

# annual report 2024



rentenbank

# Numbers tell stories ...

**For 75 years, Rentenbank has stood for stability and innovation in agribusiness.** Founded in 1949, the bank has continually evolved while pursuing its statutory mandate of promoting agriculture and rural areas. In the 1950s it supported the reconstruction of German agriculture. Modernization programmes were introduced in the 1970s. Rentenbank looks back on a history of growth and progress, with an impressive balance sheet and numerous successful projects. Thus, the numbers stated in this report are more than dry facts: They tell the story of our commitment and innovativeness.



2019



# Key Figures

<b>Balance sheet</b> (in euro billions)	<b>2024</b>	<b>2023</b>
Total assets	95.0	97.8
Loans and advances to banks	65.6	67.2
Loans and advances to customers	7.0	7.5
Bonds and other fixed-income securities	16.7	15.9
Liabilities to banks	1.5	1.8
Securitised liabilities	83.8	85.8
Equity reported on the balance sheet	5.0	4.9
<b>Income statement</b> (in euro millions)		
	<b>2024</b>	<b>2023</b>
Net interest income	287.5	310.0
Administrative expenses	130.8	113.6
<b>Operating profit before provision for loan losses and valuation</b>	<b>161.6</b>	<b>197.3</b>
Provision for loan losses and valuation	123.6	160.3
Net income	38.0	37.0
<b>Distributable profit</b>	<b>19.0</b>	<b>18.5</b>
Cost-income ratio in %	41.8	35.6
Employees (end of year)	459	436
<b>Capital ratios</b> (in %)		
	<b>2024</b>	<b>2023</b>
Common Equity Tier 1 capital ratio	38.3	31.3
Tier 1 capital ratio	38.3	31.3
Total capital ratio	38.3	31.3
Leverage ratio	10.2	10.3
<b>Rating</b>		
	Long-term rating	Short-term rating
Moody's Investors Service	Aaa	P-1
Standard & Poor's	AAA	A-1+
Fitch Ratings	AAA	F1+

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# Foreword by the Management Board



Responsibility, drive, consistency, innovation, and appreciation: These are our five corporate values. They were developed and defined by our employees in the past financial year. Every one of us at Rentenbank is expected to demonstrate these values in our day-to-day work.

2024 was a challenging year. The German economy contracted for the second year in a row. Companies in many sectors, but especially agriculture, are holding back on capital expenditures. Nevertheless, farmers do want to invest in projects to boost their competitiveness and make them fit for the future. And for that, they need planning certainty and a positive future outlook. They also need a strong financing partner like Rentenbank at their side. That is our responsibility.

We actively support the agricultural sector with our portfolio of promotional programmes, which we extended in 2024 to better meet the needs of farmers and people living in rural areas. For example, we added two new areas to our “Areas of Future Development” programme. Together with the German Federal Environment Ministry, we launched the new grant programme “Promotion of Investment in Machinery and Equipment to Strengthen Natural Soil Functions in Agricultural Landscapes” as part of the Natural Climate Protection Action Programme (Aktionsprogramm Natürlicher Klimaschutz, ANK) and stepped up our efforts to promote innovation in agriculture.

Besides extending our promotional programmes, we also brought our expertise and extensive network of contacts to bear, combining the qualities of innovation and consistency, to help farmers devise practical solutions to complex challenges. We want agricultural enterprises to run their businesses successfully while also making themselves fit for the future. To that end, we formulated our first-ever Climate Strategy to put the bank in a position to help agricultural enterprises achieve the necessary emission reductions without sacrificing profitability. After all, profitable operation is a key prerequisite for maintaining access to credit.

Communicating actively with farmers and other stakeholders both within and outside of the agribusiness and food sector enables us to identify needs and develop solutions in cooperation with them. This kind of intensive dialogue also aids mutual understanding, promotes appreciation for the work

of the agricultural sector, and generally strengthens the agribusiness ecosystem.

As we strive to make the agricultural sector fit for the future, we must do the same for ourselves. To this end, we achieved several targets we set for ourselves in 2024 by making great progress in modernising our IT systems and introducing modern AI tools, among other things. We are undertaking these efforts to ensure that we can continue to be a strong and effective partner to the highly diverse sector we serve. Rentenbank's solid financial ratios put us in an excellent position to take all the necessary steps to make us fit for the future amidst a generally challenging environment.

The agriculture sector's will to succeed, the good relationship and close cooperation between us and the members of this sector, and our continuous efforts to improve our own performance are all good reasons to be confident as we begin the new year 2025.

Together with the employees we are working hard to master the challenges we face and fulfil our corporate purpose "We help create a sustainable future for agriculture" – with responsibility, drive, consistency, innovation, and appreciation.



Nikola Steinbock



Dietmar Ilg



Dr Marc Kaninke

# Key to Abbreviations

## Symbols

€STR Euro short-term rate

## A

AG Aktiengesellschaft/ Public Limited Company

AI Artificial Intelligence

AÖR Anstalt des öffentlichen Rechts/Public Law Institution

AUD Australian Dollar

## B

bEUR Billion euros

## C

CET 1 Common Equity Tier 1

CO<sub>2</sub>e Carbon dioxide equivalents

CoRep Common Reporting Framework

CRO Chief Revenue Officer

CVA Credit Valuation Adjustment

## D

DIN DIN standard

DIN-SPEC DIN specification, standard document developed under the direction of the German Institute for Standardisation e. V.

DWH-BAIS Datenlager-Banken-Aufsicht-Informationssystem/Data Warehouse-Bank Supervisory Information System

## E

EONIA-€STR Euro OverNight Index Average-Euro short-term rate

ESEF European Single Electronic Format

ESG Environmental, Social and Governance

EU European Union

EUR Euro

EUREX European Exchange, one of the world's largest futures exchanges for financial derivatives

EV Electric vehicles

EY EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft (auditing firm)

## F

FSC Forest Stewardship Council, certification system for more sustainable forest management

FX swaps Foreign exchange swaps

## G

GmbH Gesellschaft mit beschränkter Haftung/Private Limited Company

GBP Great Britain Pound

## H

HRA Commercial Register Department A

HGB Commercial Code

## I

IDW Institut der Wirtschaftsprüfer/Institute of Public Auditors in Germany

i.e. id est (Latin for: that is)

ILO International Labour Organization

IT Information technology

## K

kEUR Thousand euros

KfW Kreditanstalt für Wiederaufbau/Credit Union for Reconstruction

KG Kommanditgesellschaft/Limited Partnership

kg Kilogram

kg CO<sub>2</sub>e/EUR Kilograms of carbon dioxide equivalents per euro

KI Künstliche Intelligenz/Artificial Intelligence

km Kilometre

kt Kilotons

kt CO<sub>2</sub>e Kilotons of carbon dioxide equivalents

kWh Kilowatt-hours

## L

LR Landwirtschaftliche Rentenbank

## M

m<sup>3</sup> Cubic meters

MaRisk Mindestanforderungen an das Risikomanagement/Minimum Requirements for Risk Management

mEUR Million euros

MJ Megajoule

MW Megawatt

## N

no. Number

## O

OECD Organisation for Economic Co-operation and Development

## P

per annum Latin for: annually, for each year previous year

## T

t CO<sub>2</sub>e Tons of carbon dioxide equivalents

## V

VC funds Venture capital fund

VfU Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e. V./Association for Environmental Management and Sustainability in Financial Institutions

## X

XHTML Extensible Hypertext Markup Language

# Brief portrait

of Landwirtschaftliche Rentenbank



Rentenbank was founded in 1949 as a central funding institution with a statutory promotional mandate. German agriculture and forestry contributed the capital stock. The bank is a federal institution under public law. It is backed by an explicit guarantee of the Federal Republic of Germany. Insolvency proceedings in respect of the bank's assets are inadmissible. The German federal government additionally bears institutional liability (Anstaltslast) for the bank. Rentenbank has its registered head office in Frankfurt am Main.

Rentenbank's promotional mandate is comprehensive. Besides promoting agriculture and forestry, as well as the entire food value chain, we also promote renewable energy and renewable resources. And we support private-sector engagement and public-sector investments in rural areas. We attach particular importance to the promotion of innovation. Our commitment to this objective ranges from research and development in universities to the early-stage financing of agriculture-related start-ups and the market introduction and practical use of new technologies and products.

Our promotional instruments are grants, subordinated loans, special promotional loans, and venture capital investments. The special promotional loans are granted by the ultimate borrowers' relationship banks (cooperative banks, savings banks, and private banks). We also provide funding to banks, savings banks, and local authorities operating in rural areas. The special promotional loans may be combined with budgetary resources of the German federal government in the form of grants or guarantees. Already today, our offerings support new ways of doing business that are aligned with climate, environmental, and animal protection goals. These offerings also serve the purpose of realising the potential to reduce greenhouse gases in agriculture and forestry. In order to promote new business ideas and models in agriculture, Rentenbank invests in venture capital funds. These funds provide targeted financing to start-ups in the ag-tech and food-tech sectors and help them gain a foothold in the market.

We fund our promotional activity by issuing securities and taking out loans in the capital markets. Rating agencies have assigned the highest credit ratings of AAA and Aaa to Rentenbank's long-term obligations.

Rentenbank is subject to banking supervision by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and the Bundesbank. Legal supervision is provided by the German Federal Ministry of Food and Agriculture (Bundesministerium für Ernährung und Landwirtschaft, BMEL) in agreement with the German Federal Ministry of Finance (Bundesministerium der Finanzen, BMF).

We are a member of the Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands e. V., VÖB) and the European Association of Public Banks (EAPB).

# About this report

Since 2021, our Annual Report has detailed not only our financial results, but also our ecological and social performance. Thus, our Annual Report is also our Sustainability Report. This was a logical step given that we are bound to serve the common good as a promotional bank.

## Structure

This report is divided into two parts: a voluntary part and the legally prescribed financial part. The voluntary part addresses the principal sustainability issues of our value chain and provides other business information.

