Board monitors and advises BayernLB's Board of Management. It is assisted in its work by the committees described below:

The Audit Committee monitors above all the accounting process, the effectiveness of the risk management system, particularly the internal control system and Internal Audit unit, and the rectification of open findings from audits and the annual accounts. It convened four times in financial year 2023.

The Risk Committee (EU OVB d), e)) is involved in issues relating to the Risk Strategy approved by the Board of Management and the risk situation on a Group-wide basis and at BayernLB itself. Every quarter year it receives the Group risk report, via which it is informed of the current risk situation and risk-bearing capacity. The Risk Committee decides on loans requiring approval by the Supervisory Board under the German Banking Act and BayernLB's competence regulations. It convened five times in financial year 2023.

The BayernLabo Committee handles all matters pertaining to Bayerische Landesbodenkreditanstalt (BayernLabo) on behalf of the Supervisory Board and passes resolutions concerning BayernLabo's affairs for which the Supervisory Board is responsible. It convened three times in financial year 2023.

The Executive and Nominating Committee carries out the tasks assigned to it by law. The meetings it convened centred on (regulatory) issues of corporate governance and on business policy and strategies. The Committee also prepares decisions on Board of Management matters for the plenary session. Furthermore, the Committee carries out an assessment of the Board of Management and the Supervisory Board in accordance with the German Banking Act. The Executive and Nominating Committee convened nine times in financial year 2023.

The Compensation Committee monitors among other things the appropriateness of the compensation schemes for members of the Board of Management and employees, in particular employees who have a significant impact on BayernLB's total risk profile. In financial year 2023 the Compensation Committee carried out its legally mandated duties in a total of three meetings.

All committees regularly review and decide on the substance, form, frequency and circumstances under which the information is reported to them (OVB e).

EU OVB a) Management and supervisory functions of the Supervisory Board members – article 435 para. 2 letter a) CRR

Number of executive and supervisory functions vested in the members of the Supervisory Board (monitoring mandates – OVB a)) for institutions as at 31 December 2023

	Number of executive functions	Number of supervisory functions
Dr. Wolf Schumacher	–	2[1]
Walter Strohmaier	1	2
Jan-Christian Dreesen	1	2
Prof. Dr. Roland Fleck	–	1
Harald Hübner	–	4[1]
Dr. Jörg Schneider	–	2
Erwin Schneider	–	3
Henning Sohn	–	1
Judith Steiner	–	3[1]
Sylvia Steinmann	–	1
Dr. Ulrike Wolf-Prexler	–	4[1]

1 Of which 1 mandate in the Supervisory Board of BayernLB Holding AG.
The disclosures take account of the privileged status pursuant to section 25c of the German Banking Act (KWG).

EU OVB b) to e) – Board of Management

BayernLB's Board of Management is responsible for providing the BayernLB Group with a proper business organisation, which, in addition to having suitable internal monitoring processes, is capable in particular of ensuring major risks are appropriately managed and monitored at Group level (OVB e)). To prevent conflicts of interest, the Sales units are functionally segregated from the Risk Office units, as are the Trading units from the Back Office units, within the business organisation and allocation of responsibilities.

The following strategy forms the basis for the selection of members of the Board of Management (see the section "Diversity in the Board of Management and the Supervisory Board" – OVB b)):

- The Board of Management would continue to possess all the skills required to run and sustain BayernLB over the long term
- The management, controlling and sales functions would remain proportionately represented on the Board of Management in terms of BayernLB's size, structure and business model
- Prior to the selection, the Executive and Nominating Committee will lay down the official qualifications required for each position. The basic qualifications are:

- the ability to think strategically and abstractly
- knowledge of, and experience in, the field or fields to be overseen by the new member
- knowledge of, and experience in, the lending and capital market business and also issues relating to climate and sustainability, IT and compliance
- theoretical and practical knowledge of regulation and risk management as well as of business management
- leadership and communication skills
- professional experience in the financial services sector

The Supervisory Board strives to find the best candidate within or outside the BayernLB Group, enlisting the services of an external consultant wherever necessary. This pre-selection will then be narrowed down to roughly a handful of candidates. The Chairman of the Supervisory Board or Executive and Nominating Committee will interview these persons, one of whom will then be named to the Supervisory Board and nominated for appointment as a member of the Board of Management. During the decision-making process, the nomination will be submitted to the banking supervisory authorities to have the candidate's suitability and eligibility verified.

EU OVB a) Management and supervisory functions of the Board of Management members – article 435 para. 2 letter a) CRR

Number of executive and supervisory functions vested in the members of the Board of Management (monitoring mandates) for institutions as at 31 December 2023

	Number of executive functions	Number of supervisroy functions
Stephan Winkelmeier	2[1]	1
Marcus Kramer	1	1
Dr. Markus Wiegelmann	2[1]	2
Gero Bergmann	1	1
Johannes Anschott	1	–

1 Of which 1 mandate in the Board of Management of BayernLB Holding AG.
The disclosures take account of the privileged status pursuant to section 25c of the German Banking Act (KWG).

The Board of Management held forty-nine meetings (including extraordinary meetings) in financial year 2023.

EU OVB b) to c) – Diversity on the Board of Management and Supervisory Board

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

- Gender: When taking a decision on filling a seat in its governing body, BayernLB always considers above all the professional and personal qualifications of the candidates. The Supervisory Board has nevertheless set specific thresholds in terms of the number of women being members of management bodies. For the Board of Management, the Supervisory Board has set a minimum of one female member. This threshold is to be met by 30 June 2025. The Supervisory Board itself is striving for a minimum of three female members. The above notwithstanding, Supervisory Board members are appointed by the General Meeting after being nominated by the owners of the Bank. Candidates representing the Bank's staff councils, furthermore, are delegated by these councils. As at 31 December 2023, three women sit on BayernLB's Supervisory Board, with none on the Board of Management.

- Education and professional background: A major criterion at BayernLB when selecting candidates to fill seats in its Board of Management and Supervisory Board is the breadth of their education and professional experience in such fields as IT, finance, business administration, human resources, the natural sciences, communication or law, as well as their experience in the main activities carried out by the respective board.
- At present, the education and professional background of the members of BayernLB's Supervisory Board and Board of Management are adequately broad so as to enable them to carry out their tasks. The areas of economics, but also law, information technology and the natural sciences, are especially well represented.
- Age: BayernLB is striving for a balanced age structure within the Board of Management and the Supervisory Board so as to ensure the continuity of the work of their committees and to enable a smooth succession planning. It has set the following upper limit, in terms of age, for the Supervisory Board members: The members of the Supervisory Board shall generally not be older than 69 years of age at the time of their (re)appointment.
- As at 31 December 2023, a balanced age structure has been achieved both in the Supervisory Board, with a range of 53 to 66 years of age, and in the Board of Management (with a range of 53 to 60 years). None of the current members of the Supervisory Board was older than 69 at the time of his or her (re-)appointment.
- Geographical experience: Due to the partly international nature of its business activities, BayernLB also takes into consideration the geographical background and experience of the candidates for membership on the Supervisory Board or Board of Management, the aim being to cover the key regions. As at 31 December 2023, the geographical experience at the Supervisory Board and the Board of Management of BayernLB covers the main regions in which BayernLB is active. This holds true especially for the regions in which BayernLB has a branch office.

EU OVA b) – Senior management (boards)

Board of Management committees

Under the Rules of Procedure of the Board of Management of BayernLB, committees with advisory and decision-making powers may be formed. Various boards furthermore assist the Board of Management in running the Bank and its activities.

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

The Remuneration Board, chaired by the head of the Human Resources & Group Development Division, acts in an advisory role on issues related to structuring an appropriate and transparent remuneration system for Human Resources with the aim of promoting BayernLB's sustainable growth. It also supports the remuneration officer in the performance of his or her duties with subject-related advice. These duties are also conducive to keeping the control units involved to an appropriate degree in the remuneration systems' structuring and monitoring.

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

The tasks of the **Project & Investment Board**, chaired by the head of the Human Resources & Group Development Division, include drafting an annual budget proposal for projects and capital spending, including prioritisation and approval, and monitoring the budget utilisation and project status during the year. If necessary the Board can decide to reallocate budgets between business areas and central areas.

At the **NFR Board**, which is headed by the Group Risk Control Division, interdisciplinary areas of non-financial risk management, as well as specific issues affecting information security risk management, are delegated. This involves analysing, discussing and managing the main non-financial risks, i.e. risks that are not limited to any particular division, and taking risk-related decisions in the event of an escalation. As part of information security risk management, the NFR Board furthermore examines, and revises as needed, the risk value, and establishes or recommends methods for handling risk and the escalation thereof.

The **Credit Risk Board**, chaired by the head of the Credit Risk Management Division, is the highest competence holder for credit matters below the Board of Management. The Board of Management of BayernLB has delegated operational credit decisions and votes on the lending business of BayernLB and the BayernLB Group to the Credit Risk Board. The Board also deals with sector portfolio, country and product reports and matters of principle relating to credit risk management. The Credit Risk Board comprises representatives of the front and back office units of BayernLB and DKB.

The **Product Board**, chaired by the Group Risk Control Division, is responsible for complying with MaRisk requirements for the launch of business activities in new products. It is mainly responsible for the approval of new products and regularly approving the valuation models used and changes to these models. The Product Board comprises senior management from the business areas and the main central areas.

As part of its responsibilities, the **Interest Rate Management Board** analyses the BayernLB Group's interest rate positioning in the banking book and issues recommendations for the Board of Management of BayernLB and DKB AG's board of management. The scope of this oversight encompasses the banking books of BayernLB, BayernLabo and DKB. It is also tasked with recommending parameters for managing interest rate risks in the banking book. The Interest Rate Management Board comprises the members with voting rights – the CEO of BayernLB, the CEO of DKB AG, the head of BayernLB's Group Treasury Division and the head of DKB AG's Treasury Division – and the head of BayernLabo's Treasury unit. Serving as advisory members of the Board are the head of BayernLB's Group Risk Control Division, the head of DKB's Risk Controlling unit and the head of BayernLB's Research units.

The duties of the organisation units in relation to risk management are discussed in further detail below.

EU OVA b) – Organisation

Besides segregating the functions of the Sales from those of the Risk Office units, and the Trading functions from those of the Settlement units, a business organisation must have adequate internal control procedures and mechanisms to manage and monitor key risks.

The Board of Management is chiefly supported in this task by the Risk Office, Financial Office and Operating Office as well as the Corporate Center.

Risk Office (EU CRA d))

BayernLB's Risk Office (RO) comprises the Group Risk Control, Credit Risk Management and Research divisions.

Group Risk Control independently identifies, evaluates, analyses, communicates, documents and monitors all risk types at an aggregated level. For the purposes of operational management of risk types and risk-bearing capacity, Group Risk Control provides the Board of Management and committees with independent and risk-appropriate reports. In addition, the Group Risk Control Division is also responsible for management non-financial risks (outsourcing risk, information security risk and business continuity management).

In addition to periodic and ad hoc reporting on BayernLB's risk situation to internal decision-makers, communication also includes external risk reports filed in accordance with legal and supervisory requirements. This includes reports on the performance of the indicators selected in accordance with the Minimum Requirements for the Design of Recovery Plans (MaSan) and the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz (SAG)).

Decisions regarding risk management are made in accordance with the Business Strategy and Group Risk Strategy, which are harmonised with each other. Credit risk management is a joint responsibility of the Sales units and Risk Office units, with segregation of duties being ensured at all times. In this management process, the Credit Risk Management Division is responsible for analysing, evaluating and managing risk and collateral in respect of the risk-relevant exposures in the core business (the Risk Office role). It takes the lead in setting the credit risk strategy for individual customers, sectors, countries and special products such as leasing, project finance and acquisition finance, is responsible for ongoing credit and transaction analysis and votes on behalf of the Risk Office in the credit approval process. The same applies to DKB. The Division also looks after the recovery and resolution exposures and is responsible for BayernLB's credit portfolio management.

The main responsibility of the Research Division is to monitor global economic and, insofar as they are relevant for the banking and financial markets, political trends, as well as financial market developments worldwide, particularly in Germany, the euro area and the US. The division prepares analyses and forecasts on all macro-economic topics, on real estate, on financial market trends (money, bond and equity markets) and on megatrends. It is also responsible for preparing analyses on the credit market, issuers, corporate bonds and Schuldschein note loans; for services in support of BayernLB's underwriting and placement business; and for preparing country risk and sector analyses.

Financial Office

Operational implementation of uniform Group-wide accounting standards is the responsibility of the Financial Office Central Area, which ensures that the accounts are properly prepared. It is also responsible for establishing the accounting process and ensuring its effectiveness.

Its key tasks include preparing the consolidated annual financial statements and the combined management report, establishing accounting policies, initiating accounting-related projects and providing guidance on national and international developments in accounting.

The Financial Office Central Area also implements the relevant accounting standards and legal requirements on accounting, which are detailed in the directives for preparing the accounts.

In addition, the Financial Office Central Area is responsible for supervisory reporting and the operational implementation of consistent rules across the Group as part of management controlling, and lays down standards for methods and procedures.

Operating Office

The Operating Office Central Area is responsible for BayernLB's operating processes and for supporting these in the Operations & Banking Services, Credit Services & Purchasing and Information Technology Divisions.

Besides processing payments, Operations & Banking Services deals with trading transactions, foreign notes and coins and physical precious metals, and facility management.

The Credit Services & Purchasing Division pools the credit-related tasks, frees up the Sales and Credit Analysis units to concentrate on their primary tasks, and, with its standardised, lean processes, makes a key contribution to boosting customer business and achieving the planned business growth. It is also responsible for central purchasing.

The Information Technology Division is responsible for exercising IT governance functions, providing IT services and strategically managing the IT units in all the foreign branches.

Corporate Center

The Group Compliance Division monitors the implementation and adherence to compliance-relevant legal and regulatory requirements. The Division is also responsible for managing compliance within the BayernLB Group. It does this by establishing uniform minimum standards.

The Sustainability Department supports the Board of Management in reviewing, setting and/or amending sustainability-centric business policies and advises the business areas, central areas and Group units on integrating sustainability aspects into their respective areas of responsibility.

The Audit Division audits BayernLB's business operations and reports directly to the CEO. In so doing, it takes a risk-oriented approach, auditing all activities and processes within BayernLB. These audits also extend to material processes and activities outsourced to third parties. As

Group internal auditor, the Audit Division also supplements the internal auditing units of the subordinate companies.

The Legal Services & BoM Support and Human Resources & Group Development divisions also report directly to the CEO.

Scope of application (article 436 CRR)

BayernLB is an institution under public law with a German banking licence and its registered office in Munich. This means that for supervisory purposes it is a parent bank that comes under the CRR.

Consolidation matrix

The table below shows, as required under article 436 b) CRR, the regulatory scope of consolidation as opposed to the scope of consolidation as reported in the IFRS consolidated financial statements. A complete list of shareholdings pursuant to section 285 sentence 1 no. 11 HGB in conjunction with section 313 para. 2 HGB is published in the electronic Federal Gazette as part of the annual report.

EU LI3 – Description of the differences between the scopes of consolidation

a	b	c	d	e	f	g	h
	Method of accounting consolidation	Method of regulatory consolidation					Description of the entity
Name of the entity		Fully consolidated	Proportional consolidation	Equity method	Deducted	Neither consolidated nor deducted	
BayernLB, Munich (parent company)	Fully consolidated	x					Credit institutions
Deutsche Kreditbank Aktiengesellschaft, Berlin[1]	Fully consolidated	x					Credit institutions
BayernInvest Kapitalverwaltungsgesellschaft mbH, Munich	Fully consolidated	x					Asset management company
Real I.S. AG Gesellschaft für Immobilien Assetmanagement, Munich[2]	Fully consolidated	x					Asset management company
DKB Immobilien GmbH	Fully consolidated					x	Other company
PROGES EINS GmbH	Fully consolidated					x	Ancillary services undertakings
DKB Nachhaltigkeitsfonds EUROPA AL, L-Luxemburg	Fully consolidated					x	Structured entity
DKB Nachhaltigkeitsfonds Klimaschutz AL, L-Luxemburg	Fully consolidated					x	Structured entity
DKB Nachhaltigkeitsfonds SDG AL, L-Luxemburg	Fully consolidated					x	Structured entity

1 Subsidiaries included in the Deutsche Kreditbank Aktiengesellschaft sub-group: DKB Finance GmbH, DKB Grund GmbH, DKB Service GmbH, FMP Forderungsmanagement Potsdam GmbH, MVC Unternehmensbeteiligungsgesellschaft mbH, Bayern Card Services GmbH

2 Including Real I.S. Investment GmbH

For purposes of calculating capital charges, the regulatory scope of consolidation is as defined under section 10a KWG in conjunction with article 18 et seq. CRR. BayernLB makes use of the "exemption clause" under article 19 CRR. As a result, certain companies are not included in the consolidation. None of the equity interests are currently proportionally consolidated. The carrying values from subsidiaries are not deducted from capital (article 436 letter d) CRR).

No restrictions or significant impediments exist preventing the transfer of funds or equity within the BayernLB Group. The exceptions permitted under article 7 CRR for institutions belonging to groups (in line with the waiver rule under article 436 letters f) and h) CRR) are not currently applied.

Within the balance-sheet scope of consolidation, the three structured entities – “DKB Nachhaltigkeitsfonds EUROPA AL”, “Klimaschutz AL” and “SDG AL” – all based in Luxembourg and majority-owned by Deutsche Kreditbank Aktiengesellschaft, Berlin (DKB), are incorporated in the DKB sub-group. Also incorporated here are the companies “DKB Immobilien GmbH” and “PROGES EINS GmbH”. Neither the funds nor these two companies can be consolidated under regulatory law as they do not operate in the financial sector. The DKB sustainability funds are managed by BayernInvest Luxembourg S.A.

The BayernLB Group's equity interests in banks

DKB, an integral part of the BayernLB Group, complements the business model. Its business activities are focused primarily on Germany, with certain activities in Austria, Switzerland and France. In retail banking, DKB operates as an online bank with a steadily growing customer base. Its chief products include account packages, construction financing, private loans and investment products. It is also a corporate banking specialist for corporate customers and infrastructure, serving in particular municipalities and customers in the fields of social infrastructure, energy and utilities, residential property and administration. The bank’s expertise encompasses not least financing and investment products in selected and, primarily, sustainable sectors in Germany: renewable energy, health, social care, education, agriculture and residential property.

DKB remains an integral part of BayernLB's planning process. Other than DKB, BayernLB does not have any major equity interests in banks.

EU LIA Differences in the basis of consolidation for accounting and regulatory purposes

In accordance with article 436 CRR in conjunction with Annexes V and VI, the differences between the consolidated balance sheet and the “prudential” balance sheet on a consolidated basis are disclosed below. The distribution of the amounts to the various risk types is also shown.

The disclosure is based on the annual financial statements of the BayernLB Group as at 31 December 2023 and pursuant to the International Financial Reporting Standards (IFRS). The figures under the commercial scope of consolidation are not supplemented by any effects brought on by the regulatory scope of consolidation. For regulatory purposes, however, the companies cited in table LI3 which are not to be consolidated under supervisory law were deconsolidated as at 31 December 2023.

EU LI1 – Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
			Carrying values of items				
EUR million	Carrying values as reported in published financial statements	Carrying values as reported of regulatory consolidati on	Subject to the credit risik framewor k	Subject to the CCR framework	Subject to the securitisati on framework	Subject to the market risk frame-work	Not subject to capital require-ments or subject to deduction from capital
Assets							
Cash reserves	1,858	1,858	1,858	–	–	693	–
Loans and advances to banks	69,312	69,309	68,231	919	–	1,023	156
Loans and advances to customers	171,069	171,069	168,424	333	1,517	9,647	–
Risk provisions	(1,262)	(1,262)	–	–	–	–	(1,262)
Portfolio hedge adjustment assets	(3,216)	(3,216)	–	–	–	–	(3,216)
Assets held for trading	12,261	12,261	166	9,654	7	11,696	124
Positive fair values from derivative financial instruments (hedge accounting)	168	168	–	168	–	26	–
Financial investments	18,065	17,921	17,854	1,056	–	3,192	68
Investment property	20	20	20	–	–	–	–
Property, plant and equipment	351	351	351	–	–	–	–
Intangible assets	266	266	–	–	–	–	266
Current tax assets	135	135	135	–	–	–	–
Deferred tax assets	705	705	626	–	–	–	79
Non-current assets or disposal groups classified as held for sale	32	32	32	–	–	–	–
Other assets	3,600	3,601	443	87	–	2,653	505
Total assets	**273,364**	**273,218**	**258,139**	**12,216**	**1,524**	**28,930**	**(3,281)**

	a	b	c	d	e	f	g
			Carrying values of items				
EUR million	Carrying values as reported in published financial statements	Carrying values as reported of regulatory console-dation	Subject to the credit risik frame-work	Subject to the CCR framework	Subject to the securitisati on framework	Subject to the market risk frame-work	Not subject to capital require-ments or subject to deduction from capital
Liabilities							
Liabilities to banks	51,925	51,925	–	1,770	–	1,411	48,744
Liabilities to customers	143,309	143,332	–	305	–	1,768	141,259
Securitised liabilities	50,195	50,195	–	–	–	3,217	46,978
Liabilities held for trading	8,156	8,156	1	7,453	9	7,710	131
Negative fair values from derivative financial instruments (hedge accounting)	202	202	–	202	–	39	–
Provisions	1,162	1,162	–	–	–	–	1,162
Current tax liabilities	203	199	–	–	–	–	199
Other liabilities	767	601	–	28	–	258	315
Subordinated capital	2,812	2,812	–	–	–	311	2,812
Equity	14,633	14,634	–	–	–	–	14,634
Total liabilities	**273,364**	**273,218**	**1**	**9,757**	**9**	**14,714**	**256,234**

The impact of the deconsolidation is of only secondary importance in the "prudential" balance sheet as it concerns mostly the balance sheet items Financial investments and Other liabilities.

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

Most of the liabilities are allocated to column g as they do not constitute items to be backed with own funds. An exception to this are items denominated in a foreign currency which are subject to the market risk regulations analogously to the liabilities held for trading. Liability items that are subject to counterparty credit risk pursuant to Part Three, Title II, Chapter 6 of the CRR are allocated to the CCR framework. Most of these items are derivatives transactions, consideration from securities financing transactions and collateral received for derivatives transactions. Contingent claims resulting from the underlying values of derivatives in trading assets and liabilities are shown in the credit risk framework. Because a balance sheet item can be allocated to multiple regulatory risk types, the total of the partial amounts allocated to the individual frameworks usually exceeds the corresponding balance sheet item. Such multiple allocation often applies for asset and liability items denominated in a foreign currency.

EU LI2 - Main causes of differences between regulatory exposure amounts and carrying amounts in the financial statements

		a	b	c	d	e
		Total	Items subject to			
EUR million			Credit risk framework	CCR Risk framework	Securitisation framework	Market risk framework
1	Assets carrying value amount under the scope of regulatory consolidation	276,499	258,139	12,216	1,524	28,930
2	Liabilities carrying value amount under the regulatory scope of consolidation	16,984	1	9,757	9	14,714
3	Total net amount under the regulatory scope of consolidation	259,515	258,138	2,458	1,515	14,216
4	Off-balance-sheet amounts	60,732	59,116	–	1,600	
5	Differences in the valuations	(35)	(35)	–	–	
6	Differences due to different netting rules, other than those already included in row 2	6,270	1	6,256	12	
7	Differences due to consideration of provisions	(72)	(66)	–	(5)	
8	Difference due to the use of credit risk mitigation techniques (CRMs)	(59)	(59)	–	–	
9	Differences due to credit conversion factors	(29,446)	(29,446)	–	–	
10	Differences due to Securitisation with risk transfer	(59)	–	–	(59)	
11	Other differences	3,408	739	90	–	
12	**Exposure amounts considered for regulatory purposes**	**300,255**	**288,388**	**8,804**	**3,063**	**2,497**

The regulatory amount shown for credit and securitisation risk is the exposure value after credit risk mitigation and credit conversion factors (CCFs), while for market risk it is the exposure value after risk mitigation due to netting for counterparty credit risk or the risk-weighted exposure value (RWAs). When calculating exposure values in accordance with article 111 CRR, specific credit risk adjustments are deducted. Balance sheet items that are not backed by own funds (table LI1 column g) are not included in table LI2. The main differences between the balance sheet figure under commercial law and the regulatory exposure value include the following:

- Off-balance sheet amounts: these are essentially commitments given, guarantee credits, sureties and guarantees issued and liquidity facilities for securitisations.
- Deviations in valuations: in accordance with Annex VI CRR, valuation allowances based on the requirements for prudent valuation are shown here.
- Deviations due to differing netting rules in addition to the items already adjusted in line 2: these are mainly the weighting of recognised netting agreements for securities financing transactions and derivatives transactions, potential future replacement values in accordance with article 274 CRR, and the treatment of exposures to a central counterparty.
- Deviations due to the recognition of provisions: these include the specific credit risk adjustments in the CRSA and for securitisations, as well as the difference in the valuation approaches of POCIs. The difference among the POCIs is due to the fact that the financial assets are already impaired when they are recognised in the balance sheet for the first time, while under supervisory law they are recognised at nominal value, and the difference is treated as a risk provision.
- Deviations due to the use of credit risk mitigation techniques: this line shows financial collateral in the CRSA. In the IRBA, on the other hand, this collateral is taken into account via the LGD and is not included in this line.
- Deviations due to credit conversion factors: these are the amounts after application of the relevant conversion factors in accordance with CRR to the exposure values of off-balance sheet risk positions.
- Differences due to securitisation with risk transfer: these the effects of the risk being transferred to third parties on the exposure value of securitisation exposures.
- Other differences: these include mainly regulatory market risk exposures (reported in column e) that constitute a balance sheet item. Deviations between commercial and regulatory law for commission transactions and receivables purchases are also shown here.

EU PV1 – Prudent valuation adjustments

BayernLB applies the core principle of Chapter 3 of Commission Delegated Regulation (EU) 2016/101 and carries out the additional valuation adjustments required under the prudent valuation. The information in table EU PV1, below, is therefore disclosed in accordance with article 436 letter e) CRR:

EU PV1 – Prudent valuation adjustments

		a	b	c	d	e	EU e1	EU e2	f	g	h
		Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification		
	Category level AVA	Equity	Interest rate	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA		of which: Total core approach in the trading book	of which: Total core approach in the banking book
1	Market risk uncertainty	–	11	–	33	1	–	–	22	7	15
2	Not applicable	–	–	–	–	–	–	–	–	–	–
3	Close-out cost	–	–	–	–	–	–	–	–	–	–
4	Concentrated positions	–	–	–	6	–	–	–	6	1	5
5	Early termination	–	–	–	–	–	–	–	–	–	–
6	Model risk	–	4	–	–	–	1	2	3	2	2
7	Operational risk	–	1	–	2	_	–	–	2	1	1
8	Not applicable	–	–	–	–	–	–	–	–	–	–
9	Not applicable	–	–	–	–	–	–	–	–	–	–
10	Future administrative costs	–	1	–	–	–	–	–	1	–	1
11	Not applicable	–	–	–	–	–	–	–	–	–	–
12	**Total Additional Valuation Adjustments (AVAs)**								**35**	**11**	**24**

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. BayernLB did not issue any Additional Tier 1 capital. 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. This includes establishing upper limits for credit risks, market risks, credit valuation adjustments (CVAs) and operational risks arising from the business activities in the planning period.

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.

With a CET1 ratio of 19.3 percent, the BayernLB Group has a high level of capital.

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 did not issue 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, defined-benefit pension fund assets, irrevocable payment obligations, deductions for non-performing loans (NPLs) and also certain adjustments (prudent valuation). 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.

The T2 instruments issued prior to 1 January 2014 cannot be assigned to T2 capital as they are not legally eligible for inclusion.

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 composure of the BayernLB Group’s Common Equity Tier 1 capital and Tier 2 capital pursuant to article 437 letters a), d), e) and f) 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 31 December 2023, the own funds of the BayernLB Group were as follows:

EU CC1 Composition of regulatory own funds

	EUR million	31.12.2023	reference	31.12.2022
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	3,888	e) plus f) plus h)	3,888
	of which: share capital including premium	3,276	e) plus h)	3,276
	of which: capital contribution	612	f)	612
2	Retained earnings	8,961	i) minus j) k)	8,107
3	Accumulated other comprehensive income (and other reserves)	855	g) minus h) plus m) l) j)	700
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**	**13,704**		**12,695**
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(35)		(41)
8	Intangible assets (net of related tax liability) (negative amount)	(266)	a)	(214)
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)	(79)		(47)
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	(7)		(6)
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	(147)		(125)
15	Defined-benefit pension fund assets (negative amount)	(283)	b)	(418)
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	–		–

EUR million		31.12.2023	reference	31.12.2022
	tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)			
26	Empty set in the EU	–		–
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)	(464)		(487)
28	**Total regulatory adjustments to Common Equity (CET1) Tier 1 capital**	**(1,280)**		**(1,338)**
29	**Common Equity Tier 1 (CET1) capital**	**12,424**		**11,357**
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	–		–
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**	**–**		**–**
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**	**-**		**-**
45	**Tier 1 capital (T1 = CET1 + AT1)**	**12,424**		**11,357**
Tier 2 capital: instruments				
46	Capital instruments and the related share premium accounts	2,674	c) minus d)	2,277
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	–		–
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	–		11
49	of which: instruments issued by subsidiaries subject to phase-out	–		–
50	Credit risk adjustments	76		324
51	**Tier 2 (T2) capital before regulatory adjustments**	**2,750**		**2,612**
Tier 2 (T2) capital: regulatory adjustments				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	(50)		(50)
53	Direct, indirect and synthetic goldings of the T2 instruments and subordinated loans of financial sector entities where those entities	–		–

EUR million		31.12.2023	reference	31.12.2022
	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**	**(50)**		**(50)**
58	**Tier 2 (T2) capital**	**2,700**		**2,562**
59	**Total capital (TC = T1 + T2)**	**15,124**		**13,919**
60	**Total risk exposure amount**	**64,532**		**65,311**
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	19.3%		17.4%
62	Tier 1 capital ratio	19.3%		17.4%
63	Total capital (as a percentage of total risk exposure amount)	23.4%		21.3%
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)	9.5%		8.7%
65	of which: capital conservation buffer requirement	2.5%		2.5%
66	of which: countercyclical buffer requirement	0.7%		0.1%
67	of which: systemic risk buffer requirement	0.2%		–
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 adress 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)	11.8%		9.9%
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)	122		247
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)	31		35
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)	680		700
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	24		29
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	76		429
79	Cap on inclusion of credit risk adjustments in T2 capital under the Internal Ratings-Based approach	326		324

Common Equity Tier 1 capital (CET1) rose by approx. EUR 1.1 billion in 2023 from 31 December 2022. The increase comes especially from the allocations to the retained earnings and the higher revaluation surplus due to interest rates.

Tier 2 capital (T2) increased by EUR 138 million compared with 31 December 2022. Subordinated capital totalling EUR 473 million was issued in 2023. This was mainly offset by lower net loss allowances.

With a CET1 ratio of 19.3 percent, the BayernLB Group had a high level of capital. The total capital ratio for the Group was 23.4 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, and DKB Immobilien GmbH and PROGES EINS GmbH. The share capital data in the table below, “EU CC2 Reconciliation of regulatory own funds to balance sheet in the audited financial statements”, is omitted 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 as in published financial statements	Under regulatory scope of consolidation	
Euro million		**31.12.2023**	**31.12.2023**	**Reference**
1	Cash reserves	1,858	1,858	
2	Loans and advances to banks	69,312	69,309	
3	Loans and advances to customers	171,069	171,069	
4	Risk provisions	(1,262)	(1,262)	
5	Portfolio hedge adjustment assets	(3,216)	(3,216)	
6	Assets held for trading	12,261	12,261	
7	Positive fair values from derivative financial instruments (hedge accounting)	168	168	
8	Financial investments	18,065	17,921	
9	Investment property	20	20	
10	Property, plant and equipment	351	351	
11	Intangible assets	266	266	a)
12	Current tax assets	135	135	
13	Deferred tax assets	705	705	
14	Non-current assets or disposal groups classified as held for sale	32	32	
15	Other assets	3,600	3,601	
16	of which: Assets of pension funds	*283*	*283*	b)
17	**Total assets**	**273,364**	**273,218**	

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

Liabilities Euro million		Balance sheet as in published financial statements 31.12.2023	Under regulatory scope of consolidation 31.12.2023	Reference
18	Liabilities to banks	51,925	51,925	
19	Liabilities to customers	143,309	143,332	
20	Securitised liabilities	50,195	50,195	
21	Liabilities held for trading	8,156	8,156	
22	Negative fair values from derivative financial instruments (hedge accounting)	202	202	
23	Provisions	1,162	1,162	
24	Current tax liabilities	203	199	
25	Latente Ertragsteuerverpflichtungen	–	–	
26	Other liabilities	767	601	
27	Subordinated capital	2,812	2,812	c)
28	*Aufsichtsrechtliche Anpassung*[1]	*138*	*138*	d)
29	Equity	14,633	14,634	
30	Subscribed capital	3,412	3,412	
31	of which: statutory nominal capital	2,800	2,800	e)
32	of which: capital contribution	612	612	f)
33	Capital surplus	2,182	2,182	g)
34	of which: premium on subscribed capital	476	476	h)
35	Retained earnings	8,792	8,793	i)
36	of which: revaluation surplus of defined benefit plans	(736)	(736)	j)
37	*Aufsichtsrechtliche Anpassung*[2]	*568*	*568*	*k)*
38	Revaluation surplus	(117)	(117)	l)
39	Foreign currency transaction reserve	2	2	m)
40	Consolidated profit/loss	350	350	
41	Profit/loss attributable to non-controlling interests	12	12	
42	**Total liabilities**	**273,364**	**273,218**	

1 regulatory adjustmentsfor amortisation (185 million), hedge accounting and pro rata interest.
2 restatet nominal within the IFRS Group Balance Sheet to the lower present value according to the German accounting standards

Table EU CCA – Main features of regulatory own funds instruments and liabilities instruments pursuant to article 437 letters b) and c) CRR is appended to this report as Annex 1.

Own funds requirements and risk-weighted exposure amounts (article 438 CRR)

EU OVC a) Approach to assessing the adequacy of internal capital

In accordance with article 438 a) and c) CRR, information on the ICAAP is disclosed below. Economic capital adequacy (risk-bearing capacity) is monitored by applying the Internal Capital Adequacy Assessment Process (ICAAP) at BayernLB, DKB and BayernLB Group levels, including the consolidated risk units of the above institutions. The aim of the ICAAP is to ensure that there is sufficient economic capital at all times to fully cover the risks assumed or planned.

The normative and economic perspectives are coordinated in keeping with the ECB's guidelines on internal bank processes for ensuring an adequate capital base and sufficient liquidity. The capital and the capital components are the starting point for the normative and economic perspectives. The available economic capital is derived from the regulatory capital, plus or minus certain capital components.

The risk assessment must be centred on the risks that could have a significant economic impact on the capital position. These are identified and reviewed as part of the risk inventory, which ensures that both the normative and economic perspectives of risks are uniformly and consistently monitored.

The Group Risk Strategy, in tandem with the Business Strategy, sets the risk appetite and the framework for risk planning. The Risk Strategy allows only a proportion of the economic capital to be allocated to risks in the course of business activities. The planning of economic risks for the risk-bearing capacity calculation and the planning of the economic capital are integral parts of the own funds planning described in the "Regulatory capital adequacy" section.

EU OVC b) Result of the institution’s own approach for assessing the adequacy of its internal capital

The following disclosures on the risk appetite and risk profile are also pursuant to article 435 para. 1 letter f) CRR.

As at 31 December 2023, the BayernLB Group had economic capital of around EUR 12.7 billion (FY 2022: EUR 11.6 billion). As at 31 December 2023, EUR 10.1 billion of the economic capital including allocation reserves was set as the maximum risk appetite (FY 2022: EUR 7.8 billion), of which EUR 8.0 billion (FY 2022: EUR 6.9 billion) was allocated to individual risk types as limits. The rise was the result of the temporary increase in market risk limits in response to the inflow of deposits at DKB in the second half of 2023.

Risk capital requirements at the BayernLB Group

EUR million	31.12.2023	31.12.2022
Credit risk	1,771	1,650
Market risk	1,782	1,833
Pension risk	278	140
Operational risk	480	438
Investment risk	106	121
Business and strategic risk (includes reputational risk)	93	108
Liquidity cost risk	25	26
Total	**4,535**	**4,316**

As at 31 December 2023 the BayernLB Group had a maximum risk appetite utilisation rate of 45 percent and an economic capital utilisation rate of 36 percent.

Table EU OV1, disclosed below as per article 438 letter d) CRR, shows the composition of the own funds requirements and also the RWAs and how they are broken down among the risk types that are relevant under regulatory law.

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

		a	b	c
		RWEA	RWEA	Total own funds requirements
EUR million		31.12.2023	30.9.2023	31.12.2023
1	**Credit risk (excluding CCR)**	**54,626**	**54,554**	**4,370**
2	df which: credit risk standard approach	1,691	1,642	135
3	of which the foundation IRB (FIRB) approach	45,806	46,071	3,664
4	of which slotting approach	–	–	–
EU 4a	of which equities under the simple riskweighted approach	1,847	1,778	148
5	of which the advanced IRB (AIRB) approach	4,845	4,585	388
6	**Counterparty credit risk - CCR**	**2,286**	**2,529**	**183**
7	of which: standardised approach SA-CCR	1,606	1,800	129
8	of which internal model method (IMM)	–	–	–
EU 8a	of which exposures to a CCP	72	219	6
EU 8b	of which credit valuation adjustment - CVA	197	244	16
9	of which other CCR	411	266	33
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**	**–**	**1**	**–**
16	**Securitisation exposures in the non-trading book (after the cap)**	**568**	**584**	**45**
17	Of which SEC-IRBA approach	119	120	9
18	of which SEC-ERBA (including IAA)	419	429	34
19	of which SEC-SA approach	30	35	2
EU 19a	of which 1250%/ deduction	–	–	–
20	**Market risk (Position, foreign exchange and commodities risks)**	**2,497**	**2,284**	**200**
21	of which the standardised approach	2,497	2,284	200
22	of which IMA	–	–	–
EU 22a	**Large exposures**	**–**	**–**	**–**
23	**Operational risk**	**4,555**	**4,555**	**364**
EU 23a	of which basic indicator approach	–	–	–
EU 23b	of which the standardised approach	4,555	4,555	364
EU 23c	of which advanced measurement approach	–	–	–
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)1**	**1,778**	**1,587**	**142**
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**	**64,532**	**64,507**	**5,163**

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 remained stable in the fourth quarter of 2023.

Tables EU CR10.1 to EU CR10.4 are not shown as the BayernLB Group does not have any exposures from specialised lending as defined in article 153 (5).

Table EU CR10.5 shows the on-balance sheet and off-balance sheet amounts for 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.

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

	a	b	c	d	e	f
Categories Euro million	**On-balance-sheet amount**	**Off-balance sheet amount**	**Risk weight**	**EAD**	**RWEA**	**Expected loss**
Private equity exposures	586	16	190%	602	1,144	5
Exchange-traded equity exposures	242	–	290%	242	702	2
Other equity exposures	–	–	370%	–	1	–
Total	**829**	**16**		**845**	**1,847**	**7**

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 and under article 438 letter f) CRR would have to be disclosed.

Table EU CR8 shows the changes in RWAs from 30 September 2023 to 31 December 2023 for the IRB credit risk pursuant to article 438 letter h) CRR. The table shows neither RWAs as per the standardised approach nor RWAs for other assets and equity investments.

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

EUR million		**RWEA**
1	**RWAs as at 30 Sep 2023**	**50,108**
2	Asset size (+/-)	(54)
3	Asset quality (+/-)	228
4	Model updates (+/-)	–
5	Methodology and policy (+/-)	–
6	Acquisitions and disposals (+/-)	–
7	Foreign exchange movements (+/-)	(135)
8	Others	–
9	**RWAs as at 31 Dec 2023**	**50,147**

Counterparty risk (article 439 CRR)

EU CCRA a) Capital allocation / Allocation of upper limits for loans to counterparties – article 439 letter a) CRR

Within the BayernLB Group, derivative instruments are mostly employed by BayernLB. Banks and corporate customers are the main counterparties in the derivatives business.

BayernLB does not allocate capital separately or limit default risks for counterparties with derivatives exposures. Both are done as part of the generally applicable limitation process for counterparty risk. Furthermore, large credit risks are subject to both regulatory and internal management methods.

The exposures to central counterparties are disclosed in table CCR8. Pursuant to article 302 CRR, they are monitored on an ongoing basis and reported to the management at least once a year and whenever a pre-defined threshold is exceeded.

For capital allocation to risk types and information on risk management of counterparty risks pursuant to article 439 letter c) CRR (EU CCRA d), see the section "Risk management objectives and policies (article 435 CRR)", under Risk management.

EU CCRA b) Risk-mitigating measures – article 439 letter b) CRR

In derivatives trading it is common practice to conclude master agreements for close-out netting purposes. Collateral agreements exist with certain business partners restricting the default risk to an agreed maximum and authorising a call for additional collateral should this limit be exceeded.

For the purpose of such agreements, the BayernLB Group has laid down, in its written organisational rules, clear instructions and responsibilities for the collateral management process that contain both technical and administrative rules for using collateral in trading transactions. The Bank acts as both protection buyer and protection seller. Recommendations and guidelines, for example on haircuts, are in place concerning the acceptance of collateral. BayernLB is striving to make the overall collateral management process as efficient as possible so as to preserve its own funds and liquidity resources.

Actual collateral needs are regularly determined using mark-to-market valuations. Collateral calls are normally met by cash. Current economic risk is thereby reduced to a contractually agreed threshold or a minimum transfer amount that has not yet been reached. All collateral accepted is systematically documented.

Guarantees do not play an economically relevant role in the trading business.

EU CCRA c) General rules for correlation risk – article 439 letter c) CRR

In accordance with article 439 letter c) CRR, information on the correlation risk is disclosed below.

Correlation between market risk and counterparty risk

Borrower risks are a subset of counterparty risk and therefore entered separately from market risk. The same applies to counterparty risk from derivatives transactions.

Given BayernLB's fields of activities, concentration and wrong-way risks lie mainly in securities repurchase transactions. In order to avoid undesirable collateral concentrations, BayernLB has put certain regulations into effect through its written organisational rules. The aim of the Group collateral provisions is to establish clear rules and standards throughout the BayernLB Group for accepting and handling securities and cash collateral that is to be used as security, i.e. as a component of a trading product. The regulations also apply for wrong-way and concentration risks. The Group collateral provisions regulate the collateralisation of OTC derivatives and securities repurchase transactions concluded with counterparties based on bilateral framework agreements.

In Group risk reporting, aggregation by risk type takes no account of the impact of diversification through correlations and is therefore conservative.

Identification of wrong-way risk based on high correlation

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

EU CCRA e) Collateral increases in the event of rating downgrades – article 439 letter d) CRR

A small number of OTC derivative transactions have been concluded that contractually require collateral to be provided or increased in the event that one of BayernLB's external ratings is downgraded. The amount of collateral to be provided in such an event would not affect BayernLB's risk-bearing capacity. Thanks to the current rating by Moody's, existing business still does not give rise to any requirement to provide additional collateral in the event of a downgrade by one notch.

Quantitative data

Various aspects of counterparty risk pursuant to article 439 letters e) to l) CRR are presented below. All tables are based on supervisory figures pursuant to COREP reporting.

Table EU CCR1 shows various aspects of counterparty 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
EUR million		**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**
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)	1,075	2,122		1.4	8,319	4,475	4,495	1,558
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)					5,699	2,147	2,147	460
5	VaR for SFTs					–	–	–	–
6	**Total**					**14,018**	**6,622**	**6,642**	**2,017**

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
EUR million		**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 3× multiplier)		–
4	Transactions subject to the Standardised method	1,265	197
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**	**1,265**	**197**

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

		a	b	c	d	e	f	g	h	i	j	k	l
	Exposure classes	**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	5	–	–	–	–	–	–	–	–	–	–	5
3	Public sector entities	–	–	–	–	–	–	–	–	–	–	–	–
4	Multilateral development banks	–	–	–	–	–	–	–	–	–	–	–	–
5	International organisations	–	–	–	–	–	–	–	–	–	–	–	–
6	Institutions	402	1,527	–	–	–	–	–	–	–	–	–	1,928
7	Corporates	–	580	–	–	–	–	–	–	228	–	–	808
8	Retail	–	–	–	–	–	–	–	–	–	–	–	–
9	Institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–	–	–	–
10	Other items	–	–	–	–	–	–	–	–	–	–	–	–
11	**Total**	**407**	**2,106**	**–**	**–**	**–**	**–**	**–**	**–**	**228**	**–**	**–**	**2,741**

Exposures to qualified central counterparties declined from 30 June 2023 by EUR 6.0 billion. This was due mainly to DKB’s first-time use of regulatory netting for derivatives transactions and the concomitant collateral pledging.

