

# Landwirtschaftliche Rentenbank

Disclosure Report for  
Landwirtschaftliche Rentenbank as at  
30 September 2020



rentenbank

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## List of abbreviations

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

## 1. Scope of application

According to 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 of 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 30 September 2020 is being published in keeping with these guidelines and in consideration of the BaFin circular 05/2015 (BA) which implements them. The information to be disclosed is required to be published on a quarterly basis in accordance with these provisions.

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 taken from the group of companies consolidated for regulatory purposes. The reporting date is 30 September 2020. The calculation of the figures is made using accounting methods in keeping with the German Commercial Code (*Handelsgesetzbuch HGB*).

The figures shown in this disclosure report were rounded according to standard commercial practice.

In the summation, there may therefore be differences 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, the item exists but is less than EUR 1 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. Consequently, existing capital requirements (common equity Tier 1 capital and additional Tier 1 capital) have to be 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 (RWAs) as well as the capital ratios.

**Table 1: Composition of regulatory own funds**

		30 September 2020 EUR million	30 June 2020 EUR million
<b>Capital instruments and risk-weighted assets</b>			
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	4,482	4,482
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-21	-19
<b>29</b>	<b>Common Equity Tier 1 capital (CET1)</b>	<b>4,461</b>	<b>4,463</b>
<b>44</b>	<b>Additional Tier 1 capital (AT1)</b>		
<b>45</b>	<b>Tier 1 capital (T1=CET1+AT1)</b>	<b>4,461</b>	<b>4,463</b>
51	Tier 2 capital (T2) before regulatory adjustments	90	107
<b>58</b>	<b>Tier 2 capital (T2)</b>	<b>90</b>	<b>107</b>
<b>59</b>	<b>Total capital (TC=T1+T2)</b>	<b>4,551</b>	<b>4,570</b>
<b>60</b>	<b>Total risk-weighted assets</b>	<b>14,608</b>	<b>14,885</b>
<b>Capital ratios</b>			
<b>61</b>	<b>Common Equity Tier 1 (as a percentage of the total risk exposure amount<sup>1</sup>)</b>	<b>30.54</b>	<b>29.98</b>
<b>62</b>	<b>Tier 1 (as a percentage of the total risk exposure amount<sup>1</sup>)</b>	<b>30.54</b>	<b>29.98</b>
<b>63</b>	<b>Total capital (as a percentage of the total risk exposure amount<sup>1</sup>)</b>	<b>31.16</b>	<b>30.70</b>

1 The term 'total risk exposure amount' complies with the provisions of Commission Implementing Regulation (EU) No 1423/2013. This amount is equivalent to the risk-weighted assets (see line 60). With reference to Article 92 (2) CRR, the ratios are expressed as a percentage of the total risk amount in accordance with Article 92 (3) CRR.

## 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. The requirements for minimum own funds amount to 8% of the risk-weighted assets in accordance with CRR and were at EUR 1,169 million for Rentenbank Group as at 30 September 2020.

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

		RWAs		Minimum capital requirements
		30 September 2020 EUR million	30 June 2020 EUR million	30 September 2020 EUR million
<b>1</b>	<b>Credit risk (excluding CCR)</b>	<b>12,847</b>	<b>12,928</b>	<b>1,028</b>
2	Article 438 (c)(d) Of which standardised approach	12,847	12,928	1,028
6	Article 107, Article 438 (c)(d) <b>CCR</b>	1,206	1,402	97
7	Article 438 (c)(d) Of which mark-to-market	484	557	39
12	Article 438 (c)(d) Of which CVA	722	845	58
<b>19</b>	<b>Market risk</b>	<b>0</b>	<b>0</b>	<b>0</b>
20	Of which in the standardised approach	0	0	0
<b>23</b>	<b>Operational risk</b>	<b>555</b>	<b>555</b>	<b>44</b>
24	Of which basic indicator approach	555	555	44
27	Article 437 (2), Article 48, Article 60 Amounts below the thresholds for deduction (subject to 250% risk weight)	0	0	0
<b>29</b>	<b>Total</b>	<b>14,608</b>	<b>14,885</b>	<b>1,169</b>

The differentiated illustration of the RWAs 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 breakdown of exposure classes:

**Table 3: Breakdown of risk-weighted assets by exposure classes**

Exposure classes	RWAs		Capital requirements
	30 September 2020 EUR million	30 June 2020 EUR million	30 September 2020 EUR million
Central governments or central banks	0	0	0
Regional governments or local authorities	0	0	0
Public sector entities	0	0	0
Multilateral development banks	0	0	0
International organisations	0	0	0
Institutions	10,936	11,048	875
Corporates	1	1	0
Covered bonds	1,649	1,619	132
Collective investment undertakings	0	0	0
Equity exposures	174	174	14
Other exposures	87	86	7
<b>Total standardised approach CRSA (excluding CCR)</b>	<b>12,847</b>	<b>12,928</b>	<b>1,028</b>

### 3. Leverage ratio (Article 451 CRR)

Rentenbank Group's Tier 1 capital, overall risk exposure measure and leverage ratio as at 30 September 2020 are illustrated below.

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

**Table 4: Leverage ratio**

	30 September 2020 EUR million	30 June 2020 EUR million
<b>Capital and size of overall risk exposure</b>		
20 Tier 1 capital	4,461	4,463
21 Leverage ratio total exposure measure	91,655	91,023
<b>22 Leverage ratio (%)</b>	<b>4.87</b>	<b>4.90</b>

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