LfA Förderbank Bayern
Rating Report

SCOPE **AAA** STABLE OUTLOOK

Credit strengths

- Explicit guarantee from the Free State of Bavaria
- Supportive legal framework
- High strategic importance to the Free State of Bavaria
- Sound asset quality and capitalisation
- Strong liquidity and funding profile

Credit weaknesses

- Modest profitability
- Limited loan portfolio diversification

Rating rationale and Outlook: The AAA rating of LfA Förderbank Bayern (LfA) reflects: i) the explicit, unconditional, unlimited, statutory, direct and irrevocable guarantee of the Free State of Bavaria (AAA/Stable) for LfA's obligations; ii) a mature and very supportive legal set-up, which makes changes to LfA's business model or guarantee structure unlikely; iii) the bank's high strategic importance to the federal state as a key government-related entity (GRE) implementing economic and social policies; iv) high capitalisation and asset quality; and v) a strong liquidity and funding profile with strong capital market access. LfA's modest but stable profitability and limited loan portfolio diversification, both foreseen by the bank's public policy mandate, are challenges. The Stable Outlook reflects our assessment that the risks LfA faces are balanced.

Figure 1: Scope's approach to rating LfA Förderbank Bayern

1. Level of integration with Free State of Bavaria

Integral / Strong
▼
Top-down approach

2. Top-down approach

Baseline

Free State of Bavaria's rating (AAA/Stable)

−

Adjustment factors

Criteria for rating equalisation?		
Yes	No	

Control and regular government support		
High	**Medium**	Low

Likelihood / willingness of exceptional support		
High	Medium	Low

+ −

3. Supplementary / Stand-alone analysis

Positive adjustment	**No adjustment**	Negative adjustment

N.B. The orange colouring indicates the outcome of the analysis.

Source: Scope Ratings GmbH

Positive rating-change drivers

- Not applicable

Negative rating-change drivers

- Downgrade of the Free State of Bavaria
- Changes to guarantee framework, leading to weaker government support

Ratings & Outlook

Local and foreign currency

Long-term issuer rating	AAA/Stable
Senior unsecured debt	AAA/Stable
Short-term issuer rating	S-1+/Stable

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Related ratings

Scope affirms the Free State of Bavaria at AAA with Stable Outlook

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Bloomberg: RESP SCOP

Level of integration with government

Strong integration with Bavaria's economic development activities

LfA is a promotional bank, wholly owned by the Free State of Bavaria (AAA/Stable), with total assets amounting to EUR 23.1bn at end-2020. It operates out of its headquarters in Munich and two offices in Bavaria with a staff of 365, or 311 full-time equivalents.

LfA is an institution under public law and delivers essential, competition-neutral services, making it a GRE as defined[1] by our GRE methodology. Its key area of promotion is the regional economy, to which it provides a wide range of funding instruments including promotional loans, equity participations and municipal infrastructure financing. Further details on LfA's business and financial profile are provided in the section on LfA's **stand-alone fundamentals**.

Top-down approach for rating analysis

We have used a 'top-down' approach to assign LfA's ratings, with the Free State of Bavaria's AAA rating as the starting point. This is driven by our assessment of LfA's 'strong' integration with the Free State of Bavaria (see **Qualitative Scorecard 1** in **Appendix I**), given the following considerations:

- LfA's public legal status as an 'Anstalt des öffentlichen Rechts' (public law institution) legally exempts it from insolvency procedures and German income tax, in line with most other German federal state development banks. Any changes to the bank's legal form are only permissible via a legal act of the Free State of Bavaria. We deem this scenario to be unlikely.
- LfA's operating activities are performed on behalf of the Free State of Bavaria with the purpose of providing key services in the public interest to support regional economic and social objectives.
- The Free State of Bavaria is LfA's sole owner.

Explicit government support

Equalisation with Bavaria's ratings given explicit guarantee

LfA's rating is fully aligned with that of the Free State of Bavaria (AAA/Stable) as the bank benefits from an explicit, unconditional, unlimited, statutory, direct and irrevocable guarantee from the federal state for obligations in respect of money borrowed, bonds issued and derivative transactions entered into by the bank (see **Appendix II** for a summary of the guarantor). As the guarantee is laid down in public law, it can only be amended, revoked or restricted through a parliamentary act of Bavaria. We deem this scenario to be unlikely.