Table EU CCR4 shows the key parameters that are used to calculate own funds requirements for counterparty 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 EUR million	a	b	c	d	e	f	g
PD scale	Exposure value	Average pd (%)	Number of obligors	Average LGD (%)	average maturity (years)	RWEA	Risk weight (%)
Central governments and central banks							
0.00 to < 0.15	185	–	70	45	2	7	3.55
0.15 to < 0.25	–	–	–	–	–	–	–
0.25 to < 0.50	–	–	–	–	–	–	–
0.50 to < 0.75	–	–	–	–	–	–	–
0.75 to < 2.50	–	–	–	–	–	–	–
2.50 to < 10	–	–	–	–	–	–	–
10 to < 100	–	20.00	2	45	3	1	252.53
100 (Default)	–	–	–	–	–	–	–
Total	**185**	**0.03**	**73**	**45**	**2**	**7**	**3.86**
Institutions							
0.00 to < 0.15	1,803	0.06	90	45	2	386	21.42
0.15 to < 0.25	7	0.20	4	45	3	4	53.02
0.25 to < 0.50	2	0.31	3	45	3	1	58.07
0.50 to < 0.75	1	–	–	–	–	1	79.13
0.75 to < 2.50	2	1.61	3	45	3	3	111.13
2.50 to < 10	–	–	–	–	–	–	–
10 to < 100	2	20.00	8	45	3	4	252.53
100 (Default)	–	–	–	–	–	–	–
Total	**1,816**	**0.08**	**109**	**45**	**2**	**398**	**21.93**
Corporates - SMEs							
0.00 to < 0.15	2	0.07	11	45	3	–	16.52
0.15 to < 0.25	2	0.17	4	45	3	1	34.28
0.25 to < 0.50	4	0.35	22	45	3	2	48.42
0.50 to < 0.75	9	0.59	9	45	3	5	56.08
0.75 to < 2.50	35	1.95	14	45	3	33	96.36
2.50 to < 10	–	–	–	–	–	–	–
10 to < 100	–	–	–	–	–	–	–
100 (Default)	–	–	–	–	–	–	–
Total	**51**	**1.46**	**60**	**45**	**3**	**41**	**80.63**
Corporates - Specialised lending							
0.00 to < 0.15	79	0.08	165	45	3	19	24.18
0.15 to < 0.25	13	0.18	40	45	3	5	39.54
0.25 to < 0.50	107	0.38	110	45	3	54	50.61
0.50 to < 0.75	46	0.62	49	45	3	31	67.54
0.75 to < 2.50	31	1.10	48	45	3	27	88.13
2.50 to < 10	–	3.41	4	45	3	1	127.15
10 to < 100	–	–	–	–	–	–	–
100 (Default)	1	100.00	2	45	3	–	–
Total	**277**	**0.64**	**418**	**45**	**3**	**137**	**49.44**
Corporates - Others							
0.00 to < 0.15	3,013	0.09	164	45	2	726	24.10
0.15 to < 0.25	217	0.18	46	45	2	80	36.69
0.25 to < 0.50	210	0.35	78	45	3	131	62.53
0.50 to < 0.75	249	0.64	32	45	2	204	81.94
0.75 to < 2.50	19	1.43	20	45	3	21	108.82
2.50 to < 10	2	3.09	3	45	3	2	137.23
10 to < 100	23	20.00	138	45	3	57	252.59
100 (Default)	2	100.00	5	45	3	–	–
Total	**3,734**	**0.32**	**486**	**45**	**2**	**1,222**	**32.72**
Total	**6,063**	**0.26**	**1,146**	**45**	**2**	**1,805**	**29.77**

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 letter 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

		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	
EUR million		Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated	Segre-gated	Unsegre-gated
1	Cash – domestic currency	2,446	3,777	–	1,168	–	564	–	2,254
2	Cash – other currencies	–	288	–	316	–	26	–	1,125
3	Domestic sovereign debt	–	25	19	1	–	744	–	208
4	Other sovereign debt	–	14	607	64	–	2,011	–	1,476
5	Government agency debt	–	–	252	–	–	–	–	–
6	Corporate bonds	–	15	178	–	–	651	–	28
7	Equity securities	–	–	–	–	–	–	–	–
8	Other collateral	–	41	–	198	–	3,098	–	1,472
9	**Total**	**2,446**	**4,160**	**1,056**	**1,747**	**–**	**7,094**	**–**	**6,563**

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

		a	b
EUR million		Protection bought	Protection sold
Notionals			
1	Single-name credit default swaps	–	–
2	Index credit default swaps	230	–
3	Total return swaps	–	–
4	Credit options	–	–
5	Other credit derivatives	–	–
6	**Total notionals**	**230**	**–**
Fair values			
7	Positive fair value (asset)	–	–
8	Negative fair value (liability)	(3)	–

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

		a	b
EUR million		**Exposure value**	**RWEA**
1	**Exposures to QCCPs (total)**		**57**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,598	32
3	(i) OTC derivatives	1,191	24
4	(ii) Exchange-traded derivatives	7	–
5	(iii) SFTs	400	8
6	(iv) Netting sets where cross-product netting has been approved	–	–
7	Segregated initial margin	1,056	
8	Non-segregated initial margin	508	10
9	Prefunded default fund contributions	31	15
10	Unfunded default fund contributions	–	–
11	**Exposures to non-QCCPs (total)**		**15**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	25	7
13	(i) OTC derivatives	–	–
14	(ii) Exchange-traded derivatives	25	7
15	(iii) SFTs	–	–
16	(iv) Netting sets where cross-product netting has been approved	–	–
17	Segregated initial margin	–	
18	Non-segregated initial margin	30	8
19	Prefunded default fund contributions	–	–
20	Unfunded default fund contributions	–	–

Exposures to qualified central counterparties declined from 30 June 2023 by EUR 6.0 billion. This was due mainly to DKB's first-time use of regulatory netting for derivatives transactions and the concomitant collateral pledging.

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 and disclose the amount every half year. 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, pursuant to article 440 letter a) CRR, how the exposure amounts are distributed among various geographical regions, as well as the risk-weighted amounts for the credit exposures that are relevant when calculating the countercyclical capital buffer as based on Commission Delegated Regulation (EU) No 1152/2014 of 4 June 2014. Pursuant to article 140 para. 4 of Directive 2013/36/EU, relevant credit exposures are limited to certain specific exposure classes and certain positions held in the trading book. The country breakdown reflects the domicile of the particular borrower or counterparty.

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

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Trading book exposures		Securitisation exposure		Own funds requirements						
Breakdown by country **EUR million**	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 securisation exposure	**Total**	**Risk weighted exposure amount**	Own fund requirements weights (%)	Countercyclical buffer rate (%)
Australia	1	26	–	–	–	26	–	–	–	–	**2**	0.00	1.00
Bulgaria	–	1	–	–	–	1	–	–	–	–	–	0.00	2.00
Denmark	2	136	–	–	7	144	6	–	–	**6**	**80**	0.16	2.50
Germany	6,559	111,130	1,340	–	2,146	121,175	2,814	7	28	**2,849**	**35,611**	71.74	0.75
Estonia	–	–	–	–	–	–	–	–	–	–	–	0.00	1.50
France	115	5,281	–	–	45	5,440	142	–	–	**142**	**1,779**	3.58	0.50
United Kingdom exc. GG, JE, IM	602	3,355	–	–	397	4,354	91	–	7	**98**	**1,228**	2.47	2.00
Hong Kong	–	1	–	–	–	1	–	–	–	–	–	0.00	1.00
Ireland	74	796	–	–	–	870	36	–	–	36	449	0.91	1.00
Iceland	–	–	–	–	–	–	–	–	–	–	–	0.00	2.00
Croatia	–	–	–	–	–	–	–	–	–	–	–	0.00	1.00
Lithuania	–	79	–	–	–	79	–	–	–	–	4	0.01	1.00
Luxembourg	16	3,652	–	–	10	3,679	110	–	–	**110**	**1,371**	2.76	0.50
Netherlands	48	3,190	–	–	16	3,254	81	–	–	**82**	**1,019**	2.05	1.00
Norway	–	356	–	–	–	356	2	–	–	**2**	**27**	0.05	2.50
Romania	–	1	–	–	–	1	–	–	–	–	–	0.00	1.00
Sweden	1	366	–	–	–	367	13	–	–	**13**	**166**	0.33	2.00
Slovakia	–	2	–	–	–	2	–	–	–	–	1	0.00	1.50
Slovenia	–	–	–	–	–	–	–	–	–	–	–	0.00	0.50
Czech Republic	1	191	–	–	–	192	5	–	–	**5**	**68**	0.14	2.00
Cyprus	1	69	–	–	–	70	2	–	–	**2**	**20**	0.04	0.50
Other EU	64	8,142	–	–	215	8,421	265	–	2	**267**	**3,336**	6.72	–
Others	779	11,177	–	–	227	12,183	351	–	7	**358**	**4,479**	9.02	–
Total	**8,264**	**147,951**	**1,340**	**–**	**3,063**	**160,618**	**3,919**	**7**	**45**	**3,971**	**49,642**	**100**	

1 Great Britain without Guernsey (GG), Jersey (JE) and Isle of Man (IM)

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	31.12.2023
Total risk exposure amount	64,532
Institution-specific countercyclical buffer rate (in %)	0.66
Institution-specific countercyclical buffer requirement	428

The institution-specific countercyclical capital buffer rose from 0.64 percent as at 30 June 2023 to 0.66 percent as a result of marginal changes that took place in the second half year, which is attributable to higher countercyclival buffers in some countries such as the United Kingdom for example.

Credit risk (article 442 CRR)

This section discusses the structure and quality of the BayernLB Group's lending portfolio. How credit risk is managed is described in the section "Risk management objectives and policies (article 435 CRR)".

The following information is disclosed in accordance with article 442 letters a) and b) CRR.

EU CRB a) Scope and definitions of "past due" and "impaired" exposures

The definitions of past due and impaired are based on the CRR. "Past due exposures" are defined at BayernLB in accordance with article 178 CRR. "Impaired exposures" are analogous to the definition in article 47a CRR. Any differences between the definitions of "past due" and "default" for accounting and regulatory purposes in accordance with article 178 CRR do not exist in the BayernLB Group.

EU CRB b) Volume of exposures that are past due (more than 90 days) but not deemed impaired

Exposures that are past due are considered impaired at the BayernLB Group.

EU CRB d) Definition of restructured exposures

At the BayernLB Group, a crisis-related restructuring pursuant to article 178 CRR corresponds to a forborne exposure pursuant to article 47 b) CRR.

EU CRB c) Description of the methods used to determine credit risk adjustments

There are only specific credit risk adjustments in the BayernLB Group. Every credit risk adjustment is allocated to a customer. They correspond to the credit risk-related losses of a specific, individually definable exposure.

Risk provisioning

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

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

The following approaches are used to determine the loss allowances:

- general approach
- approach for purchased or originated credit-impaired financial assets
- simplified approach

General approach

Loss allowances are determined according to the general approach on the basis of the principle of a deterioration in creditworthiness. In essence, this is a relative credit risk model, according to which a significant increase in the default risk as at the reporting date compared with initial recognition requires higher risk provisions to be made. The loss allowances are broken down accordingly as follows:

- Loss allowances measured in the amount of the 12-month expected credit losses (Stage 1)
- Loss allowances measured in the amount of the lifetime expected credit losses for financial instruments for which the default risk has increased significantly since initial recognition but which are not credit-impaired financial assets (Stage 2)
- Loss allowances measured in the amount of the lifetime expected credit losses for financial instruments that were credit-impaired as at the reporting date, but not at the time of purchase or origination (Stage 3).

Determining a significant increase in the default risk

On initial recognition, the respective financial instrument is assigned to Stage 1. A significant increase in default risk in the BayernLB Group is determined on the basis of the change in the rating, which is calculated based on the Bank's credit risk processes. The rating takes account here of the creditworthiness-relevant information for both the next 12 months and the full remaining term of the financial instrument. As at the respective reporting date, the financial instrument's rating is compared with the rating expected for the current reporting date upon first-time recognition. If the (negative) deviation exceeds the statistically expected value of the change in default risk determined for the respective reporting date at the time of addition, the change in default risk is classified as significant (expected downgrade). The statistically expected change in default risk (rating significance thresholds) is calculated as a function of the current term of the financial instrument.

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

Similarly, environmental, social and governance risks (ESG risks) can be considered via the qualitative and quantitative factors stored in the rating systems. ESG risk drivers are also analysed using a separate tool called ESG Assessment for new lending and when monitoring existing lending business. If this provides additional indications of risk-increasing (ESG) issues, e.g. from climate and environmental risks, these can also be considered in the rating preparation process and in the assessment of a significant increase in credit risk.

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

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

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

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

- Payment arrears/overdraft > 90 days: 90-day payment arrears by the borrower in respect of a substantial amount of the contractually agreed payments
- Improbable repayment: significant doubt as to the creditworthiness of the borrower
- Retail banking: improbable repayment from a transfer
- Restructuring: inevitable, crisis-induced restructuring resulting in losses
- Loss allowance or a writedown: A loss allowance or a partial writedown due to a significant deterioration in credit quality
- (Full) writedown: direct writedown for rating reasons and utilisation of a loss allowance on irrecoverable receivables
- Sale of receivables: sale of receivables at a considerable, creditworthiness-related economic loss
- Insolvency: application for the insolvency of the borrower or comparable protective measures
- Termination/Maturity: termination of the credit agreement or settlement of a maturing loan due to creditworthiness.
- Default due to a transfer event

If at least one criterion is met, the credit analysts determine if there is an adverse effect on expected future cash flows by assessing the documents evidencing the credit quality of the respective financial instrument or business partner.

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

As soon as the default criterion is no longer met, the financial instrument is no longer recognised at Stage 3, taking into account a good conduct period. The minimum term for a good conduct period is based on the respective default criterion and is 366 days if the reason for default is a restructuring and 92 days in the case of all other default criteria.

Determining the loss allowance

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

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

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

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

In the case of Stage 3 financial instruments, the loss allowance is recognised as the difference between amortised cost and the present value of expected cash flows. When determining expected cash flows, various scenarios (i.e. at least two) normally need to be defined and weighted with the expected probability of occurrence. The expected cash flow is discounted using the effective interest rate at the time of first-time recognition or an approximation thereof.

For financial instruments still allocated to Stage 3 due to a regulatory recovery/good conduct period but for which individual case-based Stage 3 risk provisions are no longer being recognised, a parameter-based Stage 3 risk provision is calculated based on lifetime expected loss (minimum risk provisioning).

Utilisations/Writedowns

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

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

Procedure for purchased or originated credit-impaired financial assets

This method is used for purchased or originated credit-impaired financial assets (POCI). The BayernLB Group assumes that creditworthiness is impaired if the counterparty is assigned to a default category (non-performing). In these cases, the cumulative changes in the expected credit losses since initial recognition over the term must be recorded. To determine the expected credit losses, the risk-adjusted effective interest rate is used as the discount rate for calculating present value.

Simplified approach

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

Tables EU CR1, CR1-A, CR2, CQ1, CQ3, CQ4 and CQ5

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.

Disclosure of tables EU CR2-A, EU CQ2 and EU CQ6 is not required, as BayernLB's NPL ratio is far below 5 percent.

Disclosure of tables EU CQ7 and EU CQ8, “Collateral obtained by taking possession and execution processes”, is not required either, as BayernLB does not take possession of any collateral

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

EU CR1 (part 1 of 2) – Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions		
EUR million			of which Stage 1	of which Stage 2		of which Stage 2	of which Stage 3		of which Stage 1	of which Stage 2
005	**Cash balances at central banks and other demand deposits**	**48,015**	**47,174**	**841**	**–**	**–**	**–**	**–**	**–**	**–**
010	**Loans and advances**	**190,708**	**169,085**	**21,578**	**2,893**	**–**	**2,802**	**(484)**	**(176)**	**(308)**
020	Central banks	–	–	–	–	–	–	–	–	–
030	General governments	25,031	20,520	4,511	38	–	38	(6)	(1)	(5)
040	Credit institutions	22,405	21,200	1,205	13	–	13	(4)	(2)	(2)
050	Other financial corporations	11,728	9,953	1,775	115	–	115	(30)	(11)	(19)
060	Non-financial corporations	105,617	92,379	13,198	2,529	–	2,445	(303)	(132)	(172)
070	of which SMEs	26,837	25,909	912	298	–	290	(64)	(28)	(35)
080	Households	25,927	25,033	890	198	–	192	(141)	(30)	(111)
090	**Debt securities**	**18,019**	**12,051**	**5,562**	**–**	**–**	**–**	**(5)**	**(2)**	**(3)**
100	Central banks	–	–	–	–	–	–	–	–	–
110	General governments	9,828	7,525	2,228	–	–	–	(1)	(1)	–
120	Credit institutions	7,688	4,379	3,288	–	–	–	(4)	(1)	(3)
130	Other financial corporations	426	125	–	–	–	–	–	–	–
140	Non-financial corporations	77	22	47	–	–	–	–	–	–
220	**On-balance-sheet exposures**	**256,743**	**228,310**	**27,982**	**2,893**	**–**	**2,802**	**(490)**	**(178)**	**(311)**
150	**Off-balance-sheet exposures**	**60,636**	**46,184**	**9,750**	**273**	**–**	**148**	**60**	**22**	**36**
160	Central banks	–	–	–	–	–	–	–	–	–
170	General governments	3,616	3,218	395	–	–	–	5	1	4
180	Credit institutions	5,524	4,562	813	28	–	18	2	–	1
190	Other financial corporations	7,754	3,570	4,129	–	–	–	2	1	1
200	Non-financial corporations	32,044	23,284	4,265	243	–	128	44	16	25
210	Households	11,698	11,550	148	2	–	2	7	3	4

EU CR1 (continued; part 2 of 2) – Performing and non-performing exposures and related provisions

		j	k	l	m	n	o
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				Collateral and financial guarantees received	
		Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
EUR million			of which Stage 2	of which Stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
005	**Cash balances at central banks and other demand deposits**	**–**	**–**	**–**	**–**	**–**	**–**
010	**Loans and advances**	**(778)**	**–**	**(739)**	**(377)**	**73,287**	**895**
020	Central banks	–	–	–	–	–	–
030	General governments	(5)	–	(5)	–	689	–
040	Credit institutions	(12)	–	(12)	–	25	–
050	Other financial corporations	(11)	–	(11)	–	5,857	2
060	Non-financial corporations	(686)	–	(648)	(126)	51,762	846
070	of which SMEs	(99)	–	(97)	(15)	13,702	62
080	Households	(64)	–	(63)	(251)	14,954	48
090	**Debt securities**	**–**	**–**	**–**	**–**	**–**	**–**
100	Central banks	–	–	–	–	–	–
110	General governments	–	–	–	–	–	–
120	Credit institutions	–	–	–	–	–	–
130	Other financial corporations	–	–	–	–	–	–
140	Non-financial corporations	–	–	–	–	–	–
220	**On-balance-sheet exposures**	**(778)**	**–**	**(739)**	**(377)**	**73,287**	**895**
150	**Off-balance-sheet exposures**	**49**	**–**	**22**		**3,183**	**48**
160	Central banks	–	–	–	–	–	–
170	General governments	–	–	–	–	242	–
180	Credit institutions	–	–	–	–	25	27
190	Other financial corporations	–	–	–	–	238	–
200	Non-financial corporations	49	–	21	–	2,480	21
210	Households	–	–	–	–	199	–

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

EU CR1-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	12,463	22,626	62,851	93,238	1,161	192,340
2	Debt securities	1,687	2,294	8,795	4,937	301	18,014
3	**Total**	**14,151**	**24,920**	**71,646**	**98,175**	**1,463**	**210,354**

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

EU CR2 – Changes in the stock of non-performing loans and advances

EUR million		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**1,762**
020	Inflows to non-performing portfolios	1,940
030	Outflows from non-performing portfolios	(809)
040	Outflows due to write-offs	(8)
050	Outflow due to other situations	(801)
060	**Final stock of non-performing loans and advances**	**2,893**

The original portfolio of non-performing loans and advances refers to the gross carrying amount of the portfolio of non-performing loans and advances as at the end of the previous financial year, i.e. 31 December 2022. The final portfolio refers to the disclosure date, 31 December 2023.

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
EUR million				of which defaulted	of which impaired				
005	**Cash balances at central banks and other demand deposits**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
010	**Loans and advances**	**748**	**1,045**	**1,045**	**1,045**	**(16)**	**(394)**	**508**	**142**
020	Central banks	–	–	–	–	–	–	–	–
030	General governments	–	–	–	–	–	–	–	–
040	Credit institutions	–	–	–	–	–	–	–	–
050	Other financial corporations	6	19	19	19	–	–	1	–
060	Non-financial corporations	715	1,005	1,005	1,005	(14)	(387)	489	136
070	Households	27	22	22	22	(1)	(6)	18	7
080	**Debt securities**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
100	**Total**	**748**	**1,045**	**1,045**	**1,045**	**(16)**	**(394)**	**508**	**142**
090	Loan commitments given	75	46	46	46	3	20	4	–

Table EU CQ3, below, shows the credit quality of contractually serviced and non-performing exposures by days past due in accordance with article 442 letter d) CRR.

BayernLB does not distinguish between non-performing exposures and exposures that are deemed to be in default within the meaning of article 178 CRR.

EU CQ3 (part 1 of 2) – Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e
		Gross carrying amount/nominal amount				
		Performing exposures			Non-performing exposures	
EUR million			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total	Unlikely to pay that are not past due or are past due ≤ 90 days
005	**Cash balances at central banks and other demand deposits**	**48,015**	**48,015**	**–**	**–**	**–**
010	**Loans and advances**	**190,708**	**190,597**	**112**	**2,893**	**2,137**
020	Central banks	–	–	–	–	–
030	General governments	25,031	25,031	–	38	–
040	Credit institutions	22,405	22,405	–	13	–
050	Other financial corporations	11,728	11,728	–	115	99
060	Non-financial corporations	105,617	105,614	4	2,529	1,912
070	of which SMEs	26,837	26,837	–	298	258
080	Households	25,927	25,819	108	198	127
090	**Debt securities**	**18,019**	**18,019**	**–**	–	–
100	Central banks	–	–	–	–	–
110	General governments	9,828	9,828	–	–	–
120	Credit institutions	7,688	7,688	–	–	–
130	Other financial corporations	426	426	–	–	–
140	Non-financial corporations	77	77	–	–	–
220	**On-balance-sheet exposures**	**256,743**	**256,631**	**112**	**2,893**	**2,137**
150	**Off-balance-sheet exposures**	**60,636**	**–**	**–**	**273**	**–**
160	Central banks	–	–	–	–	–
170	General governments	3,616	–	–	–	–
180	Credit institutions	5,524	–	–	28	–
190	Other financial corporations	7,754	–	–	–	–
200	Non-financial corporations	32,044	–	–	243	–
210	Households	11,698	–	–	2	–

EU CQ3 (continued; part 2 of 2) – Credit quality of performing and non-performing exposures by past due days

		f	g	h	i	j	k	l
		Gross carrying amount/nominal amount						
		Non-performing exposures						
EUR million		Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	of which defaulted
005	**Cash balances at central banks and other demand deposits**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
010	**Loans and advances**	**317**	**176**	**92**	**141**	**20**	**10**	**2,893**
020	Central banks	–	–	–	–	–	–	–
030	General governments	–	–	24	14	–	–	38
040	Credit institutions	–	13	–	–	–	–	13
050	Other financial corporations	–	1	–	15	–	–	115
060	Non-financial corporations	295	142	56	104	19	2	2,529
070	of which SMEs	–	16	7	15	2	–	298
080	Households	23	19	12	8	1	8	198
090	**Debt securities**	**–**	**–**	**–**	**–**	**–**	**–**	–
100	Central banks	–	–	–	–	–	–	–
110	General governments	–	–	–	–	–	–	–
120	Credit institutions	–	–	–	–	–	–	–
130	Other financial corporations	–	–	–	–	–	–	–
140	Non-financial corporations	–	–	–	–	–	–	–
220	**On-balance-sheet exposures**	**317**	**176**	**92**	**141**	**20**	**10**	**2,893**
150	**Off-balance-sheet exposures**	**–**	**–**	**–**	**–**	**–**	**–**	**273**
160	Central banks	–	–	–	–	–	–	–
170	General governments	–	–	–	–	–	–	–
180	Credit institutions	–	–	–	–	–	–	28
190	Other financial corporations	–	–	–	–	–	–	–
200	Non-financial corporations	–	–	–	–	–	–	243
210	Households	–	–	–	–	–	–	2

As required under article 442 letters c) and e) CRR, table EU CQ4, below, shows the quality of the non-performing exposures, excluding demand deposits and balances with central banks, by country. For materiality reasons, only countries whose share exceeds 2% of the total exposures are listed. All other exposures are combined under “Other countries”. Exposures to supranational organisations are not allocated to the domicile of the institution but also to “Other countries”. Materiality is assessed in accordance with article 432 CRR.

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 subject to impairment			
EUR million		Total		of which defaulted				
010	**On-balance-sheet exposures**	**211,621**	**2,893**	**2,893**	**211,203**	**(1,267)**		**–**
020	Germany	171,569	1,562	1,562	171,235	(870)		–
040	United States of America	6,572	310	310	6,489	(109)		–
030	France	5,514	61	61	5,514	(30)		–
050	Luxembourg	3,769	50	50	3,769	(14)		–
070	Other countries[1]	24,197	910	910	24,197	(244)		–
080	**Off-balance-sheet exposures**	**60,910**	**273**	**273**			**109**	
090	Germany	47,959	219	219			82	
110	United States of America	2,816	7	7			1	
100	France	1,349	5	5			–	
120	Luxembourg	1,937	–	–			1	
140	Other countries[1]	6,849	43	43			25	
150	**Total**	**272,531**	**3,167**	**3,166**	**211,203**	**(1,267)**	**109**	**–**

1 The countries stated in the table account for more than 85 percent of total exposure (on and offf-balance sheet) of the BayernLB Group. The following countries are included in the "Other" rows: Austria, Belgium, Canada, Finland, Ireland, Italy, Netherland, Poland, Spain, Sweden, Switzerland, Turkey, United Kingdom. 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 loans and advances to non-financial corporations by material industry pursuant to article 442 letters c) and e) CRR.

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		
	EUR million			of which defaulted			
010	Agriculture, forestry and fishing	2,077	37	37	2,077	(11)	–
020	Mining and quarrying	247	–	–	247	(1)	–
030	Manufacturing	6,380	612	612	6,380	(299)	–
040	Electricity, gas, steam and air conditioning supply	22,243	213	213	22,243	(146)	–
050	Water supply	6,543	17	17	6,543	(6)	–
060	Construction	1,882	240	240	1,882	(85)	–
070	Wholesale and retail trade	1,638	27	27	1,638	(20)	–
080	Transport and storage	5,122	103	103	5,122	(29)	–
090	Accommodation and food service activities	856	5	5	856	(9)	–
100	Information and communication	1,229	3	3	1,229	(5)	–
110	Real estate activities	48,149	956	956	48,149	(211)	–
120	Financial and insurance activities	–	–	–	–	–	–
130	Professional, scientific and technical activities	1,792	5	5	1,792	(10)	–
140	Administrative and support service activities	4,752	294	294	4,752	(142)	–
150	Public administration and defense, compulsory social security	–	–	–	–	–	–
160	Education	355	0	0	355	(2)	–
170	Human health services and social work activities	2,795	14	14	2,795	(11)	–
180	Arts, entertainment and recreation	116	–	–	116	(1)	–
190	Other services	1,973	2	2	1,961	(2)	–
200	**Total**	**108,147**	**2,529**	**2,529**	**108,135**	**(989)**	**–**

Encumbered and unencumbered assets (article 443 CRR)

EU AE 4 a) Accompanying narrative information

The basis for the quantitative disclosure of encumbered and unencumbered assets is the quarterly asset encumbrance report for the BayernLB Group. The regulatory scope of consolidation applies in this report. It does not differ from the scope of consolidation applied for the liquidity requirements. The relevant accounting framework is adhered to when calculating the exposure values. For own assets and liabilities, these values are therefore carrying amounts. The exposure values for collateral received and utilised (as the case may be) are market values. For details on any mismatches between the collateral provision and the charge on this collateral, please refer to the descriptions of the main sources of encumbrance.

The median disclosed for each item is calculated independently of the other disclosed items. Once the quarterly values are sorted, the median itself is calculated as the average of the two middle quarterly values or as the median quarterly value. Under this approach, quarterly values of EUR 0 are disregarded.

EU AE 4 b Narrative information on the impact of the business model on the level of its encumbrance

EU AE 4 b) a to d Main sources and types of encumbrance, encumbrance structure, information on overcollateralisation and other information

Securities and loans pledged to central banks as collateral

BayernLB pledges securities and loans to the German Bundesbank and to the Federal Reserve Bank of New York as collateral so as to participate in liquidity facility programmes. This collateral is always to be considered as pledged, i.e. encumbered, only in the amount currently drawn. The haircut policy is based on the Bundesbank's general terms and conditions or the collateralisation agreement with the Federal Reserve Bank of New York, as the case may be.

In 2020 to 2023 BayernLB and DKB took part in a long-term tender issued by the ECB (TLTRO III), thereby converting part of its liquidity-generating potential into deposits with the Bundesbank. This led to a temporary increase both in encumbered collateral and in total assets as the liquidity was in the Bundesbank accounts.

Intra-Group transactions can be deposited as collateral only if they are Pfandbriefe (covered bonds).

The degree of overcollateralisation is determined by the central bank's haircut policy. No further overcollateralisation requirements apply.

In 2023 DKB participated in the ECB’s long-term tender (TLTRO III) and secured Bundesbank transactions with a peak amount of EUR 8.45 billion. This amount was repaid in full as at 31 December 2023.

Encumbrances in foreign currencies

In the key reporting currency USD, three significant sources of encumbrance exist for BayernLB. First, EUR 0.48 billion worth of USD deposits was secured by USD-denominated securities in the same amount as at the end of the year. Second, EUR 1.17 billion in USD-denominated securities holdings was not available for encumbrance as at the end of the year as a result of securities lending activities. The third significant source is the EUR 0.56 billion worth of USD-denominated securities pledged to the Office of the Comptroller of the Currency (OCC). There are no significant sources of encumbrance in USD at DKB.

Collateral pledged to development banks

Any asset which is assigned to a development bank as part of a granted loan refinancing is an encumbered asset. A distinction must be made between a global loan and an individual refinancing transaction (pass-through loan). The entire collateral pool, where one exists, is to be classified as encumbered as it may only be changed with the authorisation of the pledgee. It is derived from the financing and security contracts signed with the development banks. These contracts set out, among other terms and conditions, the mode of assignment, the types of security eligible and the necessary overcollaterisation.

There are currently no shared coverage mechanisms in place within the BayernLB Group.

BayernLB and DKB each served their customers through separate programmes run by the development banks. In keeping with its role as the central institution, BayernLB passed on some of the funds to the Bavarian savings banks customers via these banks.

The volume of overcollateralisation required by the development banks depends on the particular bank and programme.

As at the end of 2023, BayernLB had EUR 20.4 billion, and DKB EUR 15.6 billion, in outstanding subsidised loans.

Pfandbriefs (covered bonds)

BayernLB and DKB are regular issuers of Pfandbriefs and hold a register of cover each for mortgage-backed Pfandbriefs and for public Pfandbriefs. These covered bonds are issued from the two registers. It is always in compliance with the current version of the Pfandbrief Act.

There are currently no shared coverage mechanisms in place within the BayernLB Group. BayernLB and DKB each maintain a public cover register and a mortgage register. Their respective structuring can be viewed at any time in the transparency report published on the BayernLB website and in accordance with section 28 of the PfandBG (German Pfandbrief Act).

A portion of BayernLB's Pfandbriefs are currently held with DKB.

Overcollateralisation is based on the Pfandbrief Act and the requirements set out by the rating agency Moody's.

As at the end of 2023, there was an overcollateralisation of Pfandbriefs of EUR 12.8 billion in BayernLB’s cover registers and of EUR 9.7 billion in DKB’s cover registers. As at the end of the year, DKB had a total of EUR 6.7 billion, and BayernLB a total of EUR 21.8 billion, in outstanding Pfandbriefs subject to coverage.

Securities for collateral deposit accounts

BayernLB holds a securities deposit for certain brokers as collateral. These securities serve a purpose similar to that of an initial margin in a derivatives transaction. Standardised framework contracts have been drawn up which set out the specific terms and conditions of collateral.

In addition, securities have been set aside as a reserve for the guarantee fund (joint liability scheme) for the Landesbanks and savings banks. These instruments serve as collateral for any future necessary contributions to this fund. They are deemed, in the entirety of the amount set aside, as encumbered.

There are currently no shared coverage mechanisms in place within the BayernLB Group. Owing to its capital market presence, all securities deposits are held with BayernLB alone.

There are currently no shared coverage mechanisms in place within the BayernLB Group.

The degree of overcollateralisation is determined by the haircut laid down by contract.

Margins for derivatives, repo and securities lending transactions

In bilateral trading, that is, trading via central counterparties (CCPs), BayernLB deposits securities and cash with the CCP as protection should the sum market value of the instruments become negative for BayernLB. The EMIR regulation for bilateral transactions requires that initial margins (depending above all on the exposure) also be deposited with the CCP and for BayernLB. Standardised framework contracts have been drawn up which set out the specific terms and conditions of collateral.

There are currently no shared coverage mechanisms in place within the BayernLB Group.

DKB is an indirect clearing participant at EUREX and holds collateral there via a clearing broker. BayernLB conducts bilateral and cleared transactions and is a direct participant in both EUREX and LCH, and is also connected with other trading venues through clearing brokers. Collateral is therefore provided and called in accordingly under a collateral management process.

Overcollateralisation is common with CCPs as they require an intitial margin independent of risk.

Single-credit securitisations

Only BayernLB securitises loans within the BayernLB Group for the purpose of increasing the liquidity of the credit transactions at hand. The resulting instrument can then be easily transferred to investors or, when certain conditions are met, to the German Bundesbank. An appropriate template has been drawn up and is used for contracts of this type.

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

Overcollateralisation does not come into play in this process.

Repo transactions and reverse repo transactions

BayernLB conducts bilateral repos and reverse repo transactions with various counterparties. The Bank also engages in transactions with the two principal repo clearing houses, EUREX and LCH Repo. The terms and conditions of the security are laid down in standardised framework contracts.

With a few exceptions, this type of business is conducted exclusively by BayernLB. No transactions within the BayernLB Group of this type currently exist.

Overcollateralisation is relevant only in a few specific cases, e.g. for repos involving securities which cannot be pledged to a central bank. It is usually not required in bilateral repo transactions.

Securities lending and borrowing

BayernLB conducts securities lending and borrowing transactions with commercial banks and customers. In so doing, the Bank receives either an outright fee or a fee plus collateral (cash or securities). Standardised framework contracts have been drawn up which set out the specific terms and conditions of collateral.

No transactions within the BayernLB Group of this type currently exist.

With a few exceptions, this type of business is conducted exclusively by BayernLB.

Overcollateralisation is relevant only in a few specific cases, e.g. when securities are concerned which cannot be pledged to a central bank; such transactions require collateral in addition to the fee.

EU AE4 e) General description of the proportion of items included under "Carrying amount of unencumbered assets”

In addition to the securities that, as unencumbered assets, essentially serve liquidity management purposes, there is the significantly larger item “other assets”, which largely consist of loans to customers and are not related to subsidised loans or secured financing transactions.

EU AE 4 f) Retained securitisations and retained covered bonds

BayernLB and DKB had no retained Pfandbriefs as at the end of the year.

EU AE 4 (g) Narrative information relevant for explaining the impact of the institution's business model on the level of encumbrance

Given the multiple pillars of BayernLB’s strategy, a certain level of encumbrance on its assets is unavoidable. In particular the issued Pfandbriefs and the funds from development banks passed on to the customers and Bavarian savings banks result in restrictions from the outset. Pfandbriefs must be collateralised by way of the existing legal regulations; they are the main source of refinancing for mortgage transactions and business with sovereigns. The subsidies are only passed through to the customers, whose loans are then assigned to the development banks in return.

Success in both business areas in terms of financing volume thereby results in an apparent increasing encumbrance.

With funding from the ECB available at favourable conditions under TLTRO III, the year 2023 saw an additional encumbrance. However, the repayment in September counterbalanced that.

EU AE 1 and EU AE 2 Quantitative data

The quantitative disclosures on encumbered and unencumbered assets are regulated under article 443 CRR. The disclosed figures are the median values as at the quarterly reporting dates in the 2023 reporting year.

For the purposes of the reporting templates used for disclosing asset encumbrance, the definition of asset encumbrance set out in point 1.7 of Annex XVII to Commission Implementing Regulation (EU) No 680/2014 shall apply.

Table EU AE1, below, shows the encumbered and unencumbered assets, including the asset quality indicators, at their carrying amounts and fair values, broken down by the type of asset.

EU AE1 — Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
EUR million		**010**	**030**	**040**	**050**	**060**	**080**	**090**	**100**
010	**Assets of the reporting institution**	**104,052**	**7,362**			**175,318**	**37,615**		
030	Equity instruments	–	–	–	–	407	–	407	
040	Debt securities	7,703	7,362	6,534	6,193	12,321	10,542	12,867	10,884
050	of which: covered bonds	676	644	674	642	3,955	3,886	3,956	3,887
060	of which: securitisations	–	–	–	–	40	–	–	–
070	of which: issued by general governments	5,307	5,307	4,407	4,407	5,235	5,202	5,335	5,331
080	of which: issued by financial corporations	2,390	2,049	2,122	1,782	6,408	5,067	6,740	5,407
090	of which: issued by non-financial corporations	11	11	11	11	514	17	611	17
120	Other assets	96,527	–			162,581	27,395		

In addition to the securities that, as unencumbered assets, essentially serve liquidity management purposes, there is the significantly larger item “other assets”, which largely consist of balances held with central banks, loans to customers and the net present value of derivatives.

Table EU AE2 shows the collateral received that is not reported in the balance sheet of the recipient of the collateral in accordance with the accounting principles. The presentation of collateral received is broken down by asset type and divided into collateral that has actually been utilised and available collateral received.

EU AE2 – Collateral received and own debt securities issued

EUR million		Fair value of encumbered collateral received or own debt securities issued		Unencumbered – Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the reporting institution**	**2,228**	**1,973**	**4,031**	**1,455**
140	Loans on demand	–	–	–	–
150	Equity instruments	–	–	–	–
160	Debt securities	2,228	1,973	4,024	1,455
170	of which: covered bonds	339	207	532	197
180	of which: securitisations	–	–	–	–
190	of which: issued by general governments	1,651	1,651	1,038	891
200	of which: issued by financial corporations	565	382	2,005	562
210	of which: issued by non-financial corporations	53	–	639	2
220	Loans and advances other than loans on demand	–	–	–	–
230	Other collateral received	–	–	14	–
240	**Own debt securities issued other than own covered bonds or securitisations**	**–**	**–**	**159**	**–**
241	**Own covered bonds and asset-backed securities issued and not yet pledged**			**–**	**–**
250	**Total Assets, collateral received and own debt securities issued**	**106,516**	**9,358**		

Table EU AE3 shows the carrying amounts of the liabilities associated with encumbered assets and collateral received.

EU AE3 – Sources of encumbrance

EUR million		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	73,743	100,754

Essentially, the difference between the two values in line 010 of EU AE3 is due to the overcollateralisation in the Pfandbrief cover registers and the mere pro rata use of mortgage loans – up to a lending value of 60% – as well as to haircuts on commercial loans used as collateral at the central bank.

No additional criteria apply in determining whether or not an asset is encumbered.

Use of the standardised approach (article 444 CRR)

Only external assessments from rating agencies Moody's and Standard & Poor’s are used for calculating the own funds requirements under the standardised approach. The credit assessments are used for all exposure classes of the standardised approach which require that the risk weighting be measured depending on creditworthiness.

The creditworthiness of the issuer (issuer rating) is only taken into account if no specific assessment (issue rating) is available for an exposure. Should neither an issue rating nor an issuer rating be available, the exposure will be assigned a risk weighting for unrated positions.

The external rating is assigned to the CRR “credit quality steps” in accordance with the standard regulatory mapping scheme for the exposure classes specified in article 112 CRR.

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.

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	RWEA	Risk weight (%)
	EUR million	**a**	**b**	**c**	**d**	**e**	**f**
1	Central governments or central banks	–	–	350	28	–	–
2	Regional governments or local authorities	571	2	5,671	150	33	0.57
3	Public sector entities	453	49	238	3	48	19.88
4	Multilateral development banks	904	–	904	–	–	–
5	International organisations	1,232	–	1,232	–	–	–
6	Institutions	21,840	4,438	22,439	1,263	77	0.32
7	Corporates	3,194	481	879	105	910	92.43
8	Retail	3,452	4,266	640	5	444	68.88
9	Secured by mortgages on immovable property	50	–	50	–	18	36.58
10	Exposures in default	154	17	52	8	86	142.82
11	Exposures associated with particularly high risk	7	–	7	–	10	150.00
12	Covered bonds	241	–	241	–	24	10.00
13	Institutions and corporates with a short-term credit assessment	–	–	–	–	–	–
14	Collective investment undertakings	66	1	66	1	41	61.34
15	Equity	–	–	–	–	–	–
16	Other items	–	–	–	–	–	–
17	**Total**	**32,165**	**9,253**	**32,768**	**1,564**	**1,691**	**4.93**

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 classes	Risk weight (%)															Total	Of which unrated
		0	2	4	10	20	35	50	70	75	100	150	250	370	1250	O-thers		
	EUR million	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	378	–	–	–	–	–	–	–	–	–	–	–	–	–	–	378	–
2	Regional governments or local authorities	5,655	–	–	–	166	–	–	–	–	–	–	–	–	–	–	5,821	414
3	Public sector entities	1	–	–	–	240	–	–	–	–	–	–	–	–	–	–	241	105
4	Multilateral development banks	904	–	–	–	–	–	–	–	–	–	–	–	–	–	–	904	904
5	International organisations	1,232	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,232	1,232
6	Institutions	23,318	–	–	–	385	–	–	–	–	–	–	–	–	–	–	23,702	23,460
7	Corporates	–	–	–	–	15	–	8	–	–	961	–	–	–	–	–	984	976
8	Retail exposures	–	–	–	–	–	–	–	–	645	–	–	–	–	–	–	645	645
9	Secured by mortgages on immovable property	–	–	–	–	–	35	15	–	–	–	–	–	–	–	–	50	50
10	Exposures in default	–	–	–	–	–	–	–	–	–	9	51	–	–	–	–	60	60
11	Exposures associated with particularly high risk	–	–	–	–	–	–	–	–	–	–	7	–	–	–	–	7	7
12	Covered bonds	–	–	–	241	–	–	–	–	–	–	–	–	–	–	–	241	241
13	Institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Proportional consolidation	13	–	–	–	5	–	11	–	–	32	1	–	–	–	3	67	67
15	Equity exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
16	Other items	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
17	**Total**	**31,501**	**–**	**–**	**241**	**810**	**35**	**35**	**–**	**645**	**1,001**	**60**	**–**	**–**	**–**	**3**	**34,331**	**28,159**

Market risk (article 445 CRR)

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

The BayernLB Group does not use any internal models for market risk, so that disclosure in accordance with Article 455 CRR is not required.

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		RWEA
Outright products		
1	Interest rate risk (general and specific)	1,102
2	Equity risk (general and specific)	–
3	Foreign exchange risk	545
4	Commodities	678
Options		
5	Simplified approach	–
6	Delta-plus method	–
7	Scenario approach	172
8	Securitisation (specific risk)	–
9	**Total**	**2,497**

Operational risk (article 446 CRR)

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

As no Advanced Measurement approaches to operational risk are used at the BayernLB Group, disclosure pursuant to Article 454 CRR is not required.

In accordance with article 446 CRR, table EU OR1, below, shows the own funds requirements and the exposure amount for operational risk resulting from the application of the standardised approach. The table is based on supervisory figures pursuant to COREP reporting.

EU OR1 – Operational risk own funds requirements and risk-weighted exposure amounts

		a	b	c	d	e
Banking activities		**Relevant indicator**			**Capital requirements**	**RWEA**
EUR million		**Year-3**	**Year-2**	**Last year**		
1	Banking activities subject to basic indicator approach (BIA)	–	–	–	–	–
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	2,324	2,301	2,524	364	4,555
3	Subject to TSA:	2,324	2,301	2,524		
4	Subject to ASA:	–	–	–		
5	Banking activities subject to advanced measurement approaches AMA	–	–	–	–	–

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

EU IRRBBA a) Definition of IRRBB

Interest rate risks in the BayernLB Group banking book mainly arise as part of liquidity and asset/liability management, from investing own funds and from pension obligations. Interest rate risk in the banking book can be divided into general interest rate risk (present value); specific interest rate risk (present value), i.e. credit spread risk; and earnings-based interest rate risk. Earnings-based interest income risk involves adverse periodic effects on the income statement and balance sheet capital in the banking book. It comprises in turn net interest income risk and fair value risk. Interest rate risk includes gap, basis and option risk (e.g. arising from creditor or borrower termination rights and interest rate caps).

EU IRRBBA b) IRRBB management and mitigation strategies

The treasury units in the BayernLB Group are responsible for managing interest rate risk in the banking book; they take account of long-term strategic targets when placing undated funds and medium-term market expectations in their ongoing funding activities. Above all, they do not generate income by pursuing a rigid maturity transformation policy ("riding-the-yield-curve" approach).

The risk identification and monitoring processes for interest rate risk in the banking book are the responsibility of the risk controlling units. Limiting and management, in economic terms, are based on a value-at-risk (VaR) model based in turn on a historical time series. In addition to VaR, which is used to set limits and serves as the basis for verifying risk-bearing capacity and capital requirements, sensitivity figures – especially PVBP (price value of a basis point) – are also used for management and, in some cases, for limiting purposes. Interest rate risk is furthermore calculated and in part limited by means of various EVE (economic value of equity) stress tests.

In addition to the present value risk measurement methods described above, the potential adverse periodic effects on net interest income (i.e. net interest income risk) and on fair value measurement (i.e. fair value risk) are calculated under earnings-based interest rate risk using interest rate shock scenarios.

Interest rate risk in the banking book is dominated by risk exposure in EUR; interest rate risk exposure in other currencies is of secondary importance.

EU IRRBBA c) Frequency of risk measurement and description of the risk measures

EVE interest rate risk (VaR and sensitivities) is calculated at the BayernLB Group at least weekly independent of Trading; at BayernLB it is calculated daily. The historical simulation used for calculating VaR takes a period of at least one year and calculates the change in net present value at a 99 percent confidence level for a one-day holding period. This calculation is also used to calculate risk capital utilisation in terms of risk-bearing capacity. In addition to the VaR and sensitivity analyses, various other stress tests are conducted on a monthly basis.

EU IRRBBA d) Description of the interest rate stress scenarios

For interest rate risk in the banking book, the interest rate shock scenarios instituted by the supervisory authorities, which contain, in addition to parallel shifts, pivots in the yield curve, are calculated, monitored and limited monthly both in terms of economic value of equity and of net interest income. The EVE interest rate stress tests revolve around the supervisory ratio (still valid in 2023) between selected stress test results and own funds or Tier 1 capital:

- threshold for the +/-200 basis-point scenario: 20 percent of own funds,
- warning threshold for the additional interest rate scenarios (parallel scenarios, pivot scenarios or a short-term interest rate increase/decrease): 15 percent of Tier 1 capital.

