

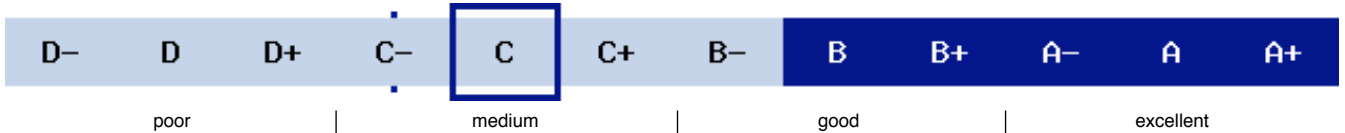
oekom Corporate Rating

Bayerische Landesbank

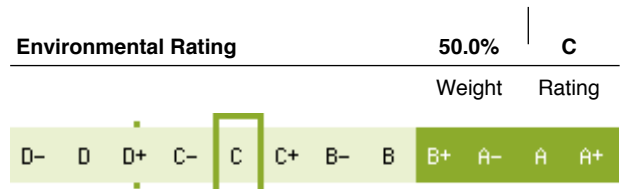
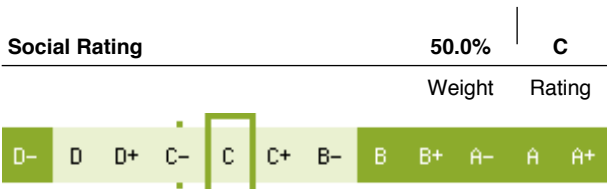


Industry: Financials/Public & Regional Banks  
 Country: Germany  
 ISIN:  
 MSCI:

Status **Prime**  
 Rating **C**



- A company is being classified as "Prime" if it ranks among the world's best companies within the same industry and fulfills the sector-specific minimum requirements defined by oekom research (best in class).
- The highlighted sections on the rating scales indicate the range of ratings achieved within the industry. The average rating is marked with a vertical line.
- If relevant information is not made available, it may result in a poorer rating of the company within the applied rating method.
- A company is being classified as F (failed) if, based on the definition by oekom research, it lacks transparency or has only very limited activities with respect to sustainability issues. In this case it does not qualify for a detailed assessment and the rating process is curtailed.



Company Profile

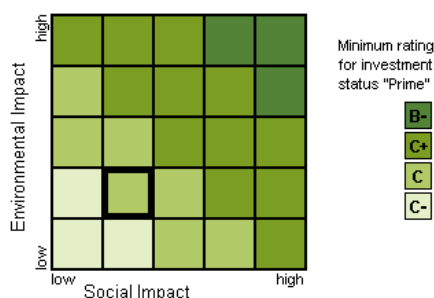
Bayerische Landesbank (BayernLB) acts as the principal bank to the state of Bavaria and as the central clearing house for the Bavarian Sparkassen (savings banks). The bank offers a variety of services, including real estate financing, investment banking, insurance, and other banking products and loans. It provides retail services through its internet bank, Deutsche Kreditbank, and through banking subsidiaries in Central and Southeastern Europe. The company works with its Landesbank Saar subsidiary to provide public financing and to serve small and mid-sized businesses in the German state of Saarland and in France. In 2008, BayernLB created the new business segment Credit Investments Portfolio, which displays in particular investments in asset-backed securities and the hedging instruments concluded for them. In December 2009, Bayern LB reached an agreement regarding the takeover of its major stake in Hypo Group Alpe Adria by the Republic of Austria.

Strengths and Weaknesses

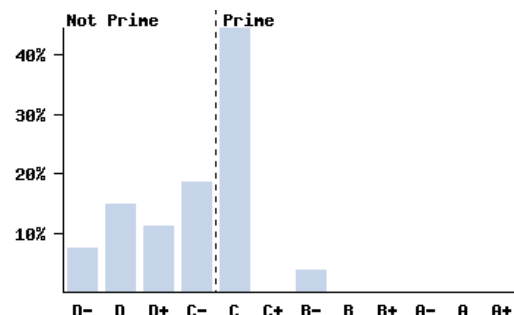
- + sound integration of environmental and social aspects into the asset management business
- + adequate information on relevant customer and product responsibility issues
- + group-wide environmental policy
- + reasonable options to encourage work-life balance
- no comprehensive human rights policy implemented
- no comprehensive policy on equal opportunities and non-discrimination in various aspects of employment

Industry

Classification



Breakdown of Ratings (26 plus 12 F-Ratings)

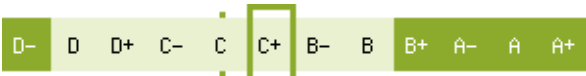


# Bayerische Landesbank

## Social Rating

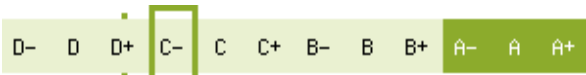
*Staff and Suppliers* **40.0%** | **C+**

- |                            |        |        |
|----------------------------|--------|--------|
|                            | Weight | Rating |
| - staff                    |        |        |
| - freedom of association   |        |        |
| - work-life balance        |        |        |
| - safeguarding of jobs     |        |        |
| - health & safety          |        |        |
| - equal opportunities      |        |        |
| - training and education   |        |        |
| - subcontractors/suppliers |        |        |