Extensive guarantee framework provided by the federal state

As is the case with other German regional development banks, LfA benefits from two additional ownership liability support mechanisms:

- an 'Anstaltslast' (institutional liability), which enables the bank to assert a claim against Bavaria, upon which the federal state must settle any financial shortfall on an unlimited and timely basis, thus providing LfA with the necessary resources to carry out required functions (i.e. creditors have no right to claim against the federal state); and
- a 'Gewährträgerhaftung' (guarantor liability), which comprises the guarantor's unlimited legal liability to step in for LfA's liabilities in case of the bank's liquidation. This is only relevant in certain unlikely circumstances, given that LfA is exempt from insolvency procedures as it is chartered under public law.

[1] Under our GRE rating methodology, a GRE is defined as an issuer that meets both of the following conditions: i) it is directly or indirectly majority owned; and ii) its activities fulfil a public-sector mandate by implementing government policies or delivering essential public services.

Government control and regular government support

Strong oversight, with specific laws governing LfA

Under our 'top-down' approach, we assess the level of government control and regular support for LfA as 'medium' (see **Qualitative Scorecard 2** in **Appendix I**). This is based on:

- Bavaria's 'high' ability to exert control over LfA's activities as their scope and content are defined and regulated by law[2] (the LfA law).
- The 'limited' regular financial support for LfA despite our expectation that timely financial support would be given prior to any potential call on the guarantees for LfA. Our evaluation reflects LfA's low but sufficiently high profits and excellent access to capital markets, which enable it to fulfill its promotional duties without recourse to federal state contributions.

Government exercises operational and financial control, guided by LfA's statutes

Bavaria's control over LfA enables the federal state to: i) alter LfA's strategy or mandate, which is defined and regulated by public law; ii) appoint and dismiss key personnel, including members of governing bodies; and iii) intervene in decisions, including the distribution of profits. LfA must preserve its capital through profit retention to comply with its statutes and fulfil its role as a competition-neutral public law institution. According to LfA's statutes, at least 25% of the bank's net profit must be allocated to a legal reserve. The remainder is allocated to other reserves, subject to the approval of Bavaria's Ministry of Finance.

LfA is a self-supporting GRE

LfA finances its investment programme via capital markets and credit facilities from other development banks. There is no track record of direct financial support for LfA. We do not consider financial support to be needed. This is further supported by the guarantee framework, which allows LfA to operate without regular financial support from the Free State of Bavaria.

Likelihood of exceptional support

Very high likelihood of government support

The extensive three-fold guarantee framework provided by Bavaria almost certainly ensures that it would provide timely financial support to LfA if needed.

High strategic importance, highlighted by Covid-19 role

LfA's 'high' strategic importance is reflected in its central role in supporting key regional economic objectives by primarily financing medium-sized commercial companies, freelancers, start-ups and municipalities in Bavaria to promote the business location in the region. LfA's crucial strategic position has been highlighted during the Covid-19 crisis. In 2020 the bank adjusted loan products and originated Covid-related products, supported by Bavaria through a guarantee programme, for affected businesses.

Risks to LfA's position as one of two of the free state's development banks and its provision of competition-neutral activities, which are underpinned by a stable and supportive legal framework, are remote. This is because a change to LfA's public status would fundamentally undermine its access to low-cost funding and, in turn, its clearly defined public mission. Against this regulatory backdrop, we do not expect changes in LfA's ownership status, business model, policy role or guarantee structure that would be subject to amendments in the respective laws.

Stand-alone fundamentals

Business profile determined by public policy mandate

LfA is a credit institution subject to the provisions of the German Banking Act and financial prudential regulation and supervision under the Federal Financial Supervisory Authority (BaFin) and the German Bundesbank. Its public policy mandate and non-profit status are reflected in its modest profitability and earning structure, which is mostly driven by net interest income. The extensive guarantee framework supports the bank's capital

[2] LfA law (a specific law governing LfA).

market access and favourable refinancing conditions. Other strengths are high capitalisation, prudent risk management and strong asset quality supported by double-recourse loan protection via the bank's on-lending practice[3].

Business model and earnings

LfA's business is focused on regional SMEs and start-ups

LfA's promotional banking activities focus on promoting small- and medium-sized enterprises (SMEs[4]) and start-ups as well as on developing the regional economy through infrastructure investments in Bavaria. Activities must have a so called 'Bavaria effect', i.e. directly or indirectly benefit businesses in Bavaria. In addition to development banking activities, the bank holds a conservatively managed treasury portfolio. Like other German development banks, LfA is not allowed to take retail customer deposits. It funds its activities on the capital markets and via facilities from the KfW (AAA/Stable).