Non-financial information about our activities is provided in the following chapters:

<b>Content</b>	<b>Chapter</b>
Business model	Brief portrait, in the Management Report: Promotional mandate
Strategy	Strategic framework; in the Management Report: Management system
Adherence to the 1.5-degree target and climate protection	Strategic framework, Promotional programmes, Operational ecology
Sustainability objectives	Sustainability management
Materiality assessment	Strategic framework
Incorporation of stakeholders' interests	Strategic framework, Communication and stakeholders
Role of the Management Board in sustainability issues	Sustainability management, Business ethics and lawful conduct; in the Management Report: Risk report
Sustainability risks and opportunities	Strategic framework; in the Management Report: Forecast and opportunities report, Risk report – ESG risks
Effects in the supply chain	Risk culture
Business ethics and anti-corruption	Strategic framework, Business ethics and lawful conduct; in the Management Report: Risk report
Operational ecology	Operational ecology and Key indicators of operational ecology
Equal opportunity	Our employees
Working conditions	Our employees
Respect for human rights	Strategic framework and Risk culture
Sustainability data	Strategic framework, Corporate social responsibility, Promotional programmes, Funding, Key personnel indicators, Key indicators of operational ecology; in the Management Report: Economic report

## TCFD reporting

After the first-time application in 2022, Rentenbank continued to incorporate the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) into its reporting in 2024. These recommendations, which are structured along the dimensions of governance, strategy, risk management, and metrics and targets, guide companies in their efforts to inform their stakeholders about their way of dealing with climate-related risks. The recommendations have been built into each chapter of the present report. We plan to enlarge this reporting in the coming years as data become increasingly available.

The correlation of TCFD recommendations with the various chapters of the present report is outlined in the table below:

Pillar	Chapter / Document
<b>Governance</b> Disclosure of the organisation’s governance around climate-related risks and opportunities	<ul style="list-style-type: none"> <li>• Sustainability management</li> <li>• In the Management Report: Risk report</li> </ul>
<b>Strategy</b> Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material	<ul style="list-style-type: none"> <li>• In the Management Report: Risk report</li> <li>• Sustainability Programme</li> <li>• Climate Strategy</li> </ul>
<b>Risk management</b> Disclosure of how the organisation identifies, assesses, and manages climate-related risks	<ul style="list-style-type: none"> <li>• Strategic framework</li> <li>• In the Management Report: Risk report</li> </ul>
<b>Metrics and targets</b> Disclosure of the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	<ul style="list-style-type: none"> <li>• Key indicators of operational ecology</li> <li>• Sustainability management</li> <li>• Sustainability Programme</li> <li>• Climate Strategy</li> </ul>

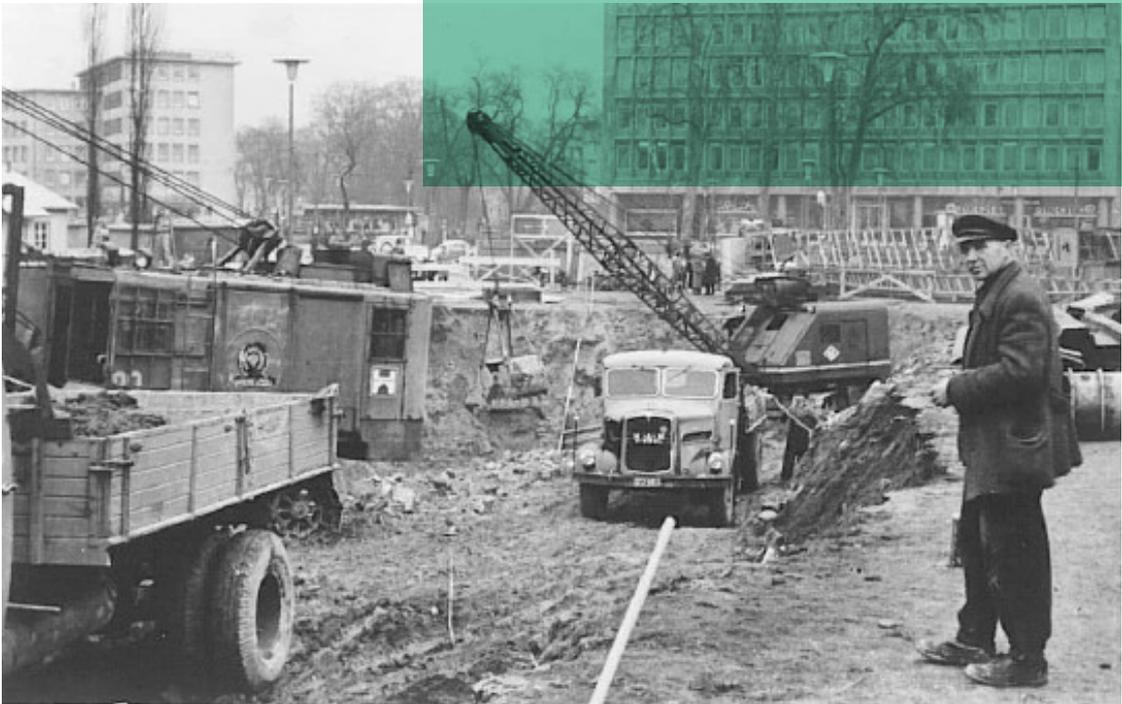
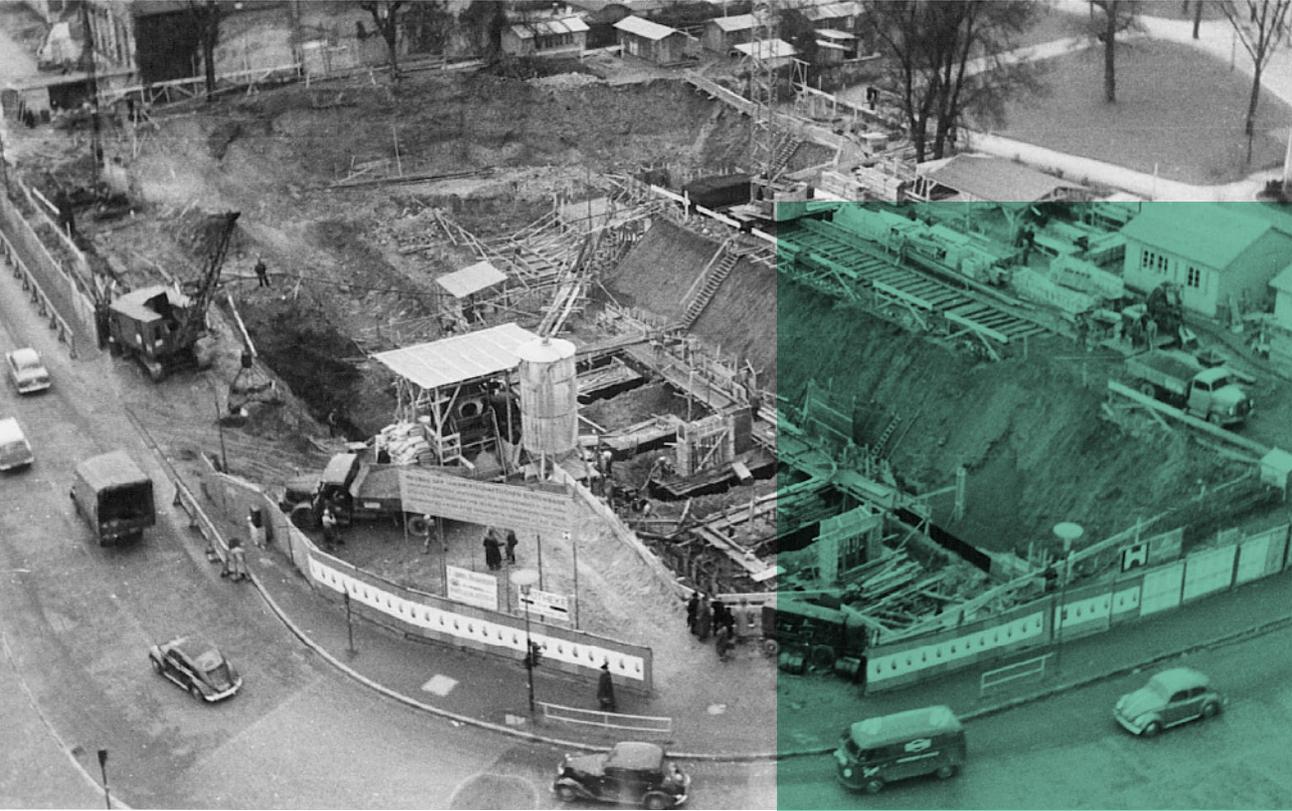
## Data basis

The report period covers financial year 2024; all statements in this report refer to the period from 1 January to 31 December 2024. Relevant data for 2024 available at the editorial deadline of 28 February 2025 were considered. Further information on specific issues can be found by following the appropriately labelled links in the electronic version of the report on our website.

Unless otherwise indicated, the key indicators presented in this report refer to financial years 2022, 2023, and 2024 (each year being from 1 January to 31 December). They were compiled with the utmost care. To our knowledge, the information and data presented in this report are correct. However, no liability can be assumed for the accuracy and completeness of these disclosures.

The bank has opted not to have its sustainability disclosures audited by an external entity.

# 1950s



Landwirtschaftliche Rentenbank is founded as a federal institution under public law with its registered head office in Frankfurt am Main.

# Sustainable corporate governance

## Strategic framework

### Purpose

Government, business, and society must contend with tremendous changes that are occurring at an increasingly faster pace. Besides the three megatrends of climate change, digitalisation, and demographic change, we also have to deal with sudden and unexpected shocks. This is not a transitory phase: It is our new normality. It affects Rentenbank just as much as our business partners and end customers. We need to make transformative adjustments in order to survive in the medium to long term and be resilient in the face of extreme volatility.

