Landwirtschaftliche Rentenbank Group

Disclosure Report pursuant to Part Eight CRR (in particular Articles 431 to 455 CRR) and Section 26a KWG in conjunction with Section 64r (15) KWG as of December 31, 2015

rentenbank

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1. Disclosures pursuant to Part Eight CRR and Section 26a KWG in conjunction with Section 64r (15) KWG

The Basel Committee on Banking Supervision has defined internationally accepted standards for risk-based capital adequacy in the Basel Framework ("Basel II"). The framework is intended to strengthen the security and soundness of the financial system. The Basel Framework comprises three mutually reinforcing pillars: minimum capital requirements (Pillar 1), supervisory review process (Pillar 2) and revised disclosure requirements (Pillar 3).

The aim of Pillar 3 is to promote market discipline by increasing the transparency of the banks' risk profiles. Therefore, banks are required to regularly publish qualitative and quantitative information on their capital position, risks assumed, risk measurement systems, and risk management.

At European level, the Pillar 3 disclosure requirements were implemented on January 1, 2014 as laid down in Articles 431 to 455 of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR). In Germany, the revised disclosure requirements were transposed into national law through Section 26a of the German Banking Act (Kreditwesengesetz – KWG).

Rentenbank publishes its Disclosure Report annually pursuant to Part Eight CRR and Section 26a KWG in conjunction with Section 64r (15) KWG. The bank complies with its disclosure obligations within the scope of this report. Individual aspects of the disclosures are also included in the combined management report and the consolidated financial statements. Disclosure obligations not set out here are not applicable to Rentenbank.

Rentenbank is the parent company of the group of institutions within the meaning of Section 10a (1) sentence 1 KWG. The disclosures are made at a group level.

2. Non-material, proprietary or confidential information (Part Eight Article 432 CRR) and frequency of disclosure (Part Eight Article 433 CRR)

On June 8, 2015, the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) implemented the guidelines of the European Banking Authority (EBA) on materiality, proprietary and confidentiality and on disclosure frequency (EBA/GL/2014/14) into national law through Circular 05/2015 (BA) (hereinafter referred to as BaFin Circular).

2.1 Material information (Article 432 (1) CRR)

In accordance with the principle of materiality set out in Part Eight Article 432 CRR and the EBA Guidelines on materiality, proprietary and confidentiality, it was determined within the framework of the definition of materiality that the disclosures do not include subsidiaries which account for less than 1% of the Group's total assets or of the Group's net income, respectively, and whose risk situation is negligible for the Group given their business focus. However, the subsidiaries which are consolidated for accounting purposes are within the scope of the disclosures. Accordingly, the disclosures include Rentenbank as well as the consolidated subsidiaries LR Beteiligungsgesellschaft mbH, Frankfurt am Main, (LRB) and DSV Silo- und Verwaltungsgesellschaft mbH, Frankfurt am Main, (DSV).

In view of Rentenbank's risk profile, determined by the statutory promotional mandate as well as by its tasks and business activities defined by law, a disclosure of the information set out in Article 435 (2) points (a) and (b) CRR can be omitted [due to immateriality]. Against the background of its business model and its position as the central refinancing institution for agribusiness, Rentenbank does not aim at generating profits. It focuses on fulfilling its statutory promotional mandate and, accordingly, operates on the basis of competitive neutrality. In the context of the materiality review, the fact that government bodies exercise legal supervision over Rentenbank has led to the decision to omit any information about directorships held by members of the management body and about the recruitment policy for the selection of members of the management body.

2.2 Proprietary and confidential information (Article 432 (2) CRR)

Pursuant to Article 432 (2) CRR, institutions may omit items of proprietary and confidential information.

As of the reporting year 2015, Rentenbank had no proprietary and confidential information within the meaning of Article 432 (2) CRR.

2.3 Frequency of disclosure (Article 433 CRR)

Due to Rentenbank’s risk profile, its statutory promotional mandate as well as its strictly defined tasks and business activities, the state guarantee as well as the bank’s risk-averse business policy and the straightforward structure of its business activities, the Board of Managing Directors of Rentenbank has concluded by means of a self-assessment that an annual disclosure is sufficient.

3. Scope of application (Part Eight Article 436 points (a), (b) CRR)

Rentenbank is a public law institution with its registered office in Frankfurt am Main. It has no branch offices. Pursuant to Section 26a (1) sentence 2 KWG, the Group discloses relevant information within the scope of country-by-country reporting in Note 63 to the consolidated financial statements.

The consolidated financial statements of Rentenbank for the fiscal year 2015 include Rentenbank as the Group’s parent company as well as the two fully consolidated subsidiaries, LRB and DSV. There are no differences between the scope of consolidation under IFRS and the regulatory scope of consolidation.

The following companies are fully consolidated:

Description	Name	Regulatory / IFRS
Credit institutions	Landwirtschaftliche Rentenbank, Frankfurt am Main	X / X
Financial undertakings	LR Beteiligungsgesellschaft mbH, Frankfurt am Main	X / X
	DSV Silo- und Verwaltungsgesell-schaft mbH, Frankfurt am Main	X / X

As a promotional bank for agribusiness and rural areas, Rentenbank provides funds for a variety of agriculture-related investments. Rentenbank grants special promotional loans for projects in Germany via local banks in a competitively neutral way (on-lending procedure). The range of products is geared towards enterprises operating in agriculture, forestry, viticulture, and horticulture, as well as in aquaculture, including fisheries. Rentenbank also provides funds for projects in the food industry and the associated upstream and downstream industries. The bank also promotes investments in renewable energy and rural infrastructure.

The business activities of LRB comprise the administration of equity holdings, possible new investments made as part of the promotional mandate as well as the investment of cash funds at Rentenbank. The business activities of DSV encompass the settlement of pension obligations and the administration of financial investments and short-term cash deposits.

In accordance with the principle of materiality, two companies (Getreide-Import-Gesellschaft mbH, Frankfurt am Main, and Deutsche Bauernsiedlung – Deutsche Gesellschaft für Landentwicklung (DGL) GmbH, Frankfurt am Main) were not included in the consolidated financial statements due to their minor significance for the assessment of the Group's financial position and results of operations. The interests held in these companies are reported as financial assets.

Due to the small percentage of interests held in subscribed capital, the other companies were not required to be consolidated under regulatory provisions or under IFRS. A detailed list of the unconsolidated companies, reported as equity holdings in the consolidated financial statements, is provided in Section 15, together with subscribed capital and the share of capital.

4. Risk management (Part Eight Article 435 (1), (2) point (e) and 436 point (c) CRR)

All material risks are concentrated in Rentenbank and are managed by Rentenbank on a group-wide basis. The business activities of the subsidiaries are strictly limited. Rentenbank has issued a letter of comfort to LRB. Subsidiaries are funded exclusively by the Group. Office equipment and personnel are provided by Rentenbank. There are no impediments to the prompt transfer of own funds or repayment of liabilities among Rentenbank and its subsidiaries.

According to Rentenbank's Governing Law, the Group's mandate is to promote agriculture and rural areas. The Group's business activities are aligned with this promotional mandate. Rentenbank's Governing Law and its statutes primarily define the framework for the Group's risk structure.

Rentenbank's business strategy focuses on achieving the following objectives:

- Optimize the implementation of the promotional mandate and continually develop the promotional business,
- Provide promotional benefit from own funds,
- Generate an adequate operating result,
- Low risk tolerance.

The strategic objectives are presented in separate segments. The segments break down as follows:

- Promotional Business

The segment Promotional Business comprises the promotional lending business, the securitized promotional business as well as the long-term funding of the Group. The promotional lending business involves granting special promotional loans and standard promotional loans (e.g. in the form of promissory notes). The counterparties in the promotional business are almost exclusively banks and public sector institutions. The securitized promotional business comprises investments in securities. They serve to ensure Rentenbank's liquidity and to satisfy regulatory requirements on liquidity management. The Group does not hold securities or receivables with structured credit risks, such as ABSs (asset backed securities) or CDOs (collateralized debt obligations).

- Capital Investment

The Capital Investment segment includes the investments of equity reported in the balance sheet and the investments of non-current provisions. The investments are made primarily in securities and promissory notes as well as in registered debt securities issued by banks and public sector institutions.

- Treasury Management

Short-term liquidity and short-term interest rate risk are managed in the Treasury Management segment.

4.1 Organization of risk management process

4.1.1 Risk management

The Board of Managing Directors determines the Group's sustainable business strategy on the basis of the company's mission derived from the relevant legislation. Rentenbank's business strategy is primarily defined by its promotional mandate and the measures taken to fulfill the mandate. In addition, targets and the measures to achieve them are set for the segments.

Within the framework of a risk inventory, the Group analyzes which risks may have a significant effect on its assets, capital resources, results of operations, or liquidity situation. In addition to the risk inventory, the Group's material risks are identified using risk indicators which are based on quantitative and qualitative risk characteristics and used for the purpose of early risk identification. Further procedures include self-assessments, the New Product Process (NPP), the ICS key controls as well as the daily monitoring activities. The risks are reviewed for any concentration effects.

The risks resulting from business activities are identified, limited and managed using a risk management system (RMS). Based on the risk-bearing capacity concept, the RMS was established specifically for this purpose. In this context, the Board of Managing Directors has defined a risk strategy, aligned with the overall business strategy, and the associated sub-strategies. These are reviewed at least annually and adjusted, if necessary, by the Board of Managing Directors. In addition, the strategies are discussed with the Risk Committee established by the Board of Supervisory Directors. The appropriateness of the risk management procedures is documented in the risk manual which is approved by the Board of Managing Directors.

The implementation, management and monitoring of limits, which are in line with Rentenbank's risk-bearing capacity, are an integral part of the RMS. The risk-bearing capacity concept aims to ensure that the risk covering potential is sufficient to cover all material risks. It is based on the going concern approach.

The Group is an institution supervised by the ECB and is therefore subject to the Supervisory Review and Evaluation Process (SREP).

Rentenbank has established a recovery plan pursuant to the German Recovery and Resolution Act (Sanierungs- und Abwicklungsgesetz – SAG) and expanded its governance structure and risk management accordingly. The determined recovery indicators and their thresholds as well as the related phases of the governance and recovery process are key elements of the recovery plan. The recovery indicators allow Rentenbank to identify crisis situations at an early stage so that mitigating actions can be taken.

Under the Risk Appetite Framework (RAF), Rentenbank defines the framework and guidelines for risk appetite which are presented centrally in the business and risk strategy as well as in the related sub-strategies.

As part of the planning process, potential risk scenarios are used to evaluate future net assets, financial position, and results of operations. Deviations between the target and actual performance are analyzed in an internal monthly report. The capital plan is defined on the basis of a time horizon of ten years. The risk-bearing capacity is planned using a 5-year projection.

The introduction of new products, business types, sales channels or new markets requires an NPP. Within the scope of the NPP, the organizational units involved analyze the risk level, the processes and the main consequences for risk management. If business processes, IT systems or structures change materially, the proposed changes are analyzed with respect to control procedures and control intensity, assessing the impact of these adjustment processes.

Based on the risk management and controlling processes, the risk manual of the Board of Managing Directors provides a comprehensive overview of all risks in the Group. Risk management functions are primarily performed by the Treasury and Promotional Business divisions (front office units according to the MaRisk) as well as the Collateral & Equity Holdings division (venture capital fund and equity holdings) within defined limits. Within the scope of the venture capital fund, the Group may invest in equity instruments. These only include company shares, silent participations, and all types of mezzanine capital, such as subordinated loans. Both members of the Board of Managing Directors who are responsible for the back office function are also responsible for the risk controlling function. The Finance division, including its Risk Controlling unit, and the Financial Institutions division, comprising its Credit Risk unit, report to these Board members. Both divisions are responsible for establishing the limit system. In the Finance division, the Risk Controlling unit is accountable for the regular monitoring of the limits approved by the Board of Managing Directors as well as for the reporting on market risks, liquidity risks, operational risks, regulatory and reputational risks as well as risk-bearing capacity. Risk reporting is based on the level of risk and regulatory requirements. The Financial Institutions division monitors the limits defined for credit risks and is responsible for reporting on credit risks, taking into account risk aspects and regulatory requirements.

The compliance risks relevant to Rentenbank are characterized primarily by the fact that non-compliance with material regulatory requirements may result in fines and penalties, claims for damages, and/or the nullity of contracts. This may put the assets of Rentenbank at risk. Rentenbank's compliance function, a part of the Internal Control System (ICS) and in collaboration with the organizational units, attempts to avoid risks that may arise from non-compliance with the relevant legislation.

The Board of Managing Directors as well as the Audit Committee and the Risk Committee, which are both established by the Board of Supervisory Directors, are informed of the risk situation at least quarterly. If material risk-relevant information or transactions become known and in the case of non-compliance with the MaRisk, the Board of Managing Directors, Internal Audit department and, if necessary, the heads of divisions or departments concerned must be notified immediately. The Board of Supervisory Directors is immediately informed of the material risk aspects by the Board of Managing Directors.

The Internal Audit department of Rentenbank is active at the group level, performing the function of a Group Audit department. It reviews and assesses the appropriateness of activities and processes as well as the appropriateness and effectiveness of the RMS and ICS on a risk-based and process-independent basis.

The Group Audit department reports directly to the Board of Managing Directors and carries out its duties independently and on its own initiative. The Board of Managing Directors may issue instructions to perform additional reviews. The members of the Audit Committee as well as the chairmen of the Board of Supervisory Directors and of the Risk Committee may request information directly from the head of Internal Audit.

4.1.2 Principles of proper management (Section 26a (1) sentence 1 KWG)

The financial reporting process complies with German Accepted Accounting Principles (Grundsätze ordnungsmäßiger Buchführung – GoB) and is presented in the combined management report.

4.2 Risk categories – Material individual risks

The Group's material risks are credit, market, liquidity, and operational risks as well as regulatory and reputational risk.

Appropriate precautions have been taken for risks that are not classified as material, i.e. that are of minor significance for the Group. The precautionary measures are generally documented in operational and organizational guidelines.

4.2.1 Credit risk

Definition

Credit risk is the risk of a potential loss resulting from a default or a deterioration in the credit quality of business partners. Credit risk comprises credit default risk, settlement risk and replacement risk. Credit default risk includes counterparty risk, issuer risk, country risk, structural risk, collateral risk, and equity holding risk.

Issuer, counterparty, and original country risk refer to the potential loss due to defaults or deteriorations in the credit quality of business partners (i.e. counterparties, issuers, countries), taking into account the valuation of collateral. Derivative country risk results from the general economic and political situation in the debtor's country of incorporation. Derivative country risks are divided into transfer risks and redenomination risks. Transfer risk refers to the inability of a solvent foreign borrower to make interest and principal payments when they are due as a result of economic or political instability. Redenomination risk refers to the risk of converting the notional value of a receivable into another currency. In the case of a conversion into a weaker currency based on a fixed exchange rate, this may be equivalent to a partial disappropriation of the creditors.