Development activities across six main areas

LfA's development banking targets the following six promotional pillars: i) financing for start-ups; ii) financing growth-enhancing business investments; iii) technology; iv) energy and environmental impact; v) liquidity support; and vi) municipal infrastructure. The bank's activities take the form of on-lending via commercial banks for loans granted to SMEs and start-ups, direct lending to municipalities, guarantees and other risk mitigation products and equity participations, which are provided via its holding companies.

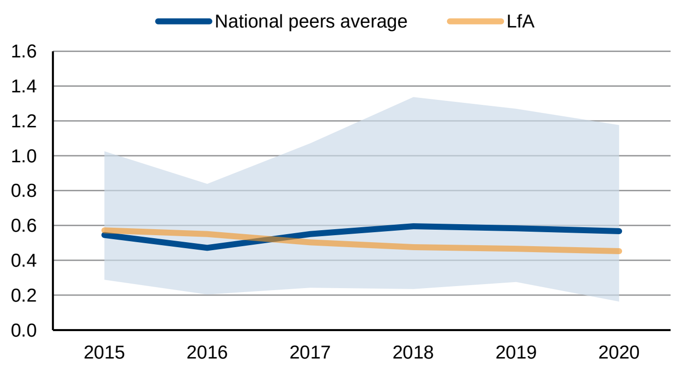
LfA's relies on net interest income, margins under pressure from low interest rates

LfA's earnings are stable but undiversified, a reflection of its mandate. Net interest income, the bank's primary source of revenue, was around EUR 99m in 2020, largely stable over the last three years. Net interest income relative to total assets over the past five years has been around 0.5%, in line with the national peer[5] average (**Figure 2**). The bank benefits from stable credit volumes, but net interest margins on loans are low.

Main lever for continued profitability is cost containment

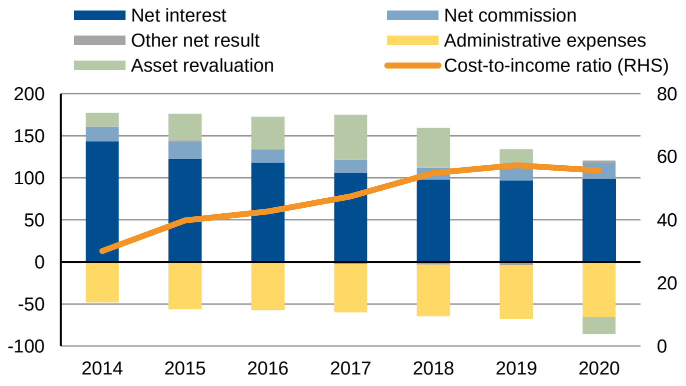
Net commission income totalled EUR 19m in 2020, which is predominantly compensation for the bank's guarantee programmes. Other net operating income amounted to EUR 3.1m. LfA's administrative expenses increased by 3% to EUR 65.5m in 2020 (**Figure 3**). The bank's cost-to-income ratio, a key management target, was roughly stable at 55.7%, which compares favourably with national peers. Net income in 2020 was affected by Covid-19, including via a EUR 10.4m general risk provision. Net income declined to EUR 25m, from EUR 36m in 2019 and EUR 45m in 2018.

Figure 2: Net interest income/average assets
%



N.B. The light blue area shows the range for national peers.
Source: SNL Financial, Scope Ratings GmbH

Figure 3: Operating result breakdown
EUR m (LHS); % (RHS)



Source: LfA, Scope Ratings GmbH

[3] In this lending practice common for German regional development banks, LfA benefits from both the direct claim against the ultimate borrower as well as the intermediary bank to whom it provided the initial loan.
[4] The bank definition of SMEs is in line with the European Commission's definition, i.e. companies with less than 250 employees with either annual turnover of EUR 50m or less or a total balance sheet size of EUR 43m or less.
[5] National peers refer to the 12 largest German regional development banks excluding LfA.