This transformation requires tremendous effort on the part of everyone involved. As a task for all society, it demands action across economic sectors and necessitates sizable investments.

Rentenbank promotes and supports this transformation with targeted services and solutions. But to do this, we too must undergo a radical transformation. As a promotional bank, we must position ourselves for the future so that we can continue to meet the demands placed on us from without and within.

Precisely in such a fast-changing world, we are guided by our purpose: “We promote the sustainable development of agribusiness and rural areas”. This statement of purpose, which we formulated in late 2022 in the course of our transformation project, expresses Rentenbank’s benefit to society, as well as the reason and purpose of our activities.

## Future vision and corporate values

Our future vision forms the basis for our strategy and annual planning in the coming years through 2028. It serves as a compass for the further development of our organisation. It formulates ambitious goals, explicit aspirations, and guiding principles. Guided by our future vision, we will set binding targets and devise appropriate measures every year anew. The strategic targets are annual milestones to realise our future vision. They will drive changes to transform our organisation and ensure the achievement of our long-term goals in the form of key performance indicators.

To summarise, our future vision is rooted in the following strategic principles:

- We are the transformation bank for agribusiness and rural areas.
- We are an attractive and coveted employer.
- We are adaptable, efficient, and digital.
- We are constantly evolving.

As part of our transformation project, we also defined our corporate values anew with the involvement of all our employees in 2024:

- Drive – We cultivate the future together.
- Appreciation – We grow with each other.
- Responsibility – We rely on each other.
- Innovation – We plant the seeds of the future.
- Consistency – We appreciate our roots.

Our values serve as a common thread and compass for the conduct and decisions of all employees and help establish a shared understanding of goals and expectations. Our values together with our Code of Conduct and our risk culture will form the basis for ethically correct behaviour at Rentenbank. The [Code of Conduct](#) can be viewed in Rentenbank's sustainability portal.

## Basic parameters of sustainability management

We promote agribusiness and rural areas on the basis of our statutory mandate. We are especially committed to promoting investments in the progressive and sustainable development of agribusiness. We want to play a role in the development of a sustainable and liveable future.

We support the sustainability goals of the Federal Republic of Germany, the European Union, and the international community. We are committed to the Sustainable Development Goals (SDGs) of the United Nations and the goals of the Paris Climate Agreement and contribute to the attainment of these goals.

As a promotional bank, we are committed to sustainable finance, meaning the use of finance to promote climate-friendly and sustainable business practices. In addressing this question, we rely on the guidance provided by the EU Action Plan on “Financing Sustainable Growth” and those aspects of the European Green Deal that are relevant to us and our stakeholders.

## Sustainability Guidelines

We introduced our [Sustainability Guidelines](#) in 2021 with the goal of embedding sustainability issues more firmly into our business strategy. These guidelines reflect the bank’s understanding and level of ambition relative to its central goal of acting as a sustainable enterprise and transformation bank in the field of agriculture in Germany. The guidelines also define the key areas of activity and the long-term objectives and measures in this area.

## Climate Strategy<sup>1</sup>

Rentenbank formulated and published its first-ever [Climate Strategy](#) in 2024. We are committed to the 1.5 degree Celsius target of the Paris Climate Agreement and our banking activities and internal operations are geared to achieve this target. In our banking activities, we strive to align our Climate Strategy with the goal of ensuring access to financing for the agricultural sector. Our agriculture portfolio is the strongest lever we have to reduce greenhouse gas emissions through our lending activities.

<sup>1</sup> The legal conditions described on page 36 following pages (exclusion of liability) apply also to the statements on the subject of the bank’s climate strategy contained in this document.

In line with the reduction paths set out in the German Climate Protection Act, we have set ourselves the goal of reducing the emissions intensity of our agricultural lending activities by 18% from the current level of 1.26 kg CO<sub>2</sub>e/EUR to 1.03 kg CO<sub>2</sub>e/EUR by the year 2030.

Beyond the pure emission reduction targets, we have also set targets for increasing our promotional activities in certain areas that help reduce emissions. These areas include lending to support renewable energy as a means of avoiding emissions from fossil energy. And in the area of natural climate protection, we finance activities that bind carbon emissions, such as ecological farming practices.

### Increased lending targets

	<b>Metric</b>	<b>Base Year</b>	<b>Actual 2024</b> (2023 + 2024)	<b>Cumulative Target 2023 to 2030</b>
Renewable energy	Saved kt CO <sub>2</sub> e	2023	14,719	> 45,000
Natural climate protection	New lending activity in million euro	2023	> 111	> 600

We have also set emission reduction targets for our internal operations. In this respect, our targets refer to our two main emission sources: bank building and motor vehicle fleet.

### Reduction targets

	<b>Absolute Emissions 2019</b> (in t CO <sub>2</sub> e)	<b>Target for 2030</b> (in % from base year 2019)	<b>Target for 2030</b> (in t CO <sub>2</sub> e)	<b>Target for 2040</b> (in % from base year 2019)
Bank building	449.7	> -75 %	105.3	Net neutrality <sup>1</sup>
Motor vehicles	16.0	> -70 %	4.8	Net neutrality <sup>2</sup>

<sup>1</sup> Equivalent to savings of >90%. Rentenbank's target aims for savings of at least 95% from the base year.

<sup>2</sup> See footnote 1.

## Other guidelines and documents

Exclusion criteria are applicable to both our [promotional activities](#) and our [investment activities](#). These criteria serve to ensure that we do not finance activities that are not compatible with our promotional mandate. The exclusion criteria applied in our investing activities serve to screen potential investments to ensure that we do not make new investments in bonds or notes of banking partners that are deemed to be controversial on the basis of clearly defined norms. ESG criteria are also integrated into our credit ratings and proposed limit resolutions.

Our promotional products are a highly effective way of making a contribution to sustainable development. We utilise [SDG mapping](#) to help us identify the positive contributions we can make to the attainment of the United Nations' Sustainable Development Goals (SDGs). In 2024, Rentenbank's promotional financing activity made the greatest contribution to SDG 9 "Industry, innovation and infrastructure". New promotional lending activity amounting to euro 1.48 billion served to modernise infrastructure in rural areas. We supported SDG 8 "Decent Work and Economic Growth" with promotional lending activity amounting to euro 1.17 billion. In this area, Rentenbank mainly promotes the construction and modernisation of buildings, as well as the acquisition of machinery and technical equipment. SDG 2 "End Hunger" was supported by promotional lending activity amounting to euro 391.49 million in 2024. With respect to this SDG, Rentenbank finances measures to ensure agricultural productivity such as purchases of fertiliser and to promote sustainability in food production.

## Double materiality assessment and key areas of activity

The materiality assessment was revised and conducted anew according to a new methodology for the first time in 2024. The new methodology is based on the double materiality principle, which covers topics coming from the outside that affect the company financially (“outside-in”), as well as factors emanating from the company that affect the environment and society (“inside-out”).

In the first step, a list of potentially material topics was compiled particularly on the basis of Rentenbank’s strategies, activities, and business relationships. A stakeholder format was applied and external publications were considered in order to arrive at the broadest possible range of topics to consider.

In total, 16 organisational units and functions of the bank were included in the materiality assessment in 2024. Depending on the subject matter, many topics involving more than one organisational unit were considered. The organisational units assessed the list of topics both with respect to their environmental and social impacts and with respect to their financial materiality so as to address both aspects of double materiality. The former topics were assessed with respect to their scale, scope, remediability, and probability of occurrence, whereas the latter topics were assessed with respect to their scale and probability of occurrence. In computing the materiality in each instance, Rentenbank followed the recommendations of the European Financial Reporting Advisory Group (EFRAG). Rentenbank’s key areas of activity represent the outcome of this process.

<b>Area of activity</b>	<b>Material according to the materiality assessment</b>	<b>Included in the Sustainability Guidelines</b>
<b>Sustainable corporate governance</b>		
Sustainable business model	Yes	Yes (“Strategy and management”, “Corporate governance”)
Corporate social responsibility	Yes	Yes
Data and IT security	Yes	No
Communication and stakeholder engagement	No	Yes
<b>Sustainable banking activity</b>		
Climate change	Yes	Yes (“Loans and capital markets”)
Ecological farming	Yes	Yes (“Loans and capital markets”)
Rural development	Yes	Yes (“Loans and capital markets”)
Risk management	Yes	Yes
<b>Sustainable human resources management and diversity</b>		
Employee rights and working conditions	Yes	Yes
<b>Sustainable operations</b>		
Operational ecology	No	Yes
Sustainable procurement	No	Yes

By reason of Rentenbank's business model, the risk of grave violations of environmental and social concerns, as well as human rights and other applicable legal obligations across the value chain, are deemed to be minor. By virtue of our promotional mandate, our activity is focused on Germany. Moreover, we rely on relatively few suppliers and service providers outside of Germany or Europe. We have instituted extensive management processes at our sole location in Frankfurt am Main to ensure compliance with all relevant laws and regulations related to environmental and social concerns. We introduced Supplier Guidelines to our procurement organisation in 2023; they are described in detail in the "Sustainable procurement" chapter.

The risk inventory process is conducted concurrently with the materiality assessment. By means of a risk inventory, Rentenbank obtains an overview of the individual risk types and risk concentrations. This also includes sustainability risks that are not considered to belong to a separate risk type, but are regarded as drivers of traditional risk types. A precise description of Rentenbank's management of ESG risks is provided in the Risk Report.

## Sustainability management

### Structure and organisation

As a coordinating unit, the central sustainability unit ensures that the necessary framework conditions and regulations are met and that knowledge transfer to the bank is carried out. It also assists the responsible units and the respective project teams with implementation of the corresponding requirements.

Sustainability topics such as optimising the bank's sustainability performance in its internal operations and increasing sustainability-oriented financing activities are addressed by cross-divisional and cross-departmental teams. Among other things, they are responsible for the fulfilment of regulatory requirements and the implementation of the Sustainability Programme.