Given the dominant effects from potential changes in fair value, a threshold of 15 percent of Tier 1 capital has been set at the BayernLB Group and BayernLB, analogously to the present value perspective, for the interest rate shock scenarios in the earnings perspective as well. For the sub-risk type net interest income risk, the internal absolute warning thresholds and limits continued to apply in 2023 as a result of delays in the planned notification of the regulatory outlier test. When pre-set warning thresholds are surpassed, the units and committees in charge will consider and confer on appropriate management measures, whereas surpassed limits or thresholds will trigger the implementation of countermeasures.

In addition to the interest rate shock scenarios specified by the supervisory authorities, other Group- or institution-specific scenarios are also calculated, taking into account both historical and hypothetical interest rate and credit spread changes.

EU IRRBBA e) Differences regarding modelling/parameterisation in the disclosure for template EU IRRBB1

Not relevant: there are no differences in modelling/parameterisation in the disclosure for template EU IRRB1.

EU IRRBBA f) Description of the risk hedging measures

At the Group's treasury units interest rate risks are essentially managed under an overarching portfolio or macro approach, the goal of which being to achieve a sufficiently positive P/L net profit (net interest income and gains on fair value measurement) amid performance aspects measured in terms of risk and net present value. The (hedging) instruments to be employed are not selected in isolation, from an interest rate risk perspective, but with the dependencies on other risk and earnings-relevant parameters, e.g. the earnings or liquidity requirements.

In general, interest rate mismatches can be hedged using interest rate derivatives. Hedge accounting under IFRS is applied to the furthest extent possible, along with the respective hedged items.

The building up of trust plan assets via a contractual trust arrangement (CTA) will reduce the impact of interest rate risks arising from BayernLB's pension obligations.

Securities positions outside the CTA plan assets are held in addition to the investment of own funds, primarily to manage liquidity risk in a cost-optimised way and without pursuing short-term profits; these are most often bonds of high quality and liquidity which are recognised at fair value in accordance with IFRS. General interest rate risks from the securities positions are reduced in part by means of hedges via interest rate derivatives.

EU IRRBBA g) Differences regarding modelling/parameterisation in the disclosure for template EU IRRBB1

For calculation purposes, all rate-sensitive positions in the banking book are included based on an interest rate gap analysis, individually or on an aggregated basis.

Deposits and overdrafts with indefinite principal and interest rate lock-in periods from non-institutional customers are modelled. The remaining deposits and overdrafts are presented with short fixed interest rates. Interest rate risks from termination rights and interest rate caps are covered by special option pricing models. In compliance with supervisory law, undated capital is not factored in.

To this extent, product modelling using VaR is indistinguishable from stress simulation and PVBP.

EU IRRBBA h) Significance of IRRBB measures and major deviations from previous disclosures

Interest rate risk in the banking book is a significant risk for the BayernLB Group because of its business model.

As at 31 December 2023, the calculated change in present value in the supervisory interest shock scenarios was below the (warning) thresholds both at the Group and at BayernLB. The main reason for the changes in the scenario results in the second half of 2023 in a strong inflow of deposits at DKB. In the two parallel scenarios in particular, the improved hedging effects of the trust/CTA plan assets against the pension obligations has an offsetting effect at BayernLB. Overall the potential losses in the Group are in the interest rate reduction scenarios.

The scenario results for net interest income at the end of 2023 are generally higher in absolute terms in both parallel scenarios than at the end of the first half of 2023 owing to the increase in the DKB deposit facility with short fixed interest rates. However, the 50 percent earnings weighting applied for the first time on 31 December 2023 (see point EU IRRBBA i) produces a lower positive scenario result in the parallel scenario than on 30 June 2023.
Internal, earnings-oriented monitoring of interest rate risk (see point EU IRRBBA d) revealed sporadic limit breaches from August 2023 onwards, which were due to changes in deposit levels at DKB, with regard to net interest income risk in the short-term interest rate reduction scenario at Group level.

EU IRRBBA i) Additional information regarding disclosure for template EU IRRBB1

The disclosures for changes of the net interest income are determined as net interest income risk under the constant balance sheet approach. The two underlying scenarios are identical to the supervisory parallel interest rate shocks to be used for the present value ratios.

In the cross-currency aggregation for the present-value and earnings-oriented interest rate shock scenarios, scenario profits/earnings are weighted at 50 percent, in line with the regulatory requirement. As at reporting date 31 December 2023 only the two major currencies were included, while as at reporting date 30 June 2023 other currencies were included.

EU IRRBBA (1), (2) Disclosure of the average and of the longest maturity for variable deposits

At DKB, the variable deposits of non-institutional customers are modelled over a maximum of 10 years, with the average maturity across all deposits being 3.5 years.

The remaining variable deposits in the Group are generally assumed to have a short-term maturity.

Table EU IRRBB1, below, shows the interest rate risks in the banking book in accordance with article 448 para. 1 CRR:

EU IRRBB1 Interest rate risks in the banking book

	Changes of the economic value of equity		Changes of the net interest income	
EUR million	**31.12.2023**	**30.06.2023**	**31.12.2023**	**30.06.2023**
Parallel up	248	155	285	423
Parallel down	(815)	(951)	(596)	(411)
Steepener	(36)	106		
Flattener	14	(255)		
Short rate up	112	(45)		
Short rate down	(279)	13		

Exposure to securitisation positions (article 449 CRR)

EU SECA a) Description of the securitisation and resecuritisation activities

Below is a description of BayernLB's securitisation activities as required under article 449 letter a) CRR. As a general rule, resecuritisations are not carried out.

As at 31 December 2023 the BayernLB Group had securitisation exposures, acting as originator, sponsor or investor, of EUR 3.06 billion (31 December 2022: EUR 3.29 billion) in total. This entire exposure amount was held by BayernLB. BayernLB assigns securitisations to the banking book.

The securitisation positions are divided among three sub-portfolios:

Originator function
- The exposure to securitisation positions where BayernLB acts as a originator is EUR 0.88 billion (31 December 2022: EUR 0.94 billion).
- The securitisation exposures are retained first-loss and senior tranches from a synthetic STS securitisation transaction based on company receivables.

Sponsor function
- The exposure to securitisation positions where BayernLB acts as a sponsor is EUR 1.70 billion (31 December 2022: EUR 1.82 billion).
- BayernLB sponsors this sub-portfolio via the ABCP programme Corelux S.A. As part of its asset-backed credit business, BayernLB provides liquidity facilities to refinance the purchase of receivables through the Corelux ABCP programme. The strategic goal of BayernLB here is to offer ABCP customer transactions to its corporate customers as funding. Market value hedging transactions are carried out on a minor scale (exposure value: EUR 9.70 million). No own receivables of BayernLB are included in the ABCP programme.
- All of these securitisation exposures have senior ranking with trade, leasing or retail receivables as underlying assets.

Investor function
- The exposure to securitisation positions where BayernLB acts as an investor is EUR 0.49 billion (31 December 2022: EUR 0.53 billion).
- These securitisation positions have senior ranking with trade, leasing or retail receivables as underlying assets.

The simple, transparent and standardised (STS for short) securitisation framework is used so as to leverage the capital requirements applicable to STS securitisations. As at 31 December 2023 the BayernLB Group had securitisations, acting as originator, sponsor or investor, totalling EUR 2.58 billion (31 December 2022: EUR 2.73 billion).

In the synthetic STS securitisation transaction in which BayernLB acts as originator, the significant risk transfer is achieved by hedging the mezzanine tranche using a credit-linked note with which the entire risk-weighted exposure amount of the mezzanine tranche is excluded (article 245 para. 2 (a) CRR). The first-loss and senior tranches are held by BayernLB. The risk retention requirement is fulfilled as at least 5 percent of the nominal value of each of the securitised exposures is retained as the originator's interest (article 6 para. 3 (b) of the Securitisation Regulation).

Synthetic securitisation transactions are an additional, established instrument commonly used in the market for capital and risk management purposes.

In both the functions sponsor and investor, BayernLB’s securitisation business is essentially conducted only in order to finance its corporate customers. No other investment objectives are pursued in this regard. As a customer financing product, it is integrated into the BayernLB Group's risk management system. See under EU OVA / EU CRA in the section “Risk management objectives and policies (article 435 CRR)”.

No resecuritisation positions were held in the reporting year.

EU SECA b) Types of risks arising for institutions from their securitisation activities

As a preface to article 449 letter b) CRR, it should be noted that, with the exception of one retained first-loss position in the originator function, all of BayernLB’s securitisation exposures have senior ranking. No distinction is made between STS and non-STS securitisations with regard to the types of risk that arise; however, when it comes to the structuring of the risks, all the criteria imposed by the Securitisation Regulation (Regulation (EU) 2017/2402) must be met in addition for STS exposures.

At the core of each and every securitisation transaction is counterparty risk, which essentially comprises the recoverability and performance of the underlying securitised receivables portfolio. In addition, there are structure-related risks and risks involving the potential influence of transaction participants on the transaction; above all, the seller of the receivable plays a critical role in terms of the commingling, dilution and transaction cost and servicing risks. When setting up a securitisation transaction, these risks are specifically identified and quantified where possible in order to address them appropriately, by means of credit enhancements, in accordance with the requirements set out in the risk management objectives and risk policy.

In addition to the risks at the individual securitisation transaction level, liquidity risks and operational risks may arise from the securitisation business. The Bank sponsors customer transactions by providing its ABCP programme with liquidity facilities which, when utilised, result in a cash outflow. These liquidity risks are fully integrated into BayernLB’s liquidity risk management. As with any type of transaction, securitisation activities can harbour operational risks that may arise from inadequate or failed internal processes, from people or systems, or from external events. Securitisation activities are also included in operational risk management. Any foreign currency risks arising in individual securitisation transactions are sufficiently hedged by refinancing the liquidity facilities provided in the same currency or by collateralising structural elements.

There is no difference in the types of risk arising from securitisation exposures relating to self or third-party initiated transactions. The liquidity facilities as securitisation exposures from the self-initiated transactions via the Corelux S.A. ABCP programme fully meet the regulatory retention requirements.

EU SECA c) and h) Approaches and designated rating agencies for calculating the risk-weighted exposure amounts

In accordance with article 449 letter c) CRR, the approaches used for calculating the risk-weighted exposure amounts are explained below. The rating agencies used for securitisations are furthermore disclosed in accordance with article 449 letter h) CRR.

As the originator securitisation positions are based solely on securitised exposures that fall within the scope of the IRB approach, their risk-weighted exposure amounts are calculated using the SEC-IRBA. For investor positions, the SEC-SA is applied for externally unrated securitisation positions, while the SEC-ERBA is used for externally rated securitisation positions. Only external credit ratings from Moody's and Standard & Poor's, the rating agencies designated by BayernLB, may be used. The internal assessment approach (IAA) is applied to securitisation exposures in connection with the BayernLB-sponsored ABCP programme Corelux S.A.

In connection with the synthetic STS securitisation transactions, the hedging of the mezzanine tranche by means of a credit-lined note is factored in the calculation of the risk-weighted exposure amounts. No additional credit risk mitigation techniques were used in 2023.

The following table shows the approaches used in order to calculate the risk-weighted exposure amounts, the STS or non-STS status and the type of receivables underlying the securitisation exposures, all as of the 31 December 2023 reporting date:

Securisation approach	STS- / Non-STS- securisation exposures	Receivables type
SEC-IRBA	STS	Corporates receivables
SEC-SA	STS	Leasing receivables
SEC-ERBA	Non-STS	Trade- and retail receivables
Internal assessment approach (IAA)	STS / Non-STS	Trade-, leasing- and retail receivables

EU SECA d) and e) Relevant securitisation special purpose entities and legal entities

The securitisation special purpose entities or legal entities that are relevant pursuant to article 449 letters d) and e) CRR are Corelux Purchaser No. 1 S.A. and Corelux S.A. for all securitisation positions in relation to the sponsor function under the Corelux S.A. ABCP programme initiated by BayernLB. BayernLB grants the required (fully supported) liquidity facilities for each securitisation transaction under this programme. BayernLB also hedges transaction-specific interest rate and currency differences using appropriate swaps.

In addition, there are five other securitisation special purpose entities in connection with the Corelux S.A. ABCP programme for which BayernLB provides fiduciary or administrative services. In the interest of maintaining banking secrecy and in line with article 432 para. 2 CRR, these are not disclosed.

EU SECA f) List of legal entities affiliated with the institutions that invest in securitisations

There are no legal entities affiliated with BayernLB that invest in securitisations pursuant to article 449 letter e) CRR.

EU SECA g) Summary of the accounting policies

For securitised financial instruments acquired by BayernLB, the general accounting policies described below in accordance with article 449 para. g CRR apply.

- Financial assets mandatorily measured at fair value through profit or loss:
  These are measured at fair value. The measurement gains or losses are booked to gains or losses on fair value measurement unless they are measurement gains or losses from equity instruments not held for trading and which are measured at fair value through profit or loss; in this case they are shown in gains or losses on financial investments. Gains or losses on fair value measurement also includes realised and current income. Current income from financial instruments not held for trading and derivatives in economic hedges is recognised in net interest income.
- Financial assets designated at fair value through profit or loss (fair value option):
  These are measured at fair value. Measurement gains or losses are recognised under gains or losses on fair value measurement. Current income is reported under net interest income.
- Financial assets measured at amortised cost:
  These are measured at amortised cost. Current income is recognised in net interest income. Realised gains or losses are reported in gains or losses on derecognised financial assets.
- Financial assets mandatorily measured at fair value through other comprehensive income:
  These instruments are measured at fair value. Measurement gains or losses are reported through other comprehensive income in the revaluation surplus. Current income is reported under net interest income. If financial assets from the “financial assets mandatorily measured at fair value through other comprehensive income” category are derecognised, the amounts booked in the revaluation surplus are reclassified to the income statement. These realised gains or losses are shown in gains or losses on financial investments or other income and expenses.
-

Liabilities from guarantees and indemnity agreements in particular are reported under contingent liabilities. Commitments (placement and underwriting commitments, overdraft/liquidity facilities) used for helping finance securitised receivables are reported under "other commitments" as irrevocable credit commitments. Provisions in the credit business are made for both single transactions and portfolios to meet contingent liabilities and “other commitments” where there is a risk of default.

EU SECA i) Internal Assessment Approach (IAA)

As required under article 449 para. i CRR, the application of the internal assessment approach is described below. The Internal Assessment Approach (IAA) is applied for receivables portfolios that are refinanced through the Corelux S.A. ABCP programme. IRBA suitability is confirmed for the internal rating procedures for the following types of receivables: trade receivables, auto/equipment loans and leases, CDOs and consumer finance.

These procedures are based on quantitative, mathematical-statistical models drawn from the methodologies used by the external rating agencies (Moody’s, Standard & Poor’s and Fitch), with these models already having played a key role in the transactions' structuring.

The quantitative models show mostly the counterparty risks in the receivables portfolio and the transaction-specific credit enhancements used for hedging. To ensure that the same assets are measured using the same methodology, a specific rating agency model has been defined for each asset class relevant for BayernLB. To measure and mitigate the risks, the stress factors used in the respective rating agency model are applied. The quantitative models produce rating scores that are then used in the IAA model.

Besides these rating scores and the rating scores of the main parties to the transactions – the originator, the most relevant third party, and the servicer – the IAA model also involves measuring quantitative risk factors which cannot be assessed in the quantitative models (e.g. commingling, dilution or transaction cost risks – here the rating agencies' stress factors and/or the Bank's own modelling components are used instead) and qualitative (i.e. non-quantifiable) risk factors. Qualitative risk covers origination risk, operational risk, servicing risk, and legal and regulatory risk.

If there are additional risk factors that the model does not take sufficient or any account of, the rating result can be adjusted if needed (overwritten).

In addition to determining the capital requirements, the output of the internal rating procedures is used for internal management and incorporated into all stages of the credit process as a basis for decision.

The internal rating procedures are evaluated for suitability each year by the independent validating unit, as part of the validation process. Qualitative and quantitative analyses are conducted in accordance with the internal validation strategy for IRB approach rating methods.

EU SEC 1, 3, 4 and 5 Disclosure of securitisations pursuant to CRR

Below are BayernLB’s securitisation exposures, broken down in accordance with article 449 CRR. BayernLB has no securitisation exposures in the trading book. The tables below therefore relate solely to the banking book.

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

Table EU-SEC1 below shows the exposure values of the securitisation and resecuritisation positions in the non-trading book, broken down by function – originator, sponsor or investor – pursuant to article 449 letter j) CRR. The disclosures are furthermore sub-divided in terms of traditional vs synthetic, STS vs non-STS and type of securitised receivable.

EU-SEC1 (part 1 of 2) – Securitisation exposures in the non-trading book

		a	b	c	d	e	f	g
		Institution acts as originator						
		Traditional securitisation				Synthetic securitisation		Sub-total
		STS		Non-STS			of which SRT	
EUR million			of which SRT		of which SRT			
1	**Total exposures**		**–**		**–**	**878**	**878**	**878**
2	Retail (total)		–		–	–	–	–
3	residential mortgage		–		–	–	–	–
4	credit card		–		–	–	–	–
5	other retail exposures		–		–	–	–	–
6	Resecuritisations		–		–	–	–	–
7	Wholesale (total)		–		–	878	878	878
8	loans to corporates		–		–	878	878	878
9	commercial mortgage		–		–	–	–	–
10	lease and receivables		–		–	–	–	–
11	other wholesale		–		–	–	–	–
12	Resecuritisations		–		–	–	–	–

EU-SEC1 (continued; part 2 of 2) – Securitisation exposures in the non-trading book

		h	i	j	k	l	m	n	o
		Institution acts as sponsor				Institution acts as investor			
		Traditional securitisation		Synthetic securiti-sation	Sub-total	Traditional securitisation		Synthetic securiti-sation	Sub-total
EUR million		STS	Non-STS			STS	Non-STS		
1	**Total exposures**	**1,402**	**297**	**–**	**1,699**	**300**	**185**	**–**	**485**
2	Retail (total)	112	22	–	135	–	13	–	13
3	residential mortgage	–	–	–	–	–	–	–	–
4	credit card	–	–	–	–	–	–	–	–
5	other retail exposures	112	22	–	135	–	13	–	13
6	Resecuritisations	–	–	–	–	–	–	–	–
7	Wholesale (total)	1,290	275	–	1,565	300	173	–	473
8	loans to corporates	–	–	–	–	–	–	–	–
9	commercial mortgage	–	–	–	–	–	–	–	–
10	lease and receivables	1,290	275	–	1,565	300	173	–	473
11	other wholesale	–	–	–	–	–	–	–	–
12	Resecuritisations	–	–	–	–	–	–	–	–

Table EU-SEC2 shows the securitisation exposures in the trading book pursuant to article 449 letter j) CRR. BayernLB does not hold any securitisation exposures in the trading book that are relevant for reporting purposes.

Table EU-SEC3 includes the securitisation and resecuritisation exposures in the non-trading book for which an institution acts as an originator or sponsor, broken down by traditional vs synthetic, STS vs non-STS and type of securitised receivables, pursuant to article 449 letter k) (i) CRR. The exposure values, 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-SEC3 (part 1 of 2) – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor

		a	b	c	d	e	f	g	h	i
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)			
EUR million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**1,767**	**808**	**–**	**–**	**2**	**878**	**1,699**	**–**	**–**
2	Traditional transactions	892	808	–	–	–	–	1,699	–	–
3	Securitisation	892	808	–	–	–	–	1,699	–	–
4	Retail	112	22	–	–	–	–	135	–	–
5	of which STS	112	–	–	–	–	–	112	–	–
6	Wholesale	779	786	–	–	–	–	1,565	–	–
7	of which STS	779	511	–	–	–	–	1,290	–	–
8	Resecuritisations	–	–	–	–	–	–	–	–	–
9	Synthetic transactions	875	–	–	–	2	878	–	–	–
10	Securitisation	875	–	–	–	2	878	–	–	–
11	Retail	–	–	–	–	–	–	–	–	–
12	Wholesale	875	–	–	–	2	878	–	–	–
13	Resecuritisations	–	–	–	–	–	–	–	–	–

EU-SEC3 (continued; part 2 of 2) – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as originator or as sponsor

		j	k	l	m	n	o	EU-p	EU-q
		RWEA (by regulatory approach)				Capital charge after cap			
EUR million		SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**119**	**361**	**–**	**–**	**9**	**29**	**–**	**–**
2	Traditional transactions	–	361	–	–	–	29	–	–
3	Securitisation	–	361	–	–	–	29	–	–
4	Retail	–	19	–	–	–	2	–	–
5	of which STS	–	12	–	–	–	1	–	–
6	Wholesale	–	342	–	–	–	27	–	–
7	of which STS	–	237	–	–	–	19	–	–
8	Resecuritisations	–	–	–	–	–	–	–	–
9	Synthetic transactions	119	–	–	–	9	–	–	–
10	Securitisation	119	–	–	–	9	–	–	–
11	Retail	–	–	–	–	–	–	–	–
12	Wholesale	119	–	–	–	9	–	–	–
13	Resecuritisations	–	–	–	–	–	–	–	–

Table EU-SEC4 includes the securitisation and resecuritisation exposures in the non-trading book which are investor exposures, broken down by traditional vs synthetic, STS vs non-STS and type of securitised receivables, pursuant to article 449 letter k) (ii) CRR. The exposure values, 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 (part 1 of 2) – 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
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)			
EUR million		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**300**	**173**	**13**	**–**	**–**	**–**	**185**	**300**	**–**
2	Traditional securitisation	300	173	13	–	–	–	185	300	–
3	Securitisation	300	173	13	–	–	–	185	300	–
4	Retail	–	–	13	–	–	–	13	–	–
5	of which STS	–	–	–	–	–	–	–	–	–
6	Wholesale	300	173	–	–	–	–	173	300	–
7	of which STS	300	–	–	–	–	–	–	300	–
8	Re-securitisation	–	–	–	–	–	–	–	–	–
9	Synthetic securitisation	–	–	–	–	–	–	–	–	–
10	Securitisation	–	–	–	–	–	–	–	–	–
11	Retail	–	–	–	–	–	–	–	–	–
12	Wholesale	–	–	–	–	–	–	–	–	–
13	Resecuritisations	–	–	–	–	–	–	–	–	–

EU-SEC4 (continued; part 2 of 2) – Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor

		j	k	l	m	n	o	p	q
		RWEA (by regulatory approach)				Capital charge after cap			
EUR million		SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (incl. IAA)	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**–**	**58**	**30**	**–**	**–**	**5**	**2**	**–**
2	Traditional securitisation	–	58	30	–	–	5	2	–
3	Securitisation	–	58	30	–	–	5	2	–
4	Retail	–	8	–	–	–	1	–	–
5	of which STS	–	–	–	–	–	–	–	–
6	Wholesale	–	50	30	–	–	4	2	–
7	of which STS	–	–	30	–	–	–	2	–
8	Re-securitisation	–	–	–	–	–	–	–	–
9	Synthetic securitisation	–	–	–	–	–	–	–	–
10	Securitisation	–	–	–	–	–	–	–	–
11	Retail	–	–	–	–	–	–	–	–
12	Wholesale	–	–	–	–	–	–	–	–
13	Resecuritisations	–	–	–	–	–	–	–	–

Table EU-SEC5 includes the total outstanding nominal amount of the securitised exposures for which the institution acts as originator or sponsor, broken down 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
EUR million			of which exposures in default	
1	**Total exposures**	**2,755**	**3**	**–**
2	Retail (total)	151	–	–
3	residential mortgage	–	–	–
4	credit card	–	–	–
5	other retail exposures	151	–	–
6	Resecuritisations	–	–	–
7	Wholesale (total)	2,604	3	–
8	loans to corporates	941	1	–
9	commercial mortgage	–	–	–
10	lease and receivables	1,663	1	–
11	other wholesale	–	–	–
12	Resecuritisations	–	–	–

Environmental, social and governance risks (article 449a CRR)

This section describes how the BayernLB Group implements the supervisory disclosure requirements set out in article 449a of the CRR.

In keeping with the Implementing Technical Standards (ITS) issued by the European Commission on 30 November 2022 (Commission Implementing Regulation (EU) 2022/2453), the following qualitative and quantitative information relating to environmental, social and governance risks are hereby disclosed. The qualitative information on environmental risk (table 1) and social risk (table 2) is bundled together, while that on governance risk (table 3) is largely considered separately. Required lines (a) to (r) come directly from the official ITS tables.

Business strategy and processes

Integration of environmental and social risks in the business and risk strategy (article 449 CRR, table 1, line (a) and table 2, line (a))

In the section "Risk management objectives and policies (article 435 CRR)" of the disclosure report as at 31 December 2023, the sub-section titled "Business strategy – article 435 para. 1 CRR" discusses the BayernLB Group's overall business strategy. Environmental and social factors and risks specifically are addressed as follows:

The Group's Sustainability Strategy and the BayernLB Group's sustainability guidelines are key building blocks for a standard sustainability governance. These guidelines specify the principles behind the BayernLB Group's sustainability and reputational risk strategy and is an expression of the basic ethical understanding and sustainability-focused business model. The focus here is on economic, social and environmental development, alignment with the principles of sustainability in all business processes at BayernLB and compliance with regulatory requirements. The sustainability guidelines have been issued in accordance with the uniform Group management requirements, which govern the collaboration between the sustainability units in the institutions within the Group and forms part of the Group-wide internal control system. They define each of the three domains – the environment, society and governance – separately and lay down rules for the latter based on BaFin's Guiding Notice on Dealing with Sustainability Risks.

BayernLB's Sustainability Strategy, which is publicly accessible, is part of the strategic framework and therefore closely entwined with the business and functional strategies. It is of particular importance for the overall strategic governance and at the same time takes into account the regulatory requirements for the business model. It lays down BayernLB's responsibility in terms of social well-being and the environment. With pertinent rules derived from the Sustainability Strategy integrated into the financial and capital market products, the corresponding risks and opportunities can be considered holistically. Key strategic subsidiaries have publically available sustainability strategies of their own.

Taking the same view as the banking supervisory authorities (BaFin Guidance Notice), the BayernLB Group treats sustainability risk not as an isolated risk type but instead as an environmental, social and governance – ESG – risk driver which harbours the potential of negatively impacting the Bank's assets, financial situation and earnings, as well as its reputation. In the management of climate and environmental risks, a distinction has been established between physical and transitory risks. As stated in the ECB Guide on climate-related and environmental risks published in 2020 (the ECB Guide), damages (physical aspect) and their social, economic and political repercussions (transitory aspect) caused by climate change and environmental degradation can significantly impact the real economy and the financial system.

During the BayernLB Group's regular risk inventory, factors influencing physical and transitory climate and environmental risks, along with their impact chains and influences on various sub-portfolios, are therefore observed in a differentiated manner. Overall, transmission channels are identified across the main risk types for physical and transitory risks and evaluated with the respective risk units (second line). The information obtained through these measures, along with that gained from the ESG assessment, or ESGA (see below), was then used in making successive improvements to the internal (risk) management, strategy, risk reporting, planning and internal scenario analyses and stress tests.

In order to keep track of and evaluate sustainability risks and opportunities, BayernLB has installed an ESG assessment tool (see below for more details) that it adapts on an ongoing basis in order to meet the growing assessment and reporting requirements that apply for the related data. The tool is also used to derive additional information that is useful for managing and adjusting the portfolio in keeping with a sustainable capital market business model. The key drivers affecting the relevant sectors, branches, products and countries are analysed in order to bring more transparency in the sub-portfolio strategies in terms of the climate and environmental risks. The information gained by this means is then incorporated into the sector/branch portfolio reports and evaluated. As one way of managing credit risk pro-actively, the terms and conditions set for new individual transactions, shown in the sector/branch portfolio reports, are revised where necessary.

ESG risk management is continuously improved by further enhancing the methods, procedures, support tools and processes mentioned, ascertaining the requisite data of sound quality and by steadily building up ESG know-how along the entire value chain and along the three lines of defence.

Objectives, targets and limits for the assessment and management of environmental and social risks (article 449 CRR, table 1, line (b) and table 2, line (b))

At the BayernLB Group, strategic sustainability goals vary depending on the business model, with different management processes in place as well.

To operationalise its Sustainability and Environmental Policy and its Sustainability Strategy, BayernLB has implemented a Sustainability Programme published in its Sustainability Report according to the GRI that entails goals and measures for each relevant issue. It is a key tool for making further improvements to the Bank's sustainability performance.

The chief environment-related goals that BayernLB pursues are a climate-neutral portfolio and a closer alignment with the Taxonomy Regulation and the German Climate Change Act:

- To reduce greenhouse gas emissions attributable to BayernLB's business activities in accordance with the Paris Agreement, the Bank introduced a process to determine financed emissions. It is using this as a basis to develop a decarbonisation pathway and strategy for key sectors.
- In addition, BayernLB is working on significantly increasing its taxonomy-aligned business and is using the ESG impact module of the ESG assessment as an analysis tool for this purpose. The Bank also uses a special tool developed by an external provider to verify and check taxonomy alignment. In addition, BayernLB publishes all information required under article 8 of the EU Taxonomy Regulation in its non-financial report.
- Financing and bank investments that go beyond 2040 comply with the CO_2 emissions volumes laid down in the Climate Protection Act. To this end, the existing product range is being refined to include selected sustainable products and services with an ESG component.

In addition, the main strategic goals in the Sustainability Strategy were defined by the Corporates & Markets and Real Estate & Savings Banks/Financial Institutions Sales units for a sustainability portfolio restructuring up until 2024.

In respect of environmental, social and governance aspects in its own operations, BayernLB has also formulated several objectives within its Sustainability Programme, including increasing the ratio of women in management positions to 30 percent, appointing a female member of the Board of Management and implementing an HR diversity strategy. CO_2 emissions caused by the Bank's own business operations are to be gradually reduced by around 70 percent by the year 2040.

The Sustainability Report, which is published annually, contains detailed disclosures of objectives, requirements, thresholds and current status.

Investment activities and targets towards environmental objectives and EU taxonomy-aligned activities (article 449a CRR table 1 line (c))

The BayernLB Group seizes opportunities for actively promoting environmentally responsible developments such as the climate-friendly restructuring of the energy supply or social projects by means of suitable products and services, thereby opening up business potential.

A sustainable banking business and the corresponding financial solutions at BayernLB cover the following areas:

- Financing companies and projects to address societal challenges such as climate change and the energy transition; Besides earmarked financing (green loans, green Schuldschein note loans, etc.) in the areas of project finance, asset finance and real estate, this also includes corporate financing where the conditions are linked to the achievement of sustainability objectives agreed with the customer (ESG-linked products).
- Offering sustainable investment products for retail and institutional investors. These include green and social bonds in all issue classes. These are reported on separately in accordance with the Green & Social Bond Principles. The product range is being expanded, based also on corresponding Bond Frameworks.

- Complying with environmental, social and ethical standards in financing and capital market transactions. BayernLB has published its extensive guidelines in its Guiding Principles for Transformation. To take account of changed geopolitical and energy industry conditions, the guidelines were updated in March 2023. DKB has also set out its approach in detail in its Investment and Financing Principles.

In addition, the BayernLB Group also applies the disclosure requirements under article 8 of the EU Taxonomy Regulation in its separate combined non-financial report.

Looking to its current and future business activities, which are being structured for a sustainable economy and made aligned with EU taxonomy, the BayernLB Group is continuing to build on its understanding of the ESG impact and ESG risks and is actively managing its corresponding portfolio, taking account of these perspectives and based on the ESG assessment (mentioned above and explained in more detail below).

Policies and procedures for involving counterparties in handling their environmental and social risks (article 449a table 1 line d and table 2 line c)

BayernLB and its Group companies regularly exchange information on environmental and social risks and opportunities, relevant sustainability criteria and key management indicators both within the relevant associations and organisations and with individual customers and business partners and report on this in their sustainability reporting, which is made public. When selecting the main areas for action and drafting ambitious standards, the Bank takes the relevant stakeholders groups' requirements into account. Where requirements conflict, the BayernLB Group seeks to achieve a fair balance of interests. National and international agendas like the United Nations Sustainable Development Goals (SDGs) provide guidance during this process.

For example, in cooperation with political decision makers, sector leaders, customers, NGOs and other stakeholders, the BayernLB Group promotes the transition to a sustainable and low-emission economy and supports changes in behaviour to achieve this. The BayernLB Group helps its customers to adapt to these changes actively and early on, also with a view to managing environmental risks and socially harmful activities.

BayernLB's ESG Advisory Team provides intensive support to customers on their transformation journey. In accordance with pertinent regulatory requirements, appropriate forms of financing are offered to customers in order to help make their business models more sustainability-oriented. Based on a company analysis and a peer comparison, the first step is to determine where the customer is "coming from". This is followed by the development of a sustainability strategy or the establishment of corresponding frameworks. When structuring ESG-linked loans, the ESG Advisory Team then advises clients on both the selection and definition of key performance indicators (KPIs) and sustainability performance targets (SPTs), as well as on the use of ESG ratings or ESG scores. For earmarked financing, the structuring is examined as to whether a green loan or social loan is at play. This includes assuming the ESG coordinator role, if applicable. In each case, BayernLB is guided by, among other things, its own Sustainable Lending Framework, the corresponding principles of the Loan Market Association (LMA) and International Capital Market Association (ICMA), and the EU taxonomy.

The ESG risk module of the ESG assessment supports Sales and Risk Office units in their detailed assessment of ESG risks at business partner level. The first step here is to analyse the exposure of the customer to certain risks. The assessment is carried out with the help of guiding questions on environmental and climate risks based on the ECB/BaFin's understanding of risk, for example. As part of the ESG risk module, a distinction is made between three categories that can have an impact on a customer's default risk, creditworthiness and ability to service their debts:

- Environmental and climate risks, which in turn are broken down further into physical and transitory risks
- Social risks arising from a disregard for employees or suppliers, as perceived in particular by stakeholders, e.g. violations of human and labour rights
- Governance risks arising from deficiencies in a company's structures, policies or processes relating to management functions and their monitoring; these include, for example, corruption and bribery, antitrust violations and balance sheet manipulation.

The answers to these questions provide the basis for assessing the customer's ESG risk management and for mitigating measures and their effectiveness.

The BayernLB Group also expects its suppliers and service providers to comply with minimum social and environmental standards. The Sustainability Agreement for this was brought in line with the Supply Chain Act (LkSG) in 2023.

Governance

Responsibilities of the management body for the management of environmental and social risks (article 449a CRR table 1 line (e) and table 2 line (d) (i-iv))

The BayernLB Group's Code of Conduct, which not only employees and managers but also Board of Management and Supervisory Board members are committed to, describes an effective control system as a key component of the (risk) management system. "The Board of Management is responsible for installing, and the managers for organising, a functioning internal control system for their areas of responsibility that is based on the three lines of defence principle." The risk culture plays an important role here: "Our risk culture promotes the identification and targeted handling of risk, with decision-making processes that achieve balanced outcomes not least from a risk point of view. For us, a healthy risk culture entails an open and cooperative management concept and a strong risk awareness in our day-to-day thinking and action that encourages critical dialogue, and financial incentives that are in line with risk appetite."

The general committee structure and the corresponding management bodies are described in the section "Risk management objectives and policies (article 435 CRR)" of the disclosure report as at 31 December 2023 (under "EU OVB Structure and organisation"). They are involved as follows in the oversight and management of environmental (including physical, transitory and liability risks) and social risks (including the Bank's customers' handling of human rights, employee concerns, customer protection, product responsibility and corporate citizenship) in the banking industry:

The highest bodies, that is, the Board of Management and Supervisory Board of the BayernLB Group, regularly define the Group's values, goals, strategies and guidelines on sustainable topics. This process is set out in the Rules of Procedure of the Board of Management.

BayernLB's Supervisory Board, which monitors and advises the Board of Management, discusses the current status of sustainability and ESG at its meetings, usually each quarter. The Supervisory Board makes use of regular briefings (e.g. during training sessions) on sustainability-related topics.

BayernLB's Supervisory Board forms committees from among its members. The Risk Committee deals with key issues in connection with the BayernLB Group's risk strategy and the risk situation, for example. This committee is given regular (usually yearly) and ad hoc reports on the risk situation and governance in relation to reputational and sustainability risks, including an evaluation of individual exposures, based on ESG criteria. It also takes account of the ESG exclusion criteria integrated into the publicly available Guiding Principles for Transformation.

The Audit Committee regularly discusses ESG/sustainability issues (usually yearly) and, on an ad hoc basis, the relevant overarching governance and sustainability performance and impact of the BayernLB Group.

The Compensation Committee discusses the structure of the compensation systems for the Board of Management members and employees and monitors their suitability. Besides the impact of the compensation systems on risk, capital and liquidity management, it also deals with a range of other issues, including the refinements to the compensation system, while taking account of sustainability aspects, equal pay for men and women, and activities to increase the proportion of women in management roles.

At the same time, sustainability is treated as a cross-divisional issue within the BayernLB Group and used as a benchmark when performing those activities and evaluating issues already dealt with by the Supervisory Board's committees. The Supervisory Board's plenary session has also declared itself responsible for an overarching view and coherent picture. In discussing in detail specialist issues in the committees and the overarching issues in the Supervisory Board's plenary session, it can be ensured that the issues are appropriately sited in BayernLB's governance.

BayernLB's Board of Management is responsible for providing the BayernLB Group with a proper business organisation, which, in addition to having suitable internal monitoring processes, is capable in particular of ensuring major risks are appropriately managed and monitored. The Board of Management is chiefly supported in this task by the Risk Office, Financial Office, and Operating Office as well as the Corporate Center. Under the Rules of Procedure, the Board of Management is also responsible for defining a "sustainability strategy which contributes to the business, participations and risk strategy, taking account of relevant sustainability risks such as climate and environmental risks" for the BayernLB Group. In addition, the Board of Management's responsibilities under its Rules of Procedure include defining, approving and monitoring the implementation of "a risk culture geared to BayernLB's risk awareness and risk conduct" and "a corporate culture and corporate values includes a code of conduct".

Furthermore, the aforementioned policies (published in the Guiding Principles for Transformation) on sensitive sectors and topics for BayernLB such as defence, the energy industry, gambling, forestry, etc. are approved by the Board of Management and apply Group-wide.

Sustainability is accorded the uppermost management priority through the central position of the chief sustainability officer (CSO), who has a direct reporting line to the CEO. To ensure uniform management within the BayernLB Group as required under section 25a of the German Banking Act, the Bank has set up boards which are not deemed to be a structural level or organisation unit in the sense of the Bank's structural organisation, but which are instead steering committees as defined by the Rules of Procedure of the Board of Management. The topic of sustainability is embedded in these boards as a cross-divisional tasks.

A Sustainability Board below the Board of Management will be set up in 2024 to consider the increasing relevance of the topic and align sustainability along the entire value chain. The goal of the Sustainability Board is to strategically support, monitor and continually refine BayernLB Bank's sustainable focus in respect of ESG topics along the Bank's entire value chain. This will be based on a regular assessment of significant ESG-related impacts, risks and opportunities. The Board will have the role of an advisory body and provide ideas for the Board of Management and Supervisory Board on increasing the transparency and importance of the topic of ESG and for cross-divisional networking and mutual dialogue. The Supervisory Board will organise training on ESG-related matters at least once a year. The Board's Rules of Procedure will be made public.

Inclusion of short, medium and long-term effects of environmental factors and risks by the management body into the business lines and internal control functions (article 449a CRR table 1 line (f))

The risk inventory focuses on physical and transitory climate and environmental risks. It considers short, medium and long-term effects and transmission channels and submits them to the Board of Management to examine. In 2022, the Bank expanded the analyses of the credit portfolio to include other environmental risks such as biodiversity.

The aforementioned ESG assessment identifies and evaluates the borrowers' risks. The results are then fed into the Group's risk reporting and are also listed, analysed and evaluated in depth in the sector-specific portfolio reports. The management body (Board of Management and Supervisory Board's Risk Committee) systematically assesses ESG risks on this basis. ESG risks are examined in the sector portfolio reports in order to define suitable risk strategies and risk tolerances based on this.

In addition, the status of new business with taxonomy-eligible financing is communicated internally via BayernLB's progress dashboard. The quarterly progress report supplements the information submitted to the Board of Management on the status of taxonomy-eligible financing in the Corporates & Markets and Real Estate & Savings Banks/Financial Institutions Business Areas.

Corporate governance measures to monitor and manage environmental and social risks (article 449a CRR table 1 line (g) and table 2 line (e))

The BayernLB Group has defined the tasks and responsibilities for monitoring and managing environmental and social risks as part of its risk management. This involved separating the responsibilities and duties using the three lines of defence model, before documenting and publishing them on the intranet. For all three lines of defence, it carried out a consistent transfer of responsibilities into the respective components of the written organisational rules (sfO).

The first line of defence (officers in charge of respective tasks) performs the following tasks:

- Ensure activities conform with the business area's objectives
- Perform risk management by identifying, evaluation, controlling, avoiding and mitigating ESG risks
- Check whether the business activity is compatible with ESG standards and policies (published in the Guiding Principles for Transformation) and whether there are ESG risks and/or reputational risks
- Systematically capture the ESG data of a business activity, especially through an ESG assessment

Different units carry out various tasks in the second line of defence:

<u>Sustainability management:</u>

- Determine the basic framework for environmental and social risks
- Set the targets under the Sustainability Strategy
- Lay down specific guidelines and exclusion criteria (published in the Guiding Principles for Transformation)

<u>Risk monitoring and controlling</u>

- Consider the respective risk type in the risk management process (risk analysis, risk assessment, determining the risk appetite, risk monitoring and risk reporting)

Risk units:

- Consider the risk drivers in risk management and set the KPIs and KRIs successively (in line with the Sustainability Strategy)
- Determine the methodological framework for the risk management of ESG risks in the respective risk type
- Monitor the KPIs and KRIs and the management of measures (e.g. after a KRI breach or loss event)
- Involve sustainability management on (current) topic-related questions regarding ESG risks

The third line of defence (Audit) has the following tasks:

- Perform risk-oriented, process-independent and objective auditing and advising
- Assess whether all activities and processes are compliant and working as they should
- Assess the effectiveness and suitability of the risk management and internal control system.

Internal reporting on environmental and social risks (article 449a CRR table 1 line (h) and table 2 line (f))

The BayernLB Group's regular, internal management reporting provides information on ESG risks in the following reports:

Group risk report:

The Group risk report is prepared by the Group Risk Control Division every quarter. The results of the ESG risk module of the ESG assessment are presented within this report over time and per customer group.

Group-wide sector portfolio reports:

Within the sector portfolios, the Bank analyses the existing ESG risks of the financing in the respective sector depending on the specific characteristics of the respective customer (e.g. sector allocation) and the respective financing (e.g. for the financed asset). Using this information, the results for each customer sector are then presented and include an estimate of the risk classification (ESG risk). The Bank also assesses the sustainability impact of the financing or product based on the information obtained on the purpose of the financing and presents the results per customer sector with the necessary detailed information (ESG impact).

Outlook:

In the future, the results of the decarbonisation path analysis for the customer portfolio will be combined with other KPIs to form an expanded and integrated sustainability reporting system. The findings will be incorporated into the quarterly Group management report. They will furthermore provide impetus for the strategy and planning process and in the ICAAP and ILAAP process.

Integration of environmental and social risks in the remuneration strategy (article 449a CRR table 1 line (i) and table 2 line (g))

For detailed information on this see the section "Remuneration policy (article 450 CRR)" of the disclosure report as at 31 December 2023.

Integration of the governance performance of counterparties (article 449a CRR table 3 line (a), line (c) (i-iv) and line (d) (i-iv))

The BayernLB Group understands corporate governance to refer to all rules, procedures and laws by which a company is managed or operated. Internal factors, such as employees, as well as external factors, such as customers, play an important role in this. Corporate governance encompasses laying down and practising various principles aimed at ensuring that the company in question is well managed and well organised. Governance risks arise from fraud and other illegal activities, communication behaviour or dysfunctional management structures, for example.

Pursuant to its Guiding Principles for Transformation, the BayernLB Group does not engage in the following business activities:

- Business activities with persons or with companies run by persons who have been convicted of bankruptcy or insolvency fraud, serious offences against property or financial crimes
- Business activities connected with illegal forms of business (such as arms, drugs, human/organ trafficking or slavery)
- Business activities connected with prostitution, sexual exploitation or pornography.
- Business activities connected with exploitative (child) labour or forced labour
- Business activities that serve to evade and/or reduce duties or taxes or to conceal and/or unfairly and significantly promote such actions, whether in the country of domicile or in a foreign country
- Business activities connected with the intentional breach of copyrights or industrial property rights (e.g. piracy)

In line with this understanding, the BayernLB Group is committed to the UN Global Compact.

The Guiding Principles for Transformation also define how the Group handles ESG issues together with its customers. During this process, the BayernLB Group assumes that customers will address their impact on the environment and society and maintain adequate governance. This includes examining ESG-related opportunities and risks and preparing for future requirements. The BayernLB Group wants to work together on a long-term basis with business partners and customers who share its understanding of the need to protect nature, natural resources, people and society, as well as business regulations, legality and legitimacy, and those who have set up or are introducing pertinent initiatives or measures.

The Bank takes account of governance risks of customers during the onboarding process and when granting and monitoring loans, especially in order to avoid loan defaults and prevent damage to its reputation. The responsibility for this is assigned to the units involved in the various stages of the credit process.

Governance risks are assessed by the sales and risk analysis units principally in the ESG risk module of the ESG assessment. This involves, firstly, determining the business partner's risk exposure and, where necessary, then describing and evaluating mitigating measures (e.g. a functioning compliance organisation) and their effectiveness. Compliance with the aforementioned exclusion criteria (e.g. no business activities with criminals or links to child labour) is then queried in the reputational risk module of the ESG assessment.

Integration of the highest governance body of the counterparty in its non-financial reporting (article 449a CRR table 3 line (b))

The counterparty's position on reporting is explicitly queried in the ESG risk module of BayernLB's ESG assessment in order to evaluate the counterparty's governance risk. This is included in the overall assessment of the governance risk.

Risk management

Integration of short, medium and long-term effects of environmental factors and risk in the risk framework (article 449a CRR table 1 line (j))

Climate and environmental risks are considered in the BayernLB Group to be risk drivers and not as a separate type of risk. This approach follows the supervisory viewpoint, as defined in the ESG guidelines on climate and environmental risks, for example.