Disbursements increased significantly due to Covid-19

In 2020, the bank's overall banking activities increased markedly to EUR 4.3bn (EUR 3.4bn in loans and EUR 0.9bn of guarantee products), from EUR 2.6bn in 2019. The notable increase was mostly caused by LfA's disbursement of loans and granting of guarantees (counter-guaranteed by the Free State of Bavaria) designed to support businesses affected by the pandemic. The volume of traditional lending was broadly stable at around EUR 1.9bn in 2020. For 2021, we expect a similar volume of the bank's traditional products. Covid-19 related activities subsided substantially in the nine months to September 2021 to EUR 272m, down from EUR 689m in the same period last year.

LfA resilient to lingering pandemic effects

We expect the bank's performance to be resilient to the lingering effects of the crisis. The bank's portfolio traditionally benefits from double-recourse loan protection for its on-lending business. In addition, federal and state fiscal support in the form of grants to affected businesses and short-time work schemes, among others, have supported the broader economy in Bavaria and Germany during the Covid-19 shock.

Profitability and capitalisation

Modest profitability due to mandate and low interest rates

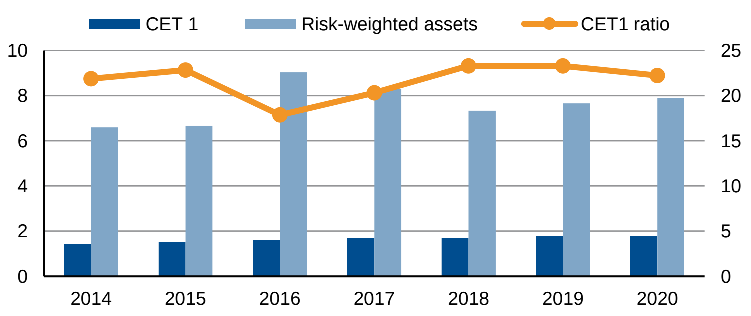
LfA's profitability is modest in line with is public policy mandate. Returns on average assets over the past five years have averaged around 0.18%, which still compares favourably to the national peer average of 0.09% over the same time period. Profitability is supported by excellent access to capital markets, which is underpinned by the explicit guarantee. We expect profitability to remain subdued in view of the low interest rate environment and stable lending volumes. In past years, net profits have been retained or distributed to the Free State of Bavaria, which then channelled the proceeds back to the bank, in line with provisions of article 18 of the LfA law, strengthening capitalisation.

Adequate and rising regulatory capitalisation

Earnings retention supports LfA's capitalisation, which is well above regulatory requirements. Its Common Equity Tier 1 (CET1) capital of EUR 1.8bn against risk-weighted assets of EUR 7.9bn results in a 22.3% CET1 capital ratio as of end-2020 (**Figure 4**). Between 2016 and 2020, risk-weighted assets decreased by 12%, while total assets increased by 5%, and the CET1 ratio increased from around 18% in 2016 to 22.3%, underpinned by conservative capital management. LfA's average risk weight is relatively high at 35% over the last three years. We expect capital buffers to rise moderately with LfA retaining profits going forward.

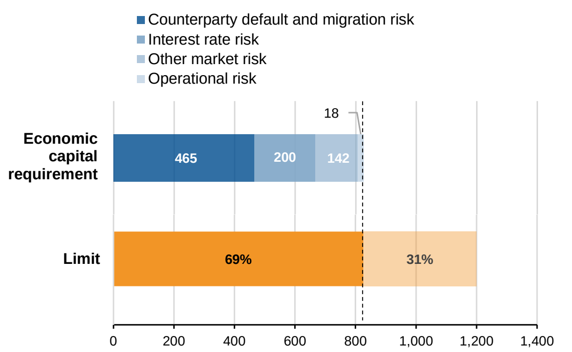
Finally, we expect the bank's leverage ratio of 6.9% in 2020 to increase significantly in 2021 due to changes in the Capital Requirements Regulation 2 in view of LfA's exposure to promotional loans.

Figure 4: CET1 development
EUR bn, % (Basel III fully phased-in, RHS)



Source: LfA, SNL Financial, Scope Ratings GmbH

Figure 5: LfA's risk-bearing capacity
EUR m, %



Source: LfA, Scope Ratings GmbH

Prudent risk management ensures capital adequacy…

LfA prudently manages its regulatory capital under both a normative and economic approach, strengthening its risk-bearing capacity. To this end, management defines the bank's total risk appetite by setting limits on value at risk per risk type, i.e. credit risk, interest rate risk, other market risks and operational risks.

