

Press release

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LBBW presents figures for the first quarter 2010

Despite the still difficult environment for banks, Landesbank Baden-Württemberg (LBBW) achieved a positive result in the first quarter. The consolidated profit after taxes amounted to EUR 136 million as of 31 March 2010 (previous year: EUR 236 million).

The **net interest income** rose by 20.7 per cent to EUR 555 million. In addition to a solid customer business, the increase reflects, amongst other, a decline in expenses for liquidity and refinancing due to spread tightenings.

The **allowances for losses on loans and advances** was increased by 48.6 per cent to EUR 135 million. LBBW is thus paying heed to the difficult economic environment.

The **net commission income** declined markedly by 71.9 per cent to EUR 66 million. Compared to the previous year, non-recurrent income from the strong brokerage business in the period under review recorded a decrease. Moreover, the net commission income was burdened by the pro-rata guarantee fee for the risk shield in the amount of approx. EUR 85 million.

page 2

Press release

29 April 2010

The **net trading income** declined by 68.5 per cent to EUR 59 million compared to the previous year. It was not possible to repeat the good results from interest-rate trading of the previous year.

The **other operating income** rose by 9 to EUR 44 million.

Compared to the first quarter of the previous year, it was possible to reduce **administrative expenses** slightly, i.e. by 2.6 per cent. This was mainly due to lower advisory and legal costs. Personnel expenses remained at the previous year's level.

The **net income from investment securities** improved to EUR 35 million owing to reversals of impairments and securities. In the previous year, a loss of EUR 9 million had to be reported for this item.

The **operating income** of the first quarter thus fell by 49.8 per cent, summing up to EUR 181 million. After deducting the scheduled **restructuring expenses** in the amount of EUR 25 million, this resulted in a **consolidated income before tax** of EUR 156 million. **Tax expenses** amounted to EUR 20 million. The **consolidated profit for the period** totalled EUR 136 million as of 31 March 2010.

page 3

Press release

29 April 2010

Figures of the LBBW Group for the first quarter 2010

	Q1 2010 in EUR million	Q1 2009 in EUR million	Change	
			in EUR million	in %
Net interest income	555	459	96	20.7
Allowances for losses on loans and advances	-135	-91	44	48.6
Net commission income	66	234	-168	-71.9
Net trading income	59	187	-128	-68.5
Other operating income	44	35	9	25.7
Total operating income	588	824	-236	-28.7
Administrative expenses	-442	-453	11	-2.6
Net income/loss from investment securities	35	-9	44	---
Net income/loss from investments accounted for using the equity method and from profit/loss transfer agreements	0	-1	1	---
Operating income/loss	181	361	-180	-49.8
Restructuring expenses	-25	-1	-24	> 100
Consolidated loss/profit before tax	156	360	-204	-56.6
Tax income (+) / Tax expense (-)	-20	-124	104	-83.8
Consolidated profit/loss for the period	136	236	-100	-42.4

Differences result from rounding.
Changes in per cent are based on exact figures.