Strategically important sustainability matters are discussed in the Sustainability Board. This board monitors and manages bank-wide sustainability activities. It is composed of the executives in charge of the relevant organi-

sational units and the full Management Board. At the board's meetings, the central sustainability unit informs members about sustainability-related activities and the progress made to date. Decisions on material sustainability matters and on the bank's strategic orientation are discussed in the Sustainability Board and then presented to the Management Board for approval, which bears overall responsibility for the bank's sustainability activities.

## Sustainability Programme

Every year, we formulate short- and medium-term goals on the basis of our Sustainability Guidelines. We then define appropriate measures, key indicators, and responsibilities to operationalise these goals and ensure the continuous improvement and measurability of our sustainability performance. In line with the bank's decentralised organisation, the responsibility for implementing specific goals and actions lies with the relevant organisational units.

The progress of implementation is regularly reported to the Management Board and the Sustainability Board. At the end of each year, we document the degree to which the specified measures have been successfully implemented. The [Sustainability Programme Progress Report 2024](#) containing the relevant implementation and progress information and the [Current Programme for 2025](#) are published on Rentenbank's website.

## Business ethics and lawful conduct

### Compliance

By reason of its statutory promotional mandate, public opinion is particularly important to Rentenbank. The impeccable conduct of all the bank's executive officers and employees is an indispensable prerequisite for the success of the bank's activities. To this end, the Management Board and all employees live out a compliance culture as expressed particularly in the [bank's Mission Statement](#) and Codes of Conduct, and supplemented with internal control processes designed to ensure lawful conduct.

## Code of Conduct

Rentenbank has adopted a Code of Conduct for all employees. As the foundation of a lawful, ethical, sustainable corporate culture, the Code of Conduct demands lawful, ethical, and sustainable action on the part of all employees. The prevention of corruption is an especially important aspect of the Code of Conduct. With regard to the preventive combatting of corruption, id est, the offering and acceptance of bribes and benefits, Rentenbank takes a zero-tolerance approach to all forms of corruption. Violations are punished with disciplinary measures and potentially also criminal prosecution. There have been no such violations in the past years.

The Code of Conduct is concretised by rules of conduct accessible to all employees in the bank's intranet, particularly regarding the acceptance and giving of gifts and invitations (Gifts Guideline), the handling of conflicts of interest, the prevention of fraud and other criminal acts, and the prevention of money laundering and terrorist financing. If misconduct or criminal acts are suspected, employees are able to inform their supervisor and/or the Compliance Officer or Anti-Money Laundering Officer in confidence. If they prefer, they can also provide anonymous tips to an external ombudsperson.

The members of the Management Board are subject to a special Code of Conduct that particularly comprises fundamental principles of conduct in relation to conflicts of interest, rules governing the acceptance and giving of gifts and invitations, lecturing activities, dealings in financial markets, side-line activities and volunteering.

## Prevention of money laundering and other criminal acts, and sanctions

The bank has designated an Anti-Money Laundering Officer in charge of preventing money laundering, terrorist financing, and other criminal acts. The Anti-Money Laundering Officer is organisationally positioned directly beneath the Management Board and reports directly to it. The various risks related to money laundering, terrorist financing, other criminal acts, and sanctions, including customer risks and business partner risks, as well as product, process, and transaction risks, are assessed in risk assessments prepared annually or on an ad-hoc basis. Particular attention may be given to risk-minimising factors such as Rentenbank's special business model as a promotional bank in Germany and Europe and the granting of loans via local banks by the on-lending method.

Another important element of money laundering prevention relates to compliance with due diligence obligations and the identification of contractual partners (know-your-customer principles). All procedures and processes required for this purpose are followed and any suspected cases are reported immediately to the Financial Intelligence Unit (FIU) by the Anti Money Laundering Officer. No cases of suspicious activity were reported in relation to money laundering and terrorism financing and no other criminal acts are known to have occurred in 2024. Furthermore, there were no sanction violations in 2024.

## **Digital resilience: data protection and information security**

As a bank, we are well aware of the growing challenges and risks in an increasingly digitalised world. We place the highest priority on protecting the information of our customers and business partners and on preventing any disruptions to our business operations. We are likewise conscious of the imperative need for effective data protection. We strive to ensure robust digital resilience as a means to counter the growing threats of cyber-attacks, technical outages, and unforeseeable emergencies. This resilience is needed to earn the trust of our customers and business partners and guarantee the security of our business processes.

Our digital resilience is based on integrated processes linking information security with emergency management, the management of third parties, and risk management. Information security protects the sensitive data of our customers and business partners from unauthorised access and guarantees the integrity, authenticity, confidentiality, and availability of our systems. We invest continually in state-of-the-art technologies and security standards in order to be prepared for cyber-attacks and other threats. Our emergency management team ensures that we can react quickly to crisis situations or emergencies so that we can continue to support our own operations, as well as our customers and business partners. The emergency management system comprises both technical contingency plans and clear communication structures. Our risk management function assesses all potential digital risks and implements preventive measures to minimise these risks and control their effects on the bank.

In the area of data protection, on the other hand, we place a high priority on protecting personal data. To this end, we have integrated compliance with the data protection regulations of the EU General Data Protection Regulation (GDPR), the German Federal Data Protection Act (BDSG), and other relevant regulations into our operational processes. Rentenbank's data protection team possesses legal and technical expertise to ensure that data protection is effectively addressed from different perspectives. This mixture ensures that Rentenbank's data protection system fulfils the relevant standards while also being practicable. Our processes to identify and report data protection incidents are continuously monitored, assessed, and improved.

Another important aspect of our approach to digital resilience is to continually raise the awareness of our employees to the importance of digital security. We ensure that all employees are trained on the subject of our digital security guidelines and potential threats. By means of these awareness-raising measures, we create a vigilant, responsibility-conscious team of workers who can react quickly and correctly in the event of any incidents. This makes an important contribution to risk minimisation.

The responsibility for our digital resilience lies with multiple departments that work closely together to ensure the security and stability of our bank. Our IT Security Department sees to it that our technical systems are protected against attacks and our Risk Management team assesses and manages all relevant risks. Our emergency and crisis management team ensures that we can react quickly and effectively to emergencies, disruptions, or crisis situations. All employees receive regular training. Furthermore, the central emergency management team and decentralised emergency response teams conduct emergency drills on a regular basis in order to guarantee a high level of preparedness and resilience at all levels of the bank.

# Corporate Governance Report and Statement of Compliance

## **Rentenbank is committed to the Public Corporate Governance Code of the German federal government**

Effective corporate governance is a critically important prerequisite of responsible and sustainable governance. For this reason, Rentenbank's Supervisory Board adopted the German federal government's [Public Corporate Governance Code \(PCGC, version of 13 December 2023\)](#) on 29 March 2024.

Rentenbank's Management Board and Supervisory Board identify with and respect the principles of the PCGC. Compliance with the nationally and internationally recognised standards of good and responsible corporate governance set out in the PCGC in the conduct of Rentenbank's activities is expressly recognised as being in the interest of the German federal government. Any deviations from the principles of the PCGC are disclosed and explained in the annual Statement of Compliance.

## **Management by the Management Board and supervision by the Supervisory Board**

The Management Board reports to the Supervisory Board on the course of business with due regard to all relevant planning issues, as well as on the bank's risk position, risk management, compliance with banking regulations, and financial condition on a regular basis, but at least four times a year. In addition, the Management Board remains in regular contact with the Chairman of the Supervisory Board and discusses important questions of management and strategy with him. The Supervisory Board has adopted a non-exhaustive list of events and criteria that must be reported immediately to the Supervisory Board, its Chairman, and/or the Chairmen of the committees.

The Management Board kept the Supervisory Board completely informed of all relevant matters concerning the bank's planning, risk position, risk management, compliance with banking regulations, business performance, and financial condition in the past financial year.

## Management Board

The Management Board manages the bank under its own responsibility in accordance with all applicable laws and regulations, particularly including Rentenbank's Governing Law, as well as the bank's Articles of Incorporation and the Management Board's rules of procedure. It is bound to safeguard the bank's interests and fulfil its statutory promotional mandate. One woman was represented on the three-person Management Board and served as the Management Board Chairperson in the reporting period.

## Supervisory Board

The Supervisory Board supervises and advises the Management Board in the management of the bank in accordance with Rentenbank's Governing Law, the bank's Articles of Incorporation, and the Supervisory Board's rules of procedure. It appoints the members of the Management Board and decides on the ratification of their actions. The Supervisory Board may give general and specific instructions to the Management Board. The Supervisory Board selects the independent auditor, grants the audit engagement, and agrees the compensation of the independent auditor with the latter. Among its other tasks, the Audit Committee formed by the Supervisory Board also supervises the independence of the independent auditor.

In accordance with Rentenbank's Governing Law, the Supervisory Board is composed of 18 members. The Chairman of the Supervisory Board is chosen by the Supervisory Board from the ranks of the members designated by the German Farmers Association (Deutscher Bauernverband e.V., DBV). The Supervisory Board Chairman in the past financial year was the President of the DBV, Joachim Rukwied. Five women were represented on the Supervisory Board in the reporting period.

Two Supervisory Board members attended fewer than half the total of three Supervisory Board meetings held in the past financial year.

## Legal oversight

In accordance with Section 11 (1) of Rentenbank's Governing Law, the bank is subject to the legal oversight of the German Federal Ministry of Food and Agriculture (regulatory authority), which makes its decisions in agreement with the German Federal Ministry of Finance. The regulatory authority ensures that the bank's activities serve the public interest, particularly the promotion of agriculture and rural areas, and comply with the applicable laws and regulations and Rentenbank's Articles of Incorporation.