The risk inventory is focusing on physical and transitory climate and environmental risks.

With respect to the main risk types described in the sub-section "Risk strategy and risk statement (paragraph 1 CRR)" of the section "Risk management objectives and policies (article 435 CRR)" of the disclosure report as at 31 December 2023, transmission channels are identified for the physical and transitory risks and evaluated with the respective risk units (second line). Short, medium and long-term impacts and transmission channels are observed and reported to the Board of Management. Detailed information on this can be found in the paragraph "Link between environmental and social risks and other risk types in the risk management framework (article 449a CRR table 1 line (r) and table 2 line (m))" below in this section.

Analyses of the credit portfolio for other environmental risks such as biodiversity were already added in 2022. The physical and transitory environmental risks in the BayernLB Group's portfolio were analysed with the aid of the publicly available ENCORE database of the Natural Capital Finance Alliance. The ENCORE tools have become established throughout the sector and were therefore used for this purpose. Based on a top-down analysis, it was assessed how many ecosystem services a sub-portfolio's exposure depends on and how strong this dependency is (physical risks), for example. An analysis was also carried out to determine how many natural assets are impacted by the processes assigned to the sub-portfolio and how strong this impact is.

The scope of the credit, market and liquidity risks were calculated in terms of the potential volumes. With liquidity risk, for example, borrowers' potential additional liquidity needs can be identified to redress any acute physical climate and environmental damage or manage chronic risks. Additional liquidity may also arise due to regulatory requirements.

With respect to operational risks, the annual assessments also include climate and environmental risks in the regular ex ante observations.

Existing analyses were reviewed once again for business continuity management. For instance, the locations of BayernLB's and DKB's operating sites and critical outsourcing companies (e.g. data centres) were examined for the BayernLB Group using data from an external provider for the purpose of determining their exposure to climate and environmental-related weather events in a specific scenario. The results indicated that, in the event of such weather events, business operations could continue due in large part to the structural measures already taken and the ability of employees to work remotely.

Fundamentals of the framework for managing environmental and social risks (article 449a CRR table 1 line (k) and table 2 line (h))

Climate and environmental risks are defined as risk drivers in the BayernLB Group. Therefore, they must be observed and managed for each risk type. Their relevance, affectedness and maturity must be assessed differently based on the result of the risk inventory per risk type.

Procedure for identifying, measuring and monitoring activities and exposures sensitive to environmental and social risks (article 449a CRR table 1 line (l) and table 2 line (i))

With credit risk in particular, climate and environmental risks are analysed both at borrower level (BayernLB) and portfolio level (especially DKB). In addition, credit portfolios are analysed for potential risks related to biodiversity.

The ESG assessment (ESGA) was developed at BayernLB as a tool for assessing sustainability risks and benefits for customers and transactions. This IT-supported tool forms the basis for portfolio management from a sustainability perspective and is being successively expanded, partly on the basis of current regulatory requirements (including the EU Taxonomy Regulation) and business strategy aspects. Data in the area of operational risks is fed into the ESG assessment in the economic quantification via the scenario observations.

The ESG assessment consists of three modules with different underlying questions:

- ESG risk module: Do environmental, social or governance aspects arise that have a negative impact on a customer’s ability to service its debts, probability of default or creditworthiness (e.g. in the case of real estate assets)?
- ESG impact module: What are the demonstrable sustainability benefits of the financing transaction?
- RepRisk module: Does the transaction give rise to a potential reputational risk, taking ESG risks into account?

The credit portfolio has been analysed with the aid of the ESG assessment since 2020. The Bank started with the Corporates, Real Estate and Project Finance sub-portfolios and assessed each borrower and each transactions in the context of a new transaction. These evaluations are fed into the credit decision. Through refinements to the ESGA, it is possible to assess the Financial Institutions and the Public Sector sub-portfolio.

In addition, the Bank records important ESG-relevant information on borrowers, such as CO_2 emissions. The various results obtained are fed into the economic risk-bearing capacity and the respective credit decision. If risk-relevant matters are recognised which are not adequately reflected in the credit rating, it may lead to a negative override of the rating in exceptional cases. This requires ESG risks with a high probability of occurrence that could jeopardise the Bank's future as a going concern to be identified. The findings of the ESG risk assessment are used at sector level in the sector portfolio reports and in the risk reports to the Board of Management and Supervisory Board for the risk management and transformation of the credit portfolio. Furthermore, potentially strengthened dependencies resulting from physical or transitory climate risks are also factored in within the credit portfolio model to determine the risk-bearing capacity of the economic ICAAP perspective based on the stress tests conducted in the regular model review.

In the case of real estate, the ESG impact module records and assesses the energy certificates. LBImmoWert also considers ESG aspects in the valuation report.

The portfolio of areas deemed sensitive and vulnerable to environmental risks is diversified within the BayernLB Group.

Activities and commitments for mitigating environmental and social risks (article 449a CRR table 1 line (m) and table 2 line (j) in conjunction with article 435 CRR EU OVA (b) and (g))

The BayernLB Group works hard to mitigate environmental and social risks both in its business operations and by setting certain requirements for its business activities. It makes this position publicly transparent. This responsibility is not only set out in the Code of Conduct but is also described in the Sustainability and Environmental Policy and in the Sustainability Strategy. This in turn is operationalised through the Sustainability Programme (component of the Sustainability Report) in which BayernLB sets goals for both its operations and its business activities to meet its responsibilities here.

Within its operations, BayernLB's focus is on steadily improving its internal environmental performance (in the annual environmental audit under the Eco Management Audit Scheme (EMAS), in place since 1999) and the fair treatment of employees, their ongoing training and health, and their active involvement in the Bank's progress. BayernLB has signed up to a number of initiatives which visibly support its commitment to the outside world (including a Charta der Vielfalt (Diversity Charter), the UN Global Compact, Fair Company Initiative, Familienpakt Bayern and the Umwelt und Klimapakt Bayern).

The BayernLB Group integrates social and environmental requirements into its business activities not just to mitigate risks but also to make an active contribution to sustainable development. In its externally published Guiding Principles for Transformation, BayernLB formulates its corporate values, overarching ethics, environmental and social standards and its stance on controversial issues and sectors (including armaments, coal, nuclear power, oil & gas, forest, food and gambling). The Bank aims to support its customers during their transformation and is working hard to continuously expand its range of sustainable products, for example. It has therefore published various frameworks and is committed to and is a member of several initiatives, including: Climate Bond Initiative, FX Global Code, International Capital Market Association (ICMA), London Bullion Market Association (LMBA), Partnership for Carbon Accounting Financials (PCAF), Principles for Responsible Banking (PRB) and UNEP FI.

The BayernLB Group also wishes to minimise environmental, social and, in particular, human rights-related risks in its value chain in respect of the Supply Chain Act (LkSG). The publicly available Guiding Principles for Transformation contain provisions to take account of this. The Bank therefore concludes Sustainability Agreements with suppliers and service providers.

The BayernLB Group already reports transparently and in detail on all the activities, obligations and commitments in other publications. All of BayernLB's publications (especially the Sustainability Report (according to GRI) and the Guiding Principles for Transformation) are published on its website.

Instruments for identifying, measuring and managing environmental and social risks (article 449a CRR table 1 line (n) and table 2 line (k))

The BayernLB Group's internal stress testing framework includes specific climate stress tests. This means that climate stress tests have been implemented as a key risk management component and are conducted accordingly on a regular basis and refined. Whereas the stress test for physical risks (2020) focused on the risk drivers of wind, sun and flooding, the current stress test for transitory risks, which was based on the ECB climate stress test and the scenarios of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS), looked at the direct transitory effects (including rising CO_2 prices) and indirect effects in the form of macroeconomic changes (growth, unemployment rate, interest rates, etc.) in various sectors. The Bank analysed both scenarios with a short-term shock (e.g. CO_2 prices, greenwashing accusations with the concomitant damage to reputation) and with a long-term horizon of several decades. While in a short-term scenario the impact of a sharp increase in CO_2 prices, stricter energy efficiency requirements and the resulting macroeconomic risks and individual risks on the BayernLB Group were analysed, a long-term scenario (to 2050) focused on the strategic goals of portfolio decarbonisation. All relevant risk types as well as the normative and economic ICAAP perspective and the impact on the Group's liquidity situation were taken into account in this process. Although the risks must be considered in a highly differentiated manner, their overall impact is much lower than with other stress tests. Risk-bearing capacity was maintained at all times here as well. The results of the stress tests form the basis for refining the internal risk measurement procedures and processes and aid in the long-term portfolio planning.

Results of the risk tools implemented and the estimated impact of the environmental risk on the capital and liquidity risk profile (article 449a CRR table 1 line (o))

The material ESG risk drivers with regard to capital and liquidity are covered in market, reputational and credit risks, particularly using the tools used in the monitoring of ESG risk drivers. Climate and environmental risks are factored into the multi-year planning. The impact on the capital and liquidity situation is analysed in the BayernLB Group through overarching climate stress tests in the (transitory/physical) perspectives. Climate and environmental risks are therefore included in the procedures used to assess the suitability of internal capital and available liquidity.

Data availability, quality and accuracy and efforts to improve data (article 449a CRR table 1 line (p))

The data basis for climate and environmental risks has been widened since 2021 as one of the objectives of Project Sustainability, which is being implemented internally in the Bank. Real data on borrowers and collateral is fed into the data warehouses if it is available. A key component is the ESG assessment, mentioned above, which includes both the impact of the financing (ESG impact module) and the ESG risks (ESG risk module). Public information and data from external service providers (e.g. ENCORE from Natural Capital Finance Alliance or Partnership for Carbon Accounting Financials (PCAF)) are also used. The Bank also checks on an ongoing basis the availability of other external data and works with other service providers on possible alternative data recording systems to make further improvements to the database and optimise the reporting and management of climate and environmental risks.

Description of the limits for environmental and social risks and procedure in the case of breaching (article 449a CRR table 1 line (q) and table 2 line (l))

Under its publicly available Guiding Principles for Transformation, the BayernLB Group sets its risk appetite by e.g. installing policies for sensitive sectors and laying down specific exclusion criteria. The monitoring and escalation processes are subject to the guidelines established in the context of reputational risk management. With regard to risk appetite, ESG risks are included as risk drivers in the risk-bearing capacity calculation and are therefore an integral part of the process for determining the risk appetite in the multi-year planning.

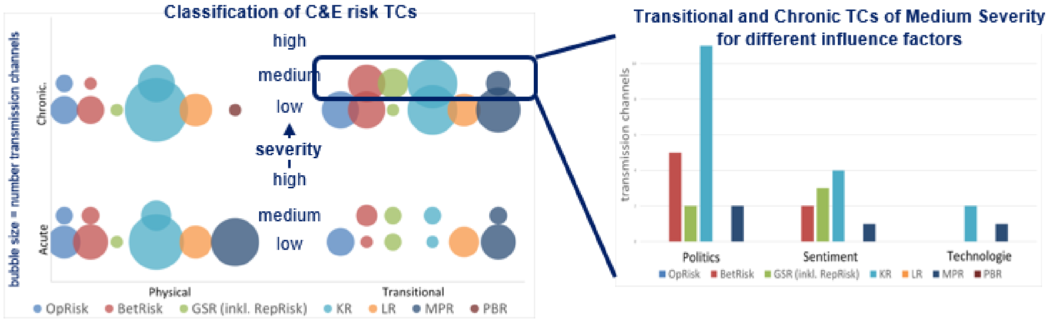
Link between environmental and social risks and other risk types in the risk management framework (article 449a CRR table 1 line (r) and table 2 line (m))

The risk report, which is part of BayernLB's annual report, contains detailed information on all risk types, including on ESG risks.

Summarised results:

The deep dive analysis of all risk types (BayernLB and DKB) is based on the same methodology and classification of climate and environmental risks. Transmission channels (TCs) were identified for almost all risk types for all combinations of acute/chronic and physical/transitory.

Classification of climate and environmental transmission channels



Übersetzungshilfe: „Classification of C&E risk TCs“ – Klassifizierung der Klima- und Umweltrisikotransmissionskanäle; „bubble size = number transmission channels“ – Blasengröße = Anzahl der Transmissionskanäle; „Transitional and Chronic TCs of Medium Severity for different influence factors“ = Übergangs- und chronische Transmissionskanäle von mittlerem Schweregrad für verschiedene Einflussfaktoren; „transmission channels“ – Transmissionskanäle;

Acute = akut; Chronic = chronisch; Physical = physisch; Transitional = transitorisch; Low – medium – high = niedrig – mittel – hoch; Severity = Schweregrad; Politics = Politik; Sentiment = Stimmungslage; Technologie = Technologie;

OpRisk = operational risk; BetRisk = risk associated with equity interests; GSR (inkl. RepRisk) = business and strategic risk (including reputational risk); KR = credit risk; LR = liquidity risk; MPR = market risk; PBR = pension basis risk

Credit risk:

In the risk inventory, the Bank analyses in depth and evaluates the transmission channels for climate and environmental risks in credit risk. It recorded more than 130 transmission channels for various risks and sub-portfolios, primarily identifying minor impacts in the process. Most of the risks deemed transitory related to political measures. For example, legal requirements or a tightening of CO_2 targets and CO_2 prices might be relevant for the Corporates sub-portfolio. The Real Estate sub-portfolio may be affected by energy efficiency guidelines, for example. Risks from changes in consumer and/or investor behaviour may also be relevant. By contrast, technological progress would be considered more of an opportunity rather than a risk driver. Physical risks are mainly seen in relation to natural disasters, the assessment of which is very site-specific (see reporting sheet 5 Indicators of potential physical risks from climate change).

Market risk:

Climate and environmental risks can arise in market risks, especially indirectly through second-round effects (e.g. if the credit spreads of certain types of issuers widen). In the case of market risk, over 50 transmission channels were recorded for various risks and sub-portfolios. Most were assessed as having low or no risks. Medium risk was detected for a small share of the sub-portfolio with higher CO_2 intensities. Within transitory risks, most risks were associated with political measures (CO_2 targets and CO_2 prices) and with investor and consumer sentiment. Physical risks due to natural catastrophes are relevant for market price risk with minor effects.

Liquidity risk:

In the case of liquidity risk, the transmission channels of physical and transitory risks were mainly based on liquidity outflows from deposits (natural persons and institutional investors) and commitments. Relevant sectors were identified and the potential volume determined. This indicated that each individual climate and environmental risk has a characteristic impact on the liquidity risk. Transitory risks prevail here at both BayernLB and DKB.

Operational risk:

An analysis of actual historical loss events found the potential for losses when it comes to operational risk was almost negligible in the case of physical risks. In addition, the recorded loss events are also due to non-climate change related events. In order to account for future risks, however, the Bank analysed the BayernLB Group’s locations in terms of physical risks (e.g. flooding, storms, hail, tornadoes, etc.) and the locations where critical activities are outsourced (e.g. data centres). Even if the BayernLB Group is not aware of any transitory loss events, the second line (the Legal Services & BoM Support Division) monitors legal and potential liability risks. This includes in particular the monitoring of case law.

Pension basis risk:

Pension basis risk considers climate and environmental risks, which can result in changes to trend factors, mortality tables and other factors (e.g. healthcare costs).

Business and strategic risk:

In the case of business and strategic risk, the Bank considers as relevant mainly transitory risks (political measures and investor and consumer sentiment), which could push down interest and commission income while driving up administrative expenses and capital requirements in the medium and long term. This is analysed further and monitored in the multi-year planning.

Risk associated with equity interests:

In the risk associated with equity interests, the Bank takes account, since 2021, of potential climate and environmental risks in the risk analyses of the respective equity interest so they are included in the economic risk-bearing capacity.

Reputational risk:

Climate and environmental risks as drivers of reputational risk are subject to a uniform quantitative approach used throughout the Group, and this is indirectly reflected in the various established levels of risk and application criteria. Furthermore, the Bank has integrated reputational risk more fully into the economic risk-bearing capacity calculation and taken into account transitory and physical risks. It will drill down further into this issue for the coming financial year based on the results of the risk inventory for 2022 and 2023 and new specialist and scientific knowledge.

Within the context of reputational risk, the evaluation of ESG aspects is a firm part of the ESG assessment (RepRisk module). This means the Bank includes ecological risks (e.g. high levels of air pollution, waste generation, CO_2 emissions and water consumption; the destruction of biodiversity) and negative societal and/or social risks produced by the business activities of a customer or project (e.g. due to inadequate product safety, poor working conditions, human rights violations or to adverse impacts on the local population) in its overall assessment.

To keep a constant eye on social and political conditions (e.g. with regard to human rights, environmental policy and the EU Green Deal) and to be able to promptly respond to them in the context of reputational risk, the Bank carries out continuous monitoring. This includes utilising the services of Swiss data provider RepRisk and Munich Re's system location risk intelligence platform for climate impact risks, monitoring social media trends and engaging in dialogue with the stakeholders.

To consider the impact of climate and environment-related risks on reputational risk, this was also integrated into the climate risk stress tests embedded in BayernLB's overarching stress testing framework. A final assessment of the results is available, measures derived from this have been initiated and will be discussed with the supervisor for effectiveness and appropriateness by mid-2024.

Reporting templates 1, 2, 4, 5, 6, 7, 8 and 10 to be published under ITS (EU) 2022/2453 are presented below, along with their quantitative content.

Reporting template 1 – "Indicators of potential climate change transition risk"

In reporting template 1, BayernLB discloses information on its exposures to non-financial corporations operating in sectors with high CO_2 emissions, and on the quality of theses exposures, including "non-performing" status, classification to Stage 2 and the related conditions and maturity bands.

The following reporting template 1 is divided into four parts:

Part 1 of 4: Sector/subsector A to C 33 and columns a to h

Part 2 of 4: Sector/subsector D to Other sectors and columns a to h

Part 3 of 4: Sector/subsector A to C 33 and columns i to p

Part 4 of 4: Sector/subsector D to Other sectors and columns i to p

Reporting template 1 (part 1 of 4): Banking book – indicators of potential climate change transition risk: Credit quality of exposures, emissions and residual maturity

	Sector/subsector	a	b	c	d	e	f	g	h
		Total gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	EUR million		of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Art.12.1 and in accordance with Art. 12.2 of Climate Benchmark Standards Regulation	of which environmentally sustainable (CCM)	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
1	**Exposures towards sectors that highly contribute to climate change[1]**	**95,153**	**1,473**	**417**	**11,067**	**2,211**	**(809)**	**(150)**	**(545)**
2	A - Agriculture, forestry and fishing	2,077	–	–	85	37	(11)	(1)	(9)
3	B - Mining and quarrying	247	237	15	38	–	(1)	–	–
4	*B.05 - Mining of coal and lignite*	–	–	–	–	–	–	–	–
5	*B.06 - Extraction of crude petroleum and natural gas*	201	201	15	–	–	–	–	–
6	*B.07 - Mining of metal ores*	–	–	–	–	–	–	–	–
7	*B.08 - Other mining and quarrying*	10	–	–	10	–	–	–	–
8	*B.09 - Mining support service activities*	36	36		28	–	–	–	–
9	C - Manufacturing	6,380	–	79	2,235	612	(295)	(50)	(223)
10	*C.10 - Manufacture of food products*	698	–	–	166	68	(73)	(2)	(55)
11	*C.11 - Manufacture of beverages*	221	–	–	4	6	(3)	–	(2)
12	*C.12 - Manufacture of tobacco products*	–	–	–	–	–	–	–	–
13	*C.13 - Manufacture of textiles*	135	–	–	19	–	(1)	–	–
14	*C.14 - Manufacture of wearing apparel*	–	–	–	–	–	–	–	–
15	*C.15 - Manufacture of leather and related products*	–	–	–	–	–	–	–	–
16	*C.16 - Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	334	–	–	163	145	(41)	(6)	(34)
17	*C.17 - Manufacture of paper and paper products*	216	–	–	184	3	(9)	(7)	(1)
18	*C.18 - Printing and reproduction of recorded media*	137	–	–	39	–	–	–	–
19	*C.19 - Manufacture of coke and refined petroleum products*	–	–	–	–	–	–	–	–
20	*C.20 - Manufacture of chemicals and chemical products*	736	–	–	106	208	(19)	–	(18)
21	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	369	–	–	7	–	(1)	–	–
22	*C.22 - Manufacture of rubber products*	97	–	–	20	–	–	–	–
23	*C.23 - Manufacture of other non-metallic mineral products*	171	–	1	121	5	(4)	(2)	(2)
24	*C.24 - Manufacture of basic metals*	266	–	4	144	7	(3)	(2)	(1)
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	320	–	–	164	20	(16)	–	(16)
26	*C.26 - Manufacture of computer, electronic and optical products*	174	–	–	51	4	–	–	–
27	*C.27 - Manufacture of electrical equipment*	212	–	–	59	57	(46)	(4)	(41)
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	480	–	10	119	–	(3)	(2)	–
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	1,180	–	40	639	64	(59)	(21)	(38)
30	*C.30 - Manufacture of other transport equipment*	278	–	22	100	12	(6)	(2)	(4)
31	*C.31 - Manufacture of furniture*	13	–	–	–	–	–	–	–
32	*C.32 - Other manufacturing*	321	–	–	131	3	(3)	(1)	(2)
33	*C.33 - Repair and installation of machinery and equipment*	21	–	–	–	11	(9)	–	(9)

1 colum i, j and k) just BayernLB without DKB

Reporting template 1, continued (part 2 of 4): Banking book – indicators of potential climate change transition risk: Credit quality of exposures, emissions and residual maturity

	Sector/subsector	a	b	c	d	e	f	g	h
		Total gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	EUR million		of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Art.12.1 and in accordance with Art. 12.2 of Climate Benchmark Standards Regulation	of which environmentally sustainable (CCM)	of which Stage 2 exposures	of which non-performing exposures		of which Stage 2 exposures	of which non-performing exposures
34	D - Electricity, gas, steam and air conditioning supply	22,243	1,053	25	1,595	213	(146)	(51)	(43)
35	*D.35. 1 - Electric power generation, transmission and distribution*	21,520	569	25	1,549	138	(130)	(50)	(32)
36	*D35. 11 - Production of electricity*	15,600	303	3	1,198	135	(90)	(39)	(30)
37	*D35. 2 - Manufacture of gas; distribution of gaseous fuels through mains*	587	484	–	44	75	(15)	(1)	(12)
38	*D35. 3 - Steam and air conditioning supply*	136	–	–	2	–	(1)	–	–
39	E - Water supply; sewerage, waste management and remediation activities	6,543	–	–	128	17	(6)	–	(5)
40	F - Construction	1,882	–	9	469	240	(81)	(4)	(75)
41	*F.41 - Construction of buildings*	1,507	–	9	388	220	(60)	(3)	(56)
42	*F.42 - Civil engineering*	225	–	–	42	–	(1)	(1)	–
43	*F.43 - Specialised construction activities*	150	–	–	39	19	(20)	(1)	(19)
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1,638	–	7	237	27	(20)	–	(17)
45	H - Transportation and storage	5,138	183	85	871	103	(29)	(5)	(21)
46	*H.49 - Land transport and transport via pipelines*	2,022	183	76	114	15	(14)	(1)	(11)
47	*H.50 - Water transport*	583	–	–	504	41	(12)	(2)	(9)
48	*H.51 - Air transport*	1,097	–	–	58	47	(1)	–	–
49	*H.52 - Warehousing and support activities for transportation*	1,388	–	9	195	–	(2)	(1)	–
50	*H.53 - Postal and courier activities*	48	–	–	–	–	–	–	–
51	I - Accommodation and food service activities	856	–	–	71	5	(9)	(5)	(3)
52	L - Real estate activities	48,149	–	197	5,338	956	(211)	(34)	(148)
53	**Exposures towards sectors other than those that highly contribute to climate change1**	**57,157**	**–**	**60**	**7,736**	**446**	**(235)**	**(45)**	**(156)**
54	K - Financial and insurance activities	44,091	–	–	5,558	128	(62)	(24)	(23)
55	Exposures to other sectors (NACE codes J, M - U)	13,066	–	60	2,178	318	(173)	(22)	(133)
56	**Total**	**152,309**	**1,473**	**477**	**18,803**	**2,657**	**(1,044)**	**(195)**	**(702)**

1 colum i, j and k) just BayernLB without DKB

Reporting template 1, continued (part 3 of 4): Banking book – indicators of potential climate change transition risk: Credit quality of exposures, emissions and residual maturity

	Sector/subsector	i	j	k	l	m	n	o	p
		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity in years
	EUR million		of which Scope 3 financed emissions						
1	**Exposures towards sectors that highly contribute to climate change[1]**	**8,707,307**	**3,592,496**	**50.54%**	**32,320**	**16,340**	**22,599**	**23,894**	**13.71**
2	A - Agriculture, forestry and fishing	5,815	5,381	92.54%	364	317	678	719	15.39
3	B - Mining and quarrying	1,546,644	453,198	7.64%	225	16	6	–	2.80
4	*B.05 - Mining of coal and lignite*	–	–	–	–	–	–	–	–
5	*B.06 - Extraction of crude petroleum and natural gas*	535,133	429,819	–	201	–	–	–	2.23
6	*B.07 - Mining of metal ores*	–	–	–	–	–	–	–	1.39
7	*B.08 - Other mining and quarrying*	4,518	1,933	100.00%	10	–	–	–	2.57
8	*B.09 - Mining support service activities*	1,006,968	21,423	100.00%	13	16	6	–	6.05
9	C - Manufacturing	2,175,237	1,558,873	50.69%	5,459	850	57	14	2.69
10	*C.10 - Manufacture of food products*	280,120	254,270	100.00%	486	204	7	–	3.40
11	*C.11 - Manufacture of beverages*	34,067	26,829	99.99%	218	–	2	–	0.57
12	*C.12 - Manufacture of tobacco products*	–	–	–	–	–	–	–	–
13	*C.13 - Manufacture of textiles*	19,019	16,734	100.00%	116	19	–	–	2.11
14	*C.14 - Manufacture of wearing apparel*	–	–	–	–	–	–	–	–
15	*C.15 - Manufacture of leather and related products*	–	–	–	–	–	–	–	–
16	*C.16 - Manufacture of wood and products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	119,320	73,519	95.36%	206	85	43	–	5.25
17	*C.17 - Manufacture of paper and paper products*	137,061	76,483	100.00%	124	91	–	–	4.28
18	*C.18 - Printing and reproduction of recorded media*	1,173	834	100.00%	137	–	–	–	1.48
19	*C.19 - Manufacture of coke and refined petroleum products*	–	–	–	–	–	–	–	–
20	*C.20 - Manufacture of chemicals and chemical products*	414,737	276,430	77.76%	538	198	–	–	4.16
21	*C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations*	35,221	25,045	100.00%	358	11	–	–	3.12
22	*C.22 - Manufacture of rubber products*	37,004	21,090	100.00%	97	–	–	–	0.90
23	*C.23 - Manufacture of other non-metallic mineral products*	154,977	37,330	60.43%	153	19	–	–	1.44
24	*C.24 - Manufacture of basic metals*	183,481	106,441	99.99%	260	3	–	3	1.46
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	46,192	40,930	100.00%	320	–	–	–	1.33
26	*C.26 - Manufacture of computer, electronic and optical products*	79,098	59,227	100.00%	156	18	–	–	2.49
27	*C.27 - Manufacture of electrical equipment*	97,139	79,985	66.07%	165	36	–	11	6.93
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	88,524	77,497	96.72%	419	57	4	–	2.22
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	330,004	300,975	2.47%	1,100	80	–	–	1.79
30	*C.30 - Manufacture of other transport equipment*	63,082	47,681	99.99%	263	15	–	–	2.20
31	*C.31 - Manufacture of furniture*	4,512	3,289	100.00%	–	13	–	–	5.56
32	*C.32 - Other manufacturing*	41,594	30,982	99.87%	321	–	–	–	1.08
33	*C.33 - Repair and installation of machinery and equipment*	8,911	3,304	100.00%	21	–	–	–	0.03

1 colum i, j and k) just BayernLB without DKB

Reporting template 1, continued (part 4 of 4): Banking book – indicators of potential climate change transition risk: Credit quality of exposures, emissions and residual maturity

	Sector/subsector	i	j	k	l	m	n	o	p
		GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity in years
	EUR million		of which Scope 3 financed emissions						
34	D - Electricity, gas, steam and air conditioning supply	3,039,432	656,384	84.52%	3,774	6,360	11,506	603	11.22
35	*D.35. 1 - Electric power generation, transmission and distribution*	2,369,496	608,912	83.51%	3,506	6,103	11,363	548	11.30
36	*D.35. 11 - Elektrizitätserzeugung*	2,010,950	403,547	100.00%	2,366	4,397	8,660	178	11.13
37	*D35. 2 - Manufacture of gas; distribution of gaseous fuels through mains*	669,936	47,472	99.32%	238	216	93	41	8.03
38	*D35. 3 - Steam and air conditioning supply*	–	–	–	30	42	50	14	11.83
39	E - Water supply; sewerage, waste management and remediation activities	44,666	24,997	100.00%	525	683	1,530	3,804	22.58
40	F - Construction	124,620	105,084	99.67%	1,355	215	131	181	6.32
41	*F.41 - Construction of buildings*	96,970	80,991	99.65%	1,190	199	64	54	3.90
42	*F.42 - Civil engineering*	6,822	5,929	100.00%	29	7	64	125	24.65
43	*F.43 - Specialised construction activities*	20,829	18,165	100.00%	136	9	3	2	3.15
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	493,049	363,393	90.89%	1,399	134	100	5	3.23
45	H - Transportation and storage	852,725	405,847	97.04%	2,121	1,639	951	427	7.86
46	*H.49 - Land transport and transport via pipelines*	251,033	169,973	99.53%	853	459	447	264	9.37
47	*H.50 - Water transport*	116,034	49,034	82.94%	78	219	285	–	9.19
48	*H.51 - Air transport*	380,133	115,303	97.69%	430	536	131	–	6.54
49	*H.52 - Warehousing and support activities for transportation*	97,959	65,550	90.39%	712	425	88	164	6.37
50	*H.53 - Postal and courier activities*	7,565	5,988	–	48	–	–	–	1.96
51	I - Accommodation and food service activities	7,256	1,302	90.41%	83	180	365	227	15.47
52	L - Real estate activities	417,864	18,038	83.11%	17,016	5,945	7,275	17,913	16.34
53	**Exposures towards sectors other than those that highly contribute to climate change1**				**31,408**	**9,381**	**8,788**	**7,580**	**7.87**
54	K - Financial and insurance activities				25,231	7,103	6,393	5,363	7.19
55	Exposures to other sectors (NACE codes J, M - U)				6,177	2,277	2,395	2,217	10.13
56	**Total**	**8,707,307**	**3,592,496**	**50.54%**	**63,728**	**25,721**	**31,387**	**31,474**	**11.52**

2) Columns i, j and k – BayernLB only; excluding DKB.

Qualitative information on reporting template 1 regarding CO_2 accounting

Below is a description of the methodological approach used to quantify GHG (greenhouse gas) emissions associated with financing for exposures to non-financial companies. The procedure for measuring these so-called financed GHG emissions is based on the criteria of the Partnership for Carbon Accounting Financials (PCAF). In calculating its financed GHG emissions, BayernLB includes both the scope 1 and 2 emissions of its customers, as well as scope 3 emissions regardless of the sector in which the company operates. In accordance with PCAF's criteria, the calculation weights emissions measured by the counterparty, in metric tons of carbon dioxide equivalent (t CO_2e), by an attribution factor. This is calculated as the ratio of BayernLB's exposure to the customer's company value. The latter is derived either from the sum of the company's total equity and debt or, in the case of listed companies, from the EVIC (enterprise value including cash).

EVIC is defined as the sum of the market capitalisation of ordinary shares at the end of the financial year, the market capitalisation of preferred shares at the end of the financial year, and the carrying amounts of total debt and minority interests. No deductions are made from cash or cash equivalents so as to avoid the possibility of a negative company value. To calculate the financed GHG emissions for real estate financing, a building's annual GHG emissions are multiplied by an allocation factor corresponding to the ratio of the outstanding amount to the value of the property at the time of disbursement.

Where company-reported scope 1 and 2 and scope 3 emissions are available directly from the company or through data providers, these are used to calculate the funded GHG emissions. This is to ensure that the highest quality data available is always used for calculation. For the remaining companies, estimates are made according to the top-down approach using emission factors. This involves estimating the GHG intensity of the sector in which each company operates. Companies are classified into sectors based on NACE classification (Nomenclature statistique des activités économiques dans la Communauté européenne; NACE – Statistical Classification of Economic Activities in the European Community). The emission factor can be based on either physical or economic activity data. For reasons of better data availability, BayernLB uses emission factors for estimating the GHG emissions of companies that are based on the economic activity of the customer. Emission factors from PCAF's database designed for real estate are applied to estimate a property's annual GHG emissions. These are based in turn on the physical activity data of a property, that is, the building energy consumption.

In order to improve data quality in the medium and long term, the different methods of calculating financed GHG emissions are evaluated in a data quality scoring. This ranges from score 1 to score 5, with data quality decreasing as the number increases. Scores 1 and 2 are achieved when reported GHG emissions from the customer are used in the calculation, with score 1 requiring that the data be verified. For real estate, scores 1 and 2 are calculated using the actual energy consumption of the property, with score 1 additionally requiring the use of supplier-specific emission factors. In the absence of availability of these data, the score decreases further depending on the estimation methodology used. BayernLB is looking to increase the proportion of GHG emissions reported by customers as compared with the estimates by making a point of communicating with its customers regularly on ESG issues.

BayernLB is committed to contributing towards an environmentally sustainable economy by continuously measuring and progressively reducing its financed GHG emissions. In particular, BayernLB aims to support its customers in the transition to a more sustainable economy by continuously monitoring their GHG emissions.

In accordance with BayernLB's business model and the five sectors it is focused on – energy, mobility, technology, construction & basic resources and manufacturing & engineering – there are higher CO_2 equivalents in individual sectors/subsectors than in other sectors/subsectors. These sectors in particular are in the throes of a transformation process which the BayernLB Group is assisting with through sustainable products, thereby helping to gradually cut GHG emissions. BayernLB faces a fundamental reputational risk analogous to other risks if it fails to achieve CO_2 targets, reduce its greenhouse gas emissions or is accused of greenwashing in relation to the transformation products offered to customers.

The answers by the European Banking Authority published on 17 February 2023 (Final Q&A) included a clarification on NACE code K “Financial and insurance activities”, with the outcome that financial companies must also be included in the population. This has significantly increased the exposure to be included.

Reporting template 2: Banking book – indicators of potential climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral

Information on loans collateralised by immovable property in connection with their risk of transition to climate change must be disclosed in reporting template 2. The gross carrying amounts of credit exposures collateralised by one or more properties (commercial or residential) must be reported here. In addition, real estate collateral taken into possession by the Bank must be disclosed, with the collateral’s energy efficiency evaluated. The gross carrying amounts of the exposures are to be broken down by energy efficiency in kWh/m² and by the (real/estimated) energy efficiency class of the collateral.

Reporting template 2 (part 1 of 2): Banking book – indicators of potential climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral

	Counterparty sector	a	b	c	d	e	f	g
			Total gross carrying amount					
			Level of energy efficiency (EP score in kWh/m² of collateral)					
	EUR million		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500
1	**Total EU area**	**73,724**	**9,653**	**9,351**	**5,358**	**234**	**179**	**41**
2	of which Loans collateralised by commercial immovable property	28,968	5,201	6,669	1,222	141	174	38
3	of which Loans collateralised by residential immovable property	44,756	4,452	2,682	4,136	93	5	3
4	of which Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–
5	of which Level of energy efficiency (EP score in kWh/m[2] of collateral) estimated	19,781	6,493	8,131	4,917	86	152	1
6	**Total non-EU area**	**3,294**	**151**	**680**	**31**	**86**	**–**	**–**
7	of which Loans collateralised by commercial immovable property	2,140	151	680	31	86	–	–
8	of which Loans collateralised by residential immovable property	1,154	–	–	–	–	–	–
9	of which Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–
10	of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	484	54	313	31	86	–	–

Reporting template 2 (continued: part 2 of 2): Banking book – indicators of potential climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral

	Counterparty sector	h	i	j	k	l	m	n	o	p
		Total gross carrying amount								
		Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	EUR million	A	B	C	D	E	F	G		of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**Total EU area**	**884**	**1,653**	**966**	**779**	**255**	**222**	**276**	**68,690**	**29%**
2	of which Loans collateralised by commercial immovable property	482	850	633	383	120	131	140	26,228	41%
3	of which Loans collateralised by residential immovable property	401	803	333	395	135	91	136	42,462	21%
4	of which Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	–
5	of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated								19,781	100%
6	**Total non-EU area**	**63**	**219**	**174**	**–**	**8**	**–**	**–**	**2,830**	**17%**
7	of which Loans collateralised by commercial immovable property	63	219	174	–	8	–	–	1,676	29%
8	of which Loans collateralised by residential immovable property	–	–	–	–	–	–	–	1,154	–
9	of which Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	–
10	of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated								484	100%

Reporting template 3: Banking book – indicators of potential climate change transition risk

The explanatory notes to this reporting template, the first mandatory disclosure of which will be required on 30 June 2024, are currently being prepared and will be published as at the balance sheet date 30 June 2024.

Reporting template 4: Banking book – indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

BayernLB discloses in reporting template 4 the extent to which the banking book is exposed to the 20 companies with the highest carbon emissions worldwide. In the process, membership of the global top 20 CO_2 emitters is determined at Group level. In addition, the “Of which environmentally sustainable (CCM)” column shows the proportion of exposures that are taxonomy-eligible and whose activity makes a significant contribution to the environmental objective of climate change mitigation (CCM) in accordance with articles 10 and 16 of the EU Taxonomy Regulation (Delegated Regulation (EU) 2020/852 of 22 June 2020). The average maturity of the exposures, among other factors, furthermore serves to provide insight into how these exposures may be affected by longer-term climate change transition risks.

	a	b	c	d	e
	Gross carrying amount (in MEUR) (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)1	of which environmentally sustainable (CCM)	Weighted average maturity in years	Number of top 20 polluting firms included
1	13	–	–	–	1

1 For counterparties among the top 20 carbon emitting companies in the world

To identify the 20 most carbon-intensive companies worldwide, BayernLB Group uses the most recent Carbon Majors Report in accordance with EBA ITS 2022/01 on Implementing Regulation No. (EU) 2022/2453 for ESG Risk Disclosure, Annex 2 para. 21. On this basis, the top 20 most carbon-intensive companies relevant for the respective ESG disclosure date are specified centrally. When calculating the exposures to these companies, the entire group of these top 20 CO_2 issuers is considered in each case.

Reporting template 5: Banking book – indicators of potential climate change physical risk: Exposures with physical risk

Reporting template 5 below gives information on exposures in the banking book, including loans and advances, debt securities and equity instruments not held for trading or sale to non-financial corporations, loans collateralised by real estate which are exposed to chronic and acute climate-related hazards, broken down by industry (NACE classification) and by geography of the location of the counterparty's activity or collateral for those sectors and geographical regions affected by acute and chronic events as a result of climate change.

Reporting template 5 (part 1 of 2): Banking book – indicators of potential climate change physical risk: Exposures with physical risk

	a	b	c	d	e	f	g
	Geographical area subject to climate change physical risk - acute and chronic events: Essentially Germany	Total gross carrying amount					
			of which exposures sensitive to impact from climate change physical events				
			Breakdown by maturity bucket				
	EUR million		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity in years
1	A - Agriculture, forestry and fishing	2,077	325	281	592	581	15.03
2	B - Mining and quarrying	247	21	16	6	–	5.52
3	C - Manufacturing	6,380	2,700	415	9	12	2.78
4	D - Electricity, gas, steam and air conditioning supply	22,243	1,139	1,606	2,054	112	9.81
5	E - Water supply; sewerage, waste management and remediation activities	6,543	111	258	221	512	18.85
6	F - Construction	1,882	308	17	31	36	6.75
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	1,638	383	18	13	4	1.68
8	H - Transportation and storage	5,138	1,165	620	402	330	8.03
9	L - Real estate activities	48,149	4,009	2,497	4,407	12,854	22.46
10	of which Loans collateralised by residential immovable property	45,910	366	266	694	5,190	37.39
11	of which Loans collateralised by commercial immovable property	31,107	2,605	848	389	917	12.47
12	Repossessed collaterals	–	–	–	–	–	–
13	Relevant NACE codes	58,012	7,272	1,670	517	480	4.42

Reporting template 5, continued (part 2 of 2): Banking book – indicators of potential physical risks from climate change: Exposures with physical risk

	a	h	i	j	k	l	m	n	o
	Geographical area subject to climate change physical risk - acute and chronic events: Essentially Germany	Total gross carrying amount							
		of which exposures sensitive to impact from climate change physical events							
		of which expos-ures sensitive to impact both from chronic and acute climate change events	of which expo-sures sensitive to impact from acute climate change events	of which expos-ures sensitive to impact both from chronic and acute climate change events	of which Stage 2 expo-sures	of which non-perfor-ming expo-sures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	EUR million							of which Stage 2 expo-sures	of which non-per-forming expo-sures
1	A - Agriculture, forestry and fishing	–	1,754	26	79	37	(11)	(1)	(9)
2	B - Mining and quarrying	–	34	9	36	–	–	–	–
3	C - Manufacturing	130	2,318	688	1,441	315	(223)	(42)	(177)
4	D - Electricity, gas, steam and air conditioning supply	133	3,572	1,206	843	13	(36)	(19)	(6)
5	E - Water supply; sewerage, waste management and remediation activities	13	1,085	4	66	–	–	–	–
6	F - Construction	–	261	130	136	24	(22)	(2)	(20)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	–	394	23	187	25	(17)	–	(17)
8	H - Transportation and storage	865	704	948	333	44	(25)	(2)	(21)
9	L - Real estate activities	13,743	3,116	6,909	1,009	327	(78)	(7)	(61)
10	of which Loans collateralised by residential immovable property	1,321	3,141	2,055	8	6	(5)	(2)	–
11	of which Loans collateralised by commercial immovable property	1,496	2,572	691	942	424	(171)	(90)	(143)
12	Repossessed collaterals	–	–	–	–	–	–	–	–
13	Relevant NACE codes	821	7,684	1,434	2,941	133	(67)	(23)	(36)

Physical risks describe the risk of potential losses to the BayernLB Group due to negative financial effects resulting from current or future physical impacts of climate change on business partners or assets.

Physical risks are divided into acute and chronic risks:

Acute: risk that arises due to extreme events, for example floods or storms.

Chronic: Risk resulting from gradual changes such as rising temperatures, sea level rise, water stress, loss of biodiversity, land use change, habitat destruction or resource scarcity

The impact of climate risk-related physical risks within the portfolio is assessed in a multi-stage approach and with the help of various types of data, with preference given to individual and site-specific information when available. In general, an item is classified as relevant if it is affected by at least one physical risk regardless of whether it is also affected by other physical risks. The relevance of a physical risk is assessed primarily by means of the ESGA developed in house. This ensures in particular that the assessment is consistent with the control and risk assessment. Within the ESGA risk module (ESG risk), explicit assessments of physical risks (acute and chronic) are to be made. The assessment takes into account, among other things, the impact of physical risks to the business partner’s properties or infrastructure, supply chain and business model. The assessment within the ESGA also takes into account data from Munich Re Risk Suite®’s Natural Hazards Edition and Climate Change Edition (based on NATHAN (Natural Hazard Assessment Network)) and other available data.

In the absence of an ESGA, the relevance for real estate financing is assessed directly using data from Munich Re Risk Suite®. For this purpose, about 15 to 20 indicators for the current and future risk assessment are classified into acute and chronic risks according to the definition, and the relevance is assessed using quantitative risk models. The evaluation is based on the location or geographical region. Depending on the term of the financing, future-based risk assessments for a time horizon up to 2050 are used in addition to the current risk assessment. An item is also classified as relevant even when it could be impacted by physical risks only during the remaining term to maturity and not at the current point in time.

For remaining items, an approximate assessment of the relevance is carried out on the basis of portfolio averages as per BayernLB's risk-based sector classification, which is also used for internal risk management purposes. However, this procedure is followed only for a comparatively small portfolio share, which is steadily decreasing due to the growing portfolio coverage by the ESGA.

As already mentioned in the explanatory notes to reporting template 1, the answers by the European Banking Authority published on 17 February 2023 (Final Q&A) included a clarification on NACE code K “Financial and insurance activities”, with the outcome that financial companies must also be included in the population. Reporting template 5 includes NACE code K in the disclosure “Other relevant sectors”. This has significantly increased the exposure to be included in the disclosure.

Reporting template 6 – Summary of key performance indicators (KPIs) on the taxonomy-aligned exposures

The key performance indicators (KPIs) for the green asset ratio (GAR) for the two environmental objectives of climate change mitigation (CCM) and climate change adaptation (CCA) are disclosed in reporting template 6. Here, the green asset ratio is stated as at the reporting date (stock) and for new business in the reporting period (flow) for both climate change mitigation environmental objective and climate change adaptation environmental objective. The delta method was used to determine new business during the reporting period as at 31 December so that new business arose from the difference between the status of the reporting period and the status of the previous period. As the reporting template 6 was published for the first time on 31 December 2023, the values for stock and value are the same.

Reporting template 6 – Summary of key performance indicators (KPIs) on the taxonomy-aligned exposures.

	KPI			% coverage (over total assets)[1]
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	0.12%	–	0.12%	25.19%
GAR flow	N/A	N/A	N/A	N/A

1 % of assets covered by the KPI over banks´ total assets

Reporting template 7 – “Mitigating actions”

In reporting template 7, the bank must disclose information on the gross carrying amount pursuant to Implementing Regulation (EU) 2021 /451 of the European Commission of BayernLB’s assets that is required for determining the green asset ratio (GAR) in accordance with Delegated Regulation (EU) 2021/2178 of the European Commission, broken down by the environmental objectives climate change mitigation and climate change adaptation. Furthermore, the gross carrying amounts reported for the environmental objectives CCM and CCA must be supplemented in each case by the “of which” information on taxonomy eligibility and taxonomy alignment, use of proceeds known, transitional (in the case of environmental objective CCM), adaptation (in the case of environmental objective CCA) and enabling. Reporting template 7 must be disclosed twice: once with turnover generated and then with the capital expenditure (CapEx) incurred.