Structural risks (e.g. cluster or concentration risks) result from the concentration of the lending business in regions, sectors or on borrowers. Collateral risk arises from the lack of recoverability of loan collateral during the loan term or from an incorrect valuation of collateral. Equity investment risk is the risk of losses incurred due to a negative performance within the portfolio of equity holdings.

The scope of the Group's business activities is largely defined by Rentenbank's Governing Law and its statutes. Accordingly, loans for the promotion of agriculture and rural areas are primarily granted to banks in the Federal Republic of Germany or in another EU country as well as Norway. A further prerequisite is that the banks are engaged in business activities with companies operating in the agricultural sector or in the associated upstream or downstream industries or in rural development. In addition, standard promotional business may also be conducted with the German federal states. The special promotional loans are limited to Germany as an investment location. Accordingly, Rentenbank's lending business is mostly limited to the refinancing of banks and institutions or credit institutions as defined in Article 4 CRR as well as to other interbank transactions. The credit risk of the end borrower is borne by the end borrower's local bank.

Furthermore, all transactions directly related to the fulfillment of the bank's tasks may be carried out within the limits of Rentenbank's Governing Law and its statutes. This also includes the purchase of receivables and securities as well as transactions within the framework of the Group's treasury management and risk management.

Rentenbank is only exposed to company risks as part of the direct loan business. In 2015, no transactions were entered into with companies in this business segment or in the syndicated loan business.

Depending on the type of the transaction, the divisions Promotional Business or Treasury are responsible for new business in promotional lending. The Promotional Business division extends all special promotional loans. The Treasury division is responsible for the purchase of securities, promissory notes and registered bonds as well as for the direct loan business as part of the standard promotional business. It is also accountable for new business in the money market and for derivatives. Derivatives are only used as hedging instruments for existing or expected market risks. Furthermore, they are only entered into with counterparties with collateral agreements.

Organization

The Treasury and Promotional Business divisions, front office units according to the MaRisk, are actively involved in the operations of the standard promotional business and securitized promotional business (Treasury) as well as special promotional loans (Promotional Business). In accordance with the MaRisk, certain tasks are to be performed separately from the front office. These tasks (i.e. back office functions) are performed by the Financial Institutions and Collateral & Equity Holdings divisions, while the securitized promotional business is conducted by the Operations Financial Markets department. The Financial Institutions division has an independent second vote in credit decisions and processes new standard promotional loans. The Collateral & Equity Holdings division evaluates the collateral and administers payment instructions. Both divisions are also responsible for the intensified monitoring and management of non-performing loans. Any necessary measures are taken in consultation with the Board of Managing Directors. The members of the Board of Managing Directors responsible for the back office function are responsible for the process.

The Financial Institutions division formulates a group-wide credit risk strategy and is responsible for its implementation. The credit risk strategy is approved annually by the Board of Managing Directors and discussed with the Risk Committee of the Board of Supervisory Directors. In addition, the Financial Institutions division analyzes credit and country risks, inter alia. Business partners and types of transactions are allocated using Rentenbank's own rating categories. In addition, this division prepares proposals for and has the second vote in credit decisions according to the MaRisk. It also monitors credit risks on an ongoing basis.

Credit risks are managed, monitored, and reported for individual transactions at the borrower level as well as at the level of the group of related customers, at the country level and the level of the total loan portfolio. The Financial Institutions division is also responsible for the methodological development, quality assurance, and monitoring of the procedures used to identify, assess and quantify credit risk. The functional and organizational separation of the Financial Institutions and Collateral & Equity Holdings divisions from the Treasury and Promotional Business divisions ensures independent risk assessment and monitoring. Within the framework of the overall loan portfolio management, the loan portfolio is subdivided by various characteristics. Similar transactions are clustered into product groups.

<u>Credit assessment</u>

The credit ratings are determined in accordance with the bank's internal risk rating system. They are a key instrument for managing credit risks and the relevant internal limits.

The Financial Institutions division (back office unit according to the MaRisk) is responsible for determining the credit ratings in terms of the bank's internal risk rating system. This involves allocating individual business partners or types of transactions to one of twenty rating categories. The ten best rating categories AAA to BBB- are assigned to business partners who are subject to low credit risk (Investment Grade). The seven further rating categories (BB+ to C) denote latent or increased latent risks and the final three rating categories (DDD to D) are reserved for non-performing loans or exposures in default.

The credit rankings of our business partners are reviewed at least annually based on the assessment of their annual financial statements and their financial position. In addition to the key performance indicators, the analysis also takes into account qualitative characteristics, the background of the company, and other relevant factors, such as protection schemes or state guarantees. Furthermore, country risk is included in the analysis as a relevant credit quality indicator. In the case of certain products, such as mortgage bonds, the associated collateral or cover assets are regarded as an additional assessment criterion. If new information concerning a deterioration in the financial position or in the economic prospects of a business partner becomes available, the Financial Institutions division also reviews the credit rating and, if necessary, adjusts the internal limits. The internal risk rating system is developed on an ongoing basis and monitored annually.

Quantification of credit risk

We measure credit default risks using statistical methods and classify them according to Rentenbank's rating system. Historical default rates as published by rating agencies are used to determine the expected loss. The Group does not have statistically significant historical data of its own due to the very small number of defaults or credit events in the past decades. In order to assess credit risks, the Group uses a standard scenario to determine the potential annual loss with regard to the loan exposure. The standard scenario is complemented by stress scenarios. These assume a deterioration in credit quality, lower recovery rates, and an increased probability of default. On the basis of these assumptions, the potential annual loss is estimated based on full utilization of the established internal limits.

In line with its business model defined by Rentenbank’s Governing Law and its statutes, the Group focuses on interbank business. This results in a material concentration risk. A lump-sum amount (risk buffer) is set aside for the sectoral concentration risk.

In accordance with the risk-bearing capacity concept defined in the risk manual, credit risks are assigned a certain amount of the risk covering potential. The established internal limits are monitored daily to ensure compliance with this amount at all times.

In addition to the stress scenarios, which primarily take into account country-specific effects that need to be backed by the risk covering potential, a further risk scenario determines the risk exposure amount for the gone concern approach. The methodology is based on the Gordy model (so-called One-Factor Model). Moreover, additional worst-case scenarios reflect concentration risks in the credit portfolio. These worst-case scenarios are included in neither of the two risk management approaches (i.e. the going concern approach and the gone concern approach). They are therefore not covered by the risk covering potential. In this context, the main aim is to critically evaluate the results and, if necessary, to determine the related measures, such as reducing internal limits or increasing monitoring intensity. Further stress scenarios can be used on an ad hoc basis to examine the effects of current developments on the risk covering potential.

Limitation and reporting

Risk limitation ensures that the risks assumed are in line with the business strategy, the risk strategy defined in the risk manual, and the Group's risk-bearing capacity. Within this context, limits are set both at the borrower level and at the level of a group of related customers as well as at the level of the overall loan portfolio.

A maximum limit for all credit risk limits as well as an upper limit for unsecured facilities are determined by the Board of Managing Directors. They thus represent upper limits for the granting of credit risk limits. The appropriateness of both upper limits is reviewed with respect to the risk-bearing capacity, taking into account risk buffers. In addition, country-specific credit and transfer limits have been established.

A limit system manages the level and the structure of all credit risks. Limits are defined for all borrowers, issuers, and counterparties and, if applicable, subdivided by product and maturity. Rentenbank's risk rating system forms the basis for decisions on establishing limits. In addition, a maximum limit has been set for each group of related customers. The utilization of the limits is determined according to the individual types of business transactions. Furthermore, a certain minimum credit quality is required for certain types of business or limits.

All limits are monitored daily by the relevant back office unit. For money market and promotional loan transactions as well as for equity holdings, the utilization of the limits is measured using the relevant carrying amounts. For the securitized promotional business, the level of utilization of the limits is calculated on the basis of current market prices and, in the case of derivatives, on the basis of the positive fair values of derivative portfolios, taking into account collateral received, if any. Limit reserves are used as a buffer for credit risk resulting from market price fluctuations. The member of the Board of Managing Directors responsible for this back office unit receives a daily report on the risk-related limits and their utilization. The Board of Managing Directors is notified immediately if the limits are exceeded.

Rentenbank has entered into collateral agreements with all counterparties of derivative transactions. These agreements provide for cash collateral denominated exclusively in euros to secure the positive fair values from derivatives in excess of the contractual allowance amounts and minimum transfer amounts. The cash collateral reduces the utilization of limits and thus credit risks.

At the end of each quarter, the Financial Institutions division (back office unit) reports the current credit risk development within the context of the overall risk report based on the MaRisk guidelines to the Board of Managing Directors and the Risk Committee established by the Board of Supervisory Directors.

Backtesting

The internal risk rating system and the methods to assess and measure credit default risk using the standard scenario and the stress scenarios are reviewed at least annually.

4.2.2 Market risk

Definition

Market risks comprise interest rate risks, spread risks, foreign exchange risks, and other price risks. The potential loss is calculated by the Group based on the amount held in the portfolio and the changes in the given market parameters.

The Group makes a distinction between market risks in the form of interest rate risks and IFRS valuation risks.

Interest rate risks stem to a small extent from open fixed-interest positions. The major influencing factors are market rates as well as the amounts and terms of open positions. The risk is recognized in the operating result when the open positions are closed.

IFRS valuation risks arise in connection with hedged items recognized at fair value under IFRS and the associated hedges. The potential risks resulting from fair value measurement under IFRS are included in net gains/losses from fair value and hedge accounting. The market risk from IFRS measurement is realized if the buy-and-hold strategy is breached or a business partner defaults. Cash collateral has to be taken into account if a counterparty to a derivative defaults. Irrespective of this, these measurement results are also reflected in the consolidated statement of comprehensive income, in the risk-bearing capacity calculation and in the regulatory own funds. In the case of regulatory own funds, prudential filters are applied to compensate for the losses arising from the measurement of own issues at fair value.

Transactions denominated in foreign currencies are exchanged for EUR-denominated cash flows using derivatives. Open currency positions result, to a very limited extent, from fractional amounts related to settlements in foreign currencies. Changes in exchange rates result in minor measurement effects when translating present values of foreign currency balances into the euro.

Organization

Rentenbank does not have a trading book pursuant to Article 4 (1) No 85 and 86 CRR.

The objective of risk management is the qualitative and quantitative identification, assessment, control, and monitoring of market risks. The Treasury division also manages the interest rate risk. The Risk Controlling unit of the Finance division quantifies market risks, monitors limits, and prepares the reports. The Operations Financial Markets department and the Financial Institutions division control the market conformity of the transactions concluded.

Quantification of market risks

Interest rate risks

Interest rate risks are largely reduced at the group-level by hedging balance sheet items with derivatives. Derivatives are entered into on the basis of micro or macro relationships. The effectiveness of micro hedges is monitored daily using valuation units established for the hedging relationships. These economic micro or macro relationships are recognized in accordance with IFRS as hedging relationships accounted for in the balance sheet.

When a transaction is entered into, the relationship between the hedged item and the hedging instrument is documented, including the nature of the risk being hedged. In addition, an assessment whether the hedge is highly effective is documented both at inception (ex-ante effectiveness) and on an ongoing basis (ex-ante and ex-post effectiveness).

Gains or losses from maturity transformation are realized from money market transactions in the Treasury Management segment and, to a lesser extent, in the Promotional Business segment. Generating income by taking interest rate risks is not a part of Rentenbank's business strategy.

To monitor interest rate risks, the Group determines daily the present value sensitivity of all transactions that are subject to interest rate risks and are carried out in the Promotional Business and Treasury Management segments.

Interest rate risks from open positions are measured on the basis of sensitivities. They may not exceed the risk limits determined by the Board of Managing Directors. Compliance with the limits is monitored daily and reported to the Board of Managing Directors.

IFRS valuation risks

Changes in market parameters in the case of cross-currency basis swap spreads, basis swap spreads, credit spreads, currency exchange rates as well as other prices impact the valuation of financial instruments. Balance sheet items are hedged against interest rate and currency risks using corresponding hedges. In order to recognize economic hedging relationships, the allocation of the hedged items denominated in foreign currencies is based on the fair value option. This involves measuring both the hedging instruments and the hedged items at fair value. The results of a measurement based on the aforementioned market parameters exhibit significant volatility, even if there is an economically perfect hedging relationship.

The potential effects of IFRS valuation risks on the measurement result are simulated in scenario analyses. They are taken into account in the risk covering potential as part of the risk-bearing capacity analysis.

Standard scenarios

Potential market price fluctuations are assumed in the standard scenario. In the case of the money market business and lending business portfolios, the present value sensitivity of each open, interest-sensitive transaction is calculated daily, assuming a parallel shift in the interest rate curve. The result is compared with the relevant limits. The calculation is based on the assumption that the predicted value changes will not be exceeded with a probability of 95%.

Stress scenarios

In order to estimate risks arising from extraordinary market developments, additional scenarios for interest rate changes are calculated for the money market business and lending business portfolios on a regular and an ad hoc basis. Similarly to the standard scenario, the monthly stress scenario assumes a parallel shift in the interest rate curve.

To determine IFRS valuation risks, the calculations assume an increase in the basis swap spreads, the currency exchange rates, and in other prices as well as a reduction of cross currency basis swap spreads and credit spreads. Correlation effects, arising from the aggregation of different types of risk, are taken into account.

The predicted risk values will not be exceeded with a probability of 99%.

Risk buffer

A risk buffer is determined for the standard scenarios and stress scenarios to account for model risks. This also includes the revenue risk from open cross-currency basis swaps.

Limitation and reporting

The risk covering potential and, accordingly, the risk limit allocated to market risk in the standard scenario amounted to EUR 19 million (2014: EUR 13 million). The risk buffer was EUR 7.0 million (2014: EUR 0.0 million). Interest rate risks from open positions may not exceed the defined risk limits. Compliance with the limits is monitored daily and reported to the Board of Managing Directors. The Audit Committee and the Risk Committee of the Board of Supervisory Directors are informed quarterly of the outcomes of the risk analyses.

Backtesting

The methods used to assess market risks and the market parameters underlying the standard and stress scenarios are validated at least annually.

In the case of money market business and lending business, the scenario parameters are validated daily using historical interest rate trends.

To monitor interest rate risks at an overall bank level, the results from the daily scenario analyses are validated quarterly using a model based on present values.

4.2.3 Liquidity risks

Definition

Liquidity risk refers to the risk that the Group is not able to meet its current or future payment obligations without restrictions or that the Group is unable to raise the required funds on the expected terms and conditions.