## Review pursuant to Section 25d (11), sentence 1 numbers 3 and 4 KWG

In accordance with Section 25d (11), sentence 1 numbers 3 and 4 German Banking Act (Kreditwesengesetz, KWG), the Supervisory Board conducts a review of the structure, size, composition, and performance of the Management Board and the Supervisory Board overall, as well as the knowledge, skills, and experience of individual governing body members and each governing body individually. In accordance with Section 9 (3) number 2 c, d of the Supervisory Board's rules of procedure, the Supervisory Board is assisted in the conduct of the review by the Nomination Committee. The Supervisory Board evaluated the results at its meeting of 20 March 2024, its constitutive meeting of 4 July 2024, and its meeting of 15 November 2024, discussed any need for adjustments, and formulated action recommendations on that basis.

## Avoidance of conflicts of interest

The members of the Management Board and the Supervisory Board are bound to safeguard the bank's interests in the performance of their duties. Members of the Management Board and the Supervisory Board are required to disclose to the Supervisory Board Chairman and the Supervisory Board, respectively, any potential conflicts of interest in connection with their activity. No conflicts of interest of Management Board and Supervisory Board members arose in the past financial year.

## Compensation policies for the Management Board and the Supervisory Board

The compensation of Management Board members is set and regularly monitored by the Supervisory Board. Since 2016, the compensation system of the Management Board has consisted of a purely fixed compensation model. The overall compensation of Management Board members does not include any components with an incentive effect.

The compensation of Supervisory Board members is specified by resolution of the annual general meeting; this resolution requires the approval of the regulatory authority. Compensation is set with due regard to the responsibility and scope of activity of the individual Supervisory Board members and the economic position of Rentenbank.

The individual compensation of Management Board and Supervisory Board members is stated on pages 163 to 164 of the notes to the financial statements.

## Transparency and dissemination of information

Transparency and dissemination of information are especially important for the bank. In disseminating information, Rentenbank adheres to the principle of equal treatment of investors and other interested parties. The bank also publishes all important information on its website ([www.rentenbank.de](http://www.rentenbank.de)). In addition to its annual financial statements, all press releases and ad-hoc disclosures of Rentenbank, the Statement of Compliance with the PCGC, and ESG notices are published there.

## Statement of Compliance of the Management Board and the Supervisory Board

In the 2024 financial year, Landwirtschaftliche Rentenbank followed the recommendations of the PCGC in the version of 13 December 2023, with the following exceptions:

- The bank opted not to state the compensation of Management Board and Supervisory Board members in the present Corporate Governance Report pursuant to Sections 7.2.1 and 7.2.2 PCGC because the compensation of each member is stated by name in a generally comprehensible form in Rentenbank's Annual Report (Notes to the financial statements, pages 163 to 164).

- The bank opted not to disclose in the present Corporate Governance Report the measures defined in Sections 5.5.1. - 5.5.3. PCGC, including statements on the subject of its sustainability activities and the development of the percentage of positions held by women on the Management Board and the two management levels beneath that, as well as on the Supervisory Board, because this information is provided in detail in the sections of the Annual Report entitled Sustainable corporate governance (Sections 1.1. and 1.2) and Our employees (Section 3).
- In accordance with Section 4 (2) of the Management Board's rules of procedure, the distribution of responsibilities may be specified in a business distribution plan without the approval of the Supervisory Board – contrary to Section 5.2.6 PCGC. This ensures the required flexibility to make necessary changes.
- In exceptional cases, the committees not only prepare the decisions of the Supervisory Board, but make the final decisions themselves– contrary to Section 6.1.7 PCGC – for reasons of practicability and efficiency.
- No age limit has been specified for resignation from the Management Board according to Section 5.2.5 PCGC.
- By way of exception to Section 4.4 PCGC, members of the governing bodies may utilise the promotional loans granted under Rentenbank's special promotional programmes. Due to the standardisation of lending rules and the principle of on-lending by local banks, there is no risk of conflicts of interest in the utilisation of promotional loans.
- By way of exception to Section 6.5, two regular meetings of the Supervisory Board and its committees are held every year. The Expert Committee meets once a year. The Risk Committee meets three times a year. Other special meetings may be held if necessary.

Subject to the exceptions noted above, Landwirtschaftliche Rentenbank also intends to conform with the PCGC in the future.

Landwirtschaftliche Rentenbank  
March 2025

The Management Board  
The Supervisory Board

# Communication and stakeholders

## Dialogue with stakeholders

As a bank and direct agency of the German federal government, we have many stakeholders.

Communicating with stakeholders and being transparent with them is very important to us. To achieve this goal at all times, we updated our stakeholder analysis in 2023. The analysis is focused on aspects such as the influence, participation, impairment, and interests of potential stakeholders. The following stakeholder groups were identified and confirmed by the Management Board in alphabetical order:

- Chambers of Commerce and associations
- Employees
- (General) public
- Internal and external boards
- Investors, analysts, issuers
- Job applicants
- Local banks and on-lending institutions, federal state development banks
- Ministries/government
- Rating agencies (credit and sustainability ratings)
- Suppliers and service providers
- Ultimate borrowers
- Universities

In addition, the following important channels of communication with stakeholders were identified:

- We communicate directly with officials in government ministries, discussing the existing requirements for promotional programmes and possibilities for designing our own promotional programmes. Because our loans are issued by local banks who deal with their customers in person, we also communicate with them directly and elicit feedback from them.

- We present our promotional programmes to our business partners, borrowers, and agriculture specialists at banks and savings banks in workshops, seminars, and presentations, discuss our programmes with them, and determine their needs.
- We sponsor guest presentations to raise awareness among students of agricultural sciences, who we consider to be the future decision makers in this sector, to the issues of agriculture financing.
- We present our bank to a broad audience of stakeholders at trade fairs and other events. We live up to our claim of supporting companies in all phases by serving as a jury member in start-up contests.
- We regularly exchange views and information on the subject of sustainable finance, as well as the resulting impacts on agricultural banking and design possibilities, with representatives of the farming and banking communities.
- We provide wide-ranging information to organisations such as local banks, lending banks, the federal states' development banks, ultimate borrowers, and job applicants, as well as the general public, about Rentenbank, its services, and its values on our website. We also provide financial information particularly for analysts and investors.
- We communicate with our employees in various different channels, including the intranet, telephone and video conferences with employees, and our internal podcast.

## Initiatives and memberships

Rentenbank is a member of the Association of German Public Banks (Bundesverband Öffentlicher Banken Deutschlands, VÖB) and the European Association of Public Banks (EAPB). The VÖB represents the interests of its members in relation to the legislative bodies of the German federal and state governments, national and international supervisory and regulatory authorities, and the media and public at large. Through its work on the committees, Rentenbank participates in the VÖB's policy-making work on the subject of all key lending and regulatory issues, as well as the issue of Sustainable Finance. The EAPB represents the interests of public banks in the European framework.

We are also active in boards of trustees such as that of the Andreas Hermes Academy, and in the expert committees and working groups of the German Farmers' Association and the German Agricultural Society (Deutsche Landwirtschaftsgesellschaft, DLG).

Rentenbank is a member of the Green Bond Principles of the International Capital Markets Association (ICMA) and a Diversity Charter signatory. As of 2024, it is also a member of the Partnership for Carbon Accounting Financials (PCAF).

Rentenbank published a [document](#) which serves as a guide to help the lending banks classify the greenhouse gas emissions of agricultural enterprises and systematically assess transition risks and ESG aspects. It was developed in collaboration with agriculture trade associations to ensure that their challenges are met. Conceived as a practical instrument, the functional concept provides background information, along with nine qualitative questions, to aid in the classification of borrowers. A number of banks have since taken to using the questions set out in the document to assess the individual risks associated with the emissions activity of their agricultural customers.

The WALD Initiative (Weltweite Allianz für Landschaftsbasierte Dekarbonisierung, Worldwide Alliance for Forest-based Decarbonisation) is a joint initiative of Landwirtschaftliche Rentenbank and KfW. The goal of the initiative is to mobilise private capital to strengthen and preserve natural eco-systems. To this end, the climate protection value of eco-systems is highlighted and companies are encouraged to support them. A key objective is to promote market mechanisms that reward the climate performance of German eco-systems. In the first step, support is given to forestries with the aim of establishing climate-resilient and biodiverse forests. This activity is carried out in the voluntary carbon market, which is currently unregulated in Germany. Support is given in the form of voluntary financial contributions to promote climate protection (“contribution claims”).

In August 2022, moreover, we joined a consortium whose members include Klim GmbH and K+S AG, among other companies, to develop a DIN-SPEC. This preliminary step to establishing a DIN standard bears the title “Quantification and Assessment of Organic Carbon Capture and Greenhouse Gas Emissions Change from the Adapted Use of Agricultural Soil and Land”. The objective was to steer the many existing private-sector initiatives in the same direction, render them comparable, and develop constructive solution proposals for national and European-level debates. The framework produced as a result of this work was published in November 2024.

# Corporate social responsibility

As a good corporate citizen, Rentenbank mainly supports local cultural institutions and selected projects in Frankfurt am Main, where the bank has its headquarters. The cultural institutions we support on a regular basis through our membership in the respective sponsorship associations include the art gallery Schirn Kunsthalle, the Städel Museum, and the modern art museum Museum für Moderne Kunst.

Our annual Christmas donation supports the following charitable organisations in the Frankfurt area: “Die Arche” Kinderstiftung Christliches Kinder- und Jugendwerk, which provides aid to children and youths from disadvantaged backgrounds, the hospice association Hospizverein Sankt Katharina e.V., the aid agency Malteser Hilfsdienst e.V., and the “Winter Action” campaign of the Sankt Katharinengemeinde.

Rentenbank’s employees regularly donate bags filled with groceries to support the work of “Die Arche” in Frankfurt. They also donated school supplies, participated in the “Wish List” campaign by purchasing Christmas gifts for the children and youths served by this organisation and providing tutoring services to help them with their schoolwork.

Rentenbank never uses donations or sponsoring to influence third parties improperly. Rentenbank does not enter into sponsoring agreements with and does not make donations to political parties and organisations.