The values reported in reporting template 7 (turnover) are used to determine the green asset ratio (GAR) as reported in disclosure forms 8 and 6. The GAR is calculated by dividing all taxonomy-aligned transactions by the total of all balance sheet assets that are not explicitly excluded from the GAR calculation. The following guidelines must be observed: The accounting figures calculated are based on the ECB regulations on reporting of supervisory financial information (FinRep). The population must consider all assets as per FinRep in accordance with IFRS accounting. When calculating the GAR, the numerator includes in particular loans and advances, debt securities and equity instruments in the banking book to counterparties subject to the Non-Financial Reporting Directive (NFRD) (Directive 2014/95/EU) and to households and local governments. By contrast the denominator incorporates all loans and advances, debt securities and equity instruments of the banking book to counterparties not subject to the NFRD and derivatives not held for trading, short-term inter-bank loans, cash and cash equivalents and other asset categories. Loans and advances to central governments and supranational issuers and to central banks, as well as financial assets that fall under the “Financial assets held for trading” and “Assets held for sale” IFRS accounting categories, are not to be included in the GAR calculation, i.e. they are excluded from the numerator and the denominator. In addition, financial guarantees and assets under management are taken into account separately for certain disclosures. Reporting template 7 generally requires gross carrying amounts broken down by financial undertakings, non-financial undertakings, households and local (and regional) governments.

Reporting form 7 below is initially divided into the sections “7.1 Mitigating actions by turnover” and “7.2 Mitigating actions by investment”. Each of these sections is then sub-divided into four parts.

Part 1 of 4: GAR assets, rows 1 to 27 and columns a to k

Part 2 of 4: GAR assets, rows 1 to 27 and columns l to p

Part 3 of 4: GAR assets rows 28 to 50 and columns a to k

Part 4 of 4: GAR assets, rows 28 to 50 and columns l to p

Reporting template 7.1. (part 1 of 4) – Mitigating actions: Assets for the calculation of GAR (turnover)

		a	b	c	d	e	f	g	h	i	j	k
		Disclosure reference date T										
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
	EUR million				Of which specia-lised len-ding	Of which transitional	Of which enabling			Of which specia-lised len-ding	Of which adaptation	Of which enabling
	GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	69,144	20,006	233	32	–	–	–	–	–	–	–
2	**Financial corporations**	**18,450**	**377**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
3	Credit institutions	18,278	377	–	–	–	–	–	–	–	–	–
4	Loans and advances	14,556	1	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	3,711	376	–	–	–	–	–	–	–	–	–
6	Equity instruments	12	–	–		–	–	–	–		–	–
7	Other financial corporations	172	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	17	–	–	–	–	–	–	–	–	–	–
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	17	–	–		–	–	–	–			
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–			
16	of which insurance undertakings	82	–	–	–	–	–	–	–	–	–	–
17	Loans and advances	77	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	5	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–		–	–
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	5,467	669	233	32	–	–	–	–	–	–	–
21	Loans and advances	5,432	669	233	32	–	–	–	–	–	–	–
22	Debt securities, including UoP	35	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–	–		–	–	–	–		–	–
24	**Households**	26,125	16,580	–	–	–	–					
25	of which Loans collateralised by residential immovable property	19,385	16,138	–	–	–	–					
26	of which building renovation loans	334	334	–	–	–	–					
27	of which motor vehicle loans	108	108	–	–	–	–					

Reporting template 7.1 (continued: part 2 of 4) – Mitigating actions: Assets for the calculation of GAR (turnover)

		l	m	n	o	p
		Disclosure reference date T				
		TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
	EUR million			Of which specialised lending	Of which transitional/adaptation	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	23,670	233	32	–	–
2	**Financial corporations**	**3,362**	**–**	**–**	**–**	**–**
3	Credit institutions	3,362	–	–	–	–
4	Loans and advances	2,986	–	–	–	–
5	Debt securities, including UoP	376	–	–	–	–
6	Equity instruments	–	–		–	–
7	Other financial corporations	–	–	–	–	–
8	of which investment firms	–	–	–	–	–
9	Loans and advances	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–
11	Equity instruments	–	–		–	–
12	of which management companies	–	–	–	–	–
13	Loans and advances	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–
15	Equity instruments	–	–		–	–
16	of which insurance undertakings	–	–	–	–	–
17	Loans and advances	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–
19	Equity instruments	–	–		–	–
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	1,348	233	32	–	–
21	Loans and advances	1,348	233	32	–	–
22	Debt securities, including UoP	–	–	–	–	–
23	Equity instruments	–	–		–	–
24	**Households**	16,580	–	–	–	–
25	of which Loans collateralised by residential immovable property	16,138	–	–	–	–
26	of which building renovation loans	334	–	–	–	–
27	of which motor vehicle loans	108	–	–	–	–

Reporting template 7.1. (continued: part 3 of 4) – Mitigating actions: Assets for the calculation of GAR (turnover)

		a	b	c	d	e	f	g	h	i	j	k
		Disclosure reference date T										
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
	EUR million				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling
28	**Local governments financing**	19,101	2,380	–	–	–	–	–	–	–	–	–
29	Housing financing	1,512	1,064	–	–	–	–	–	–	–	–	–
30	Other local governments financing	17,589	1,316	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	–	–	–
32	**TOTAL GAR ASSETS**	**69,144**	**20,006**	**233**	**32**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)											
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	114,841										
34	Loans and advances	111,931										
35	Debt securities	2,602										
36	Equity instruments	307										
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	12,626										
38	Loans and advances	10,756										
39	Debt securities	1,819										
40	Equity instruments	51										
41	Derivatives	168										
42	On demand interbank loans	2,338										
43	Cash and cash-related assets	34										
44	Other assets (e.g. Goodwill, commodities etc.)	1,601										
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**200,753**										
	Other assets excluded from both the numerator and denominator for GAR calculation											
46	Sovereigns	15,795										
47	Central banks exposure	45,676										
48	Trading book	12,261										
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	**73,733**										
50	**TOTAL ASSETS**	**274,485**										

Reporting template 7.1 (continued: part 4 of 4) – Mitigating actions: Assets for the calculation of GAR (turnover)

		l	m	n	o	p
		Disclosure reference date T				
		TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
	EUR million			Of which specialised lending	Of which transitional/adaptation	Of which enabling
28	**Local governments financing**	2,380	–	–	–	–
29	Housing financing	1,064	–	–	–	–
30	Other local governments financing	1,316	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–
32	**TOTAL GAR ASSETS**	**23,670**	**233**	**32**	**–**	**–**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)					
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**					
34	Loans and advances					
35	Debt securities					
36	Equity instruments					
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**					
38	Loans and advances					
39	Debt securities					
40	Equity instruments					
41	Derivatives					
42	On demand interbank loans					
43	Cash and cash-related assets					
44	Other assets (e.g. Goodwill, commodities etc.)					
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**					
	Other assets excluded from both the numerator and denominator for GAR calculation					
46	Sovereigns					
47	Central banks exposure					
48	Trading book					
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**					
50	**TOTAL ASSETS**					

Reporting template 7.2 (part 1 of 4) – Mitigating actions: Assets for the calculation of GAR (CAPEX)

		a	b	c	d	e	f	g	h	i	j	k
		Disclosure reference date T										
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
	EUR million				Of which specia-lised len-ding	Of which transi-tional	Of which enabling			Of which specia-lised len-ding	Of which adap-tation	Of which enabling
	GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	69,144	20,438	647	32	–	–	–	–	–	–	–
2	**Financial corporations**	**18,450**	**377**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
3	Credit institutions	18,278	377	–	–	–	–	–	–	–	–	–
4	Loans and advances	14,556	1	–	–	–	–	–	–	–	–	–
5	Debt securities, including UoP	3,711	376	–	–	–	–	–	–	–	–	–
6	Equity instruments	12	–	–		–	–	–	–		–	–
7	Other financial corporations	172	–	–	–	–	–	–	–	–	–	–
8	of which investment firms	17	–	–	–	–	–	–	–	–	–	–
9	Loans and advances		–	–	–	–	–	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	17	–	–		–	–	–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–	–
16	of which insurance undertakings	82	–	–	–	–	–	–	–	–	–	–
17	Loans and advances	77	–	–	–	–	–	–	–	–	–	–
18	Debt securities, including UoP	5	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–		–	–
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	**5,467**	**1,101**	**647**	**32**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
21	Loans and advances	5,432	1,101	647	32	–	–	–	–	–	–	–
22	Debt securities, including UoP	35	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–	–		–	–	–	–		–	–
24	**Households**	26,125	16,580	–	–	–	–					
25	of which Loans collateralised by residential immovable property	19,385	16,138	–	–	–	–					
26	of which building renovation loans	334	334	–	–	–	–					
27	of which motor vehicle loans	108	108	–	–	–	–					

Reporting template 7.2 (continued: part 2 of 4) – Mitigating actions: Assets for the calculation of GAR (CAPEX)

		l	m	n	o	p
		Disclosure reference date T				
		TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
	EUR million			Of which specialised lending	Of which transitional/adaptation	Of which enabling
	GAR - Covered assets in both numerator and denominator					
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**24,314**	**648**	**32**	–	–
2	**Financial corporations**	**3,362**	**–**	**–**	**–**	**–**
3	Credit institutions	**3,362**	**–**	**–**	–	–
4	Loans and advances	2,986	–	–	–	–
5	Debt securities, including UoP	376	–	–	–	–
6	Equity instruments	–	–		–	–
7	Other financial corporations	–	–	–	–	–
8	of which investment firms	–	–	–	–	–
9	Loans and advances	–	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–
11	Equity instruments	–	–		–	–
12	of which management companies	–	–	–	–	–
13	Loans and advances	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–
15	Equity instruments	–	–		–	–
16	of which insurance undertakings	–	–	–	–	–
17	Loans and advances	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–
19	Equity instruments	–	–		–	–
20	**Non-financial corporations (subject to NFRD disclosure obligations)**	1,992	648	32	–	–
21	Loans and advances	1,992	648	32	–	–
22	Debt securities, including UoP	–	–	–	–	–
23	Equity instruments	–	–		–	–
24	**Households**	16,580	–	–	–	–
25	of which Loans collateralised by residential immovable property	16,138	–	–	–	–
26	of which building renovation loans	334	–	–	–	–
27	of which motor vehicle loans	108	–	–	–	–

Reporting template 7.2 (continued: part 3 of 4) – Mitigating actions: Assets for the calculation of GAR (CAPEX)

		a	b	c	d	e	f	g	h	i	j	k
		Disclosure reference date T										
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
	EUR million				Of which specia-lised len-ding	Of which transi-tional	Of which enabling			Of which specia-lised len-ding	Of which adap-tation	Of which enabling
28	**Local governments financing**	19,101	2,380	–	–	–	–	–	–	–	–	–
29	Housing financing	1,512	1,064	–	–	–	–	–	–	–	–	–
30	Other local governments financing	17,589	1,316	–	–	–	–	–	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	–	–	–
32	**TOTAL GAR ASSETS**	**69,144**	**20,438**	**647**	**32**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)											
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**	114,841										
34	Loans and advances	111,931										
35	Debt securities	2,602										
36	Equity instruments	307										
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**	12,626										
38	Loans and advances	10,756										
39	Debt securities	1,819										
40	Equity instruments	51										
41	Derivatives	168										
42	On demand interbank loans	2,338										
43	Cash and cash-related assets	34										
44	Other assets (e.g. Goodwill, commodities etc.)	1,601										
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**	**200,753**										
	Other assets excluded from both the numerator and denominator for GAR calculation											
46	Sovereigns	15,795										
47	Central banks exposure	45,676										
48	Trading book	12,261										
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**	**73,733**										
50	**TOTAL ASSETS**	**274,485**										

Reporting template 7.2 (continued: part 4 of 4) – Mitigating actions: Assets for the calculation of GAR (CAPEX)

		l	m	n	o	p
		Disclosure reference date T				
		TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)		
	EUR million			Of which specialised lending	Of which transitional/adaptation	Of which enabling
28	**Local governments financing**	2,380	–	–	–	–
29	Housing financing	1,064	–	–	–	–
30	Other local governments financing	1,316	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–
32	**TOTAL GAR ASSETS**	**24,314**	**648**	**32**	**–**	**–**
	Assets excluded from the numerator for GAR calculation (covered in the denominator)					
33	**EU Non-financial corporations (not subject to NFRD disclosure obligations)**					
34	Loans and advances					
35	Debt securities					
36	Equity instruments					
37	**Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)**					
38	Loans and advances					
39	Debt securities					
40	Equity instruments					
41	Derivatives					
42	On demand interbank loans					
43	Cash and cash-related assets					
44	Other assets (e.g. Goodwill, commodities etc.)					
45	**TOTAL ASSETS IN THE DENOMINATOR (GAR)**					
	Other assets excluded from both the numerator and denominator for GAR calculation					
46	Sovereigns					
47	Central banks exposure					
48	Trading book					
49	**TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR**					
50	**TOTAL ASSETS**					

Reporting template 8 – GAR

In reporting template 8, the share of taxonomy-eligible exposures in the overall portfolio and the share of taxonomy-aligned exposures in the overall positions are each shown as a percentage. These shares, eligible asset ratio and green asset ratio must be indicated for both environmental objective CCM and environmental objective CCA. The GAR is therefore differentiated by counterparty for the status as at the reporting date (stock) and for new business in the reporting period (flow) for both the environmental objective CCM and the environmental objective CCA. The delta method was used to determine new business during the reporting period as at 31 December so that new business arose from the difference between the status of the reporting period and the status of the previous period. As the reporting template 8 was published for the first time on 31 December 2023, the values for stock and value are the same.

Reporting template 8 (part 1 of 3) – GAR

		a	b	c	d	e	f	g	h	i	j
		Disclosure reference date T: KPIs on stock									
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable					Of which environmentally sustainable			
	% (compared to total covered assets in the denominator)			Of which specia-lised lending	Of which transi-tional	Of which ena-bling			Of which specia-lised lending	Of which adap-tation	Of which enabling
1	**GAR**	9.97%	0.12%	0.02%	-	-	-	-	-	-	-
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	9.97%	0.12%	0.02%	-	-	-	-	-	-	-
3	Financial corporations	0.19%	-	-	-	-	-	-	-	-	-
4	Credit institutions	0.19%	-	-	-	-	-	-	-	-	-
5	Other financial corporations	-	-	-	-	-	-	-	-	-	-
6	of which investment firms	-	-	-	-	-	-	-	-	-	-
7	of which management companies	-	-	-	-	-	-	-	-	-	-
8	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-
9	Non-financial corporations (subject to NFRD disclosure obligations)	0.33%	0.12%	0.02%	-	-	-	-	-	-	-
10	Households	8.26%	-	-	-	-					
11	of which Loans collateralised by residential immovable property	8.04%	-	-	-	-					
12	of which building renovation loans	0.17%	-	-	-	-					
13	of which motor vehicle loans	0.05%	-	-	-	-					
14	Local governments financing	1.19%	-	-	-	-					
15	Housing financing	0.53%	-	-	-	-					
16	Other local governments financing	0.66%	-	-	-	-	-	-	-	-	-
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-					

Reporting template 8 (continued: part 2 of 3) – GAR

	% (compared to total covered assets in the denominator)	k	l	m	n	o	p	q	r	s	t	u
		Disclosure reference date T: KPIs on stock						Disclosure reference date T: KPIs on flows				
		TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)				
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total assets covered	Proportion of eligible assets funding taxonomy relevant sectors				
			Of which environmentally sustainable						Of which environmentally sustainable			
				Of which specialised lending	Of which transitional/adaptation	Of which enabling				Of which specialised lending	Of which transitional	Of which enabling
1	**GAR**	11.79%	0.12%	0.02%	-	-	25.19%	N/A	N/A	N/A	N/A	N/A
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	11.79%	0.12%	0.02%	-	-	25.19%	N/A	N/A	N/A	N/A	N/A
3	Financial corporations	1.67%	-	-	-	-	6.72%	N/A	N/A	N/A	N/A	N/A
4	Credit institutions	1.67%	-	-	-	-	6.66%	N/A	N/A	N/A	N/A	N/A
5	Other financial corporations	-	-	-	-	-	0.06%	N/A	N/A	N/A	N/A	N/A
6	of which investment firms	-	-	-	-	-	0.01%	N/A	N/A	N/A	N/A	N/A
7	of which management companies	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
8	of which insurance undertakings	-	-	-	-	-	0.03%	N/A	N/A	N/A	N/A	N/A
9	Non-financial corporations (subject to NFRD disclosure obligations)	0.67%	0.12%	0.02%	-	-	1.99%	N/A	N/A	N/A	N/A	N/A
10	Households	8.26%	-	-	-	-	9.52%	N/A	N/A	N/A	N/A	N/A
11	of which Loans collateralised by residential immovable property	8.04%	-	-	-	-	7.06%	N/A	N/A	N/A	N/A	N/A
12	of which building renovation loans	0.17%	-	-	-	-	0.12%	N/A	N/A	N/A	N/A	N/A
13	of which motor vehicle loans	0.05%	-	-	-	-	0.04%	N/A	N/A	N/A	N/A	N/A
14	Local governments financing	1.19%	-	-	-	-	6.96%	N/A	N/A	N/A	N/A	N/A
15	Housing financing	0.53%	-	-	-	-	0.55%	N/A	N/A	N/A	N/A	N/A
16	Other local governments financing	0.66%	-	-	-	-	6.41%	N/A	N/A	N/A	N/A	N/A
17	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A

Reporting template 8 (continued: part 3 of 3) – GAR

		v	w	x	y	z	aa	ab	ac	ad	ae	af
		Disclosure reference date T: KPIs on flows										
		Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total new assets covered
			Of which environmentally sustainable					Of which environmentally sustainable				
	% (compared to total covered assets in the denominator)			Of which specia-lised len-ding	Of which adap-tation	Of which enabling			Of which specia-lised len-ding	Of which transitional/adapta-tion	Of which enabling	
1	**GAR**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3	Financial corporations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4	Credit institutions	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5	Other financial corporations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6	of which investment firms	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
7	of which management companies	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
8	of which insurance undertakings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
9	Non-financial corporations (subject to NFRD disclosure obligations)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	Households						N/A	N/A	N/A	N/A	N/A	N/A
11	of which Loans collateralised by residential immovable property						N/A	N/A	N/A	N/A	N/A	N/A
12	of which building renovation loans						N/A	N/A	N/A	N/A	N/A	N/A
13	of which motor vehicle loans						N/A	N/A	N/A	N/A	N/A	N/A
14	Local governments financing						N/A	N/A	N/A	N/A	N/A	N/A
15	Housing financing						N/A	N/A	N/A	N/A	N/A	N/A
16	Other local governments financing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
17	Collateral obtained by taking possession: residential and commercial immovable properties						N/A	N/A	N/A	N/A	N/A	N/A

Reporting template 9 – Mitigating actions: BTAR

The explanatory notes to this reporting template, the first mandatory disclosure of which will be required on 31 December 2024, are currently being prepared and will be published as at the balance sheet date 31 December 2024.

Reporting template 10 – other climate change mitigating actions not covered in Regulation (EU) No. 2020/852

In reporting template 10 BayernLB discloses its exposures that are not EU taxonomy-aligned in accordance with reporting templates 7, 8 and 9 but which nevertheless support business partners in the transition and adaptation process with the aim of mitigating and adapting to climate change. These mitigating measures and actions include bonds and loans (but not equity instruments) issued under standards other than EU standards. These include, for example, green bonds, sustainable bonds and sustainability-linked bonds, which are linked to certain aspects of climate change.

	a	b	c	d	e	f
	Type of financial instrument	**Type of counterparty**	**Gross carrying amount (EUR m)**	**Type of risk mitigated (Climate change transition risk)**	**Type of risk mitigated (Climate change physical risk)**	**Qualitative information on the nature of the mitigating actions**
	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)					
1		Financial corporations	447	N	N	–
2		Non-financial corporations	28	N	N	–
3		of which Loans collateralised by commercial immovable property	–	–	–	–
4		Other counterparties	271	N	N	–
	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)					
5		Financial corporations	2,728	Y	N	–
6		Non-financial corporations	21,659	Y	Y	–
7		of which Loans collateralised by commercial immovable property	7,726	Y	Y	–
8		Households	84	Y	N	–
9		of which Loans collateralised by residential immovable property	2	Y	N	–
10		of which building renovation loans	–	–	–	–
11		Other counterparties	352	Y	N	–

Supplemental qualitative explanatory notes to reporting template 10 must detail the nature and type of the climate change mitigation activities presented (including information on the types of risks they mitigate, the climate change goals they support, the relevant counterparties and the timing of the actions).

Furthermore, BayernLB discloses why these items do not fully meet the criteria of the EU taxonomy but still contribute to mitigating transition risk or physical risk related to climate change, as well as all other information that is relevant for understanding BayernLB's risk management framework.

The 17 global sustainability goals of the UN Agenda 2030 (Sustainable Development Goals), the climate targets of the Paris Agreement and the Bavarian Sustainability Strategy are currently decisive for BayernLB's general approach to sustainability and serve to align the Bank as a sustainable institution. From a regulatory perspective, EU taxonomy provides flanking support.

The basis for managing current and future business activities designed for a sustainable economy and aligned with the EU taxonomy is the ESG assessment (see above for details). In addition to sustainability risks, this also records and evaluates sustainability opportunities (impact) using the labels "ESG Basic" and "ESG Plus". The "ESG Basic" category is given when the business purpose of the company in question is predominantly sustainable (>90 percent), or is given directly on the basis of the financed measure (e.g. sustainability-linked products), barring any earmarking. Earmarked financing is classified as "ESG Basic" if it contributes to selected overarching environmental or social objectives or sub-goals and thus embodies a qualitative contribution. If a financing additionally meets the criteria of the EU taxonomy (technical standards (EU) alignment), it is to be classified as "ESG Plus" and thus embodies a quantitative contribution. While transactions identified under this methodology contribute positively towards a sustainable development in terms of climate change adaptation, they do not yet involve a review of the do-no-significant-harm criteria and therfore cannot be considered taxonomy-aligned for purposes of the green asset ratio (GAR). For this purpose, BayernLB launched in 2023 a tool developed by the Association of German Public Banks (VÖB TAXO TOOL). This analyses and evaluates certain financing projects and financial products in terms of EU taxonomy alignment.

BayernLB has decided that green loans and green bonds which, based on the ESG assessment, meet some of the criteria for EU taxonomy alignment (pursuant to the EU Taxonomy Regulation, Annex 1 and 2), are also to be taken into account when completing reporting template 10. As a result, not only loans and bonds with the "ESG Basic" label but also transactions with the "ESG Plus" label are addressed on the form. To increase transparency regarding the impact of their portfolios, BayernLB and DKB are taking a differentiated look at their loan portfolios based on the Sustainable Development Goals (SDGs). In so doing, BayernLB maps the environmental and social sub-goals used in the ESG assessment to the corresponding sub-goals of the SDGs.

To determine whether there is a mitigation effect of transitory and physical risks, a distinction is made among the ecological sub-goals according to their climate change mitigation effect in terms of transitory and physical risks. Accordingly, the assets reported there essentially support the mitigation of transitory climate risks through the resulting alignment of the overall portfolio with forward-looking technologies. Since 2021 BayernLB has been focusing its corporate customer business primarily on five innovative industries and sectors of the future: energy, mobility, technology, construction & basic resources and manufacturing & engineering. The focus is first and foremost on supporting its customers in financing the transformation of new business models. In addition, financing the sustainability transformation of the real economy contributes to a macro-economic mitigation of transitory climate risks.

Remuneration policy (article 450 CRR)

Pursuant to section 16 (1) of the Remuneration Regulation for Institutions (InstitutsVergV) dated 25 September 2021, the BayernLB Group is required to disclose information about its remuneration policy and practices. For the BayernLB Group as a CRR institution the disclosure obligations are based on article 450 of Regulation (EU) No 575/2013 (CRR) and section 16 InstitutsVergV. BayernLB complies with the disclosure requirements under section 27 (1) sentence 3 InstitutsVergV at consolidated level. Thus, in addition to BayernLB and DKB AG, Real I.S. AG (referred to below as "Real I.S.") and BayernInvest Kapitalverwaltungsgesellschaft mbH (referred to below as "BayernInvest") are also included in the disclosure pursuant to section 16 InstitutsVergV.

The legal provisions under InstitutsVergV (section 27) are implemented throughout the Group by virtue of adhering to the “BayernLB (Bank/Group) Remuneration Strategy and Guidelines” (referred to below as “the VSL”).

While the provisions of the InstitutsVergV and the VSL apply in full to BayernLB and DKB AG, the scope of application of the InstitutsVergV and, correspondingly, the VSL with regard to Real I.S. and BayernInvest is limited to "principles for appropriate, transparent and gender-neutral remuneration systems geared towards the group’s sustainable development" pursuant to section 27 (1) sentence 1 InstitutsVergV.

The quantitative information as required under article 450 para. 1 letters g) to i) CRR will be released once all the bonus payments for the year 2023 have been finalised. At BayernLB, disbursement is scheduled for the May 2024 salary. The BayernLB Group will publish its updated disclosures for the 2023 financial year, pursuant to article 450 CRR and to section 16 (1) and (27) sentence 3 InstitutsVergV, midway through 2023, each in a separate remuneration report to be published on the internet pursuant to section 16 (4) InstitutsVergV. This report will also discloses the qualitative information for BayernLB Bank and DKB AG, which is itself also a significant institution pursuant to Section 1 (3c) of the German Banking Act (KWG), and – where necessary – for Real I.S. and BayernInvest.

Given the remuneration requirements placed on Group management, which are necessary due to the regulatory provisions, a set of Group-wide principles has been established so as to ensure consistency between the different remuneration systems. These principles, furthermore, satisfy section 27 (1) InstitutsVergV, which requires that a binding group-wide remuneration strategy be established. The remuneration systems for BayernLB Bank, DKB and the two investment companies Real I.S. and BayernInvest lie within these shared parameters. Derived from the Group-wide Business Strategy and Risk Strategy, they are based on each institution’s specific business and risk strategies (see article 450 CRR para. 1 letter a)).

Different business models within the Group

That the business models differ is reflected in the remuneration systems as each calls for its own specific remuneration-related features:

In the 2023 financial year BayernLB Bank had largely completed its transformation, which it had resolved to undergo as part of its newly adopted business strategy, from a wholesale bank to a streamlined, specialised lender. It was also active in financial year 2023 in its traditional Corporates & Mittelstand and Real Estate & Savings Banks/Association segments, focusing chiefly on large companies, including large Mittelstand companies, as well as on the savings banks and other public-sector customers. Via its Markets and Group Treasury Divisions, moreover, it gave certain selected customers access to capital market and treasury products. As a "financier of progress", BayernLB further strengthened its positioning as a streamlined specialised bank and investment financier with sector expertise and product competence. It also increased its visibility in the market and raised its profile further among (potential) customers and business partners.

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

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

Real I.S. is one of the leading German providers of real estate investments for private and institutional investors. It is is currently focusing on investments in Germany, Europe and Australia.

BayernInvest is both an asset manager and an investment management company (Master-KVG). BayernInvest manages special and mutual funds as well as institutional asset management mandates.

The two investment management companies, Real I.S. and BayernInvest, are subject to sector-specific regulations for AIF capital management companies and/or for UCITS capital management companies pursuant to Section 37 KAGB. Under the sector-specific regulations, both BayernInvest and Real I.S. are classified as non-complex on the basis of the proportionality principle.

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

Remuneration policy for BayernLB Bank

BayernLB Bank (referred to below as "BayernLB") is considered, pursuant to section 1 (3c) KWG, a major institution. BayernLB must therefore fulfil the special requirements set out under section 18 et. seq. InstitutsVergV in addition to the general provisions.

Remuneration strategy and external market validation

BayernLB's remuneration policy is manifested in its remuneration strategy. A component of the Bank's human resources strategy, the remuneration strategy prescribes calibrating the employees' achievement of the objectives set forth in BayernLB's current Business Strategy and Risk Strategy. The remuneration strategy takes account of the Bank's corporate culture. This centred on BayernLB's new strategic direction under its "Fokus 2024" programme, which was successfully concluded in the reporting year.

A detailed analysis of the business model, carried out as a Fokus 2024 measure, indicated that BayernLB has continued to develop into a more streamlined, efficient specialised bank. Over the long term, the Bank is looking to boost its real estate business – not least in selected foreign markets – while maintaining the same product and property focus. It envisages further growth in its corporate customer business, especially in structured asset finance, with an added focus on five specific forward-looking sectors (energy, mobility, technology, manufacturing & engineering and construction & basic resources). Its capital market business will be concentrated on a small number of strategic products with a competitive positioning and adequate scaling. BayernLB will nevertheless continue serving as the central bank to the Bavarian savings banks and a strong partner to the public sector and financial institutions.

As part of its transformation, BayernLB has been systematically moving further along the sustainability path it embarked on several years ago and taking long-term objectives into account in its business policy decisions (e.g. in the areas of climate and the environment). To this end, BayernLB has created a roadmap for increasing the portfolio share of ESG and EU taxonomy-aligned transactions in the coming years. The plan is incorporated into BayernLB's remuneration systems via the remuneration strategy and the annual strategic objectives set by the Board of Management and the objectives spawned from these, which are cascaded down each hierarchy level through to the individual employee's set of objectives.

BayernLB took further major steps in 2023 to improve its market positioning. With its proven brand values and the #Fortschrittsfinanzierer [financier of progress] campaign at the forefront, the focus on the customer was sharpened.

In financial year 2023 the remuneration strategy remained centred on providing remuneration that is in line with the market, strengthening the ties to performance, enhancing employee motivation and loyalty, and enabling the employees to share appropriately in the Bank's success. The Group-wide parameters for the remuneration systems are laid down in the Remuneration Strategy and Guidelines.

The implications of Fokus 2024 for BayernLB's remuneration policy continued to take hold in 2023, also in terms of sustainability.

BayernLB's remuneration systems are appropriately designed:

- The total remuneration shall comprise an annual base salary to which variable remuneration components and salary-related ancillary payments may be added.
- For the reporting year, BayernLB remains subject to an upper limit for the ratio of fixed remuneration to maximum achievable variable remuneration of 1:1 (see article 450 CRR para. 1 letter d)).
- The fixed and variable components are thereby in proportion to one another such that no undesirable incentives exist that could encourage employees to enter an unjustifiably high risk.
- The fixed remuneration shall be sufficient so that the employee need not depend on the variable component to cover his or her reasonable living expenses.

- The remuneration systems shall not run counter to the monitoring function assumed by the control units. The amount of variable remuneration for the employees in these units and for the employees in the units they control is not determined by parallel remuneration parameters, thereby precluding the potential for a conflict of interest.
- Severance payments are based on institution-wide principles and agreements reached with the General Staff Council for downsizing and restructuring the workforce in a socially responsible manner. In cases of doubt, BayernLB has informed the supervisory authorities of intended severance payments in accordance with section 5 (6) sentence 5 no. 3 InstitutsVergV before granting them. “Non-privileged severance payments” are non granted. Guaranteed benefit entitlements will not be granted in the event that the employment is terminated.
- The remuneration systems are designed to be gender-neutral.

To ensure the appropriateness of the employees’ remuneration, external remuneration consultants (currently WillisTowersWatson, for employees in Germany, and Aon, for employees abroad) are tasked at regular intervals with obtaining current market comparisons with regard to both fixed and variable remuneration. The amount and structure of remuneration are then adjusted if necessary on the basis of the market comparisons.

The Board of Management remuneration is also reviewed at regular intervals with regard to market conformity. These reviews are carried out by the Supervisory Board, with the help of the Compensation Committee as well as external remuneration consultants.

Remuneration governance structure – 450 CRR para. 1 letter a)

In accordance with the legal requirements, the Supervisory Board of BayernLB determines the remuneration of the members of the Board of Management, while the Board of Management is responsible for the remuneration of employees of BayernLB.

Remuneration roles and responsibilities

The Supervisory Board of BayernLB determines the appropriateness of the remuneration systems applicable to the members of the Board of Management (section 3 para. 2 InstitutsVergV in conjunction with section 25a (1) no. 6 and (5) KWG), and monitors the appropriateness of the remuneration systems for the employees. One source of assistance with this task is the Compensation Committee (section 15 (2) and (3) InstitutsVergV). The Committee’s agenda for its three meetings in 2023 included refinements to the employee remuneration system, in particular with regard to the pay scale reform discussed between the parties to the collective bargaining agreement and the supervisory authority’s deliberations on the fine-tuning of the interpretation aid for the InstitutsvergV. The Committee evaluated the impact of the remuneration systems on the risk, capital and liquidity of both BayernLB and the BayernLB Group, and deliberated on the proposal for calculating and allocating the total amount of variable remuneration for the employees for the 2023 financial year. The Committee was informed about the process for identifying risk takers in the Bank and in the Group, as well as of the sustainability review findings.

In addition, ad hoc discussions were held between the Compensation Committee and the Risk Committee of BayernLB (in some instances facilitated by certain members belonging to both committees).

Among the tasks of the remuneration officer is monitoring the appropriateness of the remuneration systems for the employees (excluding executive managers), identifying risk takers and monitoring disclosure at all times. To this end, she must be integrated into the ongoing processes of redesigning, adapting and applying the remuneration systems (section 24 (1) InstitutsVergV). Another task of the remuneration officer is supporting the Supervisory Board and its Compensation Committee in their monitoring and structuring of all the remuneration systems. The remuneration officer furthermore issues a report at least once a year on how the remuneration systems for the employees (excluding executive managers) are structured, and submits this report simultaneously to the Board of Management, Supervisory Board and Compensation Committee. Where necessary, she also reports on an ad hoc basis.

BayernLB furthermore has a Remuneration Board, comprised of Bank-internal members, below the Board of Management level. This body is tasked among other things with advising the Board of Management on the structure for an appropriate employee remuneration system geared towards the sustainable development of BayernLB, with a particular focus on variable remuneration. It also advises and assists the remuneration officer on specific issues relating to the monitoring of employee remuneration systems. In addition to officers from the Sales units, the Remuneration Board comprises one officer from the Risk Office units as well as representatives of the controlling units (Group Risk Control, Audit, and Group Compliance), Finance, Human Resources & Group Development divisions plus the remuneration officer and her deputy. The Chair is head of the Legal Services & BoM Support Division. This composition fulfils section 3 (3) InstitutsVergV, which requires an appropriate degree of involvement by the controlling units when designing and monitoring employee remuneration systems. In the 2023 financial year the Remuneration Board convened three times.

A backtesting working group is in place which functions as a Remuneration Board committee. It is tasked with carrying out performance reviews and backtesting. It comprises the heads of the

Legal Services & BoM Support, Audit, Compliance, Group Risk Control, and Finance divisions, as well as the remuneration officer and her deputy. The Human Resources Division is involved with the participation of a representative of the HR Consulting Department as a guest. In the reporting year, the working group assisted the managers in reviewing the sustainability of the risk takers’ contributions. To this end, it conducted a preliminary check for the backtesting of the corporate and segment objectives as well as for certain criteria which are applied when reviewing the contribution of the organisational unit and that of the individual risk taker. The working group convened in one instance.

Remuneration system for employees below the Board of Management

The remuneration system for the employees is not excessively complex. BayernLB’s remuneration scheme is uniform to a large degree – whether in Germany or abroad, whether for risk takers or non-risk takers. As is the case with employees in general, the total remuneration for risk takers can comprise an annual base salary, an annual bonus, benefits and, in some cases, an additional bonus paid during the course of the year in recognition of outstanding individual achievements (see article 450 CRR para. 1 letter c)).

When setting risk-orientated objectives and disbursing variable remuneration to risk takers, however, special internal provisions for employees that BayernLB has laid down in the “Service agreement on career development and performance dialogue”, the employee/staff council service agreement for risk takers and – insofar as a risk taker does not fall within the scope of these service agreements (second-level employees who report directly to the Board of Management and employees at the foreign branches who have signed an employment contract subject to local law) – individual binding arrangements, apply in addition.

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

The vast majority of the employees identified as risk takers are remunerated outside the standard pay scale. Only a few employees who are on the standard pay scale were also risk takers.

Standard pay scale employees

BayernLB employees on the standard pay scale receive a base salary in accordance with the classification and remuneration provisions of the collective wage agreements for public-sector banks. They may also receive bonuses that are based on the standard pay scale or beyond such pay scale, and which are regulated throughout the institution in a separate service agreement between BayernLB and the General Staff Council.

In addition to the twelve monthly salary payments and the standard special payment pursuant to section 10 of the framework collective wage agreement, standard pay scale employees are entitled to a one-off cash payment and may also be awarded variable remuneration (based on a reference value of 50 percent each of the two extraordinary payments). This is subject to two service agreements. Assuming the Board of Management sets aside a bonus pool for variable remuneration, a standard pay scale employee is entitled to variable remuneration, provided their agreed development and performance dialogue objectives have at least been partially achieved and the employee has not exhibited any gross misconduct. The one-off cash payment is granted as stipulated in the signed service agreement irrespective of whether the Bank sets aside a bonus pool.

Annual base salary for employees beyond the standard pay scale

The annual base salary for employees on a payroll that is beyond the standard pay scale is based on the value of the position or function. The formal requirements, qualifications and skills necessary to fulfil the function are among the relevant factors for remuneration purposes. Every function subject to remuneration beyond the standard pay scale is allocated to a job family (Savings Bank and Subsidies Business, Corporates & Institutional Banking, Markets, Management & Support, IT, Administration & Services, Control Functions/Risk Management and BayernLabo).

The responsibilities attached to a function within a given job family are depicted as a “ladder” with three “rungs” representing each career level – KS1, KS2 and KS3. Every career level, in turn, is allocated a certain base-salary bandwidth with an upper and a lower limit. Employees in second-level management (who are above career level 3, the top level) fall within a uniform salary bandwidth.

These base-salary bandwidths are regularly validated by means of market comparisons made with the help of the external remuneration consultant WillisTowersWatson, and are adjusted where necessary to new market developments. Among other things, this ensures that all the bandwidths for the base salaries are in line with the market.

An analogous system is used at the foreign branches whereby the number of job families is dependent on the spectrum of duties for which the particular foreign branch is responsible. Regular market comparisons are carried out with the help of the external remuneration consultant Aon. In addition, salary changes are carried out on the basis of individual benchmarks.

Variable remuneration (annual bonus) for employees beyond the standard pay scale – article 450 CRR para. 1 letters c) and f)

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

The variable remuneration system (annual bonus) for BayernLB employees who are on a payroll outside the standard pay scale and who are below second-level management is laid down in Germany in a service agreement concluded with the staff representative bodies, where the underlying distribution principles are subject to co-determination. Individual arrangements apply for employees belonging to second-level management. They are based strongly on the remuneration system for employees outside the standard pay scale and below second-level management. Owing to regulatory requirements, a share of the variable remuneration calculated for second-level management and second-level risk takers for the 2023 financial year will be awarded in the form of non-cash instruments, provided that the total variable remuneration received for the reporting year exceeds the regulatory threshold. In order to avoid significant dependencies on variable remuneration, market validations are undertaken for BayernLB's workforce to ensure that their base salaries are in line with the market.

Every function outside the standard pay scale is allocated a specific, function-based reference value for annual variable remuneration by being classified under a certain job family and career level.

Similarly to the previous years, the reference values for the variable remuneration were validated, based on current market data, for the reporting year by the external remuneration consultant. This approach ensures an appropriate relationship between the reference values and the associated base-salary bandwidths (see article 450 CRR para. 1 letter d)).

As in Germany, variable remuneration at the foreign branches is subject to reference values derived from the market, which were determined with the help of the external remuneration consultant Aon.

The Board of Management passed a proposal for calculating and distributing the total amount of variable remuneration (annual bonus) for employees for the 2023 financial year. This resolution was approved by the Compensation Committee.

The plan calls for a multiplicative calculation of the individual variable remuneration, based on the following formula:

Function-based reference value x Bank coefficient x segment coefficient (possibly adjusted) x budget-unit adjustment-percentage coefficient x personal-percentage coefficient from the career development and performance dialogue

The underlying budgeting and appropriation of the total amount of remuneration for employees undergo a four-step process in accordance with article 450 CRR para. 1 letter e).

- In Step 1, the decision whether to award variable remuneration, a check is made as to whether the criteria of section 7 InstitutsVergV are fulfilled.
- In Step 2, the decision on the amount of variable remuneration, the overall bonus pool is calculated by means of a mathematical approach, based on BayernLB's internal management system. The Board of Management has the option of adjusting the mathematical result within a range of +/- 20 percentage points, on the basis of five additional, holistic criteria (such as the BayernLB Bank's earnings, distributions to the owners or sustained earnings increases). In this step the "Bank coefficient" is also calculated.
- Step 3 entails determining the degree of success achieved by the organisation unit. This is derived on a purely mathematical basis using pre-defined ratios. The organisation unit is the respective segment. In this step the "segment coefficient" is also calculated.

- In Step 4, the pool is distributed among the budget units (usually divisions) and then among the employees, based on their individual performance. In this step the “adjustment-percentage coefficient” for each budget unit is also calculated.

The career development and performance dialogue plays a central role in the calculation of individual remuneration within the separate budgets (see article 450 CRR, para. 1, letter b)). Under the career development and performance dialogue, the employee’s individual objectives are agreed upon with their superior in a discussion which takes place at the start of the financial year. After the end of that financial year, another discussion is held between the two parties whereby the superior documents the degree to which the employee has achieved the agreed objectives. Provided there is sufficient budget available, variable remuneration may be awarded commensurate with the degree of achievement. In principle, if the degree of achievement is 100 percent and an adequate budget is appropriated, variable remuneration equates to the individual reference value, barring any adjustments for budget over- or underutilisations.

The assessment scores reflecting the degree of achievement of the objectives, along with the associated bandwidths for calculating the variable remuneration as per the career development and performance dialogue, are as follows:

- Significantly exceeded: 160% to 200% of the reference value
- Exceeded: 120% to 150% of the reference value
- Achieved: 90% to 110% of the reference value
- Partially achieved: 40% to 80% of the reference value
- Not achieved: no variable remuneration

Risk taker analysis at BayernLB (as an institution)

Major financial institutions must conduct a risk analysis to identify employees whose activities have a material influence on the overall risk profile. Risk takers for 2023 were identified on the basis of sections 1 (21) and 25a (5b) of the German Banking Act (KWG) and the technical standards for identifying risk takers in line with Commission Delegated Regulation (EU) 2021/923 of 25 March 2021, which came into force on 14 June 2021.

Accordingly, 215 individuals (including the Board of Management and members of the Supervisory Board) were identified as risk takers in the 2023 financial year.

As is the case with employees in general, the total remuneration of risk takers in the 2023 financial year comprised an annual base salary and, in some cases, a variable remuneration component such as an annual bonus, an additional bonus paid during the course of the year in recognition of outstanding individual achievements, and benefits.

Risk taker analysis (Group basis)

Furthermore, based on a risk analysis pursuant to section 27 (2) InstitutsVergV, as at 1 January 2023 a total of 285 persons at BayernLB and DKB AG, including the members of each Board of Management and Supervisory Board, were classed as risk takers from the Group’s perspective. No risk takers from a Group perspective were identified for the two investment management companies, Real I.S. and BayernInvest.

Deferrals of portions of the variable remuneration for risk takers

BayernLB does not have a separate remuneration system for risk takers. However, special regulatory provisions apply to risk takers with regard to the payment of variable remuneration (in particular, that a substantial portion of the variable remuneration shall be spread over a multi-year deferral period if the total amount of the variable remuneration exceeds the deferral threshold stipulated in section 18 (1) InstitutsVergV).

For cases in which a risk taker's variable remuneration, calculated for financial year 2023 in accordance with the principle of imputation, comes to more than EUR 50,000 or accounts for more than one-third of the risk taker's total remuneration for the year, a substantial portion of that variable remuneration will be deferred over a period of several years. The employee's entitlement to the withheld portion – deferral – of the remuneration is earned only year by year and on condition that the annual sustainability review (backtesting) is positive.

BayernLB differentiates between risk takers who are second-level managers, i.e. who are immediately subordinate to the Board of Management, and risk takers in all the lower hierarchical levels:

- Second-level management risk takers: If the threshold is exceeded, 20 percent of the variable remuneration is paid immediately. Another 20 percent will be awarded in the form of a non-cash instrument with a one-year retention period (adding up to the 40-percent short-term incentive). The remaining 60 percent of the variable remuneration is awarded as a long-term incentive with a deferral period of five years, that is, in five equal instalments whereby 50 percent of each instalment is in the form of a non-cash instrument with a one-year retention period.
- Risk takers below second-level management: If the threshold is exceeded, 30 percent of the variable remuneration is paid immediately. Another 30 percent will be awarded in the form of a non-cash instrument with a one-year retention period (adding up to the 60-percent short-term incentive). The remaining 40 percent of the variable remuneration is awarded as a long-term incentive with a deferral period of four years, that is, in four equal instalments whereby 50 percent of each instalment is in the form of a non-cash instrument with a one-year retention period.

Backtesting is subject to the principle of performance and success being correctly linked to the relevant measurement periods. As regards backtesting, the only circumstances which can be taken into account are those actually associated with the financial year to which the benchmarks (for the achievement of objectives) to be reviewed relate. If a malus or severe malus is identified, this will cause the right to variable remuneration to diminish or cease to exist altogether, or, in the case of a severe malus, variable remuneration already disbursed having to be paid back.

For risk takers below second-level management, a "Service agreement on variable remuneration for risk takers" was concluded with the BayernLB General Staff Council. Furthermore, the annual process for the sustainability review, a mandatory factor in the decision on eligibility and disbursement of the deferrals, is set out in detail in a separate set of official guidelines for conducting performance reviews and backtesting.

For second-level management risk takers and employees at the foreign branches who have signed an employment contract subject to local law and who are not covered by the service agreement concluded with the General Staff Council, legally binding agreements were made on the spreading of a substantial portion of the variable remuneration over a deferral period, stipulated by regulatory law, in the event that the threshold is exceeded, and on the annual sustainability review. These agreements took the form of individualised, written amendments to the employment contract.

Whether variable remuneration, calculated for financial year 2023 in accordance with the principle of imputation, is in excess of EUR 50,000 or accounts for more than one-third of the risk taker's total remuneration for the year, will not be conclusively ascertained before the bonus pool is calculated and the disbursement is made in May 2024. In all instances of an already-recognisable, potential excess of the same-year variable remuneration threshold (usually awarded as an intra-year bonus), such excess was prevented by making an only partial immediate payment, with the residual payment due to take place in May 2024 subject to a thorough analysis.

