

# Report of the Owners' Meeting.

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The Owners' Meeting held three regular meetings and seven extraordinary meetings in the 2009 fiscal year. The Board of Managing Directors of Landesbank Baden-Württemberg (LBBW) reported to the Owners' Meeting regularly and in a timely manner about the business situation and performance of the Bank and the Group during 2009. In particular, the reports dealt with the development of equity, the liquidity and refinancing situation and developments in the operating business. In addition, the effects of the financial market crisis and the re-rating of individual portfolios on the income statement and the ability of LBBW to reinvest were discussed. Moreover, the Chairman of the Board of Managing Directors informed the Chairman of the Owners' Meeting about key developments and decisions between meetings. Where necessary, resolutions requiring an urgent decision were voted on in writing. The Owners' Meeting performed the duties incumbent upon it pursuant to the laws and statutes.

On June 30, 2009, the European Commission provisionally approved the capital increase by the owners and the risk shield provided by the state of Baden-Württemberg. Prior to recapitalization, the shares held in LBBW's nominal capital by the Savings Bank Association of Rhineland-Palatinate were transferred to the Savings Bank Association of Baden-Württemberg and a detailed report was provided on the results of the review of the risk situation at LBBW and its validation. The Supervisory Board and owners of LBBW had commissioned this from various audit firms ahead of consultations on the capital measures at the end of 2008. A resolution was passed at the Owners' Meeting on the change to LBBW's statutes that was required for the capital increase.

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In this respect, the Board of Managing Directors kept the Owners' Meeting continuously informed about the current position in the EU state aid proceedings and about the necessary cost reduction and restructuring plan. The Owners' Meeting also received comprehensive information about the current situation at LBBW Immobilien GmbH.

On December 15, the European Commission gave its final approval for the capital increase completed in early summer and the risk shield of Landesbank Baden-Württemberg on the basis of the business model presented. At the same time, the EU accepted the plan for the reorganization of LBBW, which was drawn up in agreement with the Owners' Meeting and the Supervisory Board. The Owners' Meeting was informed of this on the same day. In addition, the Owners' Meeting received detailed information about the scope of investigations by the public prosecutor's office regarding former and current members of the Board of Managing Directors.

Various changes were made to the committees of LBBW. Following the departure of Dr. Jaschinski from the Board of Managing Directors and the post of Chairman of the Board of Managing Directors, the Owners' Meeting had to decide in the first half of the year on a suitable replacement. It appointed Hans-Jörg Vetter, until then acting as Chairman of the Board of Managing Directors of Landesbank Berlin Holding AG, as the new Chairman of the Board of Managing Directors of LBBW with effect from June 11, 2009. Dr. Bernhard Walter is also to leave the Board of Managing Directors of Landesbank Baden-Württemberg at his own request as of April 30, 2010.

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The signatory was elected on March 30, 2010 as the successor to Mr. Günther H. Oettinger, Prime Minister (retired), MdL, who transferred to Brussels as an EU Commissioner. As Prime Minister, Mr. Oettinger played a significant part in the realization of the recapitalization and realignment of LBBW. It is largely thanks to his many years on the bank's committees that LBBW can look to the future with clear prospects. The committees of LBBW owe Mr. Günther H. Oettinger, Prime Minister (retired), lasting thanks and appreciation.

Mr. Hauk, Parliamentary Group Chairman, was elected as the First Deputy Chairman of the Supervisory Board. The employee representatives on the Supervisory Board elected by employees of LBBW on October 19 were confirmed by the Owners' Meeting through a ballot.

At its meeting on April 27, 2010, the Owners' Meeting took note of the reports of the auditor, PricewaterhouseCoopers Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (PwC), on the single-entity and consolidated financial statements, which were issued with an unqualified auditor's report. The actions of the Board of Managing Directors and the Supervisory Board were unanimously approved. The Owners' Meeting passed the following unanimous resolutions regarding approval: the actions of the Supervisory Board were approved. The actions of the following members of the Board of Managing Directors were approved: Mr. Hans-Jörg Vetter, Mr. Michael Horn, Mr. Rudolf Zipf, Mr. Hans-Joachim Strüder, Mr. Joachim E. Schielke and Dr. Peter A. Kaemmerer. The actions of the former Chairman of the Board of Managing Directors, Dr. Siegfried Jaschinski, were not approved. The actions of Dr. Bernhard Walter were approved, with the provisional exception of the LBBW Immobilien GmbH division.

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On behalf of the members of the Owners' Meeting, I would like to thank the Board of Managing Directors and LBBW's employees for their efforts during the year under review. In particular, I would like to draw attention to the major effort made in connection with the radical restructuring measures, and to the particular demands that have been placed on employees as a result of the financial market crisis.

Stuttgart, April 27, 2010  
Chairman of the Owners' Meeting



**STEFAN MAPPUS, MDL**  
Prime Minister of the State of Baden-Württemberg