## Rentenbank Donations 2021 - 2024 (in euros)

Donors	2024	2023	2022	2021
Rentenbank	50,553	47,262	77,097	106,130
Employees			29,098	560
<b>Total</b>	<b>50,553</b>	<b>47,262</b>	<b>106,195</b>	<b>106,690</b>

## **Gerd Sonnleitner Award for Volunteering Work**

Rentenbank has sponsored the annual Gerd Sonnleitner Award, which comes with a cash prize of EUR 5,000, since 2014. Candidates should be less than 35 years old and perform exemplary work in the service of the reconciliation of interests in rural areas according to the example of the prominent farmers' advocate after whom the award is named. Since the past year, however, the Gerd Sonnleitner Award has been suspended as it undergoes a fundamental overhaul.

## **Buchenborn Forest Project**

As an example of its targeted support of nature conservation efforts in the Rhine-Main region, Rentenbank has since 2016 promoted a forestry project in the 550-hectare Buchenborn Forest District in the Wetterau region of Hesse State, together with the German Institute for Federal Real Estate (Bundesanstalt für Immobilienaufgaben, BImA). With their long-term commitment to this project, Rentenbank and BImA make an active contribution to climate, species, and biodiversity protection in an area directly in the immediate environs of Rentenbank's headquarters in Frankfurt am Main.

By means of sustainable forestry and other projects, numerous ecosystem conservation services are provided and financially rewarded in the forest area. Rentenbank and BImA have entered into a framework agreement for this purpose. BImA manages the forest area according to strict ecological principles. Among other measures, it leaves waste wood and dead wood to enrich the ecosystem. Furthermore, it makes a point of using no biocides of any kind. Other focal points of the agreement include the support of locally appropriate vegetation on the basis of potential natural vegetation, adapted wildlife stock, and special species conservation measures. The Nature Conservation Department of the German Federal Forest Service (Bundesforst) provides expert advice and quality assurance services.

Under this same collaboration, additional ecosystem conservation services are provided in the form of individual measures. Eleven of these additional measures contributing to nature and species conservation have since been initiated. The project "1.000 Baumriesen" (1,000 Tree Giants) was one of the first to be implemented. The goal of this project is to protect and promote old, large, and vital trees in the Buchenborn Forest. These giant trees perform

a diverse range of specific tasks in the forest ecosystem, including natural forest rejuvenation, shelter for different species of animals, and habitat for a large number of insect and spider species. The preservation of animal habitat is also the goal of the “Sommerhang” (Summer Slope) project, which is aimed at creating a warmer and drier forest climate. This untypical forest climate benefits increasingly rare species of insects and birds, but also wildcats. The growth of wildcat populations is promoted in the “Auf leisen Pfoten” (On Silent Paws) project. The highly endangered European wildcat prefers structurally diverse, near-natural forests where they can find adequate places of refuge and hunting grounds. Since other species of animals need more light and sun, the “Sonnenanbeter” (Sun Worshippers) project was initiated to return two old stone quarries in Buchenborn to nature and trim the surrounding forest vegetation. The sunny areas so created will benefit the native common lizards, smooth snakes, blindworms, and insects. Recently added projects include “Taubenwäldchen” (Pigeon Woods), “Hirsch der Insekten” (Stag of the Insects), and “Das Summen im Wald” (Buzzing in the Forest). The first project is a special measure to protect the stock pigeon and create optimal conditions to help this species of pigeon recover quickly. The second project is focused on the protection and promotion of the stag beetle, known as the largest beetle species in Europe, which is on the IUCN Red List of Threatened Species. The third project aims to promote and protect insects in Buchenborn in view of the fact that both the total population and the species diversity of insects have declined sharply over the last few decades.

The Buchenborn Forest Project exemplifies the beneficial effects of promoting additional eco-system performance in economically exploited forest areas by providing the necessary financial resources.

# 1970s



ImageBROKER.com / Alamy Stock Foto

Rentenbank launches its first self-initiated promotional programme, “Rural Infrastructure”, as well as the “Agriculture” promotional programme.



# Our financial year 2024

## Promotional programmes

Our promotional activity is centred on our special promotional loans. We increased the share of programmes aimed at promoting sustainable investment projects further in 2024. Such projects include investments in renewable energy, but also programmes that we conduct on behalf of the German federal government such as the Agriculture Investment Programme of the German Federal Ministry of Food and Agriculture (BMEL), which we completed as planned in 2024. Another one of our key objectives is to promote innovation.

The 2024 financial year was especially challenging for the issuance of new special promotional loans. The high EU base interest rate set at the beginning of the year coupled with the conditions of state subsidy law left Rentenbank little room to offer competitive market terms without subsidies. Consequently, commercial banks did not make use of Rentenbank's resources to finance non-subsidy-eligible projects.

These conditions led to a considerable drop in demand for promotional loans particularly in the area of renewable energy because projects promoted in accordance with the German Renewable Energy Act (Erneuerbare-Energien-Gesetz, EEG) are only eligible for special promotional loans at non-subsidised terms. Similar effects were also observed in other promotional lines. For example, large corporations, which are likewise only eligible for special promotional loans at non-subsidised terms, filed a lower number of loan applications. The Agribusiness and Food promotional line was especially impacted

by this trend. Moreover, the agriculture sector was characterised by investment restraint, like nearly all economic sectors in Germany.

Under these conditions, the volume of new promotional loans issued by Rentenbank fell by 41.1% to euro 3.6 billion in 2024. The number of special promotional loans granted fell to 10,948 (2023: 14,534).

### New special promotional loans (in euro millions)

Promotional line	2024	2023
Agriculture	1,438	1,597
Forestry	6	7
Aquaculture and fisheries	1	1
Agribusiness and food	345	746
Renewable energy	76	849
Rural development <sup>1</sup>	1,736	2,913
<b>Total</b>	<b>3,602</b>	<b>6,114</b>

Differences from the total sum are due to rounding.

<sup>1</sup> Includes programme-linked registered bonds, which had previously been presented under registered bonds; the year-ago figure has been adjusted accordingly.

## Extensive promotion of sustainability projects by the bank's special promotional loans

The transformation to a more sustainable economy is a mission for the whole of society and one that demands investments on a commensurate scale. We support sustainable investments in agriculture with our special promotional programmes and an interest rate subsidy (best terms and premium terms).

The “Energy from the Countryside” programme promotes the expansion of renewable energy. The programme is focused on promoting investments by farmers in photovoltaic, biogas, and wind energy generation, as well as civic wind farms in rural areas.

With its “Sustainability”, “Environmental and Consumer Protection”, and “Forestry” programmes, Rentenbank supports a wide range of measures to improve animal welfare, energy efficiency, and emissions reduction. Other objectives of these programmes include the promotion of ecological farming, forestry measures such as the conversion of forests to climate-adapted mixed forests.

We financed sustainable projects with funds totalling euro 365 million in the 2024 financial year (2023: euro 1.3 billion). Thus, 10% of our new promotional lending consisted of special promotional loans to finance sustainable investments.

#### **Sustainable investments** (in euro millions)

	<b>2024</b>	<b>2023</b>
Renewable Energy promotional line	76	849
Humane animal husbandry	121	78
Emissions reduction	64	240
Energy efficiency	21	37
Ecological farming	46	50
Other	37	61
<b>Total</b>	<b>365</b>	<b>1,314</b>
<b>Share of total new promotional loans (in %)</b>	<b>10</b>	<b>21</b>

Differences from the total sum are due to rounding.

## **Expansion of the promotional programme “Areas of Future Development”**

Rentenbank is continually expanding its promotional programme “Areas of Future Development” in order to promote sustainable investments in agriculture and rural areas even more. The areas of future development are selected topics which Rentenbank has identified as being especially worthy of promotion and/or innovative on the basis of the current social and political discourse. The loans offered under this programme feature additionally subsidised premium terms. The programme is flexible and can be adjusted as needed.

We broadened the programme in 2024 by adding two more areas of future development, bringing the total to eight. One of these new areas involves the promotion of investments to rebuild stalls to improve animal welfare. The second new area involves the promotion of investments in machinery to facilitate autonomous, environmentally friendly farming practices.

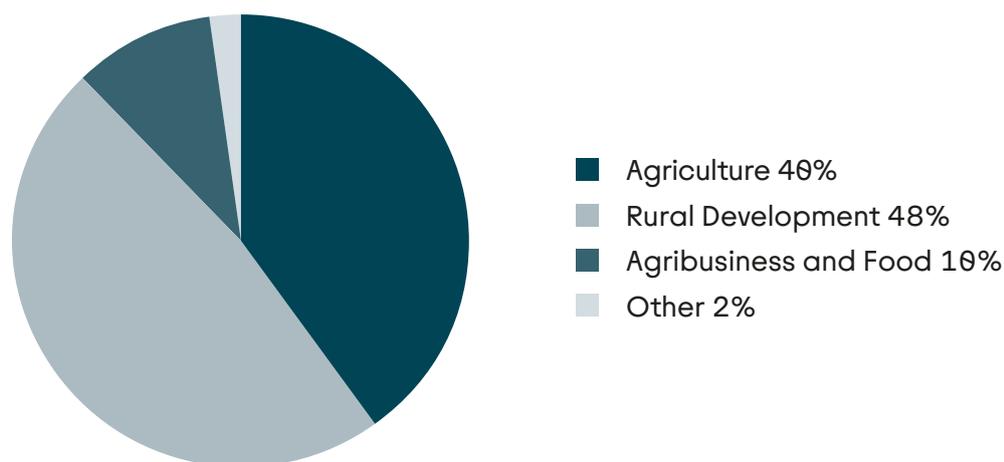
Under the “Areas of Future Development” programme, we promoted investment projects with 300 loans totalling euro 89.9 million at premium terms in the past financial year (2023: 167 loans totalling euro 80.0 million).