Market liquidity risk is defined by the Group as the risk that assets may not be able to be sold instantaneously or that they can only be sold at loss. Market liquidity risk may have a negative effect on liquidity risk.

Controlling and monitoring

Rentenbank's open cash balances are limited by an amount defined by the Board of Managing Directors on the basis of the funding opportunities available to Rentenbank. The Finance division monitors the liquidity position and the utilization of the limits daily and submits reports to the Board of Managing Directors and the Treasury division.

Instruments available for managing the short-term liquidity position include interbank funds, collateralized money market funds, the issuance of ECP, and open-market transactions with the Deutsche Bundesbank. In addition, Rentenbank may purchase securities for liquidity management purposes. It may also borrow funds with terms of up to two years via the Euro Medium Term Note

(EMTN) program or by issuing promissory notes, global bonds, and domestic financial instruments.

In order to limit short-term liquidity risks of up to one month, the calculatory liquidity requirement may not exceed the amount of liquid assets pursuant to the Liquidity Coverage Ratio (LCR). For terms of one month to two years, the calculatory liquidity requirement is limited to the freely available funding potential. In accordance with the MaRisk, the Group maintains liquidity reserves that are sufficient, sustainable, and highly liquid to meet the short-term funding needs of at least one week and to cover any additional liquidity needs arising from the stress scenarios.

In addition, for the purpose of calculating medium and long-term liquidity, expected cash inflows and outflows over the next 2 to 15 years are aggregated into quarterly segments and carried forward. The cumulative cash flows may not exceed the negative limit set by the Board of Managing Directors.

The appropriateness of the stress tests as well as the underlying assumptions and methods to assess the liquidity position are reviewed at least annually.

Under the risk-bearing capacity concept, liquidity risks are not covered by the risk covering potential, but by counterbalancing capacity or liquid assets. This is due to the fact that the Group has sufficient cash funds. Furthermore, Rentenbank's triple-A ratings and the bank's status as a government agency enable it to raise additional funds in the interbank markets. Cash funds are also obtained from Eurex Clearing AG (collateralized money market funds in the form of securities repurchase agreements) and from the Deutsche Bundesbank (in the form of securities pledge and credit claims as eligible collateral in accordance with the KEV (Krediteinreichungsverfahren) procedure).

In accordance with the LCR, the bonds issued by Rentenbank are classified as liquid assets in the EU. Our bonds also qualify as highly liquid assets in other jurisdictions, such as the United States and Canada. This offers the bank additional options for action in case of urgent liquidity needs.

Stress scenarios

Stress scenarios are intended to examine the effects of unexpected events on Rentenbank's liquidity position. The main liquidity scenarios are an integral part of the internal control model. They are calculated and monitored monthly. The scenario analyses take into account price declines of securities, simultaneous drawdowns of all irrevocable credit commitments, defaults by major borrowers and calls of cash collateral from collateral agreements, resulting from an increase in the negative fair values or a decrease in the positive fair values of the derivative portfolios. A scenario mix is used to simulate the cumulative occurrence of stress scenarios. Stress tests are also performed on an ad hoc basis if risk-related events occur.

Liquidity ratios pursuant to the Liquidity Regulation

Pursuant to the German Liquidity Regulation (Liquiditätsverordnung), cash balances and payment obligations are determined daily for the various cash-related on-balance sheet and off-balance sheet transactions. These are weighted according to regulatory requirements and a ratio is calculated. Moreover, these ratios are also calculated and extrapolated for future reporting. In the 2015 reporting year, the monthly reported liquidity ratio for the period of up to 30 days was between 2.40 and 3.65 (2014: 2.71 and 4.38, respectively), thus significantly exceeding the 1.0 ratio defined by regulatory requirements.

Liquidity ratios pursuant to the CRR

The liquidity ratios LCR and NSFR (Net Stable Funding Ratio) are used to limit liquidity risk. The objective is to enable banks to remain liquid even during periods of stress by holding a liquidity buffer and maintaining stable funding. Since October 2015, the minimum LCR requirement (i.e. the ratio of high-quality liquid assets to total net cash outflows) has been 0.6. The required ratio will increase annually until it reaches 1.0 in 2018. The NSFR is still in the observation period. The ratio measures the available amount of stable funding relative to the required amount of stable funding and is required to be over 100%. The decision on implementing the NSFR in the year 2018 will be made at a later date. The minimum ratio of the LCR and the currently expected minimum ratio of NSFR were complied with in the reporting year 2015.

Reporting

The Board of Managing Directors is provided with a daily report on the short-term liquidity projection and with a monthly liquidity risk report on the medium and long-term liquidity. The latter also includes the results of the scenario analyses, the liquidity ratios LCR and NSFR, and the calculation of the liquidity buffer pursuant to the MaRisk. The Audit Committee and the Risk Committee of the Board of Supervisory Directors are informed on a quarterly basis.

4.2.4 Operational risk

Definition

Operational risks arise from failed or inadequate systems, processes, people, or external events. Operational risks include legal risks, risks from money laundering, terrorist financing or other criminal acts, risks from outsourcing, operating risks, and event or environmental risks. They do not comprise entrepreneurial risks, such as business risks, regulatory risks or reputational risks.

Organization

The Group manages operational risk by taking various measures to eliminate the cause of the risk, to control the risk, or to limit damage. These measures include organizational arrangements (e.g. separation of trading and settlement units as well as of front and back office units, principle of dual control), detailed work instructions, and qualified personnel.

Legal risk is managed and monitored by the Legal & Human Resources division. It informs the Board of Managing Directors of the current or potential legal disputes on an ad hoc basis and as well as in semi-annual reports. The Group uses, as far as possible, standardized contracts to avoid legal risks arising from business transactions. The Legal department is involved early in decision-making and significant projects are to be carried out in collaboration with the Legal & Human Resources division. The Legal & Human Resources division is responsible for engaging and instructing external lawyers in Germany and abroad. Legal disputes are recorded immediately in the incident reporting database. They are monitored using a risk indicator for the purpose of early risk identification.

In addition, Rentenbank has established a Compliance function and a central unit for the prevention of money laundering, terrorist financing and other criminal acts. Risks arising from money laundering, terrorist financing and other criminal acts are identified on the basis of a hazard analysis in accordance with Section 25h KWG. As these may put the Group's assets at risk, organizational measures are defined to optimize risk prevention. For this purpose, the Group also analyzes whether general and bank-specific requirements for an effective organization are complied with.

Risks involved in outsourcing are regarded as operational risks. Rentenbank uses decentralized monitoring for outsourcing, comprising risk management and risk monitoring. A distinction is made between significant and insignificant outsourcing based on a standardized risk analysis. Significant outsourcing is subject to specific requirements, in particular with respect to the outsourcing contract, the intervals of the risk analysis, and reporting.

Operating risks as well as event or environmental risks are identified on a group-wide basis. They are managed and monitored based on their materiality.

The Group has appointed an Information Security Officer (ISO) and implemented an Information Security Management System (ISMS). The ISO monitors compliance with the requirements defined by the ISMS to ensure confidentiality, availability, and integrity of the information processing and storage systems. The ISO is involved in the case of critical IT-related incidents.

An emergency manual describes the disaster prevention measures and the emergency procedures in the event of a disaster. Further emergency plans are to be applied in the case of potential business disruptions. The outsourcing of time-critical activities and processes is also included in these plans.

Quantification of operational risk

As part of the risk-bearing capacity concept, operational risks are quantified using a process based on the regulatory basic indicator approach. The factors underlying the standard and stress scenarios were defined on the basis of business volume.

All incidents occurring in the Group are systematically recorded in an incident reporting database and subsequently analyzed. All current incidents and near-incidents are recorded by the relevant operational risk officers on a decentralized basis. The Risk Controlling unit is accountable for the analysis and aggregation of the incidents as well as for the methodological development of the instruments used.

Rentenbank also carries out self-assessments in the form of workshops. At least annually, material operational risk scenarios are analyzed and assessed with regard to the business processes that are significant for Rentenbank's business model. Fraud prevention aspects are also examined. Identified material operational risks are reduced by additional preventive measures.

The Group has defined risk indicators for contingent losses for all material risk types. This ensures an early response to changes in the Group's risk profile. This allows appropriate measures to be taken to manage risk.

Limitation and reporting

The limit for operational risks is derived using the modified regulatory basis indicator approach. Reports are prepared on a quarterly basis and submitted to the senior management, the Board of Managing Directors, the Audit Committee and the Risk Committee of the Board of Supervisory Directors.

4.2.5 Regulatory and reputational risks

Definition

Regulatory risk is the risk that a change in the regulatory environment could adversely affect the Group's business activities or operating result and that regulatory requirements are not sufficiently met.

Reputational risks refer to the risk of negative economic effects from damages to the Group's reputation. Reputational risks may, inter alia, pose a threat Rentenbank's ability to fund its business.

Controlling and monitoring

Within the Group, the Regulatory Matters working group, which also comprises the Compliance desk, ensures that regulatory risks are identified and managed at an early stage.

Regulatory and reputational risks may adversely affect new business, especially funding and margins. Rentenbank's promotional mandate and the state guarantee are major factors contributing to the triple-A ratings. Therefore, regulatory and reputational risks need to be assessed against this background.

Apart from the monthly target/actual comparisons in the income statement, risks are also monitored using the entries in the incident reporting database and in the self-assessments. Potential incidents are characterized by a low probability of occurrence, but a potentially high loss amount.

Limitation and reporting

The Group determines the limit for regulatory and reputational risks on the basis of an income scenario. This involves determining and assessing the negative impact arising from certain risk scenarios. These scenarios assume, inter alia, a decline in new business volume or decreasing margins based on certain probabilities of occurrence. Reports are prepared on a quarterly basis and submitted to the senior management, the Board of Managing Directors, the Audit Committee and the Risk Committee of the Board of Supervisory Directors.

4.3 Governance (Part Eight Article 435 (2) CRR)

Due to the immateriality of the information, no disclosures pursuant to Article 435 (2) points (a) and (b) CRR were made.

The appointment of members of the Board of Managing Directors is the responsibility of the Board of Supervisory Directors of Rentenbank. If vacancies are to be filled, the Administrative Committee established by the Board of Supervisory Directors assists the Board of Supervisory Directors in identifying candidates for a position in the Board of Managing Directors. In accordance with the terms of reference for the Board of Supervisory Directors, the selection of candidates for the appointment of members of the Board of Managing Directors is based on, inter alia, the balance and diversity of knowledge, skills and experience of all members of the Board of Managing Directors; a job description, including a candidate profile, is drafted accordingly.

Pursuant to Section 25c KWG, the management board members of an institution must have the necessary professional qualifications and be trustworthy and must dedicate sufficient time to performing their functions. A prerequisite for the professional qualifications of management board members is that they have adequate theoretical and practical knowledge of the business concerned as well as managerial experience. Within the context of appointing members of the Board of Managing Directors, the qualification of each board member was fully documented and assessed. Professional qualification and trustworthiness were evaluated in consultation with the supervisory authority.

At least once a year, the Board of Supervisory Directors assesses the structure, size, composition and performance of the Board of Managing Directors as well as the knowledge, skills and experience of the members of the Board of Managing Directors. The Administrative Committee supports the Board of Supervisory Directors in performing this task.

5. Own funds (Part Eight Article 437 CRR)

The disclosure of own funds is made in accordance with Article 437 CRR in conjunction with Commission Implementing Regulation (EU) No 1423/2013 of December 20, 2013. The Group makes use of the derogation to the application of reporting obligations in relation to own funds, solvency, large exposures, leverage, and disclosures pursuant to Article 7 (3) CRR in conjunction with Section 2a (1) KWG on an individual basis (waiver rule).

The Group's regulatory own funds were determined on the basis of the provisions of Article 72 CRR (2014: Sections 10 and 10a KWG, old version). As the parent company of the Landwirtschaftliche Rentenbank Group of institutions, Rentenbank is responsible for the calculation of own funds on an aggregate basis pursuant to Section 10a (1) KWG in conjunction with Article 11 CRR. Aggregation is made in the context of full consolidation.

The aggregated own funds of the group of institutions as of December 31, 2015 pursuant to CRR in comparison to the prior year are presented in the following table:

	December 31, 2015 EUR million	December 31, 2014 EUR million
- Subscribed capital	135	135
- Retained earnings	3,046	2,999
- Accumulated other comprehensive income (revaluation reserve)	112	47
- Gains or losses on liabilities resulting from changes in own credit standing	286	88
- Gains or losses on derivative liabilities resulting from changes in own credit standing	- 1	0
- Additional value adjustments	- 312	- 261
- Intangible assets	- 18	- 18
- Deferred tax assets that rely on future profitability	0	- 1
- Other deductions from Common Equity Tier 1	- 2	- 3
- Adjustments resulting from transitional provisions	- 67	- 46
of which: Accumulated other comprehensive income (revaluation reserve)	- 67	- 47
of which: Deferred tax assets that rely on future profitability	0	1
Common Equity Tier 1	**3,179**	**2,940**
Tier 1 capital	**3,179**	**2,940**
- Subordinated liabilities	46	48
- Subordinated liabilities (grandfathered)	414	455
- General credit risk adjustments	16	15
- Other components	-	-
Tier 2 capital	**476**	**518**
Own funds, total	**3,655**	**3,458**
Own funds used for large exposure limit (*Großkredit-grenze*) in the aggregate book (*Gesamtbuch*)	**3,655**	**3,458**

Subscribed capital of EUR 135 million consists of the capital stock of Rentenbank which was provided by the agricultural and forestry sectors of the Federal Republic of Germany between 1949 and 1958. The subscribed capital pursuant to Section 2 of Rentenbank's Governing Law is fully recognized as Common Equity Tier 1 within the meaning of Article 26 (1) point (a) in conjunction with Article 28 CRR in accordance with the list “Capital instruments in EU member states qualifying as Common Equity Tier 1 instruments by virtue of Article 26(3) of Regulation (EU) No 575/2013”, published by the EBA on December 23, 2014.

An amount of EUR 967 million (2014: EUR 926 million) of retained earnings totaling EUR 3,046 million (2014: EUR 2,999 million) was attributable to the principal (Hauptrücklage) and guarantee reserves (Garantierücklage), formed pursuant to Section 2 (3) sentence 2 of Rentenbank's Governing Law.

Unrealized gains of EUR 112 million (2014: EUR 47 million), reported as accumulated other comprehensive income, were classified by Rentenbank as Common Equity Tier 1 capital pursuant to Article 35 CRR. In accordance with transitional provisions set out in Article 468 (2) CRR, these gains were subsequently deducted at 60% (2014: 100%) in the reporting year.

The prudential filters for gains and losses on liabilities measured at fair value that result from changes in the own credit standing pursuant to Article 33 (1) point (b) CRR amounted to EUR 286 million (2014: EUR 88 million).