… and significant capital buffers of internal capital

Under the economic capital requirement approach, the bank ensures that, in a stressed scenario, internal capital would be sufficient to meet risks stemming from activities (e.g. credit, market and operational risks) that may entail economic losses (value at risk). At end-2020, the bank identified EUR 826m of value at risk, comprised mostly of credit and interest rate risks. The bank's internal limit is EUR 1.2bn, of which 31.2% remains unused. This indicates a significant buffer of unused internal capital (**Figure 5**).

Portfolio risks and asset quality

Most of LfA's loans are to financial institutions

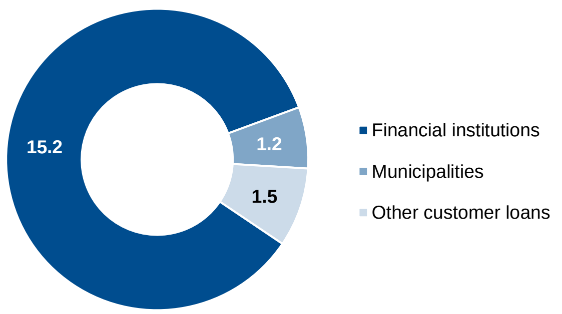
Most of LfA's activities are composed of loans to the financial sector (85% of total loans) for on-lending to regional SMEs and start-ups, with commercial banks assuming the credit risk on the ultimate borrower (i.e. the 'house-bank principle'). LfA's double-recourse loan protection further reduces capital requirements, mitigates concentration risks and shields the bank's sound asset quality from the pandemic's impact on certain corporate segments.

Loans to municipalities and guarantees are provided at bank's own risk

LfA also conducts business at its own risk, including direct lending to municipalities in Bavaria, amounting to around EUR 1.18bn in 2020. In addition, its guarantee and risk mitigation products support commercial banks in providing financing to businesses that would otherwise not have access to bank credit, e.g. for start-ups lacking sufficient collateral. Here, LfA either issues guarantees of usually up to 80% of credit risk or relieves the commercial bank of its liability in case of losses. In the context of the Covid-19 crisis, the bank's guarantee coverage ratio was increased to 90% and up to 100% for certain loan programmes. The bank's guarantee and risk mitigation products amounted to around EUR 1.7bn at the end of 2020, sharply up from EUR 1bn in 2019, due to the bank's response to Covid-19 as mandated by the Free State of Bavaria.

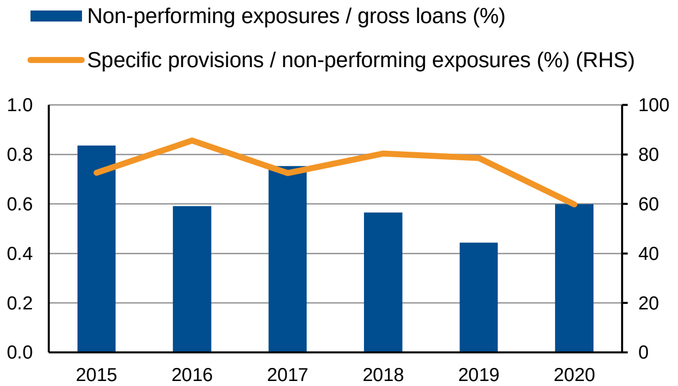
For guarantees and risk mitigation under the context of the Covid-19 crisis, the federal state has equipped the bank with a EUR 12bn counter-guarantee, with utilisation levels remaining low. We expect this programme to be extended until at least March 2022.

Figure 6: Loan exposure* by sector
EUR bn, YE 2020



*N.B. Loan exposures include interbank loans and net loans to customers. Source: LfA, Scope Ratings GmbH

Figure 7: LfA's asset quality*
%



*N.B. Non-performing exposures as reported by LfA. Gross loans are net customer loans and interbank loans. Specific provisions include individual asset revaluations for customers and provisions for specific positions. Source: LfA, Scope Ratings GmbH

LfA's lending mostly to banks, benefitting Bavarian companies

LfA's exposure is concentrated on the financial sector, at 85% of overall loans, followed by a roughly even split of around 7% each for loans to municipalities and other loans in 2020, respectively (**Figure 6**). However, the underlying loan portfolio of end-customers is diversified across sectors and within Bavaria. Both sectoral and geographical concentration are a consequence of the bank's mandate. Longer-term risks relate to transition risks in the automotive sector, to which Bavaria's export-oriented economy is particularly exposed.