Remuneration associated with becoming an employee of BayernLB

In the 2023 financial year an agreement was reached with a small number of new employees on the disbursement of guaranteed variable remuneration otherwise null and void by virtue of their change of employer, as well as on a sign-on bonus, in conjunction with the regulatory provisions. These agreements apply to their first year of employment.

Intra-year bonuses

As a reward for outstanding performance, employees on the standard pay scale as well as those outside it are eligible for a monetary intra-year bonus in line with the Bank's service agreement on the awarding of intra-year bonuses. For the 2023 financial year, as for the preceding years, the Board of Management set aside a budget for intra-year bonuses. The amount of this budget was far less than 10 percent of the sum of the reference values for the annual bonus. In establishing the intra-year bonus budget, and prior to disbursement of said bonus, a review is conducted to ensure that the provisions of section 7 InstitutsVergV are complied with. If a risk taker is eligible for an intra-year bonus, and if the sum of the variable remuneration calculated for that risk taker for the year 2023 exceeds the EUR 50,000 threshold or accounts for more than one-third of the risk taker's total remuneration, a portion of his or her intra-year bonus will be deferred and subjected to a sustainability review.

Benefits

Benefits are salary-related payments and services which BayernLB offers to its employees on a largely voluntary basis. These include, in particular, the Bank retirement fund and – provided that the conditions are met – the provision of company cars that may be used for both business and personal purposes.

All permanent employees receive a pension commitment for their retirement funds pursuant to the Bank's internal, defined-contribution-based pension schemes, as well as an additional company retirement fund under a contract concluded with BVV Versicherungsverein des Bankgewerbes AG, an insurance association for the banking industry, to which BayernLB makes (pro rata) contributions. In some cases, employees who joined BayernLB prior to 1 January 2002 have received a direct commitment in the form of a defined-benefit pension similar to that of a civil servant. The number such employees is significantly decreasing.

Severance pay

Up to 30 September 2022, BayernLB had a range of human resources instruments in place for ensuring job security and also for reducing and restructuring its staff in a manner compatible with the social component of its strategic realignment. The aim was to save as many jobs as possible over the long term by securing BayernLB's competitiveness and viability. The instruments for ensuring job security and the downsizing measures expired on 30 September 2022. The employment relationship of staff who concluded an employment termination contract on the basis of the instruments ended no later than one year after the instruments expired – that is, by 30 September 2023.

The main features of the reduction and restructuring instruments were as follows:

- "Double voluntariness": neither BayernLB nor the employee may unilaterally terminate the employment relationship by means of any of the instruments.
- An employment termination contract allowing for severance pay is an option for employees without a civil-servant pension who wish to remain in the workforce after leaving the Bank.
- Employees without a civil-servant pension who are 55 or older and have been on the Group's payroll for at least 15 years are eligible for pre-retirement or an employment termination contract with "55 plus" severance pay.
- Partial retirement is available to employees without a civil-servant pension who are 55 or older, have been on the Group's payroll for at least 10 years and wish to continue serving at the Bank for another few years and then retire from the workforce.
- Eligible for early retirement are employees with a civil-servant pension who are 56 or older and wish to leave the Bank in the very near future.
-
- In the reporting year BayernLB and the General Staff Council accepted that, when the human resources instruments expired and the downsizing targets were achieved, mutually agreed exit solutions in exchange for financial benefits would in future only be exceptionally granted in individual cases at BayernLB's instigation. The reasons for concluding a termination agreement could include in particular economic or social considerations (cases of hardship), a conflict of interest or a breach of trust in the employment relationship (e.g. a dispute between an employee and a manager or a lack of other employment opportunities). BayernLB and the General Staff Council agreed to apply the conditions under the human resources instruments for downsizing and restructuring the workforce in these specific individual cases. Employees have no entitlement to an employment termination contract.

Remuneration system for the Board of Management of BayernLB

Responsibility

The Supervisory Board of BayernLB makes decisions on the remuneration system and determines the remuneration of the members of the Board of Management. The Compensation Committee performs a key advisory function in this process and prepares the resolutions of the Supervisory Board.

Remuneration system policy

The remuneration consists of an annual base salary (fixed remuneration) and variable remuneration in the form of performance-based compensation, contributions under the Bank's internal pension scheme and other benefits.

The Board of Management is remunerated commensure with performance, on the basis of the "Performance-based remuneration system for the Board of Management of BayernLB" (referred to below as "the remuneration system"). The remuneration system is geared towards the BayernLB Group's Business Strategy and Risk Strategy and the respective multi-year planning. It supports the achievement of the strategic targets and takes account of sustainability. The remuneration system, in connection with the annual objectives agreement process, takes into consideration the function of a Group risk taker and the nature of the Board of Management as a risk-taking body within the meaning of the Remuneration Regulation for Institutions.

Performance-based remuneration is disbursed subject to the proviso that the Supervisory Board set a bonus budget. In setting the bonus budget, sufficient account must be taken of the risk-bearing capacity, multi-year capital planning and earnings position of BayernLB and the BayernLB Group. It must also be ensured that BayernLB and the BayernLB Group can sustain or permanently restore an appropriate capital and liquidity base and combined capital buffers as set out in section 10i of the German Banking Act.

The objectives set for the Board of Management comprise:

- a Group component (weighted at 50 percent)
- a segment and individual component (weighted at 50 percent)

Performance-based remuneration may lie between zero percent and 150 percent of the relevant reference value. The performance-based remuneration, however, cannot exceed the annual base salary (1:1 ceiling).

Performance-based remuneration consists of a short-term incentive (STI) of 40 percent and a long-term incentive (LTI) of 60 percent. The first half of the initial value of the STI (the "immediate portion") is paid upon adoption of the annual accounts and calculation of the bonus pool. The second half of the initial value of the STI (the "short-term deferral") is held as a non-cash remuneration instrument and is not paid until the end of a one-year lock period. The non-cash remuneration instrument is subject to price fluctuations during the lock period. In a first step, the value of the non-cash remuneration instrument is measured by means of a ratio-based approach that reflects over a long period of time the value of the Bank. As a second step, an additional risk adjustment (a "supplementary price valuation") is made. The LTI is paid out in five tranches, each in the amount of one-fifth of the initial value. In the five years following the calculation of the initial value of the LTI, the Supervisory Board decides whether the sustainability-related requirements for each instalment of the LTI have been met (as a backtesting measure). If the Supervisory Board deems that those requirements have been met, the first half of the relevant instalment of the LTI is paid out once that decision is made. The second half of each instalment of the LTI ("long-term deferral") is held as a non-cash remuneration instrument and is paid to the Board of Management once the one-year lock period has ended (cf. short-term deferral). The amount is subject to price fluctuations and an additional risk adjustment.

Withheld portions of performance-based remuneration may under certain circumstances be reduced or withdrawn altogether. A backtesting procedure is followed in order to check whether the variable remuneration still applies as originally calculated, and whether the Board of Management member has engaged in any conduct (malus) justifying a revision to their performance-based remuneration. In addition, performance-based remuneration already paid out can be reclaimed under certain conditions (clawback).

In addition to financial goals, the objectives set for the BayernLB Board of Management also takes sustainability targets into account. The Supervisory Board has set, as an overarching objective for the Board of Management, the steady implementation of BayernLB's Sustainability Strategy.

Sustainability risks, including climate and environmental risks, must be addressed in BayernLB's risk management, risk culture and risk appetite. As stipulated in the objectives agreement for the year 2023, a concerted effort is being made to fulfil the regulatory and market requirements bundled in the ESG project. For the members of BayernLB's Board of Management that oversee the Bank's Sales units, furthermore, a concrete increase in the portfolio share of ESG and EU taxonomy-aligned business has been set as an explicit objective (see article 449a CRR in conjunction with article 435 para. 2 letter e) CRR).

DKB AG's remuneration policy

Deutsche Kreditbank is a major institution pursuant to section 1 (3c) of the Kreditwesengesetz (KWG – German Banking Act). As such, DKB AG is required to disclose its remuneration policy and remuneration systems in accordance with Article 450 of Regulation (EU) 575/2013 (CRR) and section 16 (1) InstitutsVergV.

The reporting covers the remuneration systems valid for the financial year 2023 for all employees, in particular for those employees whose activities have a material influence on the overall risk profile of DKB AG or the DKB Group (i.e. risk takers), as well as the remuneration system for its board of management members.

Risk takers were identified on the basis of sections 1 and 25a of the German Banking Act (KWG), taking into account the regulatory technical standards of Delegated Regulation (EU) No. 2021/923.

As from 1 January 2022, the third amendment to InstitutsVergV, published on 24 September 2021, are being implemented. The revisions entail, for the most part, changing the conditions for withholding variable remuneration components for risk takers (as well as for setting the threshold and extending the withholding period, observance of the accrual principle) and making the remuneration strategy and policies of DKB AG and the DKB Group more gender-neutral, non-discriminatory and sustainability-oriented.

DKB AG has classified DKB Service GmbH and Bayern Card-Services GmbH as outsourcing companies belonging to the group within the meaning of section 2 (7) InstitutsVergV. This report also includes the employees in the outsourcing companies or corresponding outsourcing units. The annual disclosure reports to be submitted to DKB AG by DKB Service GmbH and Bayern Card-Services GmbH ensure that the remuneration systems in the outsourcing companies comply with the requirements of InstitutsVergV.

The remuneration data is based on the accrual principle, that is, all remuneration granted for financial year 2023 is disclosed.

Remuneration strategy and external market validation

DKB AG's remuneration strategy is aimed at the fulfilment of the regulatory requirements and of the criteria of sustainability, appropriateness and consistency with market conditions. It also accounts for the formal requirements internal to the Group, in particular the BayernLB Remuneration Strategy and Guidelines and the requirement of ensuring capital adequacy at all times, taking particular consideration of its business and risk strategies and current business plan. The remuneration strategy is furthermore focused on enhancing employee motivation and acquiring new staff. The bank guarantees an appropriate ratio between fixed and variable remuneration. It can use variable remuneration both as a management tool to achieve its corporate targets and as a way of rewarding individual employees when they achieve their personal objectives and perform well.

DKB AG participates at regular intervals in a remuneration study conducted by an independent external remuneration consultant (hkp Deutschland GmbH) in order to review the appropriateness of remuneration at the bank compared with the market. The results of the 2021 study confirm the appropriateness of the remuneration and the findings from previous years. DKB will review its participation in an external study in 2024.

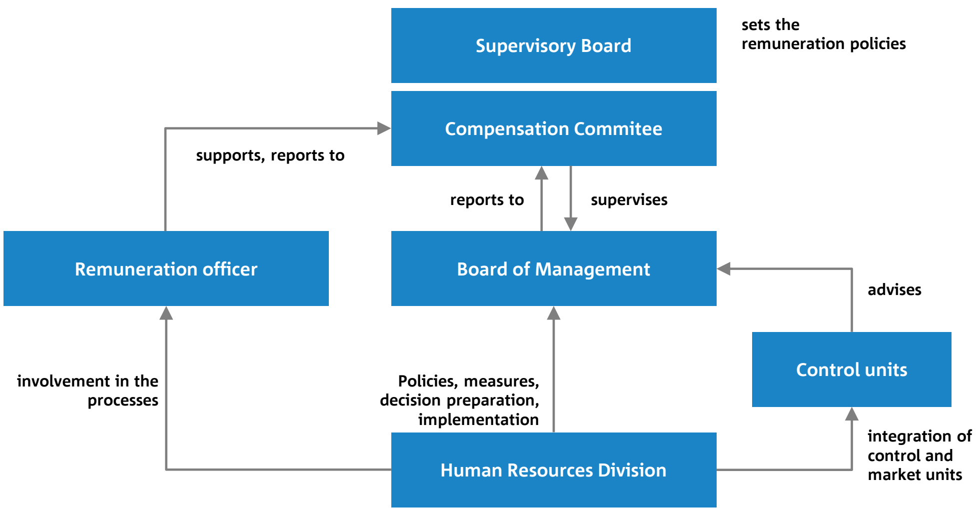
The remuneration systems are deemed appropriate for the following reasons in particular:

- The total remuneration comprises an annual base salary to which variable remuneration components and salary-related ancillary payments may be added.
- The above-mentioned fixed and variable components are thereby in proportion to one another such that no undesirable incentives exist that could encourage employees to enter an unjustifiably high risk. These are risks that could endanger DKB AG and/or the group to a relevant extent.
- The fixed remuneration, which by far accounts for the main portion of the total remuneration, shall be sufficient so that the employee need not depend on the variable component to cover his or her reasonable living expenses.
- For DKB AG, it is ensured that the variable remuneration does not exceed the fixed remuneration. As a rule, the variable remuneration is significantly lower than the fixed remuneration.
- The remuneration systems do not run counter to the monitoring function assumed by the controlling units, as the amount of variable remuneration for the employees in these units and for the employees in the units they control is not determined primarily by parallel remuneration parameters, thereby precluding the potential for a conflict of interest.
- The remuneration systems are designed to be gender-neutral and completely non-discriminatory.
- Guaranteed benefit entitlements will not be agreed upon in the event that the employment is terminated.
- Any severance payments are based on the severance policy and are governed exclusively by labour law regulations, whereby any negative performance contributions or employee misconduct are not rewarded.

DKB AG's remuneration policy is in step with mitigating sustainability risks. It ensures that the remuneration system is oriented towards the business model, business strategy (including the sustainability strategy), long-term success and risk strategy of the bank / DKB Group. Through its remuneration policy, DKB AG namely ensures that its employees are not remunerated or evaluated for work that is not performed to the best possible advantage of their customers or for giving their customers advice that is not in their best interests. Specifically, remuneration contains no incentive whatsoever to recommend financial instruments that are less in line with the customer's needs. Nor is it derived from the number or share of approved applications. The remuneration structure is based on the standard pay scale and the employment contract. It is not correlated with risk-weighted performance and does not reward any disproportionately large risk appetite for selling financial instruments harbouring high sustainability risks. The remuneration policy of DKB AG was last revised in 2022 for the amendments to the Remuneration Regulation for Institutions (Institutsvergütungsverordnung) and with a view to the expansion of the scope of consolidation. Similarly, the documentation was made complete in terms of including sustainability/ESG risks and the gender-neutral and non-discriminatory design of the remuneration principles.

Remuneration governance

In terms of the remuneration governance structures, the responsibilities, tasks and duties are all derived from the regulatory provisions of the KWG and the InstitutsVergV.



Responsibility for the employee remuneration systems

Compensation committee

The compensation committee is a committee of the supervisory board. Its tasks are derived explicitly from section 25d (12) KWG and section 15 InstitutsVergV. Three quarters of its members are representatives of the bank's shareholders, with an additional member representing the bank's employees (i.e. the chairwoman of the general staff council). The structuring of the remuneration system for the board of management is one of the committee's original tasks, as is monitoring the appropriateness of the employee remuneration systems. It convened six times during the 2023 financial year.

Remuneration officer

The remuneration officer and his deputy were appointed by resolution of the board of management and confirmation by the supervisory board. These officers possess all the knowledge necessary in order to monitor the appropriateness of the remuneration systems and their compatibility with the Business and Risk Strategy pursuant to section 24 InstitutsVergV.

The remuneration officer performs the following duties:

- monitoring the appropriateness of the employee remuneration systems and their compatibility with the business and risk strategy
- assisting in designing, reviewing and further adapting the employee remuneration systems while developing suitable structures and instruments
- overseeing and checking as necessary the implementation of all the remuneration processes for conformity the with regulatory requirements
- supporting, when requested, the supervisory board and the compensation committee in carrying out their monitoring and structuring tasks with regard to all the remuneration systems.

The remuneration officer also fulfils the following reporting obligations:

- writing, at least once a year, a report on the appropriateness of the remuneration systems (remuneration monitoring report) for submission to the board of management, the supervisory board and the compensation committee
- reporting ad hoc, where necessary, to the board of management, the supervisory board and the compensation committee
- providing information directly to the chairperson of the compensation committee at his or her request
- regularly informing the board of management about the results of their work

The remuneration officer is a special appointee who monitors the appropriateness of the remuneration systems and is involved in the ongoing processes of the remuneration systems. This officer is responsible for the results of the tasks and reporting duties assigned to them and is vested with all the compentencies necessary for this. In addition, the remuneration officer is granted professional access to the employees required to perform their duties. With regard to carrying out their function, the remuneration officer must work closely with the chairperson of the compensation committee.

The tasks and organisational positioning of the remuneration officer are published in the bank's organisational guidelines.

Remuneration systems for employees at DKB AG

Remuneration committee

The remuneration committee is tasked with meeting increased requirements in respect of the risk adjustment of the remuneration systems, the involvement of the controlling units in the structuring and monitoring the remuneration systems and within the process for identifying risk takers.

The remuneration committee is an advisory body to the board of management. It monitors the appropriateness of the remuneration systems of DKB AG and the DKB Group. In the 2023 financial year it convened three times.

The tasks and organisational positioning of the remuneration committee are published in the bank's organisational guidelines.

DKB AG’s remuneration structure distinguishes between the following groups of employees:

- Standard pay scale employees as per collective agreement
- Remuneration for employees outside the standard pay scale
- Risk takers

In accordance with section 25a para. 5b KWG, special requirements apply with regard to remuneration for employees whose activities have a material influence on the overall risk profile of DKB AG or the Group (risk takers). Consequently, DKB AG has implemented a remuneration system for risk takers which satisfies these requirements (currently in the version dated 1 January 2022).

The system takes particular account of regulations on awarding, deferring and disbursing variable remuneration; regulations governing non-cash remuneration instruments; and clawback regulations. It applies to the performance-based bonuses granted during the reporting year.

Under the risk analysis carried out on the basis of the sections 1 and 25a KWG and the criteria from Delegated Regulation (EU) 2021/923, 272 risk takers were identified at DKB AG and 273 at the DKB Group (as at 1 January 2023). Taking into account personnel and structural changes during the year, the number of risk takers increased slightly at the end of the year to 289 at DKB AG and the DKB Group (as at 31 December 2023).

For members of the board of management and risk takers, the remuneration systems applicable to them are being used. Sixteen risk takers do not receive any remuneration as they are members of the Supervisory Board or the Credit Risk Board of BayernLB.

Employees who fall under the standard pay scale

Employees who fall under the standard pay scale receive remuneration in accordance with the wage agreement for the private banking industry and public-sector banks. In addition to a 13th monthly salary and vacation pay, DKB AG offers these employees variable remuneration in the form of a one-off bonus in recognition of especially good work, a commission payment and certain benefits. Performance-based bonuses are not paid to standard pay scale employees.

Employees beyond the standard pay scale

Annual base salary system

Employees outside the standard pay scale receive an annual base salary (fixed remuneration). In addition, variable remuneration components may be granted. The amount of the remuneration depends exclusively on the tasks, competencies and responsibilities of the employee. The appropriateness of the amount is reviewed annually.

Variable remuneration system

In addition to their annual base salary, employees may also receive variable remuneration, comprising the following components:

- a performance-based bonus
- an intra-year bonus
- commission
- any other incentive that the Institutsvergütungsverordnung (InstitutsVergV – German Remuneration Regulation for Institutions) classifies as variable remuneration (including severance pay)

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

The total variable remuneration payable to an employee must not exceed the amount of that employee's annual base salary, i.e. is subject to a 1:1 ceiling.

Performance-based bonus

The disbursement of variable remuneration in the form of a performance-based bonus is tied to the achievement of certain remuneration parameters that are in turn based on the bank's overall performance and the employee's personal contribution to that performance. For risk takers and first- and second-level management employees below the board of management, the contributions of DKB, the BayernLB Group and the respective organisation unit are also taken into account. A set of objectives are agreed upon at the beginning of the annual objectives agreement process. The degree to which these objectives have been achieved is then later assessed. The board of management then decides retroactively for the previous financial year whether performance-based bonuses are to be awarded, taking due account of the achievement of the employee's relevant objectives, the bank's financial situation and the provisions of section 7 InstitutsVergV. In the event of a change of strategy, the objectives are adjusted as necessary for the future. All objectives hitherto achieved are then duly taken into account when calculating the performance-based bonus.

Every year DKB AG is required to set aside, in line with section 7 InstitutsVergV, a total sum of funds for variable remuneration ("main bonus pool"). There is a formal, transparent and verifiable process in place for this. Because DKB AG belongs to the BayernLB Group, the total amount of performance-based remuneration is subject to review by the BayernLB Group. In addition to the performance-based bonus for the previous financial year, the main bonus pool must also include the deferred variable remuneration calculated for and/or vested in the financial year (short-term incentive (STI) and long-term incentive (LTI)), as well as a budget for intra-year and commission payments. This applies to the variable remuneration both for the employees and the members of the Board of Management.

If the sum of a risk taker's variable remuneration (performance-based bonus, intra-year bonus, commission and other incentives) is less than the EUR 50,000 threshold and does not account for more than one-third of their total remuneration for the year (the so-called threshold), then this sum will be disbursed in full in cash. If, on the other hand, the threshold is reached or exceeded, the total amount will be split – subject to regulatory privileging, particularly with regard to guaranteed variable remuneration or privileged severance pay – into "immediately vested" (STI) and "deferred" (LTI) remuneration components.

Furthermore, 50 percent of the variable remuneration is to be awarded as NCIs.

- The short-term incentive in the form of cash ("STI cash") is the portion of the variable remuneration that is vested or disbursed in cash following the end of the financial year in question.
- The short-term incentive in the form of non-cash instruments ("STI NCIs") is the portion of the variable remuneration that is vested as NCIs following the end of the financial year in question, with a one-year a retention period.
- The long-term incentive in the form of cash ("LTI cash") is the portion of the variable remuneration that may be vested as cash remuneration (without interest) over a deferral period.
- The long-term incentive in the form of non-cash instruments ("LTI NCIs") is the portion of the variable remuneration that may be vested as NCIs, with a one-year retention period, over a deferral period.

Depending on the risk taker's position and responsibilities, and on his or her risks and resulting variable remuneration, the deferral amount will increase.

	Short-term incentive	Long-term incentive	Withholding period of the long-term incentive
First-level risk taker below the Management Board	40%	60%	5 years
Risk taker with a particularly high variable remuneration (currently ≥ EUR 150,000)	40%	60%	5 years
Risk taker from the second level below the Management Board	60%	40%	3 years

The first half of the vested STI is disbursed in a cash sum the following year. The other half of the vested STI is paid in the form of an NCI with a one-year retention period during which the NCI's value is subject to change.

The LTI is subject to a multi-year deferral period (four or five years). Until the end of the deferral period, the board of management member is entitled only to an error-free calculation of the portion of the variable remuneration that has not yet become an entitlement. The LTI is not vested or disbursed before the respective deferral period has expired. The vested cash portion of the LTI does not accrue interest and is disbursed in a cash sum to the risk taker. The vested NCI portion of the LTI is paid to the risk taker in the form of virtual stock that is withheld for one year. Upon expiry of this one-year retention period, the NCI’s value is calculated and then paid out in cash to the risk taker. No interest accrues during the retention period.

Withheld portions of remuneration for risk takers may under certain circumstances be reduced or withdrawn altogether. A backtesting procedure is followed in order to check whether the variable remuneration still applies as originally calculated, and whether the employee has engaged in any conduct (malus) justifying a revision to their variable remuneration. In certain cases, the bank may even claw back variable remuneration already paid out to a risk taker.

Intra-year bonuses

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

Commission

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

Benefits

Benefits are salary-related ancillary payments and services which DKB AG offers to its employees on a voluntary basis for increasing staff loyalty. At the heart of the benefits offering is the so-called cafeteria model under which employees can choose between a “Benefits-Pass”, “JobRad” and JobTicket, each with an employer subsidy of up to EUR 40 per month.

In addition, employees are paid a health allowance of up to EUR 300 p.a. when they take courses in preventative care. They also have the opportunity to take a sabbatical.

For many years, DKB has also offered its employees benefits such as childcare allowance, group accident insurance, or company cars for certain employee groups and members of the board of management.

All employees, furthermore, receive a pension commitment for their retirement funds pursuant to the bank's internal pension scheme. Moreover, permanent employees receive an additional company pension under a contract concluded with BVV Versicherungsverein des Bankgewerbes AG, an insurance association for the banking industry, to which DKB AG makes pro rata contributions.

Remuneration system for the Board of Management of DKB AG

Responsibility

The supervisory board of DKB AG makes decisions on the remuneration system and determines the remuneration of the members of the board of management. The compensation committee performs a key advisory function in this process and prepares the resolutions of the supervisory board.

Remuneration system policy

The remuneration consists of an annual base salary (fixed remuneration) and performance-based (variable) remuneration, benefits under the bank’s internal pension scheme and other benefits.

The board of management is remunerated commensurate with performance, on the basis of the “Performance-based remuneration system for the board of management of DKB AG” (referred to below as “the remuneration system”). The remuneration system is geared towards DKB's business strategy and risk strategy and the respective multi-year planning. It supports the achievement of the strategic targets and takes account of sustainability. The remuneration system, in connection with the annual objectives agreement process, takes into consideration the additional function of the board of management as a risk-taking body within DKB and the group risk taker function of the DKB board of management within the BayernLB Group.

Performance-based remuneration is disbursed subject to the proviso that the supervisory board set a bonus budget. In setting the bonus budget, sufficient account must be taken of the risk-bearing capacity, multi-year capital planning and earnings position of DKB (institution) and the DKB Group. It must also be ensured that DKB (institution) and the DKB Group can sustain or permanently restore an appropriate capital and liquidity base and combined capital buffers as set out in section 10i KWG.

The objectives set for the board of management comprise:

- a group component (weighted at 15 percent)
- an institution component (weighted at 45 percent)
- a segment and individual component (weighted at 40 percent)

Performance-based remuneration may lie between zero percent and 150 percent of the relevant reference value. However, it must not exceed the annual base salary (1:1 ceiling).

Performance-based remuneration consists of a short-term incentive (STI) of 40 percent and a long-term incentive (LTI) of 60 percent. The first half of the initial value of the STI (the “immediate portion”) is paid upon adoption of the annual accounts and calculation of the bonus pool. The second half of the initial value of the STI (the “short-term deferral”) is held as a non-cash remuneration instrument and is not paid until the end of a one-year lock period. The non-cash remuneration instrument is subject to price fluctuations during the lock period. In a first step, the value of the non-cash remuneration instrument is measured by means of a ratio-based approach that reflects over a long period of time the value of the bank. As a second step, an additional risk adjustment (a “supplementary price valuation”) is made. The LTI is paid out in five tranches, each in the amount of one-fifth of the initial value. In the five years following the calculation of the initial value of the LTI, the supervisory board decides whether the sustainability-related requirements for each instalment of the LTI have been met (as a backtesting measure). If the supervisory board deems that those requirements have been met, the first half of the relevant instalment of the LTI is paid out once that decision is made. The second half of each instalment of the LTI (“long-term deferral”) is held as a non-cash remuneration instrument and is paid to the board of management once the one-year lock period has ended (cf. short-term deferral). The amount is subject to price fluctuations and an additional risk adjustment.

Withheld portions of performance-based remuneration may under certain circumstances be reduced or withdrawn altogether. A backtesting procedure is followed in order to check whether the variable remuneration still applies as originally calculated, and whether the board of management member has engaged in any conduct (malus) justifying a revision to their performance-based remuneration. In addition, performance-based remuneration already paid out can be reclaimed under certain conditions (clawback).

In addition to financial goals, the objectives set for the DKB board of management also takes sustainability targets into account. For example, sustainability risks, including climate and environmental risks, must be addressed in BayernLB’s risk management, risk culture and risk appetite. For the Group’s more extensive sustainability reporting obligations, methods, processes and (IT) solutions were defined and the requisite actions carried out according to the implementation planning.

Remuneration systems of the investment management companies

As investment management companies, Real I.S. and BayernInvest are subject to sector-specific requirements for their remuneration systems pursuant to section 37 KAGB, the AIFM Directive and, for BayernInvest, additionally the UCITS Directive, irrespective of their affiliation with the BayernLB Group.

The total remuneration for the employees of the subsidiaries comprises fixed remuneration, additional variable remuneration, employer-funded contributions under the company pension plan and other benefits.

Fixed remuneration

At both companies, the fixed remuneration component is generally based on the value of the position or the function performed in accordance with market conditions, and on personal performance. All employees receive a 12-month fixed salary.

Variable remuneration

In addition to fixed remuneration, the two investment management companies also grant performance-related variable compensation, the amount of which depends on the success of the company and the individual employee’s performance.

The employee's contribution to the company's success is derived from a transparent and straightforward process for agreeing on objectives and ascertaining their achievement.

The payment of the variable remuneration is subject to a bonus pool/bonus budget being made available for employees. The full target bonus is only paid out if, in addition to the full achievement of the agreed objectives, the bonus pool/budget allows for full payment. Whether and to what extent the bonus pool/bonus budget calculated in the bonus planning can actually be made available to the employees is measured by the sustainable achievement of the investment companies' corporate targets.

The upper limit for the variable remuneration is 100 percent of the fixed annual remuneration.

Risk takers

Both investment management companies identify risk takers by the sector-specific requirements of section 37 (1) KAGB. Accordingly, risk takers are the executive managers and those employees whose activities have a material influence on the risk profile of the asset management company or the investments it manages. Both investment management companies apply the proportionality principle of the UCITS Directive to the variable remuneration for employees identified as risk takers. This is because both investment management companies can be qualified as non-complex companies due to their size and to the investments, given the type, scope and complexity of the transactions conducted. Accordingly, the variable remuneration is granted exclusively in cash. Lock periods, deferrals and ex-post consideration of risk are not applied in the variable remuneration.

Executive managers

The executive managers of both investment management companies also receive a fixed and a variable remuneration. In addition, the executive managers receive a company car that is also at their disposal for private use, or reimbursement for the cost of a Bahn Card 100. The executive managers also receive a company pension.

Leverage ratio (article 451 CRR)

EU LRA a) The processes used for managing the risk of excessive leverage

In Addition to risk-weighted capital requirements, the leverage ratio serves as a non-risk-based metric for indebtedness of Banks. In order to prevent the risk of excessive leverage, the leverage ratio is integrated in the BayernLB Group's governance and planning processes, with adherence to the legally required minimum of 3.0 percent monitored at all times.

The leverage ratio is among the figures forecast in the five-year medium-term planning, based on the Business Strategy and Risk Strategy. The forecast is derived from the capital planning for Tier 1 capital and the total assets planning for the total exposure measure as per article 429 and article 429a to 429g CRR, which are the main components of the leverage ratio.

To help manage its leverage ratio, BayernLB has set an internal target ratio as an addition to the risk-based capital ratios. The Board of Management is notified in monthly reports of the adherence to this target and of the recent changes in the leverage ratio, as well as the key factors influencing these changes. Management measures are discussed, when necessary, among the members of the Group-wide Capital Board, with exposure, liquidity and capital taken into consideration as influential factors. Agreed measures are then submitted to the Board of Management with the request to take a decision.

EU LRA b) Factors that affected the disclosed leverage ratio during the reporting period

The leverage ratio came to 4.7 percent as at the 31 December 2023 reporting date, an increase of 0.5 percentage points from 30 June 2023 (4.2 percent). It thus stood clearly above the legally required 3.0 percent minimum.

The leverage ratio exposure fell by around EUR 4.8 billion compared with the half-year figure. This was due mainly to DKB's first-time use of regulatory netting for derivatives transactions and the concomitant collateral pledging. Aside from that, Tier 1 capital rose by EUR 1.1 million in the reporting period, mostly as a result of the retention rate.

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

EUR million		Applicable amount
1	Total assets as per published financial statements	273,364
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(146)
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))	–
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	(18)
9	Adjustment for securities financing transactions (SFTs)	1,407
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	21,914
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)	(23,890)
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	(10,480)
13	**Leverage ratio total exposure measure**	**262,151**

Table EU LR2 – LR Com, below, shows the leverage ratio and how the total exposure measure is broken down, as applied under article 451 para. 1 letters a and b CRR and article 451 para. 3 CRR.

EU LR2 – LRCom – Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
EUR million		**31.12.2023**	**30.06.2023**
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	269,545	269,324
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)	(1,049)	(1,126)
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)	(704)	(899)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**267,792**	**267,299**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	2,957	6,892
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	4,523	5,699
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)	(154)	(179)
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**	**7,326**	**12,412**

Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	3,396	3,585
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(442)	(380)
16	Counterparty credit risk exposure for SFT assets	1,848	1,863
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**	**4,802**	**5,068**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	60,508	59,858
20	(Adjustments for conversion to credit equivalent amounts)	(38,594)	(38,367)
21	(General provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	–	–
22	**Off-balance-sheet exposures**	**21,914**	**21,492**
Excluded exposures			
EU-22a	(Exposures excluded in accordance with point (c) of Article 429a(1) CRR)	(23,890)	(23,565)
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)	(5,766)	(5,793)
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)	(7,798)	(7,748)
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)	(2,229)	(2,217)
EU-22g	(Excluded excess collateral deposited at triparty agents)	–	–
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)**	**(39,682)**	**(39,323)**
Capital and total exposure measure			
23	Tier 1 capital	12,424	11,291
24	**Leverage ratio total exposure measure**	**262,151**	**266,948**

Leverage ratio			
25	Leverage ratio	4.7%	4.2%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	4.5%	4.0%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	4.7%	4.2%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a	Additional own funds requirements to address risks of excessive leverage (%)	–	–
EU-26b	of which to be made up CET 1 capital	–	–
27	Leverage Ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)	–	–
EU-27a	Overall leverage ratio requirement (%)	3.0%	3.0%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	without transitional Arrange-ment	without transitional Arrange-ment
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	3,807	3,519
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	2,954	3,205
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)	263,005	267,263
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)	263,005	267,263
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)	4.7%	4.2%
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)	4.7%	4.2%

Line EU-22d refers to risk exposures from a public development bank in accordance with the first sentence of the third sub-paragraph of article 429 para. 2 in conjunction with article 429a para. 1 letter d) CRR. These are mainly subsidised loans granted by BayernLBLabo to customers. BayernLB has been granted the necessary approval by the national supervisory authority.

In addition to its legal mandate to subsidise residential construction and urban development in Bavaria, BayernLabo fulfils its responsibility under the law and BayernLB's Statutes of supporting the Free State of Bavaria and its local authorities in fulfilling their public mandates.

Table EU LR3, below, shows how the sum of the on-balance sheet exposures is broken down, as applied under article 451 para. 1 letter b CRR.

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:**	**231,462**
EU-2	Trading book exposures	5,715
EU-3	Banking book exposures, of which:	225,747
EU-4	Covered bonds	3,608
EU-5	Exposures treated as sovereigns	80,962
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	14,631
EU-7	Institutions	6,971
EU-8	Secured by mortgages of immovable properties	48,014
EU-9	Retail exposures	11,803
EU-10	Corporate	50,591
EU-11	Exposures in default	2,062
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	7,105

Liquidity requirements (article 451a CRR)

EU LIQA Liquidity risk management – article 451a para. 4 CRR

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

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

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

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

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

Responsibility for strategic and operational liquidity management in the BayernLB Group is vested in the Group Treasury Central Area. This ensures adequate liquidity reserves at all times and the management of operational liquidity on the market. Group-wide risk controlling of liquidity risks is conducted by the Group Risk Control Division in Risk Office. This division prepares liquidity overviews, such as liquidity gap analyses and the corresponding limits as key indicators for managing and monitoring liquidity risks. The Board of Management takes decisions on liquidity and funding under the agenda item "Group management". The Group Treasury and Group Risk Control Divisions prepare liquidity and funding strategies and also courses of action for the Board of Management so that the latter can decide swiftly on necessary measures. In the event of an economic liquidity emergency, the Board of Management is informed and a liquidity emergency team set up.

A key element of Group-wide liquidity management at Group Treasury, which aims to ensure readiness for payment at all times and compliance with the relevant regulatory and economic indicators and limits, is Group-wide resource management for funding, liquidity, collateral, funds transfer pricing and strategic maturity transformation. Group Treasury establishes rules, methods and instruments for this purpose. Liquidity management is carried out by the strategic Group subsidiaries, i.e. their local treasury units, within the confines of the Risk Strategy and the limits set for the local treasury units and the BayernLB Group alike. Group-strategic subsidiaries which themselves assume a (sub-)group parent function manage risk and funding for their group members as part of Group-wide treasury management, taking into account the methodological rules set by BayernLB. BayernLB acts as lender of last resort to the BayernLB Group.

Reports are regularly sent to the Board of Management and the Supervisory Board in the form of the Group risk report prepared by Group Risk Control. The Group risk report shows the key liquidity ratios for BayernLB and the BayernLB Group. The contents of the report include, in addition to the economic liquidity situation, the regulatory liquidity ratios and limits, as well as early warning indicators and funding monitoring. Ad hoc analyses, stress test findings and extraordinary reports are also added to the Group risk report.

Group Risk Control also prepares the liquidity status report and sends it each working day to the liquidity managers at the limited units as well as to the Chief Risk Officer and the Board of Management member in charge of Group Treasury. It contains the status of compliance with the liquidity risk limits. These limits ensure adequate liquidity surpluses on all currencies and for strategic foreign currencies, and also that a sufficient time-to-wall ratio is maintained in the defined stress scenarios. The time-to-wall ratio shows the earliest point in time at which the forecasted liquidity needs cease to be met by the liquidity counterbalancing capacity. The liquidity status report also contains an approximate value, updated daily, for the LCR (liquidity coverage ratio).

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

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

For the early detection of stress situations BayernLB has set up an early warning indicator system. The main purpose of the early warning indicator system is to enable elevated liquidity risk to be recognised in good time. In this context, early warning thresholds ensure, among other things, the early detection of relevant deviations from the funding plan and thus the measurement and monitoring of adverse financial concentration risks. The Group Treasury Guidelines and the document "Instrument Funding", in conjunction with the funding strategy, govern the framework for managing fund procurement activities within the BayernLB Group in terms of processes and responsibilities.

BayernLB furthermore has an LCR early warning indicator so as to ensure adherence to at least the minimum LCR. It is complemented by early warning indicators for the diversification of highly liquid assets. Their thresholds were established to prevent unwanted concentrations in highly liquid assets.

A major tool for ensuring liquidity is the liquidity contingency plan, which describes procedures and instruments, i.e. key funding and contingency measures, for dealing with liquidity crisis situations. The contingency plan serves as the basis for a designated liquidity contingency team's daily work in the event of a crisis, while also setting out how the cooperation within the BayernLB Group, BayernLB Bank's role as lender of last resort and the communication between the individual Group units are to be organised in the event of a crisis. Whereas Group Risk Control is the unit that officially declares a liquidity emergency, all activities aimed at securing liquidity, including emergency measures, are coordinated by the Group Treasury Division. Central to all such measures is the pooling of liquidity in the Group so that these measures are carried out as a concerted action across all Group units, with varying funding sources thereby being employed.

An extensive stress testing programme has been established to bolster the contingency programme. Liquidity risk stress tests and stress scenarios are used at BayernLB to measure, limit and monitor liquidity risks on an ongoing basis. In addition, sensitivity analyses are used to assess the risk factors, and scenario analyses are calculated to complement the standard scenarios. As a result, not only are risks identified with regard to solvency, but the standard scenarios are checked in terms of how adequately they are designed. Sensitivity and scenario analyses can be of an inverse nature or designed as extreme scenarios. Inverse stress tests examine adverse events that could threaten the institution's viability. They are used to identify key risk factors and/or to measure the severity of underlying scenarios. Extreme scenarios consider unusual but plausible adverse events for which measures have been installed in the liquidity contingency plan and in the recovery and resolution planning to ensure the survival of the bank or provide for a regulated liquidation in the event of imminent insolvency. The results of these stress tests serve governance purposes and provide impetus for the parameterisation of the standard stress scenarios.

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

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

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

At year-end 2023 all liquidity risk ratios both for the BayernLB Group and the limited sub-units exceeded the defined minimum thresholds for achieving green traffic light status that are derived from the liquidity risk strategy.

The BayernLB Group management scenario showed the following results as at 31 December 2023 compared to 31 December 2022:

Economic liquidity situation at the BayernLB Group and at BayernLB

31.12.2023 Cumulative figures in million EUR	up to 1 month	up to 3 months	up to 1 year	up to 5 years
BayernLB-Group				
Liquidity counterbalancing capacity	83,902	83,112	75,716	60,405
Liquidity gap	23,708	43,738	43,149	31,272
Total Liquidity surplus	**60,195**	**39,374**	**32,567**	**29,134**
BayernLB				
Liquidity counterbalancing capacity	32,652	32,011	29,024	16,594
Liquidity gap	12,193	24,306	23,013	9,151
Total Liquidity surplus	**20,460**	**7,705**	**6,011**	**7,443**

31.12.2022 Cumulative figures in million EUR	up to 1 month	up to 3 months	up to 1 year	up to 5 years
BayernLB-Group				
Liquidity counterbalancing capacity	68,198	68,506	61,388	53,246
Liquidity gap	24,462	32,619	35,236	22,995
Total Liquidity surplus	**43,736**	**35,887**	**26,152**	**30,251**
BayernLB				
Liquidity counterbalancing capacity	28,236	29,395	26,582	15,688
Liquidity gap	13,472	18,449	24,584	8,032
Total Liquidity surplus	**14,763**	**10,945**	**1,998**	**7,655**

The year-on-year changes in the liquidity situation continued to be defined by the focus on the core business areas. In spite of the banking and market turmoil triggered by the collapse of the banks Credit Suisse and SVB, the BayernLB Group had consistently good liquidity throughout the reporting period. BayernLB's continued good liquidity situation as at 31 December 2023 was thanks in part to large central bank deposits, due in turn to customer deposits, and regular issuance activity across all funding classes, including sustainable bonds. Furthermore, in 2023 the Group subsidiary DKB bolstered its already strong position in the market after a surge in customer deposits and lending activities.

For the subsidiary DKB, the stand-alone Landeskreditbodenanstalt (Labo) and the New York foreign branch (NYC), the liquidity risk profiles as at 31 December 2023 in the management scenario are as follows:

31.12.2023 Cumulative figures in million EUR	up to 1 month	up to 3 months	up to 1 year	up to 5 years
DKB				
Liquidity counterbalancing capacity	51,250	51,101	46,691	43,811
Liquidity gap	11,515	19,432	20,136	22,120
Total Liquidity surplus	**39,735**	**31,669**	**26,556**	**21,691**
LABO				
Liquidity counterbalancing capacity	248	248	234	80
Liquidity gap	(446)	(494)	(157)	325
Total Liquidity surplus	**694**	**743**	**391**	**(245)**
NYC				
Liquidity counterbalancing capacity	5,899	5,805	4,619	2,034
Liquidity gap	823	5,046	4,885	3,241
Total Liquidity surplus	**5,076**	**759**	**(266)**	**(1,207)**

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

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

The BayernLB Group's sources of funding were well diversified as at year-end 2023. BayernLB has achieved this comfortable situation by strategically focusing on a universal bank-type business model. This provides the Bank with a broad mix of short, medium and long-term funding options.

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

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

EU LIQ1 – Quantitative information on LCR

Table EU LIQ1 includes quantitative information on the LCR pursuant to article 451a para. 2 CRR.

EU LIQ1 – Quantitative information on LCR

EUR million		Total unweighted value (average)				Total weighted value (average)			
Quarter ending on		**31.12.**	**30.09.**	**30.06.**	**31.03.**	**31.12.**	**30.09.**	**30.06.**	**31.03.**
Number of data points used in the calculation of averages		**12**	**12**	**12**	**12**	**12**	**12**	**12**	**12**
High-qualitiy liquid assets									
1	Total high-quality liquid assets (HQLA)					65,506	67,314	69,077	71,659
Cash - Outflows									
2	Retail deposits and deposits from small business customers, of which:	72,593	67,741	64,715	64,705	4,801	4,383	4,115	4,104
3	Stable deposits	55,099	53,126	51,994	52,212	2,755	2,656	2,600	2,611
4	Less stable deposits	16,276	13,761	12,208	12,180	2,041	1,721	1,511	1,490
5	Unsecured wholesale funding	50,408	53,679	55,305	54,959	30,721	33,299	34,531	34,176
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	6,163	6,636	7,776	8,632	1,657	1,818	2,117	2,292
7	Non-operational deposits (all counterparties)	37,312	39,013	38,905	37,441	22,131	23,451	23,789	22,997
8	Unsecured debt	6,933	8,030	8,625	8,887	6,933	8,030	8,625	8,887
9	Secured wholesale funding					159	125	169	137
10	Additional requirements	23,185	23,686	24,194	24,151	6,294	6,448	6,458	6,116
11	Outflows related to derivative exposures and other collateral requirements	3,731	3,802	3,801	3,379	3,731	3,802	3,801	3,379
12	Outflows related to loss of funding on debt products	524	547	513	580	524	547	513	580
13	Credit and liquidity facilities	18,930	19,337	19,879	20,193	2,039	2,099	2,143	2,157
14	Other contractual funding obligations	1,428	1,367	1,325	1,241	1,287	1,227	1,185	1,100
15	Other contingent funding obligations	36,111	36,008	36,302	36,838	1,616	1,558	1,522	1,475
16	**Total cash outflows**					**44,877**	**47,040**	**47,979**	**47,107**
Cash - Inflows									
17	Secured lending (e.g. reverse repos)	826	807	810	821	522	483	405	352
18	Inflows from fully performing exposures	7,661	7,697	7,635	7,794	4,747	4,755	4,683	4,751
19	Other cash inflows	3,344	3,543	3,653	3,592	2,478	2,683	2,818	2,617
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					–	–	–	–
EU-19b	(Excess inflows from a related specialised credit institution)					–	–	–	–
20	**Total cash inflows**	**11,831**	**12,047**	**12,097**	**12,206**	**7,747**	**7,922**	**7,906**	**7,720**
EU-20a	Fully exempt inflows	–	–	–	–	–	–	–	–
EU-20b	Inflows subject to 90% cap	–	–	–	–	–	–	–	–
EU-20c	Inflows subject to 75% cap	11,831	12,047	12,097	12,206	7,747	7,922	7,906	7,720
						Total adjusted value			
EU-21	**Liquidity buffer**					**65,506**	**67,314**	**69,077**	**71,659**
22	**Total net cash outflows**					**37,130**	**39,119**	**40,073**	**39,388**
23	**Liquidity coverage ratio (%)**					**176.4**	**172.1**	**172.4**	**181.9**

EU LIQB – Qualitative information on LCR pursuant to article 451a para. 2 CRR

As can be seen, the minimum regulatory threshold of 100 percent for the liquidity coverage ratio is by far exceeded in 2023. To ensure compliance with the statutory minimum ratio at individual institution and Group levels, BayernLB and DKB hold an adequate safety buffer at all times.