In accordance with Article 33 (1) point (c) CRR, the prudential filter for gains and losses arising from own credit risk related to derivative liabilities amounted to EUR 1 million (2014: EUR 0 million).

Within the framework of prudent valuation pursuant to Article 34 in conjunction with Article 105 CRR, Rentenbank implemented the requirements set out in the Commission Delegated Regulation (EU) 2016/101 with regard to deductions from equity resulting from valuation adjustments of fair value items. Based on its business model and the type of the assets and liabilities measured at fair value, Rentenbank takes into account Additional Valuation Adjustments (AVA) in relation to the individual uncertainty factors. In this context, lump-sum deductions for the market price uncertainty AVA are taken into account for assets and liabilities classified as Level 2 and Level 3 instruments. No AVA was recognized either for Level 1 instruments due to liquid markets or for derivatives as a result of collateral agreements. In the context of close-out costs, the calculation of AVA for securities is based on adjusted bid/ask prices. They are also applied to the AVA calculation for registered debt securities. The funding costs are calculated in proportion to the new business volume and reflected in the investing and financing costs AVA. The concentrated positions AVA is calculated for positions that account for at least 50% of the issuance volume. The AVAs for operational risks are taken into account on a lump-sum basis at 10% of the market price uncertainty AVA. AVAs are not recognized for model risks, unearned credit spreads, future administrative costs, and early terminations.

The total AVA amount as of December 31, 2015 in comparison to the prior year was as follows:

AVA	December 31, 2015 EUR million	December 31, 2014 EUR million
- for market uncertainty	71	110
- for close-out costs	209	123
- for model risk	0	0
- for unearned credit spreads	0	0
- for investing and funding costs	2	2
- for concentrated positions	2	3
- for future administrative costs	0	0
- for early termination	0	0
- for operational risks	28	23
Total AVA	**312**	**261**

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Adjustments resulting from transitional provisions comprised unrealized gains of EUR -67 million (2014: EUR -47 million) within the meaning of Article 35 in conjunction with Article 468 (2) CRR. In the prior year, deferred tax assets pursuant to Article 36 (1) point (c) in conjunction with Article 469 (1) point (a) CRR amounted to EUR 1 million.

Tier 2 capital of EUR 476 million (2014: EUR 518 million) consisted of subordinated liabilities as well as of general credit risk adjustments. Rentenbank recognized subordinated liabilities in a total amount of EUR 460 million (2014: EUR 503 million). This included EUR 46 million (2104: EUR 48 million) for subordinated loans eligible as Tier 2 capital within the meaning of Article 62 point (a) in conjunction with Article 63 CRR. The remaining contracts with an eligible volume of EUR 414 million (2014: EUR 455 million) were included in accordance with the grandfathering provisions laid down in Article 484 (2) CRR. The associated interest rates range up to 5.0% for maturities due until April 21, 2036. The subordinated liabilities are structured as promissory notes, loan agreements and bearer securities issued in the form of global certificates.

Main features of capital instruments:

The main features of capital instruments are presented in Appendix 2.

Reconciliation of all components of regulatory capital to the balance sheet after approval of the financial statements as of December 31, 2015:

	Balance sheet items based on scope of consolidation under German commercial law	Own funds pursuant to CRR after preparation of balance sheet
	December 31, 2015 EUR million	December 31, 2014 EUR million
- Subscribed capital	135	135
- Retained earnings	3,475	3,475
- Fund for general banking risks	-	-
- Accumulated other comprehensive income (revaluation reserve)	62	62
- Gains or losses on liabilities resulting from changes in own credit standing		222
- Additional value adjustments		- 312
- Intangible assets	- 13	- 13
- Adjustments from transitional provisions		- 37
- Subordinated liabilities	729	46
- Subordinated liabilities (grandfathered)		414
- General credit risk adjustments		16

Disclosure of own funds:

The disclosure of own funds in accordance with Commission Implementing Regulation (EU) No 1423/2013 Annex VI is presented in Appendix 3.

6. Capital requirements (Part Eight Article 438 CRR)

6.1 Regulatory capital requirements

The Credit Risk Standardized Approach (CRSA) is used for all exposure classes to determine the regulatory capital requirements for credit risks.

Specific risk weights, determined by the German regulatory authority, are applied for capital requirements for credit risk.

Eligible own funds and risk-weighted assets are presented on a group basis in accordance with IFRS. Business partner and transaction ratings are relevant under the credit-risk standardized approach. Rentenbank only uses external ratings by Moody's Investors Service to determine risk weights for credit risk exposures. If available, a transaction rating is used instead of the business partner rating. In the absence of a transaction or business partner rating, the risk weight is determined on the basis of the country of incorporation. The external ratings are allocated to credit quality steps, applying exclusively the framework provided by the EBA.

Credit valuation adjustment risk (CVA risk) is backed by own funds pursuant to Article 381 CRR.

The following table shows the risk-weighted assets from the credit risk under the CRSA by exposure class as of December 31, 2015 compared to the previous year:

Risk-weighted assets towards	December 31, 2015 EUR million	December 31, 2014 EUR million
- Central governments and central banks	61	57
- Public sector authorities	41	37
- Financial institutions	12,014	13,687
- Corporates	4	34
- Investment funds	0	0
- Equity holdings	119	119
- Financial institutions in the form of covered bonds	1,395	1,589
- Other items	40	41
Total risk exposure for credit risk	**13,674**	**15,564**

The Group's risk exposures were as follows as of December 31, 2015 compared to the previous year:

	December 31, 2015 EUR million	December 31, 2014 EUR million
Total risk exposure for		
- credit risk	13,674	15,564
- market risk	0	0
- operational risk	1,173	1,575
- CVA risk (credit value adjustment)	904	767
Total risk exposure	**15,751**	**17,906**

The capital requirements (8% of risk-weighted assets) as of December 31, 2015 in comparison to the prior year are presented in the following table:

Capital requirements for	December 31, 2015 EUR million	December 31, 2014 EUR million
- Central governments and central banks	5	5
- Public sector authorities	3	3
- Financial institutions	962	1,095
- Corporates	0	3
- Investment funds	0	0
- Equity holdings	10	10
- Financial institutions in the form of covered bonds	112	127
- Other items	3	3
Capital requirements for credit risk	**1,094**	**1,245**

The following table provides an overview of the total capital, Tier 1 capital and Common Equity Tier 1 capital ratios for the Group as of December 31, 2015 compared with the previous year:

	December 31, 2015 in %	December 31, 2014 in %
Total capital ratio	23.2	19.3
Tier 1 capital ratio	20.2	16.4
Common Equity Tier 1 capital ratio	20.2	16.4

6.2 Risk-bearing capacity

Based on various risk scenarios, the risk-bearing capacity calculation compares the total sum of the capital charges resulting from the Group's credit, market, and operational risks as well as reputational and regulatory risks with an amount of the risk covering potential. In accordance with the risk-bearing capacity concept, liquidity risks are not included in the calculation. Due to the nature of these risks, they cannot be effectively limited through the risk covering potential. Instead, this risk type is taken into consideration within the framework of risk management and controlling processes.

The risk-bearing capacity concept is based on the going concern approach. The length of an observation period is one year.

The going concern approach assumes that an enterprise will continue in operation for the foreseeable future. After deducting capital requirements of 12%, which is specifically determined by Rentenbank and above the generally applicable regulatory minimum requirements, and the prudential filters related to the risk covering potential, sufficient capital components must be available to cover the risks from the stress scenarios. The stress scenarios are defined using conservative parameters (i.e. the predicted risk value will not be exceeded with a probability of 99%).

The risk covering potential is derived from Group figures as reported under IFRS and was as follows as of the balance sheet date.

	December 31, 2015 EUR million	December 31, 2014 EUR million
Available operating result	187.8	205.0
+ Retained earnings (pro rata)	156.2	103.0
= Risk covering potential 1	**344.0**	**308.0**
+ Retained earnings (pro rata)	1,118.9	947.3
- Own credit risk and DVA	- 0.1	0.0
+ Revaluation reserve	61.6	112.5
- Undisclosed liabilities from securities of the IFRS category HtM	- 3.7	0.0
= Risk covering potential 2	**1,520.7**	**1,367.8**
+ Retained earnings (pro rata)	2,200.0	1,995.8
+ Subscribed capital	135.0	135.0
= Risk covering potential 3	**3,855.7**	**3,498.6**

The operating result available in the amount of EUR 188 million (2014: EUR 205 million) can be derived from the planned result under IFRS.

The allocation of the risk covering potential 1 to the risk types credit risk, market risk, operational risk as well as regulatory and reputational risk was as follows:

	December 31, 2015		December 31, 2014	
	EUR million	%	EUR million	%
Credit risk	260.0	75.6	260.0	84.4
Market risk	26.0	7.5	13.0	4.2
Operational risk	35.0	10.2	35.0	11.4
Regulatory and reputational risks	23.0	6.7	-	-
Overall risk exposure	**344.0**	**100.0**	**308.0**	**100.0**
Risk covering potential 1	**344.0**	**100.0**	**308.0**	**100.0**

A lump sum amount of EUR 50 million (risk buffer) is included in the credit risk scenarios to account for sectoral concentration risks. A risk buffer of EUR 7 million is held for the first time for the standard scenarios of market risks to account for model risks. In the year under review, regulatory and reputational risks were included to be backed by the risk covering potential for the first time.

The risk covering potential 2 is used as an overall limit and not allocated to the individual risk types.

As an additional risk management approach, risk-bearing capacity is monitored using the gone concern approach. The gone concern approach focuses on creditor protection. Therefore, all hidden reserves and liabilities are taken into account in the risk covering potential. The remaining amount of the risk covering potential must be sufficient to cover the effects arising from the more conservative stress scenarios. Gone concern case scenarios are simulated for credit, market, operational risks and regulatory and reputational risks based on a probability of 99.9%. The scenarios are quantified using strict risk measures and parameters based on rare loss events.

The maximum risk covering potential is determined in order to cover risks from the gone concern scenarios by the risk covering potential. Unplanned or unrealized profits (available operating result) are not taken into account. By contrast, hidden reserves and hidden liabilities are included in full.

The potential loss calculated under the gone concern scenarios should not exceed the risk covering potential. This risk management approach primarily serves to observe and critically evaluate the results. The monitoring did not result in any adjustments on the going concern approach. Under the gone concern approach, the risk-bearing capacity was maintained at all times during 2015 and 2014.

Credit, market, liquidity, operational risks and reputational and regulatory risks were also subject to an inverse stress test. The starting point is the maximum loss to be borne in the amount of the risk covering potential. The assumed scenarios have a low probability of occurrence.

The effects of an economic downturn on the risk-bearing capacity are also assessed. The Group's risk-bearing capacity was not at risk under this scenario during 2015 and 2014.

7. Exposure to counterparty credit risk (Part Eight Article 439 CRR)

7.1 Central counterparty

Rentenbank enters into transactions with a central counterparty exclusively in the context of the secured money market business. It concludes repo transactions with Eurex Repo GmbH as central counterparty. The risk weight for this central counterparty amounts to 4% pursuant to Article 305 (3) CRR. As of December 31, 2015, the balance was EUR 1,502 million (2014: EUR 350 million).

7.2 Derivative credit risk exposures and netting positions

Derivatives are only entered into to hedge existing or expected market risks and only with business partners from EU or OECD countries.

Rentenbank has concluded collateral agreements with all counterparties with which it enters into derivative transactions. These agreements provide for cash deposits denominated exclusively in euros to secure the positive fair values from derivatives exceeding the contractual allowance amounts and minimum transfer amounts which depend on the credit quality. In return, Rentenbank undertakes to provide cash deposits denominated in euros in the case of negative fair values if these exceed the corresponding allowance and minimum transfer amounts. The EONIA rate is applied daily to the collateral provided and received. Interest payments are made on a monthly basis.

The basis for the calculation of internal capital and the limits for the cover of counterparty credit risk is the measurement basis in accordance with the mark-to-market method pursuant to Article 274 CRR, taking into account collateral.

As of December 31, 2015, the credit risk exposure from all derivative transactions amounted to EUR 4,801 million (credit equivalent value) (2014: EUR 3,425 million). This exposure is determined using the mark-to-market method pursuant to Article 274 CRR. Netting agreements are used exclusively for derivatives. The use of netting arrangements from standardized netting agreements as well as from netting agreements recognized by regulatory authorities with all counterparties leads to reduced positive replacement values.

The following table shows the positive replacement values from derivative transactions as of December 31, 2015, before and after application of netting agreements and eligible collateral in accordance with Article 274 CRR:

	December 31, 2015 EUR million	December 31, 2014 EUR million
Positive replacement values before netting and collateral arrangements	**7,239**	**5,958**
Netting arrangements	2,438	2,533
Eligible collateral	2,750	1,521
Positive replacement values after netting and collateral arrangements	**2,051**	**1,904**

The positive replacement values after netting and collateral arrangements largely correspond to regulatory add-ons pursuant to Article 274 (2) CRR.

The replacement values before netting and collateral arrangements of EUR 7,239 million consisted of interest rate contracts (EUR 1,919 million), foreign exchange contracts of EUR 5,314 million, and equity/index-related contracts of EUR 6 million. The bank does not enter into credit derivatives, such as credit default swaps (CDSs).

Derivative risk exposures per counterparty are limited within the scope of the processes for the controlling and monitoring of counterparty credit risks.

The scenario involving a downgrade of Rentenbank's triple-A ratings and the associated provision of additional collateral relating to collateral agreements is regularly validated and is currently of minor relevance. The collateral agreements with counterparties of derivatives generally do not oblige Rentenbank to provide additional collateral in the case of a rating downgrade. Accordingly, Rentenbank does not expect to provide any additional collateral in the rating downgrade scenario. The triple-A ratings of Rentenbank result from the guarantee issued by the triple-A rated German federal government for Rentenbank’s liabilities.

The correlations included in the scenarios for credit and market risks are taken into account as a risk-mitigating factor. The possibility of taking into account interdependencies/correlation effects between the risk types is not made use of. The aggregation of the capital requirements relating to the individual risk types is conducted on the basis of a conservative correlation assumption of +1.

8. Capital buffers (Part Eight Article 440 CRR)

The capital conservation buffer, the countercyclical capital buffer and the capital buffer for systemic risks are not mandatory as of December 31, 2015.

9. Indicators of global systemic importance (Part Eight Article 441 CRR)

Rentenbank is not a global systematically important institution.

10. Credit risk adjustments (Part Eight Article 442 CRR)

10.1 Impairment of financial assets

As of each balance sheet date, Rentenbank assesses whether there is any objective evidence that all interest and principal payments may not be made in accordance with the contractual terms. The assessment is based on the following criteria:

- Credit rating as non-investment-grade
- Non-performing, forborne or restructured exposures
- Significant deterioration in the business partner's credit quality
- Significant deterioration in the credit quality of the business partner's country of incorporation

Judgment is required to determine the materiality aspect of a credit quality deterioration and the criteria for the credit ratings.