Strong asset quality with low non-performing loans

LfA's loan book benefits from strong asset quality and a low share of non-performing exposures. Its share of non-performing exposures relative to loans to financial institutions and customers reached 0.6% in 2020 or EUR 107m.

Conservative investment strategy, limited market risks

LfA continues to pursue a conservative investment strategy, holding a portfolio of fixed-income securities worth EUR 4.5bn (20% of total assets). LfA usually holds its investments until maturity and makes limited use of derivatives. Around EUR 3.9bn, or 87% of the total, qualify as collateral for use of central bank refinancing facilities.

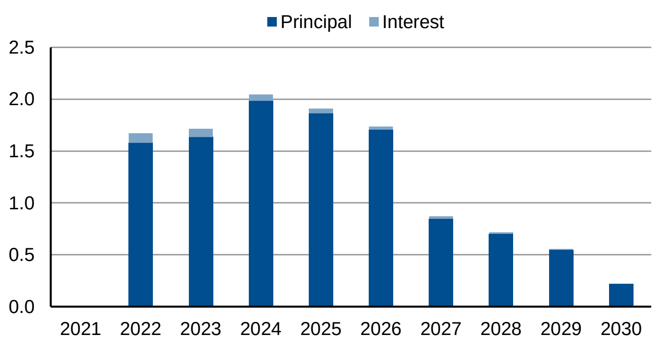
Funding and liquidity

Favourable refinancing conditions

Equipped with the explicit liability support from the Free State of Bavaria, LfA benefits from strong market access and the preferential regulatory treatment of its debt obligations.

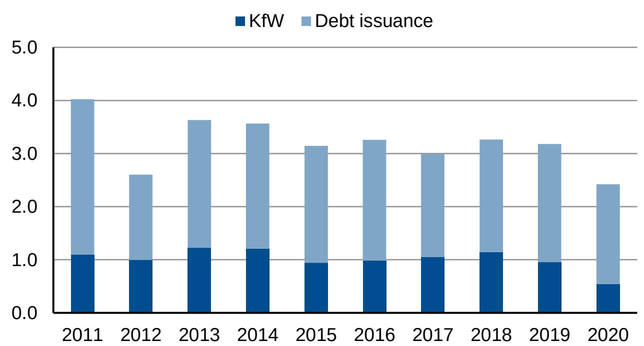
The bank predominantly funds its operations via medium and long-term debt securities with maturities of between three and ten years. The bank's redemption profile is smooth and annual redemption will peak at EUR 2bn in 2024 (**Figure 8**). Annual refinancing volumes are around EUR 2bn to EUR 2.5bn. Total funding activity in 2021 should amount to around EUR 2.5bn. In addition, roughly one-third or EUR 1bn of annual refinancing is typically via KfW facilities (**Figure 9**). In line with other German development banks, refinancing conditions are very favourable.

Figure 8: Redemption profile up to 2030
EUR bn, as of 1 December 2021



Source: Bloomberg, Scope Ratings GmbH

Figure 9: Annual refinancing
EUR bn



Source: LfA, Scope Ratings GmbH

LfA's debt securities carry a 0% regulatory risk weight, are recognised as Level 1 high-quality liquid assets for liquidity coverage ratio requirements and are eligible for preferential treatment under Solvency II. The bank's bonds are also eligible for the ECB's monetary policy operations, including its asset purchase programmes. We expect LfA to continue to tap capital markets at very favourable rates.

Assured liquidity, access to central bank facilities

The bank's established capital market access, access to central bank facilities with securities of around EUR 3.9bn available as collateral, and its treasury portfolio ensure that liquidity is sufficient. Liquidity adequacy is ensured via detailed reporting and liquidity coverage ratios. As at end-2020, LfA's liquidity coverage ratio was 322%. Values reported daily ranged from 141% to 642%, and were thus always above the 100% regulatory threshold.

Appendix I. Qualitative scorecards

Qualitative Scorecard 1: Level of integration with the government

Criteria	Level of integration with government: *Integral / Strong*	Level of integration with government: *Limited / Weak*
Legal status & resolution framework	◉ Public; insolvency, bankruptcy and resolution laws unlikely to apply	○ Private; insolvency, bankruptcy and resolution laws do apply
Purpose/activities	◉ Good/service is backed by constitution or in the public interest	○ Good/service has mostly a commercial purpose
Shareholder structure, funding & control	◉ Significant public ownership/funding & control	○ Mostly private ownership/limited public funding & control
Approach*	**Top-down**	

* Two of the three parameters indicate the chosen approach for most instances.