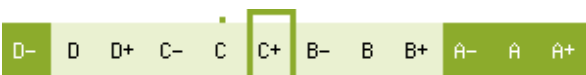
*Society and Product Responsibility* **40.0%** | **C-**

- |                                       |        |        |
|---------------------------------------|--------|--------|
|                                       | Weight | Rating |
| - society                             |        |        |
| - human rights                        |        |        |
| - community                           |        |        |
| - political donations                 |        |        |
| - taxes and subsidies                 |        |        |
| - stakeholder dialogue                |        |        |
| - customer and product responsibility |        |        |



*Corporate Governance and Business Ethics* **20.0%** | **C+**

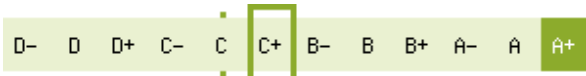
- |                                    |        |        |
|------------------------------------|--------|--------|
|                                    | Weight | Rating |
| - corporate governance             |        |        |
| - board independence/effectiveness |        |        |
| - shareholder democracy            |        |        |
| - executive compensation           |        |        |
| - shareholder structure            |        |        |
| - business ethics                  |        |        |



## Environmental Rating

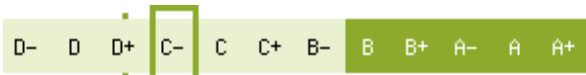
*Environmental Management* **30.0%** | **C+**

- |  |        |        |
|--|--------|--------|
|  | Weight | Rating |
| - environmental policy                 |        |        |
| - environmental management system      |        |        |
| - external reporting                   |        |        |
| - environmental performance indicators |        |        |
| - climate change strategy              |        |        |
| - travel and transport                 |        |        |
| - subcontractors/suppliers             |        |        |



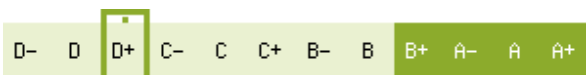
*Products and Services* **60.0%** | **C-**

- |                                   |        |        |
|-----------------------------------|--------|--------|
|                                   | Weight | Rating |
| - lending business                |        |        |
| - asset management business       |        |        |
| - investments                     |        |        |
| - deposit business                |        |        |
| - property and casualty insurance |        |        |
| - environmental controversies     |        |        |



*Eco-efficiency* **10.0%** | **D+**

- |                   |        |        |
|-------------------|--------|--------|
|                   | Weight | Rating |
| - energy use      |        |        |
| - water use       |        |        |
| - GHG emissions   |        |        |
| - total waste     |        |        |
| - recycled waste  |        |        |
| - paper use       |        |        |
| - business travel |        |        |



# Bayerische Landesbank

## Exclusionary Criteria

### Business Areas

	Risk Industry	Yes Producer	Yes User/ Retailer	No	No Info	
Abortion	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Alcohol	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Biocides	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Chlororganic Mass Products	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Embryonic Research	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Furs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Gambling	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
GMOs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Military	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2007: Financial services to companies allegedly involved in the manufacturing or trading of banned weapons.
Nuclear Power	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Pornography	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Tobacco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

### Business Practices

	Risk Industry	Yes Company	Yes Supplier	No	No Info	
Animal Testing	<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Business Malpractice	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	2009: EUR 280,000 fine for subsidiary MKB Bank in the context of antitrust violations in Hungary.
Controversial Env. Practices	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Cannot be excluded due to project finance activities.
Violations of Human Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Violations of Labour Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

### Comments

1. The information regarding Exclusionary Criteria is based on company documentation and/or external sources.
2. Risk Industry: indicates that the industry is frequently active in controversial business areas or prone to controversial business practices.
3. An overview of the way in which the individual exclusionary criteria are applied in practice can be found at [www.oekom-research.com](http://www.oekom-research.com).

# Bayerische Landesbank

## Additional Company Information

### Business Data

	Total Assets (EUR m)	Net. Income (EUR m)	Number of Employees
2007	415,639.00	92.00	19,226
2008	421,666.00	-5,084.00	20,285
2009	n/a	n/a	n/a

Fiscal Year ends: 31.12.

### Company Locations

The company has major operations in Germany. It also operates in countries such as China, Luxembourg and Russia.

### Breakdown of Income

#### Operating Profit by Business Segment 2008 (in EUR million):

Corporates	251
Real Estate	130
Financial Markets / Financial Institutions	-1,265
Cred. Inv. Portfolio	-2,905
Savings Banks and Bavarian Market	-7
The Group's Strategic Subsidiaries	-865
BayernLabo / LBS Bayern	119
Other / Consolidation	-633

### Breakdown of Employees

#### Employees by Region 2008:

No information available.

### Participation in Rating Process

Apart from publicly available information, the company provided additional information and feedback on the rating upon request. BayernLB and Bayern Invest are customers of oekom research AG and use its research services in the asset management. This business relationship had no influence on the rating.

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