Due to the measurement at fair value, financial assets of the designated as at fair value category do not have to be assessed for impairment separately since these are already taken into account and recognized in profit or loss.

<u>Loans and advances and financial assets measured at (amortized) cost</u>

Rentenbank assesses the recoverability of individually significant receivables for significant single exposures and securities as well as of receivables of small amounts on an individual basis. If there is objective evidence of impairment, the impairment loss is determined as the difference between the carrying amount and the present value of the expected cash flows. The expected cash flows are determined on the basis of qualified estimates. They take into account the business partner's financial position as well as the liquidation of collateral and other relevant factors, such as protection schemes or state guarantees. The original effective interest rate is used as the discount rate for fixed-interest loans and advances as well as for the fixed-interest securities. In contrast, floating-rate loans and advances and floating-rate securities are discounted at the current effective interest rate. In the case of equity holdings measured at cost, the discount rate is the current market rate of return for a similar financial asset. The adjustments to the valuation of loans and advances are recognized in the income statement within the allowance for credit losses/promotional contribution, while held-to-maturity securities and equity holdings are included in the net result from financial assets.

In accordance with IFRS, impairments resulting from payment defaults are only determined for losses already incurred. Impairment refers to a loss already incurred due to a payment default. For accounting purposes, the receivables are classified as non-performing. Since Rentenbank extends loans almost exclusively to other banks, any potential losses are identified in a timely manner. Based on a model of expected credit losses, a portfolio valuation allowance is recognized for loans and advances as well as for securities measured at (amortized) cost to account for any existing residual risk of not having identified risks already materialized. In this context, a distinction is made between portfolios for credit institutions, corporates, and governments. The carrying amounts of the portfolios are weighted using probabilities of default and recovery rates, derived from the product rating or the business partner's rating. Since the number of defaults within the Group is statistically insignificant, default probabilities are determined on the basis of external data provided by rating agencies. Recovery rates, in contrast, are determined using regulatory standards.

As of December 31, 2015, the bank recognized general credit risk adjustments of EUR 16.3 million (2014: EUR 14.7 million) as Tier 2 capital in accordance with Article 62 point (c) CRR.

Available-for-sale financial assets measured at fair value

If there is objective evidence that financial assets are impaired, the amount of the impairment loss is measured as the difference between the amortized cost and current fair value. The loss calculated in this manner is recognized as an adjustment to the revaluation reserve in the net result from financial assets. If the conditions giving rise to the impairment of debt instruments no longer apply, the impairment loss has to be reversed through profit or loss.

10.2 Allowances for credit losses

Allowance for credit losses/promotional contribution, reported in the consolidated statement of comprehensive income, primarily includes the discounted promotional expenses of the special promotional loans as well as their utilization over the remaining term. The promotional expenses are calculated as the difference between the interest rate of the special promotional loan granted at a reduced rate of interest and the funding rate at the date of the loan commitment plus an administrative cost rate.

In addition, this item comprises valuation allowances and write-downs of loans and advances as a result of payment defaults, as well as income from recoveries of loans and advances previously written off.

The allowance for credit losses and the promotional contribution in the lending business as of December 31, 2015 compared to the previous year was as follows:

	Promotional contribution		Specific valuation allowances		Portfolio valuation allowance	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	EUR million	EUR million	EUR million	EUR million	EUR million	EUR million
As of Jan. 1	343.3	331.0	0.0	0.0	14.7	11.7
Additions	82.1	75.3	2.2	0.0	2.1	3.0
Utilization	67.3	63.0	0.0	0.0	0.0	0.0
Reversals	0.0	0.0	0.0	0.0	0.5	0.0
As of Dec. 31	**358.1**	**343.3**	**2.2**	**0.0**	**16.3**	**14.7**
Of which:						
Loans and advances to banks	343.7	326.4	2.2	0.0	14.0	12.9
Loans and advances to customers	0.0	0.0	0.0	0.0	1.1	0.1
Loan commitments	14.4	16.9	0.0	0.0	0.3	0.8
Financial assets	0.0	0.0	0.0	0.0	0.9	0.9

The allowance for credit losses almost exclusively refers to loans and advances to banks.

10.3 Credit risks

The following tables present the credit risk exposures as of December 31, 2015, separately by risk exposure class, region, sector, and maturity, without taking into account credit risk mitigation techniques. Loans include outstanding commitments and other off-balance sheet items from the lending business.

The figures presented relate to gross carrying amounts in accordance with IFRS 7.B9 which correspond to the carrying amounts of the relevant balance sheet items in the IFRS consolidated financial statements. Contingent liabilities were reported at notional amounts.

10.3.1 Gross lending volume by exposure class (regulatory)

in EUR million Risk exposures to	Measurement basis
- Central governments and central banks	1,131
- Regional and local authorities	6,539
- Multilateral development banks	2,000
- International organizations	10
- Public sector authorities	16,665
- Financial institutions	50,266
- Corporates	4
- Investment funds	0
- Equity holdings	119
- Financial institutions in the form of covered bonds	12,261
- Other items	40
Total	**89,035**

10.3.2 Gross lending volume by exposure class

Gross lending volume in EUR million	Loans	Financial assets	Derivative financial instruments
Total	63,979	19,912	7,239

10.3.3 Gross lending volume by exposure class and region

	Loans		Financial assets		Derivative financial instruments	
	EUR million	%	EUR million	%	EUR million	%
Gross lending volume						
Germany	62,383	97.5	3,869	19.4	1,492	20.6
Europe	1,334	2.1	14,369	72.2	5,747	79.4
OECD countries (excl. EU)	262	0.4	1,674	8.4	0	0.0
Total	**63,979**	**100.0**	**19,912**	**100.0**	**7,239**	**100.0**

10.3.4 Gross lending volume by exposure class and sector

	Loans		Financial assets		Derivative financial instruments	
	EUR million	%	EUR million	%	EUR million	%
Private sector banks/other banks	9,102	14.2	2,672	13.4	1,078	14.9
Foreign banks	1,566	2.5	14,462	72.6	4,983	68.8
Public sector banks	33,732	52.7	616	3.1	244	3.4
Cooperative banks	13,200	20.6	131	0.7	168	2.3
Central banks	0	0.0				
Non-banks	6,379	10.0	2,031	10.2	766	10.6
Total	**63,979**	**100.0**	**19,912**	**100.0**	**7,239**	**100.0**

10.3.5 Gross lending volume by exposure class and maturity

	Loans		Financial assets		Derivative financial instruments	
	EUR million	%	EUR million	%	EUR million	%
< 1 year	7,248	11.5	3,700	18.5	2,022	27.9
1 year to 5 years	17,019	27.0	8,037	40.4	3,482	48.1
> 5 years to unspecified maturity	38,870	61.5	8,175	41.1	1,735	24.0
Total	**63,137**	**100.0**	**19,912**	**100.0**	**7,239**	**100.0**

Irrevocable loan commitments of EUR 842 million were not included in the analysis of maturities.

11. Unencumbered assets (Part Eight Article 443 CRR)

As regards the disclosure of unencumbered and encumbered assets in accordance with Article 443 CRR, Rentenbank applies the EBA Guidelines on disclosure of encumbered and unencumbered assets (EBA/GL/2014/03) dated June 27, 2014 as well as the draft of the BaFin Circular on the implementation of the EBA Guidelines on disclosure of encumbered and unencumbered assets (BA 52-QIN 4300-2014/0001) dated February 25, 2015.

In accordance with the EBA definition, assets are treated as encumbered if they cannot be freely used by the institution to raise funds otherwise. This is always the case when assets are pledged or lent, i.e. when they are used to collateralize own loans and to secure potential obligations from derivative transactions (collateral agreements) in the context of on- and off-balance sheet transactions and therefore are not freely available. Assets are also considered as being subject to restrictions in withdrawal when they require prior approval before withdrawal or replacement.

The disclosure of quantitative information is based on median values for quarterly data for the fiscal year 2015.

Within the Landwirtschaftliche Rentenbank Group, the transactions set out below are exclusively concentrated at the parent company.

11.1 Quantitative disclosures

Encumbered and unencumbered assets (Template A – Assets)

in EUR million	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets	**3,910**		**91,260**	
Equity instruments	0	0	119	0
Debt securities	119	144	21,508	18,667
Other assets	0		8,640	

Collateral received (Template B – Collateral received)

in EUR million	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
Collateral received	**3,534**	**1,490**
Equity instruments	0	0
Debt securities	632	1,490
Other collateral received	2,902	0
Own debt securities issued other than own covered bonds or ABSs	0	0

Disclosure of liabilities (Template C-Encumbered assets/collateral received and associated liabilities)

in EUR million	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued (other than encumbered covered bonds)
Carrying amount of selected financial liabilities	**8,070**	**8,211**

rentenbank

11.2 Qualitative disclosures

The major portion (approx. 96%) of the encumbered assets results from the provision of collateral for derivative transactions as well as from receivables included in the cover funds for covered bonds (cover pool). Rentenbank concludes netting and collateral agreements with all counterparties (master agreements for OTC derivatives). The contracts are entered into on the basis of the standards issued by the International Swaps and Derivatives Association, New York (ISDA) as Credit Support Annex (CSA) or in accordance with the German Master Agreement as collateral annex (Besicherungsanhang – BSA). Only EUR-denominated cash collateral is used as collateral. Negative and positive market values from the derivative transactions are netted for each counterparty. If the balance is positive, the counterparty has to provide collateral, to the extent that the positive fair values exceed the contractual allowance amounts and minimum transfer amounts. If the sum is negative, collateral has to be provided by Rentenbank, taking into account allowance amounts and minimum transfer amounts.
The basis for the cover pool is the German Pfandbrief Act, as amended, as well as Rentenbank's Governing Law. In accordance with Section 13 (2) of Rentenbank's Governing Law, the covered bonds issued by Rentenbank must be covered at all times in the amount of their nominal value plus interest. The trustee’s review as of the balance sheet date identified a security excess cover of 84.2% of the notional amount of covered bonds (including the guarantee reserve pursuant to Section 2 (3) of Rentenbank's Governing Law) and an over-collateralization of 107.2% in relation to interest. This over-collateralization was certified by the appointed trustee on January 13, 2016.

The other encumbered assets refer to the minimum reserve held at the Deutsche Bundesbank and the repo business: Rentenbank deposited assets with a median value of EUR 119 million at XEMAX. Of this amount, assets of EUR 16 million are currently pledged as collateral for the clearing fund at EUREX Clearing AG, Frankfurt am Main (EUREX), for the participation of Rentenbank as a clearing member in connection with repo transactions. Rentenbank has concluded contractual arrangements with EUREX Clearing AG and Clearstream Banking AG for the collateralization of EUREX repo transactions.

Beyond that, there were no further collateral agreements at Rentenbank as of December 31, 2015.

The carrying amount of encumbered assets declined compared to the prior year.

Assets reported as other assets are not used for collateralization purposes. They only include unencumbered assets, such as positive fair values from derivatives, the fair value changes of hedged items in a portfolio hedge, property and equipment, intangible assets, and investment properties.

As of December 31, 2015, there were no off-balance sheet transactions covered by assets.

Collateral received included securities with a total median value of EUR 2,122 million received in connection with EUREX repo business. The fair value of the re-used collateral equaled a median value of EUR 632 million. In contrast, Rentenbank was obliged to provide collateral for current liquidating margin and additional margin in the amount of EUR 39 million. In addition, other collateral received includes the cash collateral received from derivative transactions.

As of year end 2015, no further collateral was provided by Rentenbank within the framework of repo transactions.

12. Use of ECAIs (Part Eight Article 444 CRR)

Rentenbank only uses external ratings provided by Moody's Investors Service to determine capital requirements for credit risk exposures under the CRSA. The external ratings are allocated to the credit quality steps, using exclusively the framework published by the EBA. Credit ratings are not transferred from issuers and issues to items that are not part of the trading book.

The following table shows the amount of the credit risk exposures before and after collateral as of December 31, 2015, applying the regulatory risk weights applicable under the CRSA.

Risk weight in %	**Exposure amounts**	**Risk-weighted assets**	**Exposure amounts**	**Risk-weighted assets**
	before credit risk mitigation		after credit risk mitigation	
	EUR million		EUR million	EUR million
0	26,141	0	28,976	0
4	1,502	60	1,502	60
10	10,764	1,076	10,764	1,076
20	38,523	7,705	37,892	7,518
50	11,891	5,946	9,687	4,806
100	214	214	214	214
250	0	0	0	0
CRSA, total	**89,035**	**15,001**	**89,035**	**13,674**

Due to substitution effects, exposure amounts with initially higher risk weights are reported in exposures with a risk weight of 0%. Therefore, the sum total of the exposure amounts does not change.

13. Exposure to market risk (Part Eight Article 445 CRR)

To determine the capital requirements for foreign currency risks, we calculate the total currency exposure on the basis of the standardized approach. As of December 31, 2015, the total currency exposure amounted to EUR 0.2 million (2014: EUR 0.3 million). The threshold pursuant to Article 351 CRR was not exceeded so that foreign currency risks were not backed by capital.

There are no exposures to commodity, trading book and settlement risks or to other market risks. Rentenbank does not use its own risk models.

14. Operational risk (Part Eight Article 446 CRR)

In the year under review, the exposure to operational risks was determined for regulatory purposes using the basic indicator approach in accordance with Article 315 CRR. The total risk exposure for operational risk amounted to EUR 1,173 million as of December 31, 2015 (2014: EUR 1,575 million).

15. Exposures in equities not included in the trading book (Part Eight Article 447 CRR)

Financial assets reported in the IFRS consolidated financial statements include equity holdings, inter alia. The equity holdings are motivated by Rentenbank's promotional mandate. Instead of profit maximization, the focus of the investment strategy lies on promotional lending. The strategic equity holdings are established by acquiring equity interests. Due to the very limited business activities of its subsidiaries and the letter of comfort issued to LR Beteiligungsgesellschaft mbH, all material risks are concentrated in Rentenbank and are therefore managed by Rentenbank at a group level.

Description	Name	Subscribed capital in EUR million	Share of capital in %	Carrying amount in EUR million
Banks	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt	3,646.3	2.9	111.4
Other companies	Getreide-Import-Gesellschaft mbH, Frankfurt	7.7	100	3.1
	Deutsche Bauernsiedlung - Deutsche Gesellschaft für Landentwicklung (DGL) GmbH, Frankfurt	8.7	25.1	0.0
	LAND-DATA Beteiligungs GmbH, Hanover	0.8	10.9	0.1
	LAND-DATA GmbH, Hanover	1.0	10.9	0.2
	Landgesellschaft Mecklenburg-Vorpommern mbH, Leezen	10.2	9.8	0.0
	Niedersächsische Landgesellschaft mbH, Hanover	0.8	6.3	0.0
	Landgesellschaft Sachsen-Anhalt mbH, Magdeburg	9.2	5.6	0.5
	Landgesellschaft Schleswig-Holstein mbH, Kiel	27.5	3.2	3.5

15.1 Carrying amounts for equity holdings

Equity holdings are recognized at cost as these items relate to unlisted companies and hence a reliable estimate of their fair value is not possible.