Source: Scope Ratings GmbH

Qualitative Scorecard 2: 'Top-down' approach

Top-down approach	Analytical considerations		Assessment	*High*	*Medium*	*Limited*	Outcome & indicative notching	
	Equalisation factor		**Statutory guarantee or laws to similiar effect**		◉ Yes	○ No	**Equalisation**	
Control and regular government support	**Organisational structure**	Legal status	○ N/A	◉ Government department or similar	○ Legal structure with significant government involvement	○ Legal structure with limited government involvement	Medium	High
		Ownership of & rights to GRE's assets	○ N/A	◉ Mostly government	○ Somewhat government	○ Public and private		
	Government control	Mission, mandate and strategy	○ N/A	◉ Mostly directed by government	○ Government-influenced	○ Mostly independent		
		Financial, operating and investment policies	○ N/A	◉ Mostly directed by government	○ Government-influenced	○ Mostly independent		
		Key personnel and oversight bodies	○ N/A	◉ Mostly directed by government	○ Government-influenced	○ Mostly independent		
	Financial support	Funding options	○ N/A	○ Mostly via government	○ Balanced mix of government and private funds	◉ Mostly private funds		
		Support agreements	○ N/A	○ Regular cash or capital injections	○ Active/open credit lines or similar	◉ No regular use of support mechanisms		
		Track record	◉ N/A	○ History of timely support under all circumstances	○ History of support under select circumstances	○ Support not yet required		
Likelihood of exceptional support	**Strategic importance to government**		○ N/A	◉ High strategic importance/central policy role	○ Medium strategic importance/important policy role	○ Low strategic importance/secondary policy role	High	
	Ease of substitution		◉ N/A	○ Good/service is difficult to replace	○ Prospects of private players entering the market	○ Private sector operators provide same good/service		
	Default implications		◉ N/A	○ Large; default likely to affect government's creditworthiness	○ Some financial or reputational damage expected	○ Limited impact		

Overall assessment	Indicative notches
Equalisation	0
High	0-1
Medium	1-2
Limited	2-3

Indicative notching	0
Additional adjustment	0
Final indicative notching	0

Source: Scope Ratings GmbH

Appendix II. Summary of the guarantor: Free State of Bavaria

Institutional framework

Integrated framework results in strong alignment with sovereign creditworthiness

Like all of Germany's federal states, Bavaria (AAA/Stable) benefits from a mature, predictable and integrated institutional framework. We view the established German institutional framework, with a proven record of institutional support from the central government and strong policy coordination, as very supportive for the state. This has been highlighted during the Covid-19 pandemic, with the federal government acting as the primary shock absorber by implementing substantial deficit spending policies.

We consider the federal system under which the German federal states operate to be the most integrated among European sub-sovereigns. Consequently, we apply an indicative downward rating distance of a maximum of one notch between the German sovereign (AAA/Stable) and the individual state's rating. This assessment is informed by:

'High' institutionalised support: legislative procedure allows for rules-based financial support

- **the track record of providing rules-based support** on the grounds of a solidarity principle that ensures extraordinary system support for budgetary emergencies;
- **credible fiscal rules**, with the Stability Council and the debt brake as important pillars for integrated financial relations between central and regional governments;
- **a strongly interconnected revenue equalisation mechanism** enshrined in the German constitution, which largely aligns fiscal capacities between the regions;

'High' fiscal interlinkage lowers differences in living standards

- **the highly integrated tax authority**, with a large degree of shared decision-making on taxes and a high share of common taxes;

'High' political coherence: clear distribution of responsibilities

- **wide-ranging participation and veto rights** for the federal states in national legislation, with equal entitlement of the federal states regarding negotiations on federal reforms, requiring close coordination between government levels; and
- **the high share of common national legislation** and the increasing political and financial involvement of the central government in regional policy.

Bavaria's individual credit profile

Bavaria has the strongest credit profile among peers…

We assess Bavaria's individual credit profile as 'strong' in a national and international context and expect the federal state to be able to withstand the Covid-19 shock and retain its core credit strengths vis-à-vis peers. These are:

- **sizeable cash reserves and very low debt** vis-à-vis other German Länder;
- **conservative budget management**, reflected by continuous cost control and a track record of high operating surpluses and comfortable surpluses before debt movement;
- **a resilient, highly competitive economy** with a strong manufacturing base; and
- **high-quality governance**, as highlighted during the recent pandemic.