Due to the more intense competition for interest on overnight deposits, DKB temporarily registered higher outflows of customer deposits in the first half of 2023. As a result, the average liquidity coverage ratio decreased in Q2 and Q2 2023 across the comparative reporting dates. In Q3 2023, huge inflows of deposits at DKB resulted in the ratio staying at a comfortably high level in spite of the early full repayment of DKB's remaining TLTRO.

The key components of the BayernLB Group's liquidity buffer include a well diversified portfolio of top securities and central bank balances. 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 – especially in USD – are only included to a small degree. The BayernLB Group has a large portfolio of ECB-eligible commercial loans, which, as a source of potential liquidity for mobilising 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.

EU LIQ2 – Quantitative information on the net stable funding ratio (NSFR)

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

EU LIQ2: Net stable funding ratio

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
EUR million		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	Available stable funding (ASF) Items					
1	Capital items and instruments	13,291	–	–	2,885	16,176
2	Total capital	13,291	–	–	2,700	15,991
3	Other capital instruments		–	–	185	185
4	Retail deposits		86,223	94	367	81,152
5	Stable deposits		61,980	2	6	58,889
6	Less stable deposits		24,243	92	361	22,263
7	Wholesale funding		59,332	7,275	60,805	83,550
8	Operational deposits		6,528	–	–	1,498
9	Operational deposits		52,804	7,275	60,805	82,053
10	Interdependent liabilities		1,576	2,334	32,279	–
11	Other liabilities	3,984	2,390	–	578	578
12	NSFR derivative liabilities	3,984				
13	All other liabilities and capital instruments not included in the above categories		2,390	–	578	578
14	**Total available stable funding (ASF)**					**181,456**
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					5,251
EU-15a	Assets encumbered for more than 12m in cover pool		1,052	1,663	47,576	42,747
16	Deposits held at other financial institutions for operational purposes		439			219
17	Performing loans and securities		22,187	9,401	78,346	71,777
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		1,103	–	–	–
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		8,099	2,612	5,622	7,666
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		11,331	6,041	52,459	62,368
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,466	1,570	22,495	27,758
22	Performing residential mortgages, of which:		714	574	18,845	–
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		612	470	15,504	–
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		941	174	1,420	1,743
25	Interdependent assets		1,571	2,323	32,248	–
26	Other assets	–	10,598	399	4,235	7,173
27	Physical traded commodities				2,104	1,788
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		304	–	208	434
29	NSFR derivative assets		201			201
30	NSFR derivative liabilities before deduction of variation margin posted		6,118			306
31	All other assets not included in the above categories		3,975	399	1,924	4,443
32	Off-balance sheet items		33,691	4,431	19,465	3,093
33	**Total required stable funding**					**130,261**
34	**Net Stable Funding Ratio (%)**					**139.3**

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 139.3 percent. The increase in the ratio as at 31.12.2023 results from the increase of retail deposits at DKB.

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.

Required stable funding (RSF) benefits the ratio in part by providing a broadly diversified portfolio of high-quality securities.

The items “Interdependent assets” and “Interdependent liabilities” consist primarily of funds received and forwarded for subsidised loans.

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

CRE a) Permission to use the approach pursuant to article 452 a) CRR

BayernLB obtained regulatory approval on 1 January 2007 to use the foundation IRB (Internal Ratings-Based) approach.

Permission for permanent partial use of the standardised approach in accordance with article 150 CRR has been granted for the standardised approach exposures.

CRE b), c) and d) Description of the rating systems pursuant to article 452 c), d) and e) CRR

The rating systems have technical control mechanisms that examine both the completeness and, where possible, the plausibility of individual data and their combination with other data. As a further control, ratings are approved in line with the dual control principle. Mechanisms are in place to ensure that ratings used under the IRB approach are not green-lighted by employees at the Sales units. Management, moreover, is informed of the viability of the rating procedures in quarterly reports. This rating report is provided to the Credit Risk Board (CRB) and the Chief Risk Officer (CRO) as well as to the supervisory authorities.

Within the Group Risk Control Division, the Risk Methodology and Data & Infrastructure Departments perform the tasks of the CRCU (Credit Risk Control Unit) and are in charge of introducing, developing, updating and optimising the rating systems. They report directly to the CRCU officer. The CRCU officer oversees credit risk monitoring in accordance with article 190 CRR. This officer is independent of the HR and management functions responsible for opening and extending positions and is hierarchically directly below the head of the Group Risk Control Division, to whom it also reports directly.

To maintain and refine the rating procedures, BayernLB works mainly with the companies RSU Rating Service Unit GmbH & Co. KG and Sparkassen Rating und Risikosysteme GmbH, in material outsourcing arrangements. All rating procedures are updated on an ongoing basis in order to ensure they are able to correctly determine the default probabilities in each customer and financing segment. Both quantitative and qualitative analyses are added or updated. The rating factors, accuracy and calibration of the procedures, along with the data quality and the design of the models, are examined using statistical and qualitative analyses and user feedback from daily application.

The internal rating systems that are in use are validated once a year in accordance with article 144 para. 1 letter e) CRR and article 185 CRR. The Group Regulatory Affairs unit is, as an IVU (independent validation unit), responsible for preparing consistent requirements for validating models; presenting a validation plan; conducting the model validations; reporting the validation findings to executive managers; and for following up on the recommendations for action. The head of the IVU reports directly to senior management.

The validation process comprises a qualitative and a quantitative component. Quantitative analyses are conducted in order to compare default forecasts against actual defaults, thus determining their calibration, i.e. the degree to which they overlap, and their accuracy (the degree of overlap between the ranking and the actual defaults). If available, external default estimates are used for benchmark analyses. The stability of the rating models, i.e. the plausibility of changes in the default triggered by changed risk factors or changes to the models, is also examined. Qualitative analyses are designed to study the general applicability and correct use of the rating procedures in practice. The assumptions of the models, the area of use and the data quality, among other things, are examined. The specific, annual validation activities are documented in a validation plan (work plan) for individual rating procedures.

In the case of pool models, the institutions are assisted in their institution- or Group-level validations by external service providers. Pool validation findings are issued by independent bodies of RSU Rating Service Unit GmbH & Co. KG (RSU) and S-Rating und Risikosysteme GmbH (SR). The BayernLB Group is represented in these bodies by employees from the Group Model Validation unit. The pool validation findings are a part of the institution's or the Group's validation. The representative check accommodates the use of pool models as it allows for comparisons of creditworthiness-relevant data from the institution or Group against such data in the pool.

The Board of Management is informed on a regular basis of the status of the models' validity and the measures to be taken. This information is also integrated seamlessly into the approval process for making major modifications to the models. The outcomes of update and validation processes are furthermore presented to the Credit Risk Board on a continuous basis.

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

CRE e) Structure and description of the internal assessment procedures pursuant to article 452 f) CRR

BayernLB uses several statistically based rating procedures in which borrowers are assigned to rating categories on a 25-tier master rating scale on the basis of default probabilities. There are 22 rating categories for solvent borrowers and three for those in default.

BayernLB's main rating procedures are:

- Scorecard procedure: The scorecard or scoring procedure is used to allocate points to certain major attributes of customers (qualitative and quantitative) based on mathematical/statistical analyses to calculate a total score for creditworthiness. The calculated scorecards are converted into rating scores using a calibration function. These risk ratings are supplemented by warning signals and cross-liability matrices.
- Simulation procedure: The simulation procedure is principally used to classify property financing risks. This rating procedure creates scenarios for future cash flow trends and calculates rating scores and default probabilities based on loan-to-value and debt service coverage ratios through the use of default tests that differentiate between performing and non-performing loans. The quantitative risk assessment is supplemented by qualitative factors and warning signals.

The rating modules approved for use in the IRB approach are:

1. Banks
2. Insurers

3. Corporates (corporate clients, including municipally owned companies)
4. Savings banks standard rating
5. Country and transfer risk
6. Customer scoring, customer compact rating (DKB)
7. Rating procedure in the internal assessment approach for securitisations
   a. Trade receivables
   b. Consumer finance
   c. Auto/equipment loans and leases
   d. CDOs
8. Leasing (leasing companies and real estate leasing SPVs)
9. Aircraft financing
10. International commercial real estate
11. Savings banks real estate business rating
12. Project financing

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

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

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

Approved IRB rating approaches

Borrower/Exposure	Rating approach	Method
Credit institutions, financial services providers, financial companies	Banks	Scorecard
Insurance companies	Insurance companies	Scorecard
Large/multinational corporations, public-sector entities (municipally-owned / municipal companies) in and outside Germany[1]	Corporates	Scorecard
Small and medium-sized enterprises, freelancers and contractors in Germany	Savings banks standard rating	Scorecard
Central governments and regional authorities in Germany[1]	Country and transfer risk	Scorecard
Retail customers	Savings banks customer scoring	Scorecard
Small and medium-sized enterprises, freelancers and contractors in Germany up to EUR 750k, national commercial real estate up to EUR 750k[1]	Savings banks KundenKompaktRating	Scorecard
Securitisation exposures vis-à-vis ABCP programmes	Internal Assessment Approach (IAA)	Scorecard and simulation
Leasing companies, real estate SPVs (special-purpose vehicles)	Leasing	Scorecard and simulation
Aircraft financing SPVs (special-purpose vehicles)	Aircraft financing	Simulation
International commercial real estate	International commercial real estate	Simulation
National commercial real estate[1]	Savings banks real estate business rating	Scorecard
Project financing SPVs (special-purpose vehicles)	Project financing	Simulation

1 Plus public-sector authorities

The BayernLB Group uses a uniform master rating system for all rating procedures and all exposure classes. This enables comparisons of rating categories across all customer segments. There are 22 rating categories for solvent borrowers (whereby the worst category is broken down into a maximum of three sub-categories, depending on the rating procedure) and three for those in default. The boundaries of each rating category are set by specific upper and lower PD limits.

Default records kept internally have the highest priority in estimating the default probabilities under the rating procedures. If a portfolio has enough external ratings from the recognised rating agencies, the shadow-rating method is used in addition. Under this method, a “good/bad” analysis is carried out in terms of the degree to which the ranking for the external ratings can be mapped for a benchmarking portfolio. It also uses external ratings as additional benchmarks in order to calibrate the middle rating level.

Master rating scale

BayernLB rating	Mid PD (in %)	BayernLB rating	Mid PD (in %)
0	0.00	13	0.88
1	0.01	14	1.32
2	0.02	15	1.98
3	0.03	16	2.96
4	0.04	17	4.44
5	0.05	18	6.67
6	0.07	19	10.00
7	0.09	20	15.00
8	0.12	21	20 to 45
9	0.17	22	Default
10	0.26	23	Default
11	0.39	24	Default
12	0.59		

As part of the annual updates of the rating procedures used, various statistical methods are applied to check the appropriateness of the estimate of the probability of default. The differences between the PD and the actual default rate measured there are essentially within statistical expectations, both at the level of the annual tranches and with respect to the entire default history, and do not represent significant deviations.

Allocation of exposures to exposure classes – article 452 letter f) CRR

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

The main rating procedures used per exposure class, and their scopes of application, are described below. In none of the rating procedures are there procedural or institution-specific regulatory lower limits.

Central governments and central banks exposure class

The country and transfer risk rating procedure is used to classify exposures to borrowers that are allocated to the exposure class "central governments and central banks" in accordance with the CRR. The key factors of this rating procedure are the economic situation, the political environment and domestic and external economic developments of the respective country.

Institutions exposure class

The rating procedure for banks is essentially used to classify all borrowers that are allocated to the IRBA exposure class "institutions" in accordance with the CRR. The aim of the rating procedure for banks is to assess the counterparty risks of banks worldwide. In terms of content, the application is limited to rating subjects that conduct transactions that are mostly typical for banks (within the meaning of section 1 of the German Banking Act (KWG)). Thus, bank holding companies, building societies, state financing agencies, finance companies, financing companies and financial service providers are also to be rated with the banking module, regardless of their legal form. Similarly, institutions that do not have a banking license but in fact conduct mostly typical banking business are rated using the bank rating procedure. Furthermore, only rating subjects that are subject to supervision and thus operate in a regulated environment are within the scope of this rating procedure.

Corporates exposure class

The rating systems for corporate customers classify borrowers allocated to the IRBA exposure class “corporates” in accordance with the CRR. A significant portion of the portfolio is subject to the corporates rating module. Both domestic and foreign corporate customers, most of whom fall under the traditional corporates business, are assigned a corporates rating. Corporate customers in the S-Plafond business with group sales of up to EUR 500 million are rated using the standard savings bank rating and are reported in the "corporates" exposure class.

The exposure class "corporates" also includes special lending. Project financing is usually based on cash flow or on the user/consumer of the product of the project. Project financing stands apart from other special lending in that the cash flows are generated from a narrowly defined activity and only one business strategy is pursued at a time. Real estate lending transactions in which the loan is serviced exclusively from income in the form of rent payments, leases or sales proceeds generated from the financed property also fall under the special lending sub-class. The international commercial real estate rating procedure developed for this purpose is aimed at the entire international commercial real estate financing business, provided that the location of the property to be financed is abroad. Real estate customers with predominantly national, commercially used properties fall within the scope of the savings banks real estate rating.

Customers of other rating procedures are also assigned to the "corporates" exposure class. These include, for example, customers who are assessed using the insurance rating module. The aim of the insurance rating is to evaluate counterparty risks in insurance companies. For this purpose, insurance companies are defined as companies that generate the majority of their income from insurance-type transactions.

Retail exposure class

In the retail exposure class, customer scoring is used to estimate the probability of default and the loss estimate model is used to determine LGD and CCF. These procedures are applied exclusively to private customers (natural persons).

Equity exposure class

Depending on the type of equity interests involved, the same rating procedures followed for the above-mentioned exposure classes can generally be applied. No separate IRB rating procedure is used for equity exposures. It is ensured that equity interests can be clearly identified by the system and therefore assigned to the “equity” exposure class in accordance with article 147 para. 6 CRR. The simple risk-weighted method under the IRB approach is used for equity interests.

Securitisation exposure class

The “securitisation” exposure class is characterised by the fact that the internal assessment approach for securitisations (IAA) is generally used to classify these exposures.

Other non-credit-obligation assets exposure class

For exposures that fall under the exposure class “other non-credit-obligation assets”, an IRB risk weighting of 0 percent is applied in the case of cash deposits and an IRB risk weighting of 100 percent in all other cases.

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

Allocation of borrowers/exposures to exposure classes

	IRB exposure classes										
Borrower/Exposure	**Central governments and central banks**	**Institutions**	**Corporates - SMEs**	**Corporates - Specialised lending**	**Corporates - Others**	**Mengengeschäft – durch Immobilien besichert – KMU**	**Retail – secured by immovable property – non-SMEs**	**Retail – qualified revolving**	**Retail - Other SMEs**	**Retail – other retail**	**Securitisations**
Credit institutions, financial services providers, financial companies	x	x			x						
Insurance companies					x						
Large/multinational corporations, public-sector entities (municipally-owned / municipal companies) in and outside Germany[1]		x	x		x						
Small and medium-sized enterprises, freelancers and contractors in Germany		x	x		x						
Central governments and regional authorities in Germany[1]	x	x			x						
Retail customers						x	x	x	x	x	
Small and medium-sized enterprises, freelancers and contractors in Germany up to EUR 750k, national commercial real estate up to EUR 750k[1]	x	x	x	x	x	x	x	x	x	x	
Securitisation exposures vis-à-vis ABCP programmes											x
Leasing companies, real estate SPVs (special-purpose vehicles)		x		x	x						
Aircraft financing SPVs (special-purpose vehicles)			x	x	x						
International commercial real estate			x	x	x						
National commercial real estate[1]		x	x	x	x						
Project financing SPVs (special-purpose vehicles)				x	x						

1 Plus public-sector authorities

EU CR6-A IRB approach – Scope of use of IRB and SA approach

Table EU CR6-A, below, shows the share of the exposures in the total exposure value, broken down by IRBA and standardised approach, pursuant to article 452 letter b) CRR. Positions subject to counterparty risk and securitisation positions are not included.

EU CR6-A – Scope of use of IRB and SA approach

		a	b	c	d	e
EUR million		Exposure value as defined in Article 166 CRR for exposrues subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA (%)	Percentage of total exposure value subject to a roll-out plan (%)	Percentage of total exposurevalue subject to a roll-out plan (%)
1	Central governments or central banks	87,069	89,321	3	-	97
1.1	of which Regional governments or local authorities		34,122	1	-	99
1.2	of which Public sector entities		1,746	–	-	100
2	Institutions	26,180	50,301	48	-	52
3	Corporates	112,275	112,546	3	-	97
3.1	of which Corporates - Specialised lending, excluding slotting approach		30,794	–	-	100
3.2	of which Corporates - Specialised lending under slotting approach		–	–	-	–
4	Retail receivables	27,338	25,483	15	0.3	84
4.1	of which Retail – Secured by real estate SMEs		504	–	-	100
4.2	of which Retail – Secured by real estate non-SMEs		10,427	–	-	100
4.3	of which Retail – Qualifying revolving		1,180	22	-	78
4.4	of which Retail – Other SMEs		741	19	10.7	70
4.5	of which Retail – Other non-SMEs		12,631	28	-	72
5	Equity	857	841	–	-	100
6	Other non-credit obligation assets	598	513	–	-	100
7	**Total**	**254,317**	**279,005**	**12**	**0.03**	**88**

The most significant deviation between the exposure value defined in article 166 CRR for IRBA exposures in column a of the table and the exposure value for the same exposures in accordance with article 429 para. 4 CRR in column b are exposures to institutions in the cross-guarantee system in accordance with article 113 para. 7 CRR that are reported in the standardised approach.

EU CR6 IRB approach – Credit risk exposures by exposure class and PD range

Table EU CR6, below, shows the main parameters used to calculate own funds requirements under the IRBA.

Table EU CR6 F-IRBA, below, shows the exposures underlying the credit risk, calculated using the IRB standard approach (F-IRBA), broken down by exposure class and PD range. As BayernLB makes its own estimates of LGD and CCF for its retail business, these exposure classes are presented in the separate table EU CR6 Advanced IRBA (A-IRBA). 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 from countrerparty risks or securitisations or equity exposures, nor does it show exposures with alternative treatment pursuant to article 230 para. 3 CRR. Exposures pursuant to Article 153 (5) CRR are also not included, as BayernLB does not use a slotting approach.

EU CR6 IRB approach: Credit risk exposures by exposure class and PD range F-IRBA (part 1 of 2)

a	b	c	d	e	f	g	h	i	j	k	l	m
EUR million PD scale (%)	On-balance sheet expo-sures	Off-balance -sheet exposu res pre-CCF	Exposure weighted average CCF (%)	Expo-sure post CCF and CRM	Exposure weighted average PD (%)	Num-ber of obli-gors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWA after suppor -ting factors	RWA den-sity (%)	Expec-ted loss amount	Value adjust-ments and provi-sions
Central governments and central banks												
0.00 to < 0.15	84,901	3,210	43	96,128	0.02	5,505	45	3	199	0.21	–	–
0.00 to < 0.10	84,692	3,210	43	95,891	0.02	5,503	45	3	115	0.12	–	–
0.10 to < 0.15	209	–	–	237	0.13	2	45	3	85	35.81	–	–
0.15 to < 0.25	143	–	–	143	0.15	1	45	3	57	39.68	–	–
0.25 to < 0.50	10	–	–	1	0.47	1	45	3	–	71.74	–	–
0.50 to < 0.75	–	–	–	–	–	–	–	–	–	–	–	–
0.75 to < 2.50	–	–	–	–	1.06	1	45	3	–	99.83	–	–
0.75 to< 1.75	–	–	–	–	1.06	1	45	3	–	99.83	–	–
1.75 to < 2.50	–	–	–	–	–	–	–	–	–	–	–	–
2.50 to < 10	66	105	75	5	8.03	1	45	3	9	188.50	–	–
2.50 to < 5.00	–	–	–	–	–	–	–	–	–	–	–	–
5.00 to < 10	66	105	75	5	8.03	1	45	3	9	188.50	–	–
10 to < 100	370	124	75	–	18.08	1	45	3	–	242.86	–	(4)
10 to < 20	370	124	75	–	18.08	1	45	3	–	242.86	–	(4)
20 to < 30	–	–	–	–	–	–	–	–	–	–	–	–
30 to < 100	–	–	–	–	–	–	–	–	–	–	–	–
100 (Default)	38	–	–	1	100.00	3	45	3	–	–	1	(5)
Total	**85,529**	**3,438**	**45**	**96,278**	**0.02**	**5,513**	**45**		**266**	**0.28**	**1**	**(9)**
Institutions												
0.00 to < 0.15	21,708	2,591	38	20,951	0.04	1,284	37	3	3,671	17.52	4	(20)
0.00 to < 0.10	20,012	2,142	45	19,489	0.04	1,180	37	3	3,166	16.24	3	(16)
0.10 to < 0.15	1,696	450	4	1,462	0.11	104	41	3	505	34.52	1	(4)
0.15 to < 0.25	1,184	216	56	997	0.18	80	39	3	395	39.59	1	(6)
0.25 to < 0.50	1,236	128	44	1,090	0.31	102	45	3	633	58.03	2	(10)
0.50 to < 0.75	242	44	36	127	0.60	54	42	3	97	76.57	–	(1)
0.75 to < 2.50	617	24	54	414	1.16	44	37	3	393	95.12	2	(3)
0.75 to< 1.75	590	8	4	401	1.13	36	36	3	378	94.25	2	(2)
1.75 to < 2.50	28	17	77	13	2.07	8	45	3	16	122.94	–	(1)
2.50 to < 10	15	–	–	15	3.02	5	43	3	19	130.92	–	(1)
2.50 to < 5.00	15	–	–	15	3.02	5	43	3	19	130.92	–	(1)
5.00 to < 10	–	–	–	–	–	–	–	–	–	–	–	–
10 to < 100	7	28	20	31	15.76	56	45	3	74	241.49	2	(3)
10 to < 20	4	28	20	31	15.73	6	45	3	74	241.49	2	(3)
20 to < 30	3	–	–	-	20.00	5	45	3	–	250.00	–	-
30 to < 100	–	–	50	–	45.00	45	45	3	–	244.01	–	–
100 (Default)	–	–	–	–	100.00	1	45	3	–	–	–	–
Total	**25,010**	**3,032**	**39**	**23,625**	**0.10**	**1,626**	**37**		**5,282**	**22.36**	**11**	**(43)**

EU CR6 IRB approach: Credit risk exposures by exposure class and PD range F-IRBA (part 2 of 2)

a	b	c	d	e	f	g	h	i	j	k	l	m
EUR million PD scale (%)	On-balance sheet expo-sures	Off-balance -sheet exposu res pre-CCF	Exposure weighted average CCF (%)	Expo-sure post CCF and CRM	Exposure weighted average PD (%)	Num-ber of obli-gors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWA after suppor -ting factors	RWA den-sity (%)	Expec-ted loss amount	Value adjust-ments and provi-sions
Corporates - SMEs												
0.00 to < 0.15	10,191	990	34	10,511	0.06	34,570	37	3	1,279	12.17	2	(2)
0.00 to < 0.10	9,179	812	33	9,406	0.05	31,911	37	3	1,053	11.20	2	(1)
0.10 to < 0.15	1,012	178	38	1,105	0.12	2,659	39	3	226	20.47	–	(1)
0.15 to < 0.25	1,628	261	30	1,693	0.17	2,219	39	3	428	25.29	1	(2)
0.25 to < 0.50	4,223	622	34	4,434	0.32	4,990	40	3	1,651	37.23	6	(7)
0.50 to < 0.75	1,532	311	37	1,608	0.59	1,354	41	3	830	51.63	4	(7)
0.75 to < 2.50	2,490	685	24	2,604	1.24	2,389	40	3	1,711	65.69	13	(15)
0.75 to< 1.75	1,953	304	34	2,002	1.02	1,559	40	3	1,220	60.93	8	(10)
1.75 to < 2.50	537	382	15	602	1.98	830	41	3	491	81.52	5	(4)
2.50 to < 10	438	29	21	438	3.72	691	40	3	381	86.96	7	(10)
2.50 to < 5.00	381	26	20	385	3.32	518	40	3	318	82.46	5	(9)
5.00 to < 10	57	3	30	53	6.67	173	42	3	63	119.94	1	(2)
10 to < 100	214	28	43	212	17.07	2,168	42	3	304	143.57	15	(11)
10 to < 20	131	18	53	128	11.65	189	42	3	169	132.63	6	(7)
20 to < 30	49	1	10	48	20.00	68	42	3	73	153.15	4	(5)
30 to < 100	34	9	26	36	32.27	1,911	43	3	62	169.42	5	–
100 (Default)	235	41	21	235	100.00	250	43	3	–	–	100	(105)
Total	**20,951**	**2,967**	**31**	**21,735**	**1.62**	**48,631**	**38**		**6,584**	**30.29**	**148**	**(158)**
Corporates - Specialised lending												
0.00 to < 0.15	10,439	1,037	54	10,605	0.08	1,046	40	3	2,231	21.03	4	(30)
0.00 to < 0.10	7,406	704	55	7,540	0.07	732	40	3	1,399	18.55	2	(23)
0.10 to < 0.15	3,033	333	51	3,064	0.12	314	40	3	832	27.15	1	(8)
0.15 to < 0.25	3,594	533	56	3,854	0.18	324	39	3	1,272	33.00	3	(12)
0.25 to < 0.50	7,447	2,740	53	8,610	0.34	693	42	3	3,932	45.67	12	(24)
0.50 to < 0.75	2,363	713	35	2,523	0.61	249	43	3	1,573	62.34	7	(12)
0.75 to < 2.50	2,425	1,020	53	2,899	1.31	244	44	3	2,280	78.64	17	(14)
0.75 to< 1.75	1,816	846	52	2,189	1.06	192	44	3	1,600	73.10	10	(12)
1.75 to < 2.50	609	174	58	710	2.07	52	44	3	680	95.71	7	(2)
2.50 to < 10	397	23	46	339	3.62	41	42	3	355	104.79	5	(9)
2.50 to < 5.00	317	23	46	326	3.49	36	43	3	339	104.13	5	(5)
5.00 to < 10	80	–	–	14	6.78	5	38	3	16	120.46	–	(4)
10 to < 100	70	3	44	63	16.86	12	34	3	94	148.40	4	(3)
10 to < 20	35	2	42	28	11.54	7	41	3	38	139.25	1	(1)
20 to < 30	35	1	50	36	20.99	5	29	3	55	155.49	2	(1)
30 to < 100	–	–	–	–	–	–	–	–	–	–	–	–
100 (Default)	1,101	74	49	1,020	100.00	47	41	3	–	–	416	(151)
Total	**27,837**	**6,142**	**52**	**29,914**	**3.81**	**2,656**	**41**		**11,737**	**39.23**	**467**	**(255)**
Corporates - Others												
0.00 to < 0.15	25,113	15,599	53	32,201	0.07	70,309	41	3	7,623	23.67	10	(40)
0.00 to < 0.10	19,582	12,906	53	25,139	0.06	66,894	41	3	5,326	21.19	6	(27)
0.10 to < 0.15	5,531	2,694	54	7,063	0.12	3,415	41	3	2,296	32.52	4	(13)
0.15 to < 0.25	4,369	2,343	60	5,867	0.18	3,653	42	3	2,433	41.46	4	(16)
0.25 to < 0.50	6,966	3,977	53	8,554	0.34	9,741	42	3	4,870	56.93	12	(33)
0.50 to < 0.75	1,866	1,625	52	2,126	0.62	2,810	43	3	1,663	78.24	6	(16)
0.75 to < 2.50	2,152	1,645	49	1,792	1.39	5,473	44	3	1,895	105.75	11	(24)
0.75 to< 1.75	1,483	1,418	49	1,321	1.15	3,162	44	3	1,319	99.92	7	(12)
1.75 to < 2.50	670	227	45	471	2.05	2,311	45	3	575	122.11	4	(12)
2.50 to < 10	912	411	62	422	4.29	1,715	45	3	634	150.24	8	(19)
2.50 to < 5.00	801	234	70	313	3.38	1,240	45	3	438	140.01	5	(12)
5.00 to < 10	111	177	51	109	6.90	475	45	3	196	179.56	3	(7)
10 to < 100	1,287	976	63	129	14.09	30,742	44	3	284	220.70	8	(30)
10 to < 20	898	243	75	102	11.57	480	45	3	219	214.74	5	(22)
20 to < 30	382	731	60	20	20.92	168	44	3	50	255.02	2	(7)
30 to < 100	7	2	16	7	31.07	30,094	36	3	15	211.42	1	-
100 (Default)	1,137	121	52	916	100.00	936	42	3	–	–	381	(378)
Total	**43,802**	**26,697**	**54**	**52,006**	**2.02**	**125,379**	**42**		**19,400**	**37.30**	**440**	**(556)**
Total	**203,128**	**42,278**	**50**	**223,557**	**1.16**	**183,805**	**41**		**43,269**	**19.35**	**1,067**	**(1,022)**

EU CR6 IRB approach: Credit risk exposures by exposure class and PD range A-IRBA (part 1 of 2)

a	b	c	d	e	f	g	h	j	k	l	m
EUR million PD scale (%)	On-balance sheet expo-sures	Off-balance -sheet exposures pre-CCF	Exposure weighted average CCF (%)	Expo-sure post CCF and CRM	Exposure weighted average PD (%)	Num-ber of obli-gors	Exposure weighted average LGD (%)	RWA after supporting factors	RWA density (%)	Expec-ted loss amount	Value adjust-ments and provi-sions
Retail - Secured by immovable property - SMEs											
0.00 to < 0.15	297	12	98	308	0.07	2,360	21	9	2.94	–	–
0.00 to < 0.10	259	11	99	270	0.06	2,113	21	7	2.69	–	–
0.10 to < 0.15	37	1	96	39	0.12	247	22	2	4.68	–	–
0.15 to < 0.25	22	1	121	23	0.17	159	20	1	5.90	–	–
0.25 to < 0.50	104	1	80	105	0.32	781	21	10	9.69	–	–
0.50 to < 0.75	32	–	90	32	0.59	170	25	6	17.41	–	–
0.75 to < 2.50	31	1	101	32	1.23	180	23	8	25.51	–	–
0.75 to< 1.75	25	1	102	26	1.05	127	24	6	25.29	–	–
1.75 to < 2.50	6	–	81	6	1.98	53	17	2	26.36	–	–
2.50 to < 10	7	–	125	8	4.50	57	23	4	55.99	–	–
2.50 to < 5.00	6	–	125	6	3.85	39	22	3	51.62	–	–
5.00 to < 10	2	–	129	2	6.67	18	23	1	70.46	–	–
10 to < 100	5	–	66	5	19.85	28	20	4	85.89	–	–
10 to < 20	2	–	100	2	12.32	13	22	2	86.76	–	–
20 to < 30	1	–	65	1	20.00	4	14	1	61.67	–	–
30 to < 100	1	–	102	1	34.04	11	25	1	112.97	–	–
100 (Default)	4	–	100	4	100.00	24	30	2	56.69	1	–
Total	**502**	**15**	**99**	**517**	**1.19**	**3,759**	**21**	**45**	**8.72**	**1**	**–**
Retail - Secured by immovable property - non-SMEs											
0.00 to < 0.15	8,349	42	94	8,389	0.07	62,037	23	327	3.90	1	(2)
0.00 to < 0.10	7,614	40	94	7,652	0.06	56,064	23	274	3.59	1	(1)
0.10 to < 0.15	735	2	89	736	0.12	5,973	26	53	7.20	–	–
0.15 to < 0.25	563	1	83	564	0.17	4,642	27	58	10.26	–	–
0.25 to < 0.50	815	2	81	817	0.32	6,554	30	144	17.69	1	(1)
0.50 to < 0.75	201	1	118	202	0.59	1,462	28	53	26.19	–	(1)
0.75 to < 2.50	325	1	93	326	1.56	2,841	28	159	48.67	1	(2)
0.75 to< 1.75	175	1	98	176	1.20	1,439	27	71	40.32	1	(1)
1.75 to < 2.50	150	–	73	150	1.98	1,402	28	88	58.47	1	(1)
2.50 to < 10	82	–	98	82	4.74	793	29	80	96.98	1	(1)
2.50 to < 5.00	57	–	99	57	3.91	558	28	49	85.35	1	(1)
5.00 to < 10	25	–	97	25	6.67	235	31	31	123.83	1	(1)
10 to < 100	56	–	190	56	22.46	567	31	100	180.10	4	(2)
10 to < 20	23	–	124	23	13.46	239	29	35	154.96	1	–
20 to < 30	9	–	437	9	20.00	78	27	15	162.11	–	–
30 to < 100	24	–	107	24	31.96	250	34	50	210.90	3	(1)
100 (Default)	28	–	100	28	100.00	362	40	32	116.93	8	(2)
Total	**10,419**	**47**	**94**	**10,463**	**0.57**	**79,258**	**24**	**954**	**9.12**	**17**	**(10)**

EU CR6 IRB approach: Credit risk exposures by exposure class and PD range A-IRBA (part 2 of 2)

a	b	c	d	e	f	g	h	j	k	l	m
EUR million PD scale (%)	On-balance sheet expo-sures	Off-balance -sheet exposures pre-CCF	Exposure weighted average CCF (%)	Expo-sure post CCF and CRM	Exposure weighted average PD (%)	Num-ber of obli-gors	Exposure weighted average LGD (%)	RWA after supporting factors	RWA density (%)	Expec-ted loss amount	Value adjust-ments and provi-sions
Retail – qualified revolving											
0.00 to < 0.15	172	5,581	100	5,754	0.03	3,320,659	68	103	1.79	1	(1)
0.00 to < 0.10	158	5,469	100	5,625	0.03	3,193,743	68	97	1.73	1	(1)
0.10 to < 0.15	14	112	101	128	0.12	126,916	64	6	4.58	–	–
0.15 to < 0.25	14	107	102	124	0.17	161,283	63	8	6.33	–	–
0.25 to < 0.50	40	184	101	226	0.34	244,093	63	25	10.98	–	–
0.50 to < 0.75	17	37	91	51	0.59	36,233	65	9	17.46	–	–
0.75 to < 2.50	40	64	86	95	1.26	89,332	66	30	31.33	1	(1)
0.75 to< 1.75	28	50	88	71	1.03	66,498	65	19	26.89	–	(1)
1.75 to < 2.50	12	14	79	23	1.98	22,834	67	10	45.08	–	–
2.50 to < 10	22	15	79	33	4.38	23,001	68	26	79.35	1	(1)
2.50 to < 5.00	18	12	79	27	3.88	19,432	68	20	73.53	1	(1)
5.00 to < 10	4	2	82	6	6.67	3,569	68	6	105.96	–	–
10 to < 100	10	4	79	13	24.45	8,185	68	23	180.65	2	(2)
10 to < 20	5	2	77	7	11.71	3,921	68	9	144.41	1	(1)
20 to < 30	1	–	76	1	20.00	629	67	2	186.12	–	–
30 to < 100	4	1	84	6	40.20	3,635	70	12	222.55	2	(1)
100 (Default)	7	1	100	8	100.00	2,795	72	11	136.63	5	(2)
Total	**323**	**5,993**	**100**	**6,304**	**0.27**	**3,885,581**	**68**	**235**	**3.73**	**11**	**(7)**
Retail - Other SMEs											
0.00 to < 0.15	231	50	82	273	0.08	4,768	65	29	10.51	–	–
0.00 to < 0.10	183	44	82	220	0.07	4,200	65	21	9.68	–	–
0.10 to < 0.15	48	6	83	53	0.12	568	63	7	13.92	–	–
0.15 to < 0.25	34	6	97	40	0.17	396	64	7	18.85	–	–
0.25 to < 0.50	112	10	81	120	0.32	1,154	64	34	28.45	–	–
0.50 to < 0.75	53	2	92	55	0.59	553	62	22	39.49	–	–
0.75 to < 2.50	55	4	89	59	1.20	835	62	32	53.84	–	(1)
0.75 to< 1.75	49	4	93	52	1.10	664	62	27	52.35	–	–
1.75 to < 2.50	6	1	67	6	1.98	171	64	4	65.97	–	–
2.50 to < 10	12	1	80	12	4.78	272	62	9	72.82	–	–
2.50 to < 5.00	7	1	76	8	3.75	183	62	6	71.69	–	–
5.00 to < 10	4	–	101	4	6.67	89	61	3	74.88	–	–
10 to < 100	7	–	75	7	20.81	297	62	8	106.55	1	(1)
10 to < 20	4	–	89	4	12.47	126	62	4	91.89	–	–
20 to < 30	1	–	83	1	20.00	33	62	2	111.91	–	–
30 to < 100	2	–	61	2	37.45	138	62	3	130.79	–	–
100 (Default)	7	–	86	7	100.00	79	78	13	179.56	5	(2)
Total	**511**	**75**	**84**	**574**	**1.94**	**8,354**	**64**	**154**	**26.82**	**7**	**(4)**
Retail - Other retail											
0.00 to < 0.15	3,925	821	64	4,452	0.07	70,332	70	580	13.03	2	(4)
0.00 to < 0.10	3,371	693	64	3,817	0.06	56,792	70	453	11.88	2	(3)
0.10 to < 0.15	554	127	64	636	0.12	13,540	68	127	19.96	1	(1)
0.15 to < 0.25	486	144	64	578	0.17	12,595	68	154	26.62	1	(1)
0.25 to < 0.50	1,515	234	64	1,665	0.33	64,287	65	634	38.08	4	(5)
0.50 to < 0.75	908	76	64	957	0.59	45,690	62	490	51.24	3	(5)
0.75 to < 2.50	1,248	107	65	1,317	1.24	59,963	62	934	70.93	10	(14)
0.75 to< 1.75	1,034	74	65	1,082	1.08	52,217	61	728	67.26	7	(11)
1.75 to < 2.50	214	33	64	235	1.98	7,746	65	206	87.85	3	(3)
2.50 to < 10	234	12	69	242	4.51	12,931	61	228	94.28	7	(11)
2.50 to < 5.00	155	11	68	163	3.45	8,281	62	150	92.42	3	(4)
5.00 to < 10	78	2	75	79	6.67	4,650	61	78	98.10	3	(7)
10 to < 100	169	3	73	171	25.42	10,218	60	242	141.46	26	(27)
10 to < 20	69	2	70	70	12.69	4,284	60	83	117.67	5	(9)
20 to < 30	37	–	90	37	20.00	2,062	60	53	142.11	4	(6)
30 to < 100	63	–	81	64	42.60	3,872	60	107	167.23	16	(13)
100 (Default)	97	1	99	98	100.00	6,272	66	194	197.74	49	(34)
Total	**8,582**	**1,398**	**64**	**9,481**	**1.94**	**282,288**	**66**	**3,457**	**36.46**	**102**	**(101)**
Total	**20,337**	**7,527**	**93**	**27,338**	**1.02**	**4,259,240**	**67**	**4,845**	**17.72**	**139**	**(123)**

EU CR9 IRB approach – PD backtesting per exposure class

Tables EU CR9 (A-IRB and F-IRB), below, disclose information on PD backtesting per exposure class in accordance with article 452 letter h) CRR. As BayernLB makes its own estimates of LGD and CCF for its retail business, these exposure classes are presented in the separate table EU CR9 Advanced IRBA. The data for retail apply solely to DKB as it is the only member of the BayernLB Group to use this procedure.

The disclosure of table EU CR9.1 is not relevant as BayernLB does not apply article 180 para. 1 letter f) CRR and does not make any PD estimates itself.