The IFRS carrying amount of the unlisted companies as of December 31, 2015 amounted to EUR 119 million (2014: EUR 119 million).

15.2 Realized and unrealized gains/losses from equity holdings

No impairment losses were identified within the framework of the impairment test in accordance with IAS 39 conducted as of December 31, 2015 as there was no objective evidence of impairment. In the year under review, there were no realized gains or losses from disposals and liquidation as well as no latent revaluation gains or losses.

16. Exposure to interest rate risk on positions not included in the trading book (Part Eight Article 448 CRR)

To monitor interest rate risks, the Group determines daily the present value sensitivity of all transactions that are subject to interest rate risks and are carried out in the Promotional Business and Treasury Management segments. At the group level, all interest-sensitive positions are analyzed quarterly using a model based on present values.

The interest rate risks from open positions may not exceed the risk limits determined by resolution of the Board of Managing Directors. Compliance with the limits is monitored daily and reported to the Board of Managing Directors. The utilization of the risk limits is measured on the basis of sensitivities. The present value sensitivity largely corresponds to the effects on income in the maturity band of up to one year.

Rentenbank discloses information on interest rate risks in the banking book pursuant to Section 25 (2) KWG and Section 6 (3) of the German Regulation on Financial Information and Information on Risk-Bearing Capacity (Annex 13 to Finanz- und Risikotragfähigkeitsinformationenverordnung – FinaRisikoV). Rentenbank applies the group waiver rule pursuant to Article 7 (3) CRR. The Group conducts a quarterly analysis based on the requirements set out in the BaFin Circular 11/2011 and examines the effects of changes in market rates of interest as of a specific date. The relevant exposures are allocated to maturity bands, separately for assets and liabilities, and a net position is determined for each maturity band. The respective net positions are multiplied using weighting factors determined by the German Federal Financial Supervisory Authority (BaFin) for each maturity band. Subsequently, the net positions are summed to give a weighted total net position. The result represents the estimated change in the present value.

The present value is calculated on the basis of scenario analyses without taking into account equity components. Early repayments of loans are taken into account for the period up to contractual maturity. No further assumptions are made as to early repayment of loans. Non-maturity customer deposits are not of material significance to Rentenbank and are therefore not taken into account. The calculation of the present value does not take into account items that are not subject to interest rate risks, such as valuation allowances, equity holdings, non-current assets held for sale, investment property, property and equipment, intangible assets, current income tax assets, other assets, provisions, and other liabilities.

Sudden and unexpected interest rate changes were simulated using a parallel shift of
+(-)200 bps. As of the reporting date, the risk exposure in the case of rising interest rates amounted to EUR 417.0 million (2014: EUR 415.1 million). The ratio based on regulatory own funds amounted to 11.4% (2014: 12.0%). At no point during 2015 or 2014 did the ratio exceed 20%.

We did not provide a breakdown of the results by currency from the abovementioned interest rate risks in the banking book as the Group generally does not enter into open currency positions. Open currency positions result, to a very limited extent, from fractional amounts during settlement. Exchange rate risks from foreign currency loans or issues of securities denominated in foreign currencies are hedged through currency derivatives or offsetting transactions recognized in the balance sheet. No material risk was identified for any currency.

17. Exposure to securitization positions (Part Eight Article 449 CRR)

Not relevant

18. Remuneration policy (Part Eight Article 450 CRR)

Rentenbank is required to disclose its remuneration policy pursuant to Section 16 of the German Ordinance on the Supervisory Requirements for Institutions' Remuneration Systems (Instituts-Vergütungsverordnung – InstitutsVergV) in conjunction with Article 450 CRR. In the following, Rentenbank complies with this disclosure obligation for the year 2015, taking into consideration the institution-specific factors recognized by the German Federal Financial Supervisory Authority that are applicable to Rentenbank in proportion to its size, internal organization, and the nature, scale and complexity of its activities. Accordingly, the following disclosures on remuneration systems, inter alia, do not distinguish between employees whose tasks significantly impact the risk profile and other exempt employees.

18.1 Remuneration principles

The low-risk nature of the transactions entered into by Rentenbank, its public law status as well as its competitive neutrality are also reflected in Rentenbank's remuneration system. It provides no incentives to take risks. The focus lies on Rentenbank's promotional mandate. The remuneration system for the members of the Board of Managing Directors as well as exempt employees of Rentenbank is based on the relevant provisions of labor law and the regulatory framework.

The supervisory body, the Board of Supervisory Directors, consists of 18 members (see Appendix 1) and meets at least twice a year. The Administrative Committee was established to support the Board of Supervisory Directors. The Committee's tasks primarily include monitoring the appropriate structure of remuneration systems for the members of the Board of Managing Directors and the employees as well as the preparation of resolutions of the Board of Supervisory Directors as regards the remuneration for members of the Board of Managing Directors.

The remuneration paid to the members of Rentenbank's Board of Managing Directors is usually decided upon at the spring meeting of the Board of Supervisory Directors and reviewed annually. The remuneration of the Board of Managing Directors reflects the provisions set out in Rentenbank's statutes and the requirements of the German Public Corporate Governance Code.

The remuneration system for the exempt employees of Rentenbank is reviewed annually by the Board of Managing Directors for its appropriateness. The amount of remuneration is also reviewed, and adjusted if necessary, within the framework of annual pay rounds. The increase in the total remuneration volume is limited, taking into account the economic situation, the sustainable financial performance of Rentenbank and the expected salary adjustments. The Board of Supervisory Directors is informed of the structure of the remuneration systems for employees and of the annual pay round by the Board of Managing Directors and the Remuneration Officer at least annually (usually at its spring meeting).

18.2 Remuneration of the Board of Managing Directors

The remuneration of the members of the Board of Managing Directors is defined in the respective employment contracts. It consists of a fixed basic annual salary, a variable component as well as of fringe and pension benefits which have no incentive effect.

The amount of the basic annual salary is determined by the roles and responsibilities of the individual member of the Board of Managing Directors. The amount of the variable remuneration is determined by the Board of Supervisory Directors at its spring meeting and granted as a one-off payment at the next payment date (usually in April). In this context, the Board of Supervisory Directors utilizes various individual and overall bank criteria that are translated using the following qualitative and quantitative criteria:

- Internal operating result,
- Development of promotional performance,
- Cost-income ratio,
- Equity as reported on the balance sheet,
- Portfolio of special promotional loans,
- Maintaining Rentenbank’s high-quality risk profile,
- Strengthening Rentenbank's position in relevant markets,
- Constructive and trust-based cooperation with the Board of Supervisory Directors and its committees and the supervisory authorities,
- Long-term and continuous human resources development.

There is no direct link between the amount of the variable remuneration and one or more of these criteria. The variable remuneration component for all members of the Board of Managing Directors amounts to not more than one third of the respective total remuneration.

Fixed remuneration in fiscal year 2015 and variable remuneration retrospectively for the fiscal year 2014 of the members of the Board of Managing Directors (excluding other remuneration):

Board member	Total fixed remuneration in EUR	Total variable remuneration* in EUR
Dr. Horst Reinhardt (Speaker)	530,000	235,000
Hans Bernhardt	530,000	235,000
Imke Ettori	400,000	100,000

* for the fiscal year 2014

18.3 Remuneration of exempt employees

The remuneration paid to exempt employees consists of a fixed annual salary, a variable component as well as of fringe and pension benefits which have no incentive effect.

The individual amount of fixed salary for exempt employees is determined by, inter alia, roles and responsibilities of the employee concerned, his/her qualification and seniority as well as the remuneration structure of the respective organizational unit of Rentenbank.

The criteria used for measuring the variable remuneration component are individual performance, the performance of the respective organizational unit, the economic situation and the sustained success of Rentenbank. In general, the same aspects are applied as those used for determining the variable remuneration of the Board of Managing Directors. There is no direct link between the amount of the variable remuneration and individual quantitative performance contributions.

Rentenbank has imposed an upper limit of EUR 40,000 for variable remuneration. This limit ensures that the employees do not significantly depend on the portion of the variable remuneration. At the same time, effective incentives are in place to promote the overall banking strategy.

A guaranteed variable remuneration is agreed upon only in individual cases when new employment relationships are established and for a period not exceeding one year. The variable remuneration, if granted, is fully paid on an annual basis, i.e. after the approval of the financial statements by the Board of Supervisory Directors (usually in April).

Bonuses for new hires were not paid in 2015. Moreover, severance payments subject to disclosure requirements were not paid.

As of December 31, 2015, 131 of the 269 employees of Rentenbank (excluding members of the Board of Managing Directors, employees in an inactive work relationship, trainees and interns) were exempt employees and therefore received a variable remuneration. The breakdown of fixed and variable remuneration (excluding other remuneration) by business area is set out in the following table:

Organizational units	Total number of employees	Total fixed remuneration (EUR million)	Employees with variable remunera-tion	Total variable remunera-tion (EUR million)
Treasury Promotional Business Financial Institutions Collateral & Equity Holdings	74	5.7	32	0.46
Staff departments and services	195	13.0	99	0.90

19. Leverage (Part Eight Article 451 CRR)

The leverage ratio as of December 31, 2015 was as follows:

Measurement basis for	December 31, 2015 in EUR million	November 30, 2015 in EUR million	October 31, 2015 in EUR million
- Secured overnight and term deposits	1,502	1,802	1,802
- Derivatives	4,801	5,972	4,703
- Irrevocable loan commitments	868	1,503	1,888
- Other assets	81,862	85,914	85,709
- Regulatory adjustments	- 685	- 680	- 680
Total	88,348	94,511	93,422
Tier 1 capital	3,179	3,185	3,186
Leverage ratio	3.60	3.37	3.41
Leverage ratio (3-month average)	3.46		

Disclosure of leverage ratio:

The disclosure of the leverage ratio in accordance with EBA/ITS/2014/04/rev1, Annex 1 is presented in Appendix 4.

20. Credit risk mitigation techniques (Part Eight Article 453 CRR)

Rentenbank uses collateral and netting agreements to reduce credit risk. Netting agreements are used exclusively for derivatives (see Section 7.2). Rentenbank generally accepts all kinds of collateral commonly accepted by banks. The institutional liability, guarantor liability and separate cover funds, used for example with regard to Pfandbriefe (covered bonds), are also accepted as collateral. The Promotional Business, Financial Institutions, Operations and Collateral & Equity Holdings divisions are responsible for collateral management. All collateral provided to Rentenbank is reviewed annually for its intrinsic value per business partner, taking into account the type of collateral. The collateral is managed in Rentenbank's collateral system. The collateral received is monitored closely. If the collateral is insufficient, additional collateral is requested. The Group performs routine, non-event-driven reviews on the use of the special-purpose funds in the special promotional business. The reviews are conducted on a test basis, using the credit documentation of the local banks. Information on the recoverability of all collateral held is provided regularly in an annual collateral report or on an ad hoc basis upon the occurrence of extraordinary events.

From a regulatory perspective, only warranties, especially guarantees, as well as financial collateral from collateral agreements are used by Rentenbank to reduce the capital charge on the basis of the Financial Collateral Simple Method. Only European countries, the German federal government, the German federal states and local authorities are recognized as eligible guarantors. There are no credit risk concentrations within the credit risk mitigation taken.

Under the CRSA, the following collateral was used as of December 31, 2015:

Portfolio in EUR million	Financial collateral	Guarantees
Central governments	—	36
Regional governments and local authorities	—	49
Financial institutions	2,750	—
Total	**2,750**	**85**

21. Liquidity

Since October 2015, the minimum requirement for the liquidity coverage ratio (LCR) has been 60% in accordance with the delegated act on the liquidity coverage ratio dated October 10, 2014. The required ratio will increase annually until it reaches 100% in 2018. As of December 31, 2015, the Group held high-quality liquid assets of EUR 16,137 million, while its net cash outflows amounted to EUR 7,675 million. This resulted in a LCR of 210.26%.

Disclosure of liquidity coverage ratio:

The disclosure of the liquidity coverage ratio in accordance with the disclosure standards for the minimum liquidity ratio of the Basel Committee on Banking Supervision is presented in Appendix 4.