These factors, combined with predictable cash flows and excellent access to liquidity and capital markets help limit the impact of Covid-19 on the state's finances.

…and some credit challenges in the medium to long term.

Credit challenges relate to limited revenue flexibility given that the federal states mainly receive shared taxes. Further, Bavaria is the largest net contributor to the German fiscal equalisation system, which weakens the link between its tax revenues and economic performance. In addition, similar to the budgets of other former West German federal states, the Free State's budget is burdened by high pension payments, weighing on long-term expenditure flexibility. Finally, Bavaria has sizeable, but manageable, contingent liabilities.

Appendix III. Financial figures

	2014	2015	2016	2017	2018	2019	2020
Balance sheet summary (EUR m)							
Assets							
Cash and interbank assets	14,638.0	14,271.6	14,157.4	13,619.5	13,331.3	13,727.9	15,196.5
Total net customer loans	2,022.1	2,254.2	2,390.4	2,301.2	2,306.2	2,454.8	2,696.3
Total securities	4,830.4	4,848.8	4,864.4	4,869.1	4,734.8	4,972.9	4,521.8
Other assets	647.5	641.8	684.3	685.6	696.4	678.1	731.6
Total assets	***22,138.1***	***22,016.4***	***22,096.5***	***21,475.4***	***21,068.7***	***21,833.7***	***23,146.3***
Liabilities							
Deposits from banks	8,965.6	8,527.1	8,507.0	8,028.0	7,859.5	7,980.2	7,862.5
Deposits from customers	2,958.6	3,000.5	2,686.3	2,506.3	1,880.9	1,723.6	1,622.2
Total debt	8,083.2	8,307.6	8,632.9	8,590.9	8,916.5	9,672.8	11,094.0
thereof: Senior debt	7,982.7	8,207.0	8,632.9	8,590.9	8,916.5	9,672.8	11,094.0
Other liabilities	667.2	642.4	654.0	652.6	652.9	665.4	758.6
Total liabilities	***20,674.6***	***20,477.6***	***20,480.3***	***19,777.8***	***19,309.8***	***20,042.0***	***21,337.3***
Equity							
Fund for general banking risk	400.0	470.0	540.0	610.0	660.0	690.0	700.0
Common equity	1,063.4	1,068.8	1,076.2	1,087.6	1,098.9	1,101.7	1,109.0
Share capital	368.1	368.1	368.1	368.1	368.1	368.1	368.1
Other common equity	695.3	700.7	708.1	719.4	730.8	733.6	740.8
Total liabilities and equity	***22,138.1***	***22,016.4***	***22,096.5***	***21,475.4***	***21,068.7***	***21,833.7***	***23,146.3***
Common equity tier 1 capital	*1,445.4*	*1,525.3*	*1,614.3*	*1,688.2*	*1,709.7*	*1,783.4*	*1,759.7*
Income statement summary (EUR m)							
Net interest income	143.2	122.7	118.0	106.1	97.9	96.9	98.7
Net fee and commission income	17.4	19.7	15.7	15.4	14.4	14.7	18.9
Net result from other income/expenses	0.5	2.2	-0.9	-2.5	-3.1	-3.7	3.1
Administrative expenses	48.1	56.4	56.7	57.6	61.5	63.9	65.5
Operating result before risk provisions	***112.9***	***88.2***	***76.1***	***61.4***	***47.6***	***44.0***	***55.1***
Net income from asset revaluation	16.4	31.6	38.9	53.5	47.3	22.4	-20.2
Operating result	***129.3***	***119.7***	***115.0***	***114.9***	***94.9***	***66.4***	***35.0***
Tax expenses	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Addition to general banking risk fund	70.0	70.0	70.0	70.0	50.0	30.0	10.0
Net income	***59.2***	***49.6***	***44.9***	***44.8***	***44.8***	***36.3***	***24.9***
Profit carried forward	0.2	0.3	0.0	0.1	0.1	0.1	0.0
Net profit	***59.5***	***49.9***	***44.9***	***44.9***	***44.9***	***36.4***	***24.9***

Source: LfA, SNL Financial, Scope Ratings GmbH

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