Table CR9 IRB approach – PD backtesting per exposure class F-IRBA (part 1 of 2)

a Exposure classes						
b	c	d	e	f	g	h
PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		of which number of obligors which defaulted in the year				
Central governments and central banks						
0.00 to < 0.15	6,111	–	–	0.02	–	–
0.00 to < 0.10	6,107	–	–	0.02	–	–
0.10 to < 0.15	4	–	–	0.13	0.12	–
0.15 to < 0.25	1	–	–	0.15	0.17	–
0.25 to < 0.50	1	–	–	0.47	0.26	–
0.50 to < 0.75	1	–	–	–	0.59	–
0.75 to < 2.50	1	–	–	1.06	0.88	–
0.75 to< 1.75	1	–	–	1.06	0.88	–
1.75 to < 2.50	–	–	–	–	–	–
2.50 to < 10	1	–	–	8.03	6.67	–
2.50 to < 5.00	–	–	–	–	–	–
5.00 to < 10	1	–	–	8.03	6.67	–
10 to < 100	2	1	50.00	18.08	16.54	23.33
10 to < 20	2	1	50.00	18.08	16.54	20.00
20 to < 30	–	–	–	–	–	20.00
30 to < 100	–	–	–	–	–	–
100 (Default)	2	–	–	100.00	100.00	–
Institutions						
0.00 to < 0.15	1,191	–	–	0.04	0.05	–
0.00 to < 0.10	1,103	–	–	0.04	0.05	–
0.10 to < 0.15	88	–	–	0.11	0.12	–
0.15 to < 0.25	75	–	–	0.18	0.17	–
0.25 to < 0.50	234	–	–	0.31	0.30	–
0.50 to < 0.75	47	–	–	0.60	0.59	–
0.75 to < 2.50	46	–	–	1.16	1.17	–
0.75 to< 1.75	43	–	–	1.13	1.10	–
1.75 to < 2.50	3	–	–	2.07	2.07	–
2.50 to < 10	6	–	–	3.02	3.58	1.43
2.50 to < 5.00	5	–	–	3.02	2.96	1.43
5.00 to < 10	1	–	–	–	6.67	–
10 to < 100	59	–	–	15.76	38.31	–
10 to < 20	8	–	–	15.73	14.38	–
20 to < 30	6	–	–	20.00	20.00	–
30 to < 100	45	–	–	45.00	45.00	–
100 (Default)	2	–	–	100.00	100.00	–

Table CR9 IRB approach – PD backtesting per exposure class F-IRBA (part 2 of 2)

a Exposure classes						
b	c	d	e	f	g	h
PD range	Number of obligors at the end of previous year		Observed average default rate	Exposure weighted average PD	Average PD	Aver. Histor. Ann. default rate
		of which number of obligors which defaulted in the year	(%)	(%)	(%)	(%)
Corporates - SMEs						
0.00 to < 0.15	27,881	21	0.08	0.06	0.05	0.05
0.00 to < 0.10	26,448	17	0.06	0.05	0.04	0.05
0.10 to < 0.15	1,433	4	0.28	0.12	0.12	0.14
0.15 to < 0.25	1,389	1	0.07	0.17	0.17	0.17
0.25 to < 0.50	12,936	59	0.46	0.32	0.28	0.16
0.50 to < 0.75	1,153	6	0.52	0.59	0.59	0.20
0.75 to < 2.50	2,172	16	0.74	1.24	1.38	0.59
0.75 to< 1.75	1,394	9	0.65	1.02	1.05	0.52
1.75 to < 2.50	778	7	0.90	1.98	1.98	0.76
2.50 to < 10	605	8	1.32	3.72	4.38	1.52
2.50 to < 5.00	459	7	1.53	3.32	3.65	1.65
5.00 to < 10	146	1	0.68	6.67	6.67	0.82
10 to < 100	2,187	24	1.10	17.07	41.61	4.47
10 to < 20	166	8	4.82	11.65	12.06	7.39
20 to < 30	48	6	12.50	20.00	20.00	6.74
30 to < 100	1,973	10	0.51	32.27	44.63	2.33
100 (Default)	222	–	–	100.00	100.00	–
Corporates - Specialised lending						
0.00 to < 0.15	689	–	0.29	0.08	0.06	0.17
0.00 to < 0.10	529	–	0.38	0.07	0.05	0.18
0.10 to < 0.15	160	–	-	0.12	0.12	0.15
0.15 to < 0.25	224	–	0.45	0.18	0.17	0.09
0.25 to < 0.50	402	9	2.24	0.34	0.29	1.04
0.50 to < 0.75	157	6	3.82	0.61	0.59	1.08
0.75 to < 2.50	186	5	2.69	1.31	1.22	1.37
0.75 to< 1.75	149	4	2.68	1.06	1.03	1.54
1.75 to < 2.50	37	1	–	2.07	1.98	0.54
2.50 to < 10	28	–	–	3.62	4.21	2.61
2.50 to < 5.00	25	–	–	3.49	3.91	1.90
5.00 to < 10	3	–	–	6.78	6.67	5.69
10 to < 100	4	1	25.00	16.86	15.00	16.98
10 to < 20	2	–	–	11.54	10.00	10.57
20 to < 30	2	1	50.00	20.99	20.00	22.38
30 to < 100	–	–	–	–	–	–
100 (Default)	40	–	–	100.00	100.00	–
Corporates - Others						
0.00 to < 0.15	106,189	5	–	0.07	0.04	0.11
0.00 to < 0.10	102,399	4	–	0.06	0.04	0.02
0.10 to < 0.15	3,790	1	0.03	0.12	0.12	0.37
0.15 to < 0.25	3,475	–	–	0.18	0.17	0.15
0.25 to < 0.50	80,474	11	0.01	0.34	0.27	0.11
0.50 to < 0.75	2,535	2	0.08	0.62	0.59	0.42
0.75 to < 2.50	5,589	10	0.18	1.39	1.44	1.41
0.75 to< 1.75	3,213	9	0.28	1.15	1.04	1.48
1.75 to < 2.50	2,376	1	0.04	2.05	1.98	1.26
2.50 to < 10	1,870	12	0.64	4.29	4.63	4.02
2.50 to < 5.00	1,382	8	0.58	3.38	3.91	2.73
5.00 to < 10	488	4	0.82	6.90	6.67	7.25
10 to < 100	9,972	22	0.22	14.09	42.70	2.53
10 to < 20	507	19	3.75	11.57	12.12	5.50
20 to < 30	185	2	1.08	20.92	20.04	2.29
30 to < 100	9,280	1	0.01	31.07	44.82	0.62
100 (Default)	788	–	–	100.00	100.00	–

Table CR9 IRB approach – PD backtesting per exposure class A-IRBA (part 1 of 2)

a Exposure classes						
b	c	d	e	f	g	h
PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		of which number of obligors which defaulted in the year				
Retail - Secured by immovable property - SMEs						
0.00 to < 0.15	2,377	–	–	0.07	0.06	0.03
0.00 to < 0.10	2,125	–	–	0.06	0.06	0.01
0.10 to < 0.15	252	–	–	0.12	0.12	0.10
0.15 to < 0.25	171	–	–	0.17	0.17	–
0.25 to < 0.50	815	–	–	0.32	0.32	0.16
0.50 to < 0.75	193	1	0.52	0.59	0.59	0.13
0.75 to < 2.50	162	4	2.47	1.23	1.35	0.69
0.75 to< 1.75	121	1	0.83	1.05	1.13	0.35
1.75 to < 2.50	41	3	7.32	1.98	1.98	1.84
2.50 to < 10	39	–	–	4.50	4.25	2.11
2.50 to < 5.00	33	–	–	3.85	3.82	2.77
5.00 to < 10	6	–	–	6.67	6.67	0.59
10 to < 100	38	5	13.16	19.85	19.08	19.81
10 to < 20	24	2	8.33	12.32	12.50	14.26
20 to < 30	4	–	–	20.00	20.00	16.42
30 to < 100	10	3	30.00	34.04	34.50	29.61
100 (Default)	23	–	–	100.00	100.00	–
Retail - Secured by immovable property - non-SMEs						
0.00 to < 0.15	56,420	19	0.03	0.07	0.06	0.03
0.00 to < 0.10	50,728	14	0.03	0.06	0.06	0.02
0.10 to < 0.15	5,692	5	0.09	0.12	0.12	0.06
0.15 to < 0.25	4,601	5	0.11	0.17	0.17	0.09
0.25 to < 0.50	6,315	9	0.14	0.32	0.31	0.15
0.50 to < 0.75	1,278	3	0.23	0.59	0.59	0.19
0.75 to < 2.50	2,691	45	1.67	1.56	1.60	1.00
0.75 to< 1.75	1,301	13	1.00	1.20	1.20	0.73
1.75 to < 2.50	1,390	32	2.30	1.98	1.98	1.26
2.50 to < 10	736	39	5.30	4.74	4.72	2.87
2.50 to < 5.00	542	23	4.24	3.91	4.02	2.41
5.00 to < 10	194	16	8.25	6.67	6.67	4.13
10 to < 100	559	105	18.78	22.46	23.72	10.79
10 to < 20	203	27	13.30	13.46	12.98	5.91
20 to < 30	85	15	17.65	20.00	20.00	7.78
30 to < 100	271	63	23.25	31.96	32.93	16.91
100 (Default)	332	–	–	100.00	100.00	–
Retail – qualified revolving						
0.00 to < 0.15	3,378,188	819	0.02	0.03	0.04	0.01
0.00 to < 0.10	3,295,790	714	0.02	0.03	0.04	0.01
0.10 to < 0.15	82,398	105	0.13	0.12	0.12	0.06
0.15 to < 0.25	74,998	149	0.20	0.17	0.17	0.09
0.25 to < 0.50	117,296	457	0.39	0.34	0.34	0.17
0.50 to < 0.75	39,098	218	0.56	0.59	0.59	0.27
0.75 to < 2.50	79,326	1,319	1.66	1.26	1.22	0.69
0.75 to< 1.75	61,782	751	1.22	1.03	1.01	0.53
1.75 to < 2.50	17,544	568	3.24	1.98	1.98	1.30
2.50 to < 10	18,318	1,320	7.21	4.38	4.36	2.72
2.50 to < 5.00	15,002	907	6.05	3.88	3.86	2.34
5.00 to < 10	3,316	413	12.45	6.67	6.67	4.43
10 to < 100	6,188	1,456	23.53	24.45	24.42	8.51
10 to < 20	3,087	563	18.24	11.71	11.77	7.23
20 to < 30	513	121	23.59	20.00	20.00	9.89
30 to < 100	2,588	772	29.83	40.20	40.38	10.80
100 (Default)	2,381	–	–	100.00	100.00	–

Table CR9 IRB approach – PD backtesting per exposure class A-IRBA (continued; part 2 of 2)

a Exposure classes						
b	c	d	e	f	g	h
PD range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposure weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		of which number of obligors which defaulted in the year				
Retail - Other SMEs						
0.00 to < 0.15	3,544	5	0.14	0.08	0.07	0.04
0.00 to < 0.10	3,058	4	0.13	0.07	0.06	0.04
0.10 to < 0.15	486	1	0.21	0.12	0.12	0.04
0.15 to < 0.25	296	1	0.34	0.17	0.17	0.21
0.25 to < 0.50	928	6	0.65	0.32	0.32	0.29
0.50 to < 0.75	455	5	1.10	0.59	0.59	0.28
0.75 to < 2.50	600	27	4.50	1.20	1.27	1.43
0.75 to< 1.75	469	11	2.35	1.10	1.08	0.95
1.75 to < 2.50	131	16	12.21	1.98	1.98	3.17
2.50 to < 10	201	10	4.98	4.78	4.69	2.73
2.50 to < 5.00	139	4	2.88	3.75	3.80	2.35
5.00 to < 10	62	6	9.68	6.67	6.67	3.76
10 to < 100	234	36	15.38	20.81	27.84	7.05
10 to < 20	96	15	15.63	12.47	12.45	6.78
20 to < 30	20	2	10.00	20.00	20.00	11.38
30 to < 100	118	19	16.10	37.45	41.69	7.05
100 (Default)	71	–	–	100.00	100.00	–
Retail - Other retail						
0.00 to < 0.15	73,124	62	0.08	0.07	0.07	0.06
0.00 to < 0.10	59,553	32	0.05	0.06	0.06	0.04
0.10 to < 0.15	13,571	30	0.22	0.12	0.12	0.13
0.15 to < 0.25	12,237	37	0.30	0.17	0.17	0.19
0.25 to < 0.50	58,398	304	0.52	0.33	0.34	0.29
0.50 to < 0.75	44,256	479	1.08	0.59	0.59	0.62
0.75 to < 2.50	58,938	1,586	2.69	1.24	1.18	1.44
0.75 to< 1.75	51,367	1,231	2.40	1.08	1.06	1.28
1.75 to < 2.50	7,571	355	4.69	1.98	1.98	2.49
2.50 to < 10	11,919	1,200	10.07	4.51	4.65	4.82
2.50 to < 5.00	8,033	741	9.22	3.45	3.67	4.32
5.00 to < 10	3,886	459	11.81	6.67	6.67	5.91
10 to < 100	8,475	2,193	25.88	25.42	25.69	13.72
10 to < 20	3,547	597	16.83	12.69	12.46	8.86
20 to < 30	1,647	376	22.83	20.00	20.00	11.55
30 to < 100	3,281	1,220	37.18	42.60	42.84	19.82
100 (Default)	4,992	–	–	100.00	100.00	–

As of the 31 December 2023 reporting date, the BayernLB Group had 4,135,373 borrowers with short-term contracts, the vast majority of which (around 94 percent) being in the “retail qualified revolving” exposure class. Short-term contracts are contracts with a remaining term of less than 12 months.

Use of credit risk mitigation techniques (article 453 CRR)

EU CRC a) Policies and processes for, and the extent of use of, on- and off-balance sheet netting – article 453 a) CRR

As a contractual basis for derivatives transactions and for securities repurchase and lending transactions, the BayernLB Group regularly concludes bilateral netting agreements in the form of master agreements with business partners. Among the standard master agreements used are the ISDA Master Agreement, the German Master Agreement for Financial Derivatives Transactions, the Global Master Repurchase Agreement and the Global Master Securities Lending Agreement. Agreements granting netting rights also encompass the clearing terms and conditions of Eurex Clearing AG, LCH.Clearnet Limited and European Commodity Clearing AG, as well as the client clearing agreements for indirect clearing. The netting agreements provide for conditional rights of set-off in the form of close-out netting for receivables and liabilities covered by these agreements, i.e. only if previously defined conditions, e.g. cancellation of the master agreement, default or insolvency, occur can the legal right of set-off be enforced.

Besides the master agreements for financial derivatives, collateral agreements are concluded with business partners to safeguard the net claim or liability left after offsetting. The main ones used are the Credit Support Annex to the ISDA Master Agreement and the collateral addendum to the German Master Agreement for Financial Derivatives Transactions. The master repurchase agreements, the master securities lending agreements and the derivatives clearing agreements contain similar rules on collateral. Collateral agreements usually grant the protection buyer an unrestricted right of disposal over the collateral, which is normally cash or securities collateral. Collateral agreements with no or a limited right of disposal are rare. Bilateral master agreements mainly provide for the realisation of collateral through offsetting.

BayernLB carries out off-balance sheet netting as described above. On-balance sheet netting does not take place in the BayernLB Group.

EU CRC b) and c) Description of the collateral valuation and administration – article 453 b) and c) CRR

Sound collateral is requested for the purpose of hedging credit risk exposure. BayernLB follows the principle that real collateral (particularly charges on property) is preferable to debt undertakings.

Procedures for accepting collateral (formalities and requirements) are governed by the internal processing guidelines for each type of collateral.

At BayernLB, collateral is counted towards the supervisory capital requirements based on the credit risk mitigation techniques defined in the CRR. As part of its IRBA approval, the German Federal Financial Supervisory Authority (BaFin) has granted BayernLB approval to lower its regulatory capital requirements through the use of real estate liens, ship mortgages, registered liens on aircraft, guarantees, financial collateral in the form of securities and cash deposits, and credit derivatives.

Specialists are responsible for ensuring these agreements are properly documented, administered and monitored on an ongoing basis. Monitoring is computer-aided.

The collateral policy sets out the requirements for valuing and administering collateral.

To manage collateral, a collateral management system has been put in place where valuation criteria are documented. To ensure constant legal enforceability, contracts are usually standardised and changes in the law – particularly foreign legal systems – are monitored on an ongoing basis in cooperation with other institutions.

The procedure used to calculate and determine the value of the collateral must be documented clearly and meaningfully in line with defined requirements. If expert opinions are available, it must be ensured that information on marketability and liquidity used to assess liquidation value is available. When collateral is realised, its value is calculated using the recovery rate, which is dependent on the collateral type. These rates are derived from historical loss data and are verified on a regular basis. The reference value is the market value of the respective collateral.

The valuation of real estate is reviewed every three years. Changes in real estate prices are tracked annually by following the market fluctuation strategy. Real estate financing is also monitored on an annual basis. Ships and aircraft are valued semi-annually on the basis of current appraisals. Additional valuations may be made intermittently as the situation warrants.

EU CRC (d) and (e) Information on market and credit risk concentrations within credit risk mitigation – article 453 letters d) and e) CRR

As part of the reporting, the key types and structures of eligible collateral are analysed and assessed for concentrations. Concentration risks exist in relation to collateral for guarantees. Guarantors mainly comprise export credit insurers, public-sector customers and financial institutions (particularly guarantee banks). In the guarantees category, the most important guarantor for BayernLB are public-sector institutions in Germany.

Credit derivatives transactions are only carried out with counterparties with investment-grade ratings. Collateral agreements exist with all business partners such that the current default risk associated with the particular trading partner is confined to an agreed maximum and a call for additional collateral is authorised should this limit be exceeded. All the counterparties in the credit derivatives business are banks.

Table EU CR3, below, shows all outstanding secured and unsecured exposures for credit risk (in accordance with the standardised approach and IRBA) 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 FINREP reporting.

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

EUR million		Unsecured carrying amount	Secured carrying amount	of which secured by collateral	of which secured by financial guarantees	of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	166,172	74,182	62,285	11,898	–
2	Debt securities	18,019	–	–	–	–
3	**Total**	**184,191**	**74,182**	**62,285**	**11,898**	**–**
4	*of which non-performing exposures*	1,220	895	873	23	–
EU-5	*of which defaulted*	2,115				

The share of collateralised exposures increased slightly in the disclosure period, from 28 percent (as at 30 June 2023) to 28.7 percent and therefore at a stable level.

Table EU CR4 is disclosed in the section “Use of the standardised approach”, in keeping with article 444 letter e) CRR.

The EU CR7-A tables below disclose the exposures by IRB approach, pursuant to article 453 letter g) CRR, broken down by A-IRB and F-IRB. They show the extent to which the credit mitigation techniques are used. The figures in the EU CR7 and EU CR7-A tables are based on supervisory figures pursuant to COREP reporting.

EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques – A-IRBA (part 1 of 2)

A-IRB		Total exposures	Credit risk Mitigation techniques				
			Funded credit Protection (FCP)				
			Part of exposures covered by financial collaterals (%)	Part of exposures covered by other eligible collaterals (%)			
EUR million					Part of exposures covered by immovable property collaterals (%)	Part of exposures covered by receivables (%)	Part of exposures covered by other physical collaterals (%)
		a	b	c	d	e	f
1	Central governments and central banks	–	–	–	–	–	–
2	Institutions	–	–	–	–	–	–
3	Corporates	–	–	–	–	–	–
3.1	of which Corporates – SMEs	–	–	–	–	–	–
3.2	of which Corporates – Specialised lending	–	–	–	–	–	–
3.3	of which Corporates – Other	–	–	–	–	–	–
4	Retail receivables	27,338	0.03	32.8	32.8	–	–
4.1	Of which Retail – Immovable property SMEs	517	0.20	82.4	82.4	–	–
4.2	Of which Retail – Immovable property non-SMEs	10,463	–	81.7	81.7	–	–
4.3	of which Retail – Qualifying revolving	6,304	–	–	–	–	–
4.4	of which Retail – Other SMEs	574	1.10	–	–	–	–
4.5	of which Retail – Other non-SMEs	9,481	0.01	–	–	–	–
5	**Total**	**27,338**	**0.03**	**32.8**	**32.8**	**–**	**–**

EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques – A-IRBA (part 2 of 2)

A-IRB		Credit risk Mitigation techniques						Credit risk Mitigation methods in the calculation of RWAs	
		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 other credit protection (%)				Part of exposures covered by guarantees (%)	Part of exposures covered by credit derivatives (%)		
in million EUR			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 (%)				
		g	h	i	j	k	l	m	n
1	Central governments and central banks	–	–	–	–	–	–	–	–
2	Institutions	–	–	–	–	–	–	–	–
3	Corporates	–	–	–	–	–	–	–	–
3.1	of which Corporates – SMEs	–	–	–	–	–	–	–	–
3.2	of which Corporates – Specialised lending	–	–	–	–	–	–	–	–
3.3	of which Corporates – Other	–	–	–	–	–	–	–	–
4	Retail receivables	0.02	0.02	–	–	0.01	–	4,845	4,845
4.1	Of which Retail – Immovable property SMEs	0.08	0.08	–	–	0.04	–	45	45
4.2	Of which Retail – Immovable property non-SMEs	0.03	0.03	–	–	–	–	954	954
4.3	of which Retail – Qualifying revolving	–	–	–	–	–	–	235	235
4.4	of which Retail – Other SMEs	0.08	0.08	–	–	0.24	–	154	154
4.5	of which Retail – Other non-SMEs	0.01	0.01	–	–	–	–	3,457	3,457
5	**Total**	**0.02**	**0.02**	**–**	**–**	**0.01**	**–**	**4,845**	**4,845**

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

F-IRB	EUR million	Total exposures	Credit risk Mitigation techniques				
			Funded credit Protection (FCP)				
			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 other physical collaterals (%)
		a	b	c	d	e	f
1	Central governments and central banks	96,880	–	–	–	–	–
2	Institutions	23,298	0.38	27.35	27.35	–	–
3	Corporates	105,099	2.62	125.84	125.54	–	0.30
3.1	of which Corporates – SMEs	21,738	0.60	62.96	62.96	–	–
3.2	of which Corporates – Specialised lending	30,566	1.47	32.74	32.51	–	0.23
3.3	of which Corporates – Other	52,795	0.55	30.14	30.08	–	0.07
4	**Total**	**225,276**	**0.43**	**20.41**	**20.36**	**–**	**0.05**

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

F-IRB	EUR million	Credit risk Mitigation techniques						Credit risk Mitigation methods in the calculation of RWAs	
		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 other funded credit protection (%)				Part of exposures covered by guarantees (%)	Part of exposures covered by credit derivatives (%)		
			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 (%)				
		g	h	i	j	k	l	m	n
1	Central governments and central banks	–	–	–	–	(0.73)	–	3,185	1,772
2	Institutions	–	–	–	–	(12.43)	–	6,156	5,148
3	Corporates	–	–	–	–	(23.12)	–	48,890	38,383
3.1	of which Corporates – SMEs	–	–	–	–	(0.93)	–	6,737	6,586
3.2	of which Corporates – Specialised lending	–	–	–	–	(4.10)	–	12,779	12,063
3.3	of which Corporates – Other	–	–	–	–	(18.09)	–	29,374	19,735
4	**Total**	**–**	**–**	**–**	**–**	**(6.49)**	**–**	**58,232**	**45,302**

The risk-weighted exposure amounts before and after taking credit derivatives into account are disclosed below in table EU CR7 in accordance with Article 453 j) CRR.

EU CR7 – IRB approach – Effect of the risk-weighted exposure amounts of credit derivatives used as credit risk mitigation techniques

		a	b
EUR million		**Pre-credit derivatives RWAs**	**Actual RWAs**
1	**Exposures under FIRB**	**45,302**	**45,302**
2	Central governments and central banks	1,772	1,772
3	Institutions	5,148	5,148
4	Corporates	38,383	38,383
4.1	of which Corporates – SMEs	6,586	6,586
4.2	of which Corporates – Specialised lending	12,063	12,063
5	**Exposures under AIRB**	**4,845**	**4,845**
6	Central governments and central banks	–	–
7	Institutions	–	–
8	Corporates	–	–
8.1	of which Corporates – SMEs	–	–
8.2	of which Corporates – Specialised lending	–	–
9	Retail receivables	4,845	4,845
9.1	of which Retail – SMEs - Secured by immovable property collateral	45	45
9.2	of which Retail – non-SMEs - Secured by immovable property collateral	954	954
9.3	of which Retail – Qualifying revolving	235	235
9.4	of which Retail – SMEs - Other	154	154
9.5	of which Retail – Non-SMEs- Other	3,457	3,457
10	**Total (including FIRB exposures and AIRB exposures)**	**50,147**	**50,147**

List of abbreviations

ABCP	asset-backed commercial paper
A-IRBA	advanced internal ratings-based approach
ASF	available stable funding
AT1	additional Tier 1 capital
AVA	additional valuation adjustment
BCM	business continuity management
BVV	Versicherungsverein des Bankgewerbes (an insurance association for the banking industry)
CapEx	capital expenditure
CCA	climate change adaptation
CCF	credit conversion factor
CCM	climate change mitigation
CCP	central counterparty
CCR	counterparty credit risk
CDO	credit default obligation
CDS	credit default swap
CET1	Common Equity Tier 1 capital
CISO	chief information security officer
CO_2e	CO_2 equivalent
COREP	Common Solvency Ratio Reporting
CRD	Capital Requirements Directive
CRM	credit risk mitigation
CRR	Capital Requirements Regulation
CRRM	central reputational risk management
CRSA	Credit Risk Standardised Approach
CTA	contractual trust arrangement
CVA	credit value adjustment
EAD	exposure at default
ECAI	External Credit Assessment Institution
EEPE	effective expected positive exposure
EHQLA	extremely high-quality liquid assets
EL	expected loss
EMAS	Eco-Management and Audit Scheme
ENCORE	database created by the Natural Capital Finance Alliance
ESG	environmental, social and governance (risk, etc.)
ESGA	ESG assessment
EVIC	enterprise value including cash
FINREP	Financial Reporting
F-IRBA	foundation internal ratings-based approach
GAR	green asset ratio
GHG	greenhouse gas
GRI	Global Reporting Initiative
HQLA	high-quality liquid assets
IAA	internal assessment approach
ICAAP	Internal Capital Adequacy Assessment Process
ICMA	International Capital Market Association
ILAAP	Internal Liquidity Adequacy Assessment Process
IMA	internal models approach
IMM	internal model method
IRBA	Internal Ratings-Based approach
ISDA	International Swaps and Derivatives Association
KPI	key performance indicator
KRI	key risk indicator
KS	career level
LCR	liquidity coverage ratio
LGD	loss given default
LkSG	German Supply Chain Act
LMA	Loan Market Association
LMBA	London Bullion Market Association
LTI	long-term incentive
MAR	Market Abuse Regulation
MR(P)	market risk (positions)
NCI	non-cash instrument
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
NII	net interest income
NPL	non-performing loan
NSFR	net stable funding ratio
OpRisk	operational risk
OpVaR	operational VaR
OSA	operational risk self-assessment
OTC	over-the-counter
PCAF	Partnership for Carbon Accounting Financials
PD	probability of default
POCI	purchased or originated credit-impaired financial assets
PRB	Principles for Responsible Banking
PVBP	price value of a basis point
QCCP	qualified central counterparty
RepRisk	reputational risk
RSF	required stable funding
RSU	RSU Rating Service Unit GmbH & Co. KG
RTS	regulatory technical standard
SA	standardised approach
SA-CCR	standardised approach for counterparty credit risk
SDGs	Sustainable Development Goals

sfO set of written organisational rules at the BayernLB Group
SFT securities financing transaction
SolvV German Solvency Regulation
SPC special-purpose company
SPT sustainability performance target
SPV special-purpose vehicle
SREP Supervisory Review and Evaluation Process
SSM Single Supervisory Mechanism
STI short-term incentive
STS simple, transparent and standardised securitisation
T1 Tier 1 capital
T2 Tier 2 capital
TC transmission channel
TLTRO targeted longer-term refinancing operations
TOP agenda item
UCIs undertakings for collective investment
UNEPFI United Nations Environment Programme Finance Initative
VaR value at risk
VSL Remuneration Strategy and Guidelines of BayernLB Bank and the BayernLB Group

Financing progress.

Bayerische Landesbank
Brienner Straße 18
80333 Munich, Germany

www.bayernlb.com

04/2024 firesys pdf

Attachment 1
Disclosure report 2023

Tabelle EU CCA –
Main features of regulatory own funds instruments

Finanzgruppe

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Statutes of BayernLB	Bilateral agreement	XS0126245066	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Public placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	CET1 capital pursuant to article 28 CRR	CET1 capital pursuant to article 28 CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 484 (5) CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	CET1 capital pursuant to article 28 CRR	CET1 capital pursuant to article 28 CRR	Not eligible	Not eligible	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Share capital	Silent participation	Subordinated bearer bond	Subordinated registered bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	2.800	612	0	0	1
9	Nominal amount of instrument	2.800	612	50	3	2
EU-9a	Issue price	Varied	Varied	50	3	2
EU-9b	Redemption price	N/A	N/A	At carrying value	At carrying value	At carrying value
10	Accounting classification	Shareholders' equity (subscribed capital)	Shareholders' equity (subscribed capital)	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	Varied	Varied	19.3.2001	12.3.2007	4.8.2015
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated
13	Original maturity date	N/A	N/A	19.3.2031	12.3.2037	4.8.2025
14	Issuer call subject to prior supervisory approval	No	No	No	No	Yes
15	Optional call date, conditional call dates and redemption amount	N/A	N/A	N/A	N/A	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Variable	Variable	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	N/A	N/A	6,10% p.a.	4,65% p.a.	3,7% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	No	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	N/A	Net loss for the financial year	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	N/A	Partial to full if the reserves allocable to the silent participation are insufficient to cover the loss	Partial	Partial	Partial
33	If writedown: permanent or temporary	N/A	Temporary	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	Use of profit to replenish to nominal value	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 1	Rank 1	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to AT1 capital instruments	Subordinate to AT1 capital instruments	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	Yes	Yes	No
37	Non-compliant features			Article 63 j, k CRR	Article 63 j, k CRR	
37a	Link to the full term and conditions of the instrument (signposting)	(https://www.bayernlb.de/internet/de/blb/resp/investor_relations_5/refinanzierung_1/endgueltige_bedingungen/endgueltige_bedingungen.jsp). In the interest of confidentiality bilateral agreements are not disclosed.				

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	DE000BLB3QQ7	DE000BLB3QQ7	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Public placement	Public placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated bearer bond	Subordinated bearer bond	Subordinated Schuldschein loan	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	3	2	3	2	10
9	Nominal amount of instrument	10	8	10	5	10
EU-9a	Issue price	10	8	10	5	10
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	4.8.2015	5.8.2015	5.8.2015	7.8.2015	12.8.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	4.8.2025	5.8.2025	5.8.2025	7.8.2025	12.8.2030
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option subject to a notice relating to a tax or regulatory event; redemption price: at carrying amount	Call option subject to a notice relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,74% p.a.	3,73% p.a.	3,73% p.a.	3,735%p.a.	4,09% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	0	3	0	2	1
9	Nominal amount of instrument	1	3	1	5	4
EU-9a	Issue price	1	3	1	5	4
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	11.8.2015	25.9.2015	18.8.2015	18.8.2015	19.8.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	11.8.2025	25.9.2035	18.8.2025	18.8.2025	19.8.2025
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 22.8.2025 for repayment on 26.1.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,73% p.a.	4,50% p.a.	3,66% p.a.	3,68% p.a.	3,68% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	0	0	0	6	2
9	Nominal amount of instrument	1	1	1	6	3
EU-9a	Issue price	1	1	1	6	3
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	26.8.2015	1.9.2015	1.9.2015	13.8.2015	8.9.2015
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	26.8.2025	1.9.2025	1.9.2025	13.8.2035	8.9.2027
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 11.7.2025 for repayment on 13.8.2025 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,58% p.a.	3,76% p.a.	3,76% p.a.	4,52% p.a.	4,00% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	DE000BLB3Q89	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Public placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated bearer bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	0	3	1	4	1
9	Nominal amount of instrument	1	10	3	10	3
EU-9a	Issue price	1	10	3	10	3
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	14.9.2015	18.8.2015	30.9.2015	11.11.2015	4.2.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.9.2025	18.8.2025	30.9.2025	11.11.2025	4.2.2026
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option subject to a notice relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,50% p.a.	3,75% p.a.	3,69% p.a.	3,72% p.a.	3,36% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	5	1	5	1	1
9	Nominal amount of instrument	5	1	5	1	1
EU-9a	Issue price	5	1	5	1	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	8.2.2016	18.2.2016	4.2.2016	4.2.2016	4.2.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	8.2.2036	18.2.2036	4.2.2036	4.2.2036	4.2.2036
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 2.1.2026 for repayment on 4.2.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 2.1.2026 for repayment on 4.2.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 2.1.2026 for repayment on 4.2.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,85% p.a.	3,72% p.a.	4,29% p.a.	4,29% p.a.	4,29% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	DE000BLB3YN8	Bilateral agreement	XS1400307838
EU-2a	Public or private placement	Private placement	Private placement	Public placement	Private placement	Public placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	nachrangige Inhaberschuldverschreibung	Subordinated registered bond	Subordinated bearer bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	2	1	5	10	354
9	Nominal amount of instrument	5	1	5	10	362 (USD 400)
EU-9a	Issue price	5	1	5	10	359 (USD 397)
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	11.3.2016	24.2.2016	19.2.2016	14.3.2016	28.4.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	11.3.2026	24.2.2031	19.2.2031	14.3.2031	28.4.2031
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option subject to a notice relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,28% p.a.	3,56% p.a.	3,66% p.a.	3,64% p.a.	6,10% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	1	0	2	1	0
9	Nominal amount of instrument	3	1	5	1	1
EU-9a	Issue price	3	1	5	1	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	4.5.2016	12.5.2016	18.5.2016	18.5.2016	18.5.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	4.5.2026	12.5.2026	18.5.2026	18.5.2029	18.5.2026
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,355% p.a.	3,187% p.a.	3,20% p.a.	3,42% p.a.	3,18% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	1	5	2	1	1
9	Nominal amount of instrument	2	5	5	3	1
EU-9a	Issue price	1	5	5	3	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	18.5.2016	18.5.2016	18.5.2016	20.5.2016	23.5.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	18.5.2026	18.5.2032	18.5.2026	20.5.2026	23.5.2031
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,17% p.a.	3,655% p.a.	3,233% p.a.	3,25% p.a.	3,233% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	5	2	5	3	1
9	Nominal amount of instrument	5	5	5	3	1
EU-9a	Issue price	5	5	5	3	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	19.5.2016	26.5.2016	19.5.2016	19.5.2016	19.5.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	19.5.2036	26.5.2026	19.5.2036	19.5.2036	19.5.2036
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 17.4.2026 for repayment on 19.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.4.2026 for repayment on 19.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.4.2026 for repayment on 19.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.4.2026 for repayment on 19.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4,03% p.a.	3,25% p.a.	4,05% p.a.	4,05% p.a.	4,05% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	5	1	1	1	1
9	Nominal amount of instrument	5	1	1	1	1
EU-9a	Issue price	5	1	1	1	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	20.5.2016	20.5.2016	20.5.2016	20.5.2016	20.5.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.5.2036	20.5.2036	20.5.2036	20.5.2036	20.5.2036
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 17.4.2026 for repayment on 19.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.4.2026 for repayment on 19.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.4.2026 for repayment on 19.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.4.2026 for repayment on 19.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.4.2026 for repayment on 20.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4,06% p.a.	4,05% p.a.	4,05% p.a.	4,05% p.a.	4,00% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	1	1	5	5	5
9	Nominal amount of instrument	1	1	5	5	5
EU-9a	Issue price	1	1	5	5	5
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	20.5.2016	20.5.2016	20.5.2016	27.5.2016	3.6.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.5.2036	20.5.2036	20.5.2036	27.5.2036	3.6.2036
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 17.4.2026 for repayment on 20.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 17.4.2026 for repayment on 20.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 20.4.2026 for repayment on 20.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 27.4.2026 for repayment on 27.5.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	4,00% p.a.	4,00% p.a.	4,05% p.a.	3,83% p.a.	3,755% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	2	5	2	75	2
9	Nominal amount of instrument	4	5	2	75	3
EU-9a	Issue price	4	5	2	75	3
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	2.6.2016	23.6.2016	14.7.2016	8.8.2016	14.7.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	2.6.2026	23.6.2036	14.7.2036	11.8.2036	14.7.2026
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 12.6.2026 for repayment on 14.07.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 22.5.2026 for repayment on 23.6.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 10.7.2026 for repayment on 11.8.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,88% p.a.	3,45% p.a.	3,43% p.a.	3,485% p.a.	2,655% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	DE000BLB34N0	DE000BLB3452	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Public placement	Public placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated bearer bond	Subordinated bearer bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	0	7	16	1	1
9	Nominal amount of instrument	1	7	16	2	2
EU-9a	Issue price	0	7	16	2	2
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	27.7.2016	15.7.2016	26.7.2016	13.10.2016	20.10.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	27.7.2026	15.7.2036	28.7.2036	13.10.2026	20.10.2026
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 15.6.2026 for repayment on 15.7.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 26.6.2026 for repayment on 28.7.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,60% p.a.	3,45% p a.	3,50% p.a.	2,76% p.a.	2,74% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	2	5	3	1	2
9	Nominal amount of instrument	4	5	3	1	2
EU-9a	Issue price	4	5	3	1	2
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	20.10.2016	10.11.2016	29.12.2016	20.10.2016	25.11.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	20.10.2026	10.11.2036	29.12.2036	20.10.2036	25.11.2031
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 27.11.2026 for repayment on 29.12.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 18.9.2026 for repayment on 20.10.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,78% p.a.	3,30% p.a.	3,85% p.a.	3,46% p.a.	3,34% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	DE000BLB4RV3	DE000BLB4TE5
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Public placement	Public placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated bearer bond	Subordinated bearer bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	5	1	5	5	5
9	Nominal amount of instrument	5	1	5	5	5
EU-9a	Issue price	5	1	5	5	5
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	8.12.2016	2.11.2016	13.10.2016	14.10.2016	18.11.2016
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	10.12.2029	2.11.2026	13.10.2036	14.10.2036	18.11.2036
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 11.9.2026 for repayment on 13.10.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 14.9.2026 for repayment on 14.10.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 19.10.2026 for repayment on 18.11.2026 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,32% p.a.	2,85% p.a.	3,58% p.a.	3,55% p.a.	3,85% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Privatplatzierung	Privatplatzierung	Privatplatzierung	Privatplatzierung	Privatplatzierung
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	3	0	2	3	3
9	Nominal amount of instrument	5	1	3	3	3
EU-9a	Issue price	5	1	3	3	3
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	22.2.2017	12.1.2017	11.1.2017	30.3.2017	9.3.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	22.2.2027	12.1.2027	11.1.2027	30.3.2037	9.3.2037
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 26.2.2027 for repayment on 30.3.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 5.2.2027 for repayment on 9.3.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,00% p.a.	3,02% p.a.	3,01% p.a.	3,755% p.a.	3,69% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Privatplatzierung	Privatplatzierung	Privatplatzierung	Privatplatzierung	Privatplatzierung
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	3	15	2	5	1
9	Nominal amount of instrument	3	15	2	5	1
EU-9a	Issue price	3	15	2	5	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	9.3.2017	23.1.2017	25.1.2017	19.1.2017	12.1.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	9.3.2037	26.1.2037	2.5.2028	19.1.2037	12.1.2032
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 5.2.2027 for repayment on 9.3.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 23.12.2026 for repayment on 26.1.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 21.12.2026 for repayment on 19.1.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,74% p.a.	3,78% p.a.	3,01% p.a.	3,685% p.a.	3,35% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB4UP9	DE000BLB4V73	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Public placement	Public placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated bearer bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	27	31	1	3	5
9	Nominal amount of instrument	45	50	1	5	5
EU-9a	Issue price	44	49	1	5	5
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	25.1.2017	8.3.2017	29.6.2017	7.4.2017	28.4.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	25.1.2027	8.3.2027	29.6.2027	7.4.2027	28.4.2037
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 25.3.2027 for repayment on 28.4.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,50% p.a.	2,50% p.a.	2,32% p.a.	2,965% p.a.	3,48% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	DE000BLB43H3	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Public placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated bearer bond	Subordinated registered bond	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	1	5	4	2	1
9	Nominal amount of instrument	1	5	6	2	1
EU-9a	Issue price	1	5	6	2	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	7.4.2017	7.4.2017	30.6.2017	11.10.2017	6.9.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	7.4.2037	7.4.2037	30.9.2027	11.10.2027	6.9.2027
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 5.3.2027 for repayment on 7.4.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 5.3.2027 for repayment on 7.4.2027 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,455% p.a.	3,455% p.a.	2,40% p.a.	2,33% p.a.	2,39% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB49C1	Bilateral agreement	Bilateral agreement	DE000BLB48A7	DE000BLB48A7
EU-2a	Public or private placement	Public placement	Private placement	Private placement	Public placement	Public placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated registered bond	Subordinated registered bond	Subordinated bearer bond	Subordinated bearer bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	4	4	1	45	0
9	Nominal amount of instrument	5	5	1	59	1
EU-9a	Issue price	5	5	1	58	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	15.11.2017	15.11.2017	15.11.2017	15.11.2017	21.11.2017
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	15.11.2027	15.11.2027	15.11.2027	15.11.2027	21.11.2027
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,20% p.a.	2,33 % p.a.	2,33% p.a.	1,85% p.a.	1,85% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB5EB0	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Public placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	25	10	5	1	2
9	Nominal amount of instrument	25	10	5	1	2
EU-9a	Issue price	25	10	5	1	2
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	14.2.2018	12.2.2018	12.2.2018	19.2.2018	19.2.2018
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.2.2031	14.2.2033	14.2.2033	19.2.2031	19.2.2031
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,73% p.a.	2,83% p.a.	2,83% p.a.	2,54% p.a.	2,54% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	DE000BLB5EM7	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Public placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated bearer bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	1	1	5	3	3
9	Nominal amount of instrument	1	1	5	3	3
EU-9a	Issue price	1	1	5	3	3
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	13.2.2018	13.2.2018	16.2.2018	22.2.2018	22.2.2018
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	17.2.2038	17.2.2038	16.2.2038	22.2.2038	22.2.2038
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 18.1.2028 for repayment on 17.2.2028 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 18.1.2028 for repayment on 17.2.2028 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 13.2.2028 for repayment on 16.2.2028 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 21.1.2028 for repayment on 22.2.2028 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 21.1.2028 for repayment on 22.2.2028 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,16% p.a.	3,16% p.a.	3,18% p.a.	3,005% p.a.	3,005% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	DE000BLB6TV4
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Public placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated bearer bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	4	10	5	1	19
9	Nominal amount of instrument	4	10	5	1	20
EU-9a	Issue price	4	10	5	1	20
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	22.2.2018	18.5.2018	4.5.2018	20.9.2018	17.10.2018
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	22.2.2038	17.5.2030	4.5.2038	20.9.2028	17.10.2028
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option up to 21.1.2028 for repayment on 22.2.2028 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 4.4.2028 for repayment on 4.5.2028 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,005% p.a.	2,35% p.a.	2,82% p.a.	2,00% p.a.	1,75% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB6TU6	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Public placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	8	2	5	3	0
9	Nominal amount of instrument	8	2	5	3	0
EU-9a	Issue price	8	2	5	3	0
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	17.10.2018	11.1.2019	11.1.2019	15.1.2019	15.1.2019
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	17.10.2033	11.1.2029	11.1.2029	15.1.2029	15.1.2029
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,25% p.a.	2,684% p.a.	2,726% p.a.	2,711% p.a.	2,711% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB6Z02	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Public placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated Schuldschein loan	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	32	10	5	25	10
9	Nominal amount of instrument	33	10	5	25	10
EU-9a	Issue price	32	10	5	25	10
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	16.1.2019	22.1.2019	17.1.2019	28.2.2019	28.2.2019
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	16.1.2029	22.1.2029	17.1.2039	29.11.2032	29.11.2032
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option up to 19.12.2028 for repayment on 17.1.2029 and call option at any time subject to compliance with a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,00% p.a.	2,685% p.a.	3,42% p.a.	3,00% p.a.	3,00% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Private placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	9	2	1	1	1
9	Nominal amount of instrument	9	2	1	1	1
EU-9a	Issue price	9	2	1	1	1
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	28.2.2019	28.2.2019	28.2.2019	28.2.2019	28.2.2019
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	29.11.2032	29.11.2032	29.11.2032	29.11.2032	29.11.2032
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,00% p.a.	3,00% p.a.	3,00% p.a.	3,00% p.a.	3,00% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	Bilateral agreement	DE000BLB7L56	DE000BLB7WR4	DE000BLB7WJ1
EU-2a	Public or private placement	Private placement	Private placement	Public placement	Public placement	Public placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated registered bond	Subordinated bearer bond	Subordinated bearer bond	Subordinated bearer bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	0	25	19	3	7
9	Nominal amount of instrument	0	25	20	3	8
EU-9a	Issue price	0	25	19	3	7
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	28.2.2019	28.2.2019	20.3.2019	14.6.2019	14.8.2019
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	29.11.2032	28.2.2034	20.3.2029	14.6.2029	14.8.2029
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	3,00% p.a.	3,00% p.a.	2,00% p.a.	1,925% p.a.	1,8% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	Bilateral agreement	DE000BLB8XW0	Bilateral agreement	Bilateral agreement	DE000BLB82F5
EU-2a	Public or private placement	Privatplatzierung	Public placement	Private placement	Private placement	Public placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated registered bond	Subordinated bearer bond	Subordinated registered bond	Subordinated registered bond	Subordinated bearer bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	5	4	8	2	5
9	Nominal amount of instrument	5	4	8	2	5
EU-9a	Issue price	5	4	8	2	5
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	23.1.2020	13.2.2020	22.7.2020	22.7.2020	24.7.2020
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	23.1.2040	13.2.2040	22.7.2030	22.7.2030	24.7.2030
14	Issuer call subject to prior supervisory approval					Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	1,9% p.a.	1,55% p.a.	2,60% p.a.	2,60% p.a.	2,56% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB8295	Bilateral agreement	DE000BLB9ND9	DE000BLB9NM0	Bilateral agreement
EU-2a	Public or private placement	Public placement	Private placement	Public placement	Public placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated Schuldschein loan	Subordinated bearer bond	Subordinated bearer bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	26	3	35	8	10
9	Nominal amount of instrument	26	3	35	8	10
EU-9a	Issue price	26	3	35	8	10
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	14.10.2020	26.2.2021	5.3.2021	12.3.2021	3.5.2021
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.10.2030	26.2.2031	5.3.2031	12.3.2031	5.5.2031
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	2,02% p.a.	2,08% p.a.	1,85%p.a.	1,82%p.a.	2,00%p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB9PA0	XS2356569736	XS2411178630	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Public placement	Public placement	Public placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated bearer bond	Subordinated bearer bond	Subordinated registered bond	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	36	496	498	10	2
9	Nominal amount of instrument	36	500	500	10	2
EU-9a	Issue price	36	496	498	10	2
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	12.5.2021	23.6.2021	22.11.2021	25.5.2023	20.6.2023
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	12.5.2031	23.9.2031	22.11.2032	25.5.2033	20.6.2033
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes	
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	1,82%p.a.	1,00% p.a.	1,375% p.a.	6,128% p.a.	6,1% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	teilweise	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB9UH5	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Public placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment				
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated registered bond	Subordinated Schuldschein loan	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	10	10	5	6
9	Nominal amount of instrument	10	10	5	6
EU-9a	Issue price	10	10	5	6
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	14.6.2023	7.7.2023	6.7.2023	10.7.2023
12	Perpetual or dated	Dated	Dated	Dated	Dated
13	Original maturity date	14.6.2033	7.7.2037	6.7.2033	10.7.2036
14	Issuer call subject to prior supervisory approval				
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A	N/A	N/A
	Coupons/Dividends				
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5,75% p.a.	6,03% p.a.	6,05% p.a.	6,16% p.a.
19	Existence of a dividend stopper	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)				
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rang 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No
37	Non-compliant features				
37a	Link to the full term and conditions of the instrument (signposting)				

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB9UK9	Bilateral agreement	Bilateral agreement	Bilateral agreement	Bilateral agreement
EU-2a	Public or private placement	Public placement	Private placement	Private placement	Private placement	Private placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment					
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated Schuldschein loan	Subordinated registered bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	42	5	10	2	5
9	Nominal amount of instrument	43	5	10	2	5
EU-9a	Issue price	42	5	10	2	5
EU-9b	Redemption price	At carrying value	At carrying value	At carrying value	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	11.7.2023	13.7.2023	12.7.2023	19.7.2023	1.8.2023
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	11.7.2033	13.7.2033	12.7.2033	19.7.2033	1.8.2033
14	Issuer call subject to prior supervisory approval					
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event and a reference value - setting event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 and not more than 60 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	k.A.	N/A	N/A	N/A	N/A
	Coupons/Dividends					
17	Fixed or variable dividend/coupon payments	Fixed	Fixed	Fixed	Fixed	Fixed
18	Nominal coupon rate and any related index	5,75% p.a.	6 M + 2,985% p.a.	6,16% p.a.	6,22% p.a.	6,14% p.a.
19	Existence of a dividend stopper	No	No	No	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30	Writedown features	Yes	Yes	Yes	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial	Partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)					
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3	Rank 3	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No	No	No	No
37	Non-compliant features					
37a	Link to the full term and conditions of the instrument (signposting)					

Main features of regulatory own funds instruments

1	Issuer	Bayerische Landesbank	Bayerische Landesbank
2	Unique identifier	DE000BLB9UU8	XS2696902837
EU-2a	Public or private placement	Public placement	Public placement
3	Governing law(s) of the instrument	The Federal Republic of Germany	The Federal Republic of Germany
	Regulatory treatment		
4	Transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
5	Post-transitional CRR rules	T2 capital pursuant to article 63 CRR	T2 capital pursuant to article 63 CRR
6	Eligible at solo/consolidated/solo and consolidated level	Solo- und Konzernebene	Solo and consolidated level
7	Instrument type (types to be specified by each jurisdiction)	Subordinated bearer bond	Subordinated bearer bond
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	68	298
9	Nominal amount of instrument	69	300
EU-9a	Issue price	68	298
EU-9b	Redemption price	At carrying value	At carrying value
10	Accounting classification	Liability – amortised cost	Liability – amortised cost
11	Original date of issuance	10.10.2023	5.10.2023
12	Perpetual or dated	Dated	Dated
13	Original maturity date	10.10.2033	5.1.2034
14	Issuer call subject to prior supervisory approval		Yes
15	Optional call date, conditional call dates and redemption amount	Call option at any time subject to a notice period of not less than 30 days relating to a tax or regulatory event; redemption price: at carrying amount	Call option at any time subject to a notice period of not less than 30 days relating to a tax or regulatory event; redemption price: at carrying amount
16	Later call dates, where applicable	N/A	N/A
	Coupons/Dividends		
17	Fixed or variable dividend/coupon payments	Fixed	Fixed
18	Nominal coupon rate and any related index	5,8% p.a.	7% p.a.
19	Existence of a dividend stopper	No	No
EU-20a	Fully discretionary, partly discretionary or mandatory (in terms of timing)	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	zwingend	Mandatory
21	Existence of a step-up or other incentive to redeem	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A
25	If convertible, fully or partially	N/A	N/A
26	If convertible, conversion rate	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A
28	If convertible, instrument type convertible into	N/A	N/A
29	If convertible, issuer of instrument it converts into	N/A	N/A
30	Writedown features	Yes	Yes
31	If writedown: writedown trigger(s)	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board	Writedown and conversion in accordance with the German Recovery and Resolution Act; responsible authority: Single Resolution Board
32	If writedown: full or partial	Partial	Partial
33	If writedown: permanent or temporary	Permanent	Permanent
34	If temporary writedown: description of writeup mechanism	N/A	N/A
34a	Type of subordination (only for eligible liabilities)		
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 3	Rank 3
35	Position in subordination hierarchy in liquidation	Subordinate to all non-subordinate creditors	Subordinate to all non-subordinate creditors
36	Non-compliant features of the transitioned instruments	No	No
37	Non-compliant features		
37a	Link to the full term and conditions of the instrument (signposting)		