Appendix to the 2015 disclosure report

Appendix 1: Board of Supervisory Directors (as of March 31, 2016)

Board of Supervisory Directors

Chairman:

Joachim Rukwied
President of the German Farmers' Association (DBV), Berlin

Deputy Chairman:

Christian Schmidt,
Member of the German Bundestag,
Federal Minister of Food and Agriculture, Berlin

Representatives of the German Farmers' Association (DBV):

Udo Folgart
President of the Farmers' Association of Brandenburg, Teltow/Ruhlsdorf

Werner Hilse
President of the Farmers' Association of Lower Saxony, Hanover

Bernhard Krüsken
Secretary General of the German Farmers' Association, Berlin

Brigitte Scherb
President of the German Rural Women's Association, Berlin

Norbert Schindler,
Member of the German Bundestag,
Honorary President of the Farmers' and Winegrowers' Association of Southern Rhineland-Palatinate, Berlin
(until December 31, 2015)

Werner Schwarz
President of the Farmers' Association of Schleswig-Holstein, Rendsburg
(since January 1, 2016)

Representative of the German Raiffeisen Association:

Manfred Nüssel
President of the German Raiffeisen Association, Berlin

Representative of the Food Industry:

Konrad Weiterer
President of the Federal Association of German Agro-Traders, Berlin

State Ministers of Agriculture:

Bavaria:
Helmut Brunner,
Member of the Landtag,
Minister of Food, Agriculture and Forestry, Munich
(until December 31, 2015)

Bremen:
Prof. Matthias Stauch
State Council at the Senator of Justice and Constitution, Bremen
(until December 31, 2015)

Brandenburg:
Jörg Vogelsänger
Minister of Rural Development, Environment and Agriculture, Potsdam
(until December 31, 2015)

Thuringia:
Birgit Keller
Minister of Infrastructure and Agriculture, Erfurt
(since January 1, 2016)

Hamburg:
Dr. Rolf Bösinger
State Council for Economy, Transport and Innovation, Hamburg
(since January 1, 2016)

Baden-Württemberg:
Wolfgang Reimer
Director-General of the Ministry of Rural Affairs and Consumer Protection, Stuttgart
(since January 1, 2016)

Representative of the Trade Unions:

Harald Schaum
Deputy Federal Chairman of the Industrial Union Construction, Agriculture, Environment (IG BAU), Frankfurt am Main

Representative of the Federal Ministry of Food and Agriculture:

Dr. Robert Kloos
State Secretary, Berlin

Representatives of the Federal Ministry of Finance:

Dr. Klaus Stein
Head of Directorate, Berlin
(until November 30, 2015)

Dr. Marcus Pleyer
Head of Directorate, Berlin
(since December 21, 2015)

Representatives of banks or other lending experts:

Georg Fahrenschon
President of the German Savings Banks Association (DSGV), Berlin

Michael Reuther
Member of the Board of Managing Directors of Commerzbank AG, Frankfurt am Main

Dr. Caroline Toffel
Member of the Board of Managing Directors of Kieler Volksbank eG, Kiel

Appendix 2: Capital instruments

	Feature	**Instrument** 1	2	3	4	5	6	7
1	Issuer	Rentenbank	Rentenbank	Rentenbank	Rentenbank	Rentenbank	Rentenbank	Rentenbank
2	Unique identifier	XS0075146208	XS0080533598	XS0082993741	Loan agreement	XS0194344437	XS0195402192	Promissory note
3	Governing law of the instrument	English	English	English	Japanese	English	English	German
Regulatory treatment								
4	Transitional CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Not eligible	Not eligible	N/A	N/A	N/A	N/A	N/A
6	Eligible at solo/consolidated/solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated	Solo & consolidated
7	Instrument type	Subordinated bond	Subordinated bond	Subordinated bond	Subordinated loan	Subordinated bond	Subordinated bond	Subordinated loan
8	Amount recognized in regulatory capital (in EUR million)	38 EUR	38 EUR	8 EUR	21 EUR	100 EUR	100 EUR	6 EUR
9	Nominal amount of instrument (in million)	5,000 JPY	5,000 JPY	65 DEM/33 EUR	5,000 JPY	100 EUR	100 EUR	10 EUR
9a	Issue price (in million)	5,000 JPY	5,000 JPY	20 DEM/10 EUR	5,000 JPY	100 EUR	100 EUR	10 EUR
9b	Redemption price (in million)	5,000 JPY	5,000 JPY	65 DEM/33 EUR	5,000 JPY	100 EUR	100 EUR	10 EUR
10	Accounting classification	Liability – fair value option	Liability – fair value option	Liability – fair value option	Liability – fair value option	Liability – fair value option	Liability – fair value option	Liability – amortized cost
11	Original date of issuance	Mar. 27, 1997	Sept. 30, 1997	Dec. 22, 1997	Sept. 18, 2003	Aug. 18, 2004	Aug. 18, 2004	Jan. 22, 2004
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	Mar. 28, 2022	Sept. 30, 2022	Mar. 24, 2017	Sept. 18, 2018	Aug. 18, 2021	Aug. 18, 2021	Jan. 22, 2019
14	Issuer call subject to prior supervisory approval	No	No	No	No	No	No	No
15	Optional call date, contingent call dates and redemption amount	Call option upon the occurrence of a tax event (nominal amount)	Call option upon the occurrence of a tax event (nominal amount)	Call option upon the occurrence of a tax event (nominal amount)	Call option in case of cost increases (nominal amount)	Call option upon the occurrence of a tax event (nominal amount)	Call option upon the occurrence of a tax event (nominal amount)	N/A

	Feature	Instrument						
		1	2	3	4	5	6	7
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Coupons/dividends								
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Floating	Floating	Fixed
18	Coupon rate and any related index	5.78 % p.a.; option: payment in USD, AUD or EUR	5.005% p.a.; option: payment in USD, AUD or EUR	Zero coupon	1.16% p.a.	until Aug. 17, 2016 2.6% p.a.; until Aug. 17, 2011 Max(0%; EURCMS10–38bp), from Aug. 18, 2011 Min(7.00%; Max(0%; EURCMS10–25bp))	until Aug. 17, 2016 2.7% p.a.; until Aug. 17, 2011 Max(0%; EURCMS10–35bp), from Aug. 18, 2011 Min(7.00%; Max(0%; EURCMS10–22bp))	4.7% p.a.
19	Existence of a dividend stopper	No	No	No	No	No	No	No
20 a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
20 b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	Feature	Instrument 1	2	3	4	5	6	7
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	N/A	N/A	N/A	N/A	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Coupons/dividends								
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors
36	Non-compliant transitioned features	No	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A

	Feature	Instrument						
		8	9	10	11	12	13	14
1	Issuer	Rentenbank	Rentenbank	Rentenbank	Rentenbank	Rentenbank	Rentenbank	Rentenbank
2	Unique identifier	Promissory note	Promissory note	Promissory note	Promissory note	Promissory note	Loan agree-ment	XS0251101456
3	Governing law of the instrument	German	German	German	German	German	Japanese	English
Regulatory treatment								
4	Transitional CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
5	Post-transitional CRR rules	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	N/A	Not eligible
6	Eligible at solo/consolidated/solo & consolidated	Solo & consoli-dated	Solo & consoli-dated	Solo & consoli-dated	Solo & consoli-dated	Solo & consoli-dated	Solo & consoli-dated	Solo & consoli-dated
7	Instrument type	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated loan	Subordinated bond
8	Amount recognized in regulatory capital (in EUR million)	5 EUR	10 EUR	5 EUR	10 EUR	10 EUR	58 EUR	50 EUR
9	Nominal amount of instrument (in million)	5 EUR	10 EUR	5 EUR	10 EUR	10 EUR	10,000 JPY	25,000 JPY
9a	Issue price (in million)	5 EUR	10 EUR	5 EUR	10 EUR	10 EUR	10,000 JPY	25,000 JPY
9b	Redemption price (in million)	5 EUR	10 EUR	5 EUR	10 EUR	10 EUR	10,000 JPY	25,000 JPY
10	Accounting classification	Liability – amortized cost	Liability – amortized cost	Liability – amortized cost	Liability – amortized cost	Liability – amortized cost	Liability – fair value op-tion	Liability – fair value op-tion
11	Original date of issuance	Jan. 22, 2004	Jan. 22, 2004	Jan. 22, 2004	Feb. 9, 2004	Feb. 9, 2004	Oct. 28, 2004	Apr. 21, 2006
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	Jan. 22, 2024	Jan. 22, 2024	Jan. 22, 2024	Feb. 9, 2024	Feb. 9, 2024	Oct. 28, 2019	Apr. 21, 2036
14	Issuer call subject to prior su-pervisory approval	No	No	No	No	No	No	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A	Call option in case of cost increases (nominal amount)	Apr. 21, 2017 redemption at nominal amount

16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A	Apr. 21, 2027 redemption at nominal amount
Coupons/dividends								
17	Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed	Fixed
18	Coupon rate and any related index	5% p.a.	5% p.a.	5% p.a.	5% p.a.	5% p.a.	2% p.a.	2.8% p.a.
19	Existence of a dividend stopper	No	No	No	No	No	No	No
20 a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
20 b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A	N/A

30	Write-down features	N/A	N/A	N/A	N/A	N/A	N/A	N/A
31	If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
32	If write-down, full or partial	N/A	N/A	N/A	N/A	N/A	N/A	N/A
33	If write-down, permanent or temporary	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Coupons/dividends								
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35	Position in subordination hierarchy in liquidation	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors	Subordinated to the claims of insolvency creditors
36	Non-compliant transitioned features	No	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Appendix 3: Own funds

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
1	Capital instruments and the related share premium accounts	135,000,000.00	26 (1), 27, 28, 29, EBA list 26 (3)	
	of which: capital stock	135,000,000.00	EBA list 26 (3)	
2	Retained earnings	3,044,596,194.15	26 (1) (c)	
3	Accumulated other comprehensive income (and other reserves, to include unrealized gains and losses under the applicable accounting standards)	112,463,197.78	26 (1)	
3a	Funds for general banking risks	N/A	26 (1) (f)	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	N/A	486 (2)	
	Public sector capital injections grandfathered until January 1, 2018	N/A	483 (2)	
5	Minority interests (amount allowed in consolidated CET1)	N/A	84, 479, 480	
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	N/A	26 (2)	

	COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES	(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	3,292,059,391.93		
7	Additional value adjustments (negative amount)	-312,000,000.00	34, 105	
8	Intangible assets (net of related tax liability) (negative amount)	-17,832,020.63	36 (1) (b), 37, 472 (4)	
9	Empty set in the EU	N/A		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	N/A	36 (1) (c), 38, 472 (5)	
11	Fair value reserves related to gains or losses on cash flow hedges	N/A	33 (a)	
12	Negative amounts resulting from the calculation of expected loss amounts	N/A	36 (1) (d), 40, 159, 472 (6)	
13	Any increase in equity that re-sults from securitized assets (negative amount)	N/A	32 (1)	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	284,255,578.11	33 (b), (c)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
15	Defined-benefit pension fund assets (negative amount)	N/A	36 (1) (e), 41, 472 (7)	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments as well as actual or contingent obligations to purchase own instruments (negative amount)***	N/A	36 (1) (f), 42, 472 (8)	
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	N/A	36 (1) (g), 44, 472 (9)	
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	N/A	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	N/A	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	
20	Empty set in the EU	N/A		
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	N/A	36 (1) (k)	
20b	of which: qualifying holdings outside the financial sector (negative amount)	N/A	36 (1) (k) (i), 89 to 91	
20c	of which: securitization positions (negative amount)	N/A	36 (1) (k) (11), 243 (1) (b), 244 (1) (b), 258	
20d	of which: free deliveries (negative amount)	N/A	36 (1) (k) (111), 379 (3)	
	of which: positions in a basket for which an institution cannot determine the risk weight under the IRB Approach and which qualify for a risk weight of 1,250%	N/A	36 (1) (k) (iv), 153 (8)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	of which: equity exposures under an internal model approach which qualify for a risk weight of 1,250%.	N/A	36 (1) (k) (v), 155 (4)	
21	Deferred tax assets that rely on future profitability, arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	N/A	36 (1) (c), 38, 48 (1), (a), 470, 472 (5)	
22	Amount exceeding the 17.65% threshold (negative amount)***	N/A	48 (1)	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	N/A	36 (1) (i), 48 (1) (b), 470, 472 (11)	
24	Empty set in the EU	N/A		
25	of which: deferred tax assets that rely on future profitability, arising from temporary differences	N/A	36 (1) (c), 38, 48 (1), (a), 470, 472 (5)	
25a	Losses for the current financial year (negative amount)	N/A	36 (1) (a), 472 (3)	
25b	Foreseeable tax charges relating to CET1 items (negative amount)	N/A	36 (1) (I)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	N/A		
26a	Regulatory adjustments relating to unrealized gains and losses pursuant to Articles 467 and 468	N/A		
	of which:... filter for unrealized loss 1	N/A	467	
	of which:... filter for unrealized loss 2	N/A	467	
	of which:... filter for unrealized gain 1	N/A	468	
	of which:... filter for unrealized gain 2	N/A	468	
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR***	N/A	469, 470, 472, 481***	
	Losses for the current financial year	N/A	472 (3)	
	Intangible assets	N/A	472 (4)	
	Deferred tax assets that rely on future profitability, arising from temporary differences	N/A	472 (5)	
	Negative amount of provisions for expected loss amounts calcu-lated under the IRB approach	N/A	472 (6)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	Defined-benefit pension fund assets	N/A	472 (7)	
	Direct holdings in CET 1 instruments	N/A	472 (8) (a)	
	Indirect holdings in CET 1 instruments	N/A	472 (8) (b)	
	Synthetic holdings in CET 1 instruments	N/A	472 (8) (b)	
	Reciprocal cross holdings in CET1 instruments of a financial sector entity where the institution does not have a significant investment	N/A	472 (9) (a)	
	Reciprocal cross holdings in CET1 instruments of a financial sector entity where the institution has a significant investment	N/A	472 (9) (b)	
	CET1 instruments of a financial sector entity where the institution does not have a significant investment	N/A	472 (10)	
	CET1 instruments of a financial sector entity where the institution has a significant investment	N/A	472 (11)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	Deferred tax assets that are dependent on future profitability and arise from temporary differences as well as CET1 instruments of a financial sector entity where the institution has a significant investment	N/A	470	
	Exemption from deduction of equity holdings in insurance companies	N/A	471	
	Additional filters and deductions	N/A	481	
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	N/A	36 (1) (j)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-113,054,361.19		
29	**Common Equity Tier 1 (CET1) capital**	3,179,005,030.74		
30	Capital instruments and the related share premium accounts	N/A	51, 52	
31	of which: classified as equity under applicable accounting standards	N/A		
32	of which: classified as liabilities under applicable accounting standards	N/A		

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	N/A	486 (3)	
	Public sector capital injections grandfathered until January 1, 2018	N/A	483 (3)	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	N/A	85, 86, 480	
35	of which: instruments issued by subsidiaries subject to phase out	N/A	486 (3)	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	N/A		
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments as well as actual or contingent obligations to purchase own instruments (negative amount)***	N/A	52 (1) (b), 56 (a), 57, 475 (2)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	N/A	56 (b), 58, 475 (3)	
39	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	N/A	56 (c), 59, 60, 79, 475 (4)	
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (negative amount)	N/A	56 (d), 59, 79, 475 (4)	
41	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	N/A		

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013	N/A	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	
	Of which items to be detailed line by line, e.g. material net interim losses, intangible assets, shortfall of provisions to expected losses etc	N/A		
	Material losses for the current financial year	N/A	472 (3)	
	Intangible assets	N/A	472 (4)	
	Negative amount of provisions for expected loss amounts calculated under the IRB approach	N/A	472 (6)	
	Direct holdings in CET 1 instruments	N/A	472 (8) (a)	
	Reciprocal cross holdings in CET1 instruments of a financial sector entity where the institution does not have a significant investment - held directly	N/A	472 (9) (a)	
	Reciprocal cross holdings in CET1 instruments of a financial sector entity where the institution has a significant investment - held directly	N/A	472 (9) (b)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	CET1 instruments of a financial sector entity where the institution does not have a significant investment - held directly	N/A	472 (10) (a)	
	CET1 instruments of a financial sector entity where the institution has a significant investment - held directly	N/A	472 (11) (a)	
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013	N/A	477, 477 (3), 477 (4) (a)	
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.	N/A		
	Reciprocal cross holdings in Tier 2 instruments of a financial sector entity where the institution does not have a significant investment - held directly	N/A	477 (3) (a)	
	Reciprocal cross holdings in Tier 2 instruments of a financial sector entity where the institution has a significant investment - held directly	N/A	477 (3) (b)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	Tier 2 instruments of a financial sector entity where the institution does not have a significant investment - held directly	N/A	477 (4) (a)	
	Tier 2 instruments of a financial sector entity where the institution has a significant investment - held directly	N/A	477 (4) (a)	
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre CRR***	N/A	467, 468, 481	
	of which: ... possible filters for unrealized losses	N/A	467	
	of which: ... possible filters for unrealized gains	N/A	468	
	Direct holdings in AT 1 instruments	N/A	475 (2) (a)	
	Indirect holdings in AT 1 instruments	N/A	475 (2) (b)	
	Synthetic holdings in AT 1 instruments	N/A	475 (2) (b)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	Reciprocal cross holdings in AT1 instruments of a financial sector entity where the institution does not have a significant investment	N/A	475 (3)	
	AT1 instruments of a financial sector entity where the institution does not have a significant investment	N/A	475 (4)	
	AT1 instruments of a financial sector entity where the institution has a significant investment	N/A	475 (4)	
	Additional filters and deductions	N/A	481	
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	N/A	56 (e)	
	Amount of items required to be deducted from Additional Tier 1 items that exceed the Additional Tier 1 capital (deduction from Common Equity Tier 1)	N/A	36 (1) (j)	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	N/A		
44	**Additional Tier 1 (AT1) capital**	N/A		
45	**Tier 1 capital (T1 = CET1 + AT1)**	3,179,005,030.74		