## **Only modest decrease in new promotional loans in the Agriculture promotional line**

The 9.9% year-on-year decrease in the volume of new promotional loans granted in the Agriculture promotional line was relatively modest compared to the other promotional lines. At euro 588 million, machinery investment accounted for the largest share of the total financing volume (41%) in 2024, followed by farm buildings in the amount of euro 507 million, representing 35% of the total financing volume. Land acquisition financing amounted to euro 237 million or 16%.

The total volume of loans granted under our liquidity protection programme, which is also part of the Agriculture promotional line, was only euro 1.7 million in 2024, as the demand for this type of loan was very weak. We opened the programme permanently to damage caused by regionally occurring extreme weather events in the past financial year.

## New promotional loans granted in 2024 (Total EUR 3.6 billion)



## BMEL's "Agriculture Investment Programme" concluded at year-end 2024

We successfully continued the programme entitled "Investment Promotion under the Investment and Future Programme for Agriculture" on behalf of the BMEL in the 2024 financial year. This programme, which was scheduled to run four years in total, was concluded at the end of 2024.

During the term of the project, more than 14,800 applications for a total grant volume of more than euro 532.5 million were approved.

The objectives of this programme were to promote resource-conserving land management, better climate and environmental protection, and improved biodiversity. Machinery and equipment used in the more exact application of livestock manure and plant protection agents and in mechanical weed control were promoted under the programme. Structural installations for the low-emissions storage of livestock manure and liquid manure separation systems were also eligible for promotional loans.

Not only agricultural enterprises, but also agricultural contractors and commercial machinery rings were eligible to apply for such loans. Investment projects were supported with a subsidy of up to 40% of the total investment amount, combined with a low-interest promotional loan by Rentenbank to finance the rest.

In the last year of the programme, we approved loans totalling euro 10.6 million and investment subsidies totalling euro 16.9 million for investments in environmentally friendly and climate-friendly projects. All disbursement applications received were processed in time before the end of the project. Funds totalling euro 104.5 million were disbursed in 2024.

## **Support of the Environment Ministry’s “Natural Climate Protection” programme (ANK)**

Since July 2024, we have been conducting the grant programme entitled “Promotion of Investment in Machinery and Equipment to Strengthen Natural Soil Functions in Agricultural Landscapes” as part of the German Federal Environment Ministry’s Natural Climate Protection Action Programme (Aktionsprogramm Natürlicher Klimaschutz, ANK).

The German federal government’s objective in launching the ANK programme is to considerably improve the general condition and resilience of ecosystems in Germany in order to strengthen their climate protection performance and so make a lasting contribution to climate protection.

Location-adapted and sustainable soil management preserves natural soil functions and promotes soil biodiversity and thus makes an important contribution to natural climate protection. The programme promotes investment in machinery and equipment to enhance the carbon sink function of soils and biodiversity in agricultural landscapes, particularly machinery and equipment designed for soil-conserving land management and reduction of soil pressure, mechanical weed control, and extensive grassland management.

Not only agricultural enterprises, but also agricultural contractors, commercial machinery rings, and recognised nature protection associations are eligible to apply for such loans. Investment projects are supported with a subsidy of up to 65% of the total investment amount, which can be optionally combined with a low-interest promotional loan by Rentenbank to finance the rest.

Since the start of the expression-of-interest procedure in July, many agricultural enterprises have demonstrated their willingness to make investments of the kind covered by the programme. Rentenbank invited interested parties to file applications in three rounds and approved 222 applications for a grant volume of more than euro 7.7 million by the end of the year.

## **Lower volume of new promotional loans in the Agribusiness and Food promotional line**

The significant decrease in the volume of new promotional loans granted in the Agribusiness and Food promotional line is mainly attributable to the high level of the EU base interest rate, which had the effect of lowering demand for non-subsidised loans by large corporations because they can only be promoted with non-subsidised loans. At euro 284 million, machinery investment accounted for the largest share (82%) of total new loans in this promotional line, followed by the financing of farm buildings in the amount of euro 52 million, representing 15% of total new loans.

## **Lower demand for loans in the Rural Development promotional line**

The performance of the Rural Development promotional line was mainly affected by the demand of state development banks for Rentenbank's global loans in the amount of euro 1.4 billion, which represented 80% of the new loans granted in this promotional line. These funds were used particularly to promote local infrastructure projects in rural areas. The decline is best understood in relation to the very high number in the previous year. Nevertheless, investment propensity was generally lower in this promotional line due to the current market conditions.

## **Greenhouse gas footprint of promotional programmes**

Since 2023, Rentenbank has measured the CO<sub>2</sub>e emissions linked to its promotional programmes (Scope 3, Category 15) using PCAF (Partnership for Carbon Accounting Financials). These emissions account for more than 99% of Rentenbank's total emissions. We financed approximately 21,042 kt CO<sub>2</sub>e with our promotional programmes in 2024, which is lower by 1,600 kt than in 2023 and therefore an improvement. This reduction is not entirely attributable to the lower volume of new promotional loans granted as the emission intensity declined by 0.55 kg CO<sub>2</sub>e per invested euro to 0.54 kg.

## Rentenbank's emissions

Portfolio	2024			2023 <sup>1</sup>		
	Net amount (in mEUR)	GHG emissions <sup>2</sup> (in kt CO <sub>2</sub> e)	Emission intensity <sup>3</sup> (in kt CO <sub>2</sub> e/ mEUR)	Net amount (in mEUR)	GHG emissions <sup>4</sup> (in kt CO <sub>2</sub> e)	Emission intensity <sup>5</sup> (in kt CO <sub>2</sub> e/ mEUR)
<b>Total</b>	<b>38,888</b>	<b>21,042</b>	<b>0.54</b>	<b>40,922</b>	<b>22,642</b>	<b>0.55</b>
Agriculture	14,876	18,298	1.23	15,508	19,616	1.26
Forestry	82	18	0.22	101	24	0.24
Aquaculture and fisheries	26	7	0.27	31	8	0.26
Agribusiness and food	3,733	2,255	0.6	4,084	2,483	0.61
Renewable energy	7,924	147	0.02	8,482	143	0.02
Rural development	12,056	309	0.03	12,486	353	0.03
Residential real estate	191	8	0.04	230	10	0.04

1 In this table the financed emissions from the year 2023 have been corrected compared to the January 2025 version of the Climate Strategy. The Climate Strategy update planned for May will therefore include corrected numbers for 2023.

2 Scope 1 and Scope 2 emissions of financing recipients.

3 See footnote 2.

4 See footnote 2.

5 See footnote 2.

Due to the fact that investments are assigned to NACE codes, which are part of the classification system for economic sectors in the EU, and the corresponding CO<sub>2</sub> intensities, the portfolios used for CO<sub>2</sub> computation do not match the promotional lines. For example, the agricultural machinery of contractors is included in the agriculture portfolio, but are assigned to the Agribusiness and Food promotional line. The purpose of using NACE codes is to assign the most exact CO<sub>2</sub> intensity possible to each investment irrespective of the promotional line.

Most of the financed emissions are attributable to the agriculture portfolio. Agriculture emits large quantities of methane and nitrous oxide, which have a higher greenhouse gas potential than CO<sub>2</sub> and therefore make a considerable contribution to climate change. Because they result in large part from natural bio-chemical processes, they can only be reduced to a limited extent.

Because our customers' emissions data are not yet available to us, the presentation of financed emissions is mainly based on secondary data from the PCAF database and is therefore somewhat inexact. In order to have a solid data basis for effective decarbonisation control, we will seek in the coming years to progressively expand the pool of data available to us for calculating our CO<sub>2</sub> footprint. Additional information on the subject of financed emissions, including the calculation and planned reduction of financed emissions, can be found in the Climate Strategy.

## Promotion of innovation

The agribusiness and food industry makes an important contribution to the attainment of societal and ecological targets. Innovations and technical progress are needed to ensure the competitiveness of enterprises in this industry while also combatting climate change and promoting resource conservation. This is particularly true in the face of rising demands for animal welfare, product quality, and environmental protection.

Therefore, Rentenbank has stepped up its promotion of innovation and new technologies for a sustainable and viable agribusiness and food industry. We support the innovation process from market introduction to scaling of especially innovative methods and products.

To facilitate the commercialisation of innovative ideas, we promote agriculture-related start-ups in the early financing phase from the "German Federal Government's Special-Purpose Fund Administered by Landwirtschaftliche Rentenbank" (Special-Purpose Fund). The promotion entails a low-interest subordinated loan for an amount of up to EUR 800,000 per applicant in combination with a grant for consulting services (innovation voucher). By means of this promotional activity, we create an incentive to develop innovations and new business models in the agribusiness and food industry.

In this line of promotional activity, we approved four start-ups with subordinated loans totalling EUR 3.1 million (2023: seven start-ups with EUR 4.4 million) and with innovation vouchers from the Special-Purpose Fund totalling EUR 0.2 million (2023: EUR 0.2 million).

In 2024, the programme conditions for the Innovation Fund's "Research for Innovations in Agribusiness" expired as of 30 June 2024 and were not extended. Thus, existing research was still promoted, but no new research was approved in 2024.

In cooperation with the farmers' insurance carrier "Sozialversicherung für Landwirtschaft, Forsten und Gartenbau" (SVLFG), we initiated a coaching programme for women in agriculture, the main goal of which is to provide advice and counselling to encourage more women to start agricultural businesses. We will provide EUR 200,000 for this purpose by the end of 2025.

## **Increase in venture capital investments**

The venture capital market again had to contend with special challenges in 2024. After the boom phases of the last few years, financing conditions in this market deteriorated further last year. Rising interest rates, a tense geopolitical situation, and a greater focus on profitability on the part of investors caused investors to hold back on new investments, in a continuation of the trend that had begun in the previous year.

