



Ad-hoc release under section 15 WpHG as of November 21, 2008

LBBW: executive bodies approve cornerstones of capitalisation measures, explore guarantee measures and discuss earnings situation

Today's Owners' Meeting of Landesbank Baden-Württemberg (LBBW) has decided cornerstones with a view to strengthening LBBW's capitalisation and, in addition, has mandated the Board of Managing Directors to explore possibilities of securing the bank's scheduled borrowing with guarantees furnished by the Financial Markets Stabilisation Fund or by the Owners in the sense of a funding reserve.

In order to achieve and secure an appropriate level of capitalisation and one that is now necessary in the current competitive environment, the Owners' Meeting has decided as a cornerstone to increase LBBW's equity capitalisation by EUR 5bn in the first quarter of 2009 while preserving the existing Owners' ownership structures. The capital increase is subject to approval by the Owners' executive bodies.

In addition, LBBW will explore making use of a guarantee framework in an amount of 15 to 20 bn € for newly-issued debt instruments and other liabilities or of guarantees furnished by its Owners in compliance with the Landesbank Baden-Württemberg Act. This is primarily being done in order to be able to ensure in the light of the current macroeconomic situation a sustained supply of credits to the bank's core markets in the future.

In connection with the ongoing crisis in the financial markets, LBBW's Board of Managing Directors reported at today's meetings of the executive bodies that despite a positive operating business performance, the LBBW Group will post a negative operating result before tax and restructuring expenses of around -EUR 800m according to IFRS as of the end of September 2008. LBBW's Board of Managing Directors therefore assumes from today's point of view that a loss for the year ending 31.12.2008 will be reported in the IFRS consolidated annual financial statements. With regard to the HGB individual enterprise accounts, the Board of Managing Directors currently expects that it will not be necessary to report a loss in 2008. As things stand at the present, LBBW is planning to service profit participation rights, silent partners' contributions and similar capital instruments.