

Landwirtschaftliche Rentenbank

Disclosure Report for
Landwirtschaftliche Rentenbank as at
31 March 2020



rentenbank

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List of abbreviations

CVA	credit valuation adjustment
EBA	European Banking Authority
HGB	Handelsgesetzbuch
KWG	Kreditwesengesetz
RWA	risk-weighted assets

1. Scope of application

In line with the requirements in Part 8 of Capital Requirements Regulation (EU) No 575/2013, banks bound by this regulation (CRR) are required to produce a disclosure report at least once a year. This also applies to Rentenbank with regard to section 1a (1) of the German Banking Act (*Kreditwesengesetz, KWG*).

Institutions whose consolidated total assets exceed EUR 30 billion should consider producing a quarterly disclosure report with specific information in line with the provisions (EBA/GL/2016/11 dated 4 August 2017) in which the European Banking Authority (EBA) fleshes out Part 8 of the CRR. This disclosure report as at 31 March 2020 is being published in keeping with these guidelines and in consideration of the BaFin circular 05/2015 (BA) which implements the guidelines. The information to be disclosed is subject to varying frequency cycles in accordance with these provisions.

The report below contains information on:

- Own funds
- Capital ratios
- Capital requirements
- Leverage ratio

Rentenbank produces the Disclosure Report in an aggregated format at group level in its role as a top-level institution. The figures shown in this report are from the group of companies consolidated for regulatory purposes. The reporting date is 31 March 2020. The calculation of the figures is made using accounting methods in keeping with the German Commercial Code (*Handelsgesetzbuch, HGB*).

The figures shown in the Disclosure Report were rounded according to standard commercial practice. In the summation, there may therefore be differences which are due to rounding. Lines or columns without content were blanked out in order to make the tables more legible. Where there are cells in the tables with a nil value, this means that a value was rounded to EUR 0 million. Blank cells in the tables mean that this item did not exist at the reporting date.

There have been no significant changes since the last reporting date.

2. Own funds and capital requirements

2.1. Composition of own funds (Article 437 CRR)

Rentenbank Group's common equity Tier 1 capital is comprised of subscribed capital, retained earnings and the fund for general banking risks according to Section 340g HGB.

There are no instruments of additional Tier 1 capital available. Therefore, the capital requirements (common equity Tier 1 capital and additional Tier 1 capital) are fully met with common equity Tier 1 capital. Tier 2 capital exclusively consists of subordinated liabilities.

The following table shows the composition of Rentenbank Group's regulatory own funds in accordance with Part 2 CRR, the risk-weighted assets (RWA) as well as the capital ratios.

Table 1: Composition of regulatory own funds

		31 Mar 2020 EUR million	31 Dec 2019 EUR million
Capital instruments and risk-weighted assets			
6	Common Equity Tier 1 (CET 1) capital before regulatory adjustments	4,410	4,410
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-23	-23
29	Common Equity Tier 1 (CET1) capital	4,387	4,387
44	Additional Tier 1 (AT1) capital		
45	Tier 1 capital (T1 = CET1 + AT1)	4,387	4,387
51	Tier 2 (T2) capital before regulatory adjustments	124	139
58	Tier 2 (T2) capital	124	139
59	Total capital (TC = T1 + T2)	4,511	4,526
60	Total risk-weighted assets	14,783	14,580
Capital ratios			
61	Common Equity Tier 1 (as a percentage of the total risk exposure amount)	29.68	30.09
62	Tier 1 (as a percentage of the total risk exposure amount)	29.68	30.09
63	Total capital (as a percentage of the total risk exposure amount)	30.52	31.05

2.2 Capital requirements (Article 438 CRR)

The regulatory capital requirements for credit risks are determined for Rentenbank Group by applying the Credit Risk Standardised Approach (CRSA). The counterparty credit risk is calculated using the mark-to-

market method. The calculation of the risk for the credit valuation adjustment (CVA risk) is carried out using the standardised approach. The basic indicator approach is applied to operational risk.

The following table shows the risk-weighted assets and the capital requirements:

Table 2: EU OV1¹ – Overview of risk-weighted assets (RWA)

		RWA		Capital requirements	
		31 Mar 2020 EUR million	31 Dec 2019 EUR million	31 Mar 2020 EUR million	
	1	Credit risk (excluding CCR)	12,901	12,822	1,032
Artikel 438(c)(d)	2	Of which in the standardised approach	12,901	12,822	1,032
Artikel 107, Artikel 438(c)(d)	6	Counterparty credit risk (CCR)	1,327	1,187	106
Artikel 438(c)(d)	7	Of which using mark-to-market method	537	477	43
Artikel 438(c)(d)	12	Of which CVA	790	710	63
Artikel 438(e)	19	Market risk	0	0	0
	20	Of which in the standardised approach	0	0	0
Artikel 438(f)	23	Operational risk	555	571	44
	24	Of which within the basic indicator approach	555	571	44
	29	Overall	14,783	14,580	1,182

¹ Table descriptions in accordance with EBA/GL/2016/11

The differentiated illustration of the RWA for the credit risk in accordance with the provisions of

EBA/GL/2016/11 is expanded upon in complete fulfilment of Article 438 CRR regarding the split-up of exposure classes:

Table 3: Split-up of risk-weighted assets (RWA) by exposure class

Exposure class	RWA		Capital requirements
	31 Mar 2020 EUR million	31 Dec 2019 EUR million	31 Mar 2020 EUR million
Central governments or central banks	0	0	0
Regional and local authorities	0	0	0
Public sector entities	0	0	0
Multilateral development banks	0	0	0
International organisations	0	0	0
Institutions	11,061	11,074	885
Corporate	2	1	0
Covered bonds	1,579	1,498	126
Collective investment undertakings	0	0	0
Equity	174	174	14
Other items	85	75	7
Overall standardised approach CRSA (excluding CCR)	12,901	12,822	1,032

3. Leverage ratio (Article 451 CRR)

The calculation of the leverage ratio for Rentenbank Group is based on delegated regulation (EU) 2015/62.

Rentenbank Group's Tier 1 capital, overall risk exposure measure and leverage ratio as at 31 March 2020 are illustrated below.

Table 4: Leverage ratio

	31 Mar 2020 EUR million	31 Dec 2019 EUR million
Capital and size of overall risk exposure		
20 Tier 1 capital	4,387	4,387
21 Leverage ratio total exposure measure	88,432	87,938
22 Leverage ratio (in %)	4.96	4.99

Landwirtschaftliche Rentenbank
Hochstrasse 2, 60313 Frankfurt am Main, Germany
P.O. Box 101445, 60014 Frankfurt am Main, Germany

tel: +49 (0)69 2107-0
fax: +49 (0)69 2107-6444
email: office@rentenbank.de
www.rentenbank.de