Despite these difficult conditions, investors continued to exhibit an interest in trailblazing innovations, particularly in the ag-tech and food-tech segments, that hold the promise of overcoming global challenges such as climate change and food security. By virtue of our strategic orientation, we are in a position to continue investing selectively in venture capital funds with high potential as a means of stimulating the sustainable development of this sector.

We invested in five new venture capital funds in 2024: Blue Revolution Fund L.P., Nucleus Capital Fund II GmbH & Co. KG, Extantia Climate Flagship II GmbH & Co. KG, Forbion BioEconomy Fund I Coöperatief U.A. and AENU Fund SA SICAV RAIF. Thus, we have expanded our portfolio to include 11 equity investments.

# Promotional Fund and Rehwinkel-Stiftung Foundation

## Promotional Fund: Focus on research and continuing education

Rentenbank devotes its entire distributable profit to the promotion of agriculture and rural areas. One half of the distributable profit is allocated to Rentenbank's Promotional Fund and the other half to the German federal government's Special-Purpose Fund administered by Rentenbank.

An amount of EUR 9.25 million was allocated to the Promotional Fund from the bank's distributable profit in the past financial year. We used these funds to support both individual projects and institutions of importance for agriculture and rural areas.

Another focal point of the Promotional Fund besides agriculture-related research is the promotion of cooperation projects between academic facilities and institutions in the agricultural sector. We also use the funds of the Promotional Fund to support practice-oriented model projects, education measures and events, particularly projects related to continuing education events for agricultural professions.

We also provided financial support to international cooperation ventures in the agribusiness sector, particularly student exchange projects for students of agricultural sciences, and projects aimed at conveying knowledge to children and young people.

We also promoted projects in the areas of forestry, animal welfare and livestock farming, as well as climate protection and sustainability.

## **Edmund Rehwinkel-Stiftung: Promotion of science and research**

The foundation Edmund Rehwinkel-Stiftung was founded by Rentenbank in 1974. In the spirit of the man after whom it is named – Edmund Rehwinkel, the former President of the German Farmers’ Association – the foundation promotes agricultural research activities and projects of great practical use for agriculture. The capital of this foundation organised under civil law, which is recognised as a non-profit institution, is EUR 17 million.

### **Scientific papers**

The annual calls for proposals on issues of current interest to the agribusiness and food industry pertain to scientifically and socially relevant discussions and developments. The research papers are presented to the broader public at the Rehwinkel Symposium.

The central theme of the 2024 Rehwinkel Symposium was “More Resilience and Transformation – Strategies for Agriculture and Public Policy”. Scientific papers on the subject of “Transformed Agriculture in Global Competition” were promoted in 2024.

### **Scholarships**

The foundation also awards two to three scholarships per year to outstanding students specialising in agriculture or food sciences. The scholarship recipients receive financial support for two years. They can also attend seminars, trade fairs, and other events.

Additionally, the Rehwinkel Stiftung awards a total of four German National Scholarships sponsored by the German Federal Ministry of Education and Research (Bundesministerium für Bildung und Forschung, BMBF) to students of Göttingen University and Gießen University.

# Funding

## Continuation of excellent market access

Our strong credit ratings and the special regulatory treatment afforded to our bonds by virtue of the Federal Republic of Germany's guarantee for Rentenbank's obligations allow us to maintain our excellent market access across all maturities.

Measured by the margin over 6-month Euribor, our funding costs were higher than in the previous year. This increase resulted from the general rise in credit spreads triggered by the higher issuance volumes of state issuers in Europe and by the beginning run-off of bond holdings by the ECB. We were still able to raise short-term liquidity less than one year at yields at the level of €STR swap rates through our Euro Commercial Paper Programme (ECP Programme).

## Lower issue volume

We raised EUR 8.2 billion (2023: EUR 10.5 billion) in funds with maturities of longer than two years in the capital markets in the past financial year. The funds were raised by the following funding instruments:

### Medium- and long-term issue volume

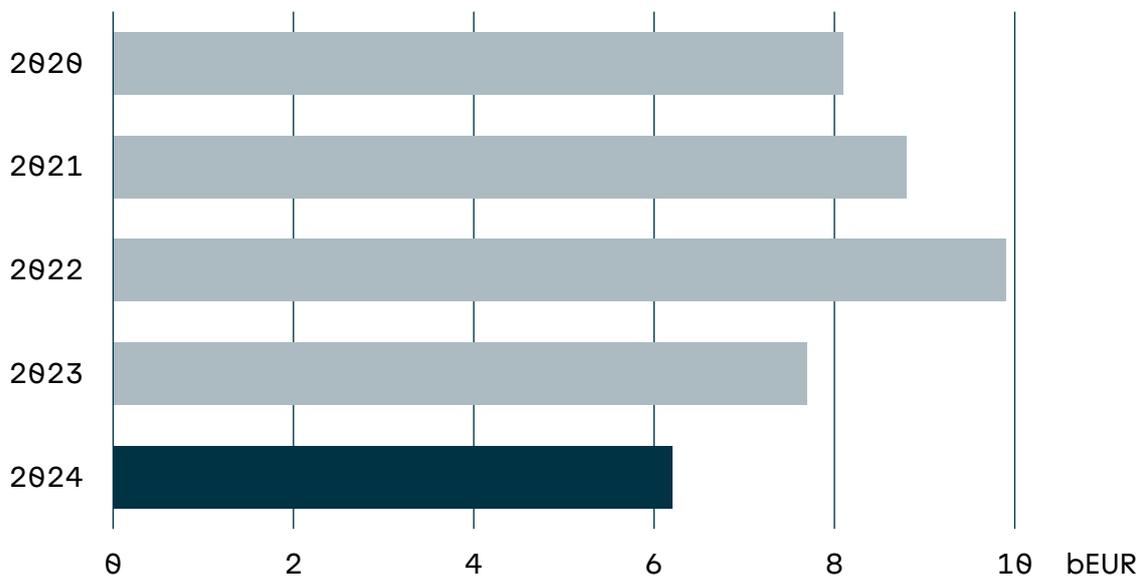
(longer than two years)

	bEUR 2024	bEUR 2023	Share in % 2024	Share in % 2023
EMTN	6.2	7.7	75.5	73.1
of which green bonds	0.0	1.0	0.0	9.5
Global bonds	1.4	2.1	17.0	20.1
AUD-MTN	0.6	0.7	7.5	6.8
<b>Total</b>	<b>8.2</b>	<b>10.5</b>	<b>100.0</b>	<b>100.0</b>

## Vital importance of the EMTN Programme

The Euro Medium-Term Note Programme (EMTN Programme) is our most important funding instrument, with a programme capacity of EUR 70 billion. The programme capacity used at the end of 2024 was EUR 56.6 billion (EUR 57.9 billion). Using standardised documentation, we can float issues of different amounts, maturities, and structures in many currencies under the EMTN Programme. We used the programme in the past financial year to raise exclusively medium- and long-term funding.

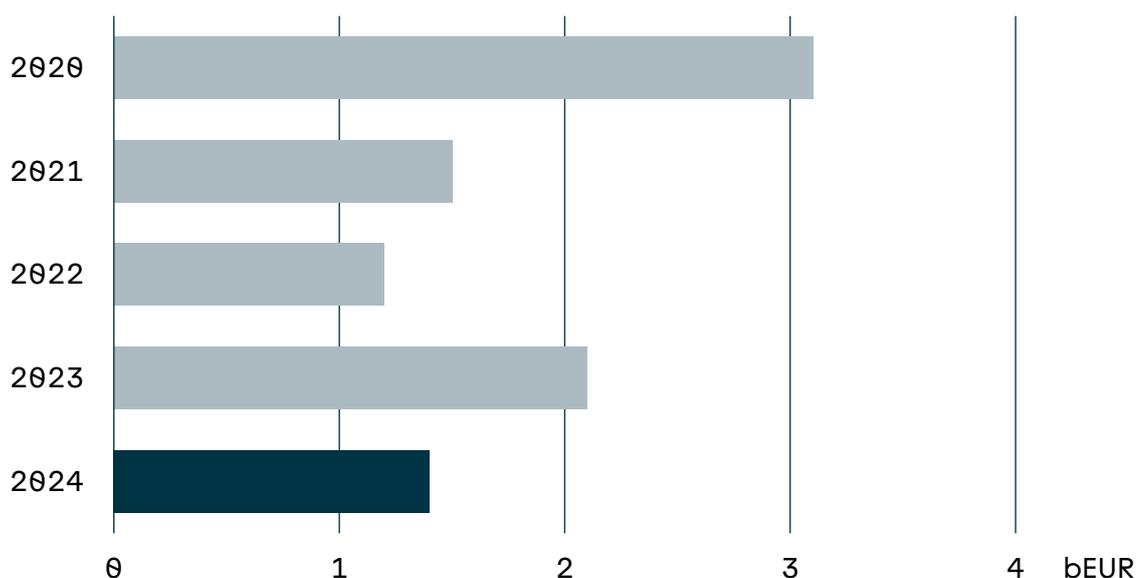
### Medium- and long-term EMTN issues



## Successful US dollar global bonds

The global bonds registered with the US Securities and Exchange Commission (SEC) play an important role in our funding activities. The registration under “Schedule B” gives us access to the US market. This registration is only granted to sovereign states and quasi-sovereign issuers, underscoring our “agency” status in the international capital market. We issued a five-year global bond for USD 1.5 billion in 2024.

### Issuance of global bonds



### Lower issue volume in the “kangaroo” market

Under our AUD MTN Programme, we issued bonds in the total amount of AUD 1.0 billion (AUD = Australian dollars), equivalent to euro 0.6 billion (euro 0.7 billion), in 2024.

Rentenbank had an outstanding bond volume of AUD 7.6 billion at the end of 2024.

### Higher average utilisation of the ECP Programme

Issues from our euro 20 billion ECP Programme continue to be of major importance for short-term funding. These are bearer notes maturing in less than one year, which are usually issued in discounted form, meaning without