

# Landwirtschaftliche Rentenbank

Disclosure Report for  
Landwirtschaftliche Rentenbank as of  
September 30, 2019



rentenbank

## Table of Contents

1. Scope of application .....	3
2. Own funds and capital requirements.....	3
2.1 Composition of own funds (Article 437 CRR) .....	3
2.2 Capital requirements (Article 438 CRR) .....	4
3. Leverage ratio (Article 451 CRR) .....	5

## List of Tables

Table 1: Composition of regulatory own funds .....	3
Table 2: EU OV1 - Overview of risk-weighted assets (RWA).....	4
Table 3: Split-up of risk-weighted assets (RWA) by exposure class .....	4
Table 4: Leverage ratio .....	5

## List of abbreviations

CCR	counterparty credit risk
CRSA	credit risk standardized approach
CVA	credit valuation adjustment
EBA	European Banking Authority
HGB	German Commercial Code/Handelsgesetzbuch
KWG	German Banking Act/Kreditwesengesetz
RWA	risk-weighted assets

## 1. Scope of application

Banks bound by CRR are obligated to produce a disclosure report at least once a year in line with the requirements in Part 8 of Capital Requirements Regulation (EU) No. 575/2013. 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 with specific information (EBA/GL/2016/11 dated 4 August 2017) in line with the provisions fleshed out in Part 8 of the CRR by the European Banking Authority (EBA). This disclosure report as of September 30, 2019 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 published 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 September 30, 2019. 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. In this way, 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**

	Sept 30, 2019 EUR million	June 30, 2019 EUR million	
<b>Capital instruments and risk-weighted assets</b>			
6	Common Equity Tier 1 (CET 1) capital before regulatory adjustments	4,410	4,410
28	Total regulatory adjustments to Common Equity Tier 1 capital ratio (CET1) overall	- 19	- 18
<b>29</b>	<b>Common Equity Tier 1 capital (CET1)</b>	<b>4,391</b>	<b>4,392</b>
<b>44</b>	<b>Additional Tier 1 capital (AT1)</b>		
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>4,391</b>	<b>4,392</b>
51	Tier 2 capital (T2) before regulatory adjustments	158	176
<b>58</b>	<b>Tier 2 capital (T2) overall</b>	<b>158</b>	<b>176</b>
<b>59</b>	<b>Total capital (TC = T1 + T2)</b>	<b>4,549</b>	<b>4,569</b>
<b>60</b>	<b>Total risk-weighted assets</b>	<b>14,619</b>	<b>14,482</b>
<b>Capital ratios</b>			
<b>61</b>	<b>Common Equity Tier 1 (as a percentage of the total amount of exposures)</b>	<b>30.0</b>	<b>30.3</b>
<b>62</b>	<b>Tier 1 (as a percentage of the total amount of exposures)</b>	<b>30.0</b>	<b>30.3</b>
<b>63</b>	<b>Total capital (as a percentage of total amount of exposures)</b>	<b>31.1</b>	<b>31.6</b>

## 2.2 Capital requirements (Article 438 CRR)

The regulatory capital requirements for credit risks are determined for Rentenbank Group by applying the Credit Risk Standardized 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 standardized approach. The basic indicator approach is applied to operational risk.

The following table shows the risk-weighted assets (RWA) and the capital requirements. The requirements for minimum own funds amount to 8% of the risk-weighted assets in accordance with CRR and are at EUR 1,170 million for Rentenbank Group on September 30, 2019.

**Table 2: EU OV1 – Overview of risk-weighted assets (RWA)**

		RWA		Capital requirements	
		Sept 30, 2019 EUR million	June 30, 2019 EUR million	Sept 30, 2019 EUR million	
	<b>1</b>	<b>Credit risk (excluding CCR)</b>	12,581	12,637	1,006
Article 438(c)(d)	2	Of which in the standardised approach	12,581	12,637	1,006
Article 107, Article 438(c)(d)	<b>6</b>	<b>Counterparty credit risk (CCR)</b>	1,467	1,274	117
Article 438(c)(d)	7	Of which using mark-to-market method	591	505	47
Article 438(c)(d)	12	Of which CVA	876	769	70
Article 438(e)	<b>19</b>	<b>Market risk</b>	0	0	0
	20	Of which in the standardised approach	0	0	0
Article 438(f)	<b>23</b>	<b>Operational risk</b>	571	571	46
	24	Of which within the basic indicator approach	571	571	46
	<b>29</b>	<b>Overall</b>	<b>14,619</b>	<b>14,482</b>	<b>1,170</b>

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
	Sept 30, 2019 EUR million	June 30, 2019 EUR million	Sept 30, 2019 EUR million
Central governments or central banks	0	0	0
Regional governments and local authorities	0	0	0
Public sector entities	0	0	0
Multilateral development banks	0	0	0
International organisations	0	0	0
Institutions	10,851	10,998	868
Corporate	2	2	0
Covered bonds	1,481	1,386	118
Collective investment undertakings	0	0	0
Equity	174	182	14
Other items	73	69	6
<b>Overall standardised approach CRSA (excluding CCR)</b>	<b>12,581</b>	<b>12,637</b>	<b>1,006</b>

### 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 of September 30, 2019 are illustrated below.

**Table 4: Leverage ratio**

		Sept 30, 2019 EUR million	June 30, 2019 EUR million
	<b>Capital and size of overall risk exposure</b>		
20	Tier 1 capital	4,391	4,392
21	Leverage ratio total exposure measure	89,287	87,422
<b>22</b>	<b>Leverage ratio</b>	<b>4.92</b>	<b>5.02</b>

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