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
46	Capital instruments and the related share premium accounts	46,122,672.51	62, 63	
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	413,387,450.04	486 (4)	
	Public sector capital injections grandfathered until January 1, 2018	N/A	483 (4)	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	N/A	87, 88, 480	
49	of which: instruments issued by subsidiaries subject to phase out	N/A	486 (4)	
50	Credit risk adjustments	16,331,882.70	62 (c) and (d)	
51	**Tier 2 (T2) capital before regulatory adjustments**	475,842,005.25		
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments (negative amount) as well as actual or contingent obligations to purchase own instruments***	N/A	63 (b) (i), 66 (a), 67, 477 (2)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	N/A	66 (b), 68, 477 (3)	
54	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	N/A	66 (c), 69, 70, 79, 477 (4)	
54a	of which: new holdings not subject to transitional arrangements	N/A		
54b	of which: holdings existing before January 1, 2013 and subject to transitional arrangements	N/A		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	N/A	66 (d), 69, 79, 477 (4)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	N/A		
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	413,387,450.04	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	
	Of which items to be detailed line by line, e.g. material net interim losses, intangible assets, shortfall of provisions to expected losses etc.	N/A		
	Negative amount of provisions for expected loss amounts calculated under the IRB approach	N/A	472 (6)	
	Reciprocal cross holdings in CET1 instruments of a financial sector entity where the institution does not have a significant investment	N/A	472 (9) (a)	
	Reciprocal cross holdings in CET1 instruments of a financial sector entity where the institution has a significant investment	N/A	472 (9) (b)	

	COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES	(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	CET1 instruments of a financial sector entity where the institution does not have a significant investment - held directly	N/A	472 (10) (a)	
	CET1 instruments of a financial sector entity where the institution has a significant investment - held directly	N/A	472 (11) (a)	
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013	N/A	475, 475 (2) (a), 475, (3), 475 (4) (a)	
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in Additional Tier 1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.	N/A		
	Reciprocal cross holdings in AT1 instruments of a financial sector entity where the institution does not have a significant investment	N/A	475 (3) (a)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	Reciprocal cross holdings in AT1 instruments of a financial sector entity where the institution has a significant investment	N/A	475 (3) (b)	
	AT1 instruments of a financial sector entity where the institution does not have a significant investment	N/A	475 (4)	
	AT1 instruments of a financial sector entity where the institution has a significant investment	N/A	475 (4)	
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR***	N/A	467, 468, 481	
	of which: ... possible filters for unrealized losses	N/A	467	
	of which: ... possible filters for unrealized gains	N/A	468	
	Direct holdings in T2 instruments	N/A	477 (2) (a)	
	Indirect holdings in T2 instruments	N/A	477 (2) (b)	
	Synthetic holdings in T2 instruments	N/A	477 (2) (b)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	Reciprocal cross holdings in T2 instruments of a financial sector entity where the institution does not have a significant investment	N/A	477 (3) (a)	
	Reciprocal cross holdings in T2 instruments of a financial sector entity where the institution has a significant investment	N/A	477 (3) (b)	
	T2 instruments of a financial sector entity where the institution does not have a significant investment	N/A	477 (4)	
	T2 instruments of a financial sector entity where the institution has a significant investment	N/A	477 (4)	
	Additional filters and deductions	N/A	481	
	Amount of items required to be deducted from Tier 2 items that exceed the Tier 2 capital (deduction from Additional Tier 1)	N/A		
57	**Total regulatory adjustments to Tier 2 (T2) capital**	N/A		
58	**Tier 2 (T2) capital**	46,122,672.51		
59	**Total capital (TC = T1 + T2)**	3,654,847,035.99		

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COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	N/A		
	of which: …items not deducted from CET1 (Regulation (EU) No 575/2013, residual amounts) (items to be detailed line by line, e.g. deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)	N/A	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	
	Deferred tax assets that rely on future profitability, arising from temporary differences	N/A	472 (5)	
	Indirect holdings in CET 1 instruments	N/A	472 (8) (b)	
	Synthetic holdings in CET 1 instruments	N/A	472 (8) (b)	
	Reciprocal cross holdings in CET1 instruments of a financial sector entity where the institution does not have a significant investment - held indirectly	N/A	472 (9) (a)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	Reciprocal cross holdings in CET1 instruments of a financial sector entity where the institution has a significant investment - held indirectly	N/A	472 (9) (b)	
	CET1 instruments of a financial sector entity where the institution does not have a significant investment - held indirectly	N/A	472 (10) (b)	
	Deferred tax assets that are dependent on future profitability and arise from temporary differences as well as CET1 instruments of a financial sector entity where the institution has a significant investment	N/A	470	
	CET1 instruments of a financial sector entity where the institution has a significant investment - held indirectly	N/A	472 (11) (b)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	of which: …items not deducted from AT1 items (Regulation (EU) No 575/2013, residual amounts) (items to be detailed line by line, e.g. reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)	N/A	475, 475 (2) (b), 475 (2) (c), 475 (4) (b)	
	Indirect holdings in AT 1 instruments	N/A	475 (2) (b)	
	Synthetic holdings in AT 1 instruments	N/A	475 (2) (b)	
	Reciprocal cross holdings in T2 instruments of a financial sector entity where the institution does not have a significant investment - held indirectly	N/A	475 (3) (a)	
	Reciprocal cross holdings in T2 instruments of a financial sector entity where the institution has a significant investment - held indirectly	N/A	475 (3) (b)	
	T2 instruments of a financial sector entity where the institution does not have a significant investment - held indirectly	N/A	475 (4) (b)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	T2 instruments of a financial sector entity where the institution has a significant investment - held indirectly	N/A	475 (4) (b)	
	of which: …items not deducted from T2 items (Regulation (EU) No 575/2013, residual amounts) (items to be detailed line by line, e.g. indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)	N/A	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	
	Indirect holdings in T2 instruments	N/A	477 (2) (b)	
	Synthetic holdings in T2 instruments	N/A	477 (2) (b)	
	Reciprocal cross holdings in Tier 2 instruments of a financial sector entity where the institution does not have a significant investment - held indirectly	N/A	477 (3) (a)	
	Reciprocal cross holdings in Tier 2 instruments of a financial sector entity where the institution has a significant investment - held indirectly	N/A	477 (3) (a)	

	COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES	(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
	Tier 2 instruments of a financial sector entity where the institution does not have a significant investment - held indirectly	N/A	477 (4) (b)	
	Tier 2 instruments of a financial sector entity where the institution has a significant investment - held indirectly	N/A	477 (4) (b)	
60	**Total risk weighted assets**	15,751,140,331.53		
61	**Common Equity Tier 1 (as a percentage of total risk exposure amount)**	20.18	92 (2) (a), 465	
62	**Tier 1 (as a percentage of total risk exposure amount)**	20.18	92 (2) (b), 465	
63	**Total capital (as a percentage of total risk exposure amount)**	23.20	92 (2) (c)	
64	**Institution specific buffer requirement (CET1 requirement in accordance with Article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)**	N/A	CRD 128, 129, 130	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
65	**of which: capital conservation buffer requirement**	N/A		
66	**of which: countercyclical buffer requirement**	N/A		
67	**of which: systemic risk buffer requirement**	N/A		
67a	**of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer**	N/A	CRD 131	
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**	N/A	CRD 128	
69	**[non relevant in EU regulation]**	N/A		
70	**[non relevant in EU regulation]**	N/A		
71	**[non relevant in EU regulation]**	N/A		
72	Direct, indirect and synthetic holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)***	N/A	36 (1) (h), 45, 46, 472(10),56 (c), 59, 60, 475 (4),66 (c), 69, 70, 477 (4),	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
73	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)***	N/A	36 (1) (i), 45, 48, 470, 472 (11)	
74	Empty set in the EU	N/A		
75	Deferred tax assets that rely on future profitability, arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	N/A	36 (1) (c), 38, 48, 470, 472 (5)	
76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	16,331,882.70	62	
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	N/A	62	

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COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	N/A	62	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	N/A	62	
80	Current cap on CET1 instruments subject to phase out arrangements	N/A	484 (3), 486 (2) and (5)	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A	484 (3), 486 (2) and (5)	
82	Current cap on AT1 instruments subject to phase out arrangements	N/A	484 (4), 486 (3) and (5)	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A	484 (4), 486 (3) and (5)	
84	Current cap on T2 instruments subject to phase out arrangements	N/A	484 (5), 486 (4) and (5)	

COMMON EQUITY TIER 1 (CET1) CAPITAL: INSTRUMENTS AND RESERVES		(A) AMOUNT AT DISCLOSURE DATE* in EUR	(B) REGULATION (EU) NO 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) NO 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) NO 575/2013
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A	484 (5), 486 (4) and (5)	

* Data as of disclosure date are relevant (normally December 31)

Appendix 4: Leverage Ratio

	Summary reconciliation of accounting assets and leverage ratio exposures	Applicable amounts in EUR
1	Total assets as per published financial statements	81,862,387,357
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	N/A
3	(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429 (13) of Regulation (EU) No 575/2013 "CRR")	N/A
4	Adjustments for derivative financial instruments	4,800,710,166
5	Adjustments for securities financing transactions "SFTs"	1,501,503,467
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	867,808,652
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	N/A
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	N/A
7	Other adjustments	-683,155,653
8	**Total leverage ratio exposure**	88,349,253,989

	Leverage ratio common disclosure	CRR leverage ratio exposures
	On-balance sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	81,862,387,357
2	(Asset amounts deducted in determining Tier 1 capital)	683,155,653
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	81,179,231,704
	Derivative exposures	
4	Replacement cost associated with *all* derivatives transactions (ie net of eligible cash variation margin)	2,898,286,597
5	Add-on amounts for PFE associated with *all* derivatives transactions (mark-to-market method)	1,902,423,569
EU-5a	Exposure determined under Original Exposure Method	N/A
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	N/A
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	N/A
8	(Exempted CCP leg of client-cleared trade exposures)	N/A
9	Adjusted effective notional amount of written credit derivatives	N/A
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	N/A
11	**Total derivative exposures (sum of lines 4 to 10)**	4,800,710,166
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	1,501,503,467
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	N/A

14	Counterparty credit risk exposure for SFT assets	N/A
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	N/A
15	Agent transaction exposures	N/A
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	N/A
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	1,501,503,467
	Other off-balance sheet exposures	
17	Off-balance sheet exposures at gross notional amount	867,808,652
18	(Adjustments for conversion to credit equivalent amounts)	N/A
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	867,808,652
	Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)	
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	N/A
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	N/A
	Capital and total exposures	
20	**Tier 1 capital**	3,179,005,031
21	**Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	88,349,253,989
	Leverage ratio	
22	**Leverage ratio (%)**	3,60
	Choice on transitional arrangements and amount of derecognized fiduciary items	
EU-23	Choice on transitional arrangements for the definition of the capital measure	N/A
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	N/A

	Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	**CRR leverage ratio exposures**
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	81,862,387,357
EU-2	Trading book exposures	N/A
EU-3	Banking book exposures, of which:	81,862,387,357
EU-4	Covered bonds	12,261,022,684
EU-5	Exposures treated as sovereigns	1,131,171,766
EU-6	Exposures to regional governments, MDB, international organizations and PSE NOT treated as sovereigns	25,090,304,891
EU-7	Institutions	43,216,221,118
EU-8	Secured by mortgages of immovable properties	N/A
EU-9	Retail exposures	N/A
EU-10	Corporate	4,350,441
EU-11	Exposures in default	N/A
EU-12	Other exposures (eg equity, securitizations, and other non-credit obligation assets)	159,316,458

Appendix 5: Liquidity

LCR common disclosure template			
in EUR		TOTAL UNWEIGHTED* VALUE (average)	TOTAL WEIGHTED** VALUE (average)
HIGH-QUALITY LIQUID ASSETS			
1	Total high-quality liquid assets (HQLA)		16,137,086,236
CASH OUTFLOWS			
2	Retail deposits and deposits from small business customers, of which:	147,184,649	52,905,591
3	*Stable deposits*	29,841,346	5,968,269
4	*Less stable deposits*	117,343,304	46,937,321
5	Unsecured wholesale funding, of which:	5,978,469,446	5,978,469,446
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	N/A	N/A
7	*Non-operational deposits (all counterparties)*	5,978,469,446	5,978,469,446
8	*Unsecured debt*	N/A	N/A
9	Secured wholesale funding		
10	Additional requirements, of which:	2,467,889,492	2,554,539,550
11	*Outflows related to derivative exposures and other collateral requirements*	2,467,889,492	2,467,889,492
12	*Outflows related to loss of funding on debt products*	N/A	N/A
13	*Credit and liquidity facilities*	866,500,580	86,650,058
14	Other contractual funding obligations		
15	Other contingent funding obligations	1,308,072	1,308,072
16	**TOTAL CASH OUTFLOWS**		8,587,222,659

CASH INFLOWS			
17	Secured lending (eg reverse repos)		
18	Inflows from fully performing exposures	912,530,268	912,487,304
19	Other cash inflows		
20	**TOTAL CASH INFLOWS**		912,487,304

			TOTAL ADJUSTED*** VALUE
21	**TOTAL HQLA**		16,137,086,236
22	**TOTAL NET CASH FLOWS**		7,674,735,355
23	**LIQUIDITY COVERAGE RATIO (%)**		210.26

* Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).

** Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

*** Adjusted values must be calculated after the application of both (i) haircuts and inflow and outflow rates *and* (ii) any applicable caps (ie cap on Level 2B and Level 2 assets for HQLA and cap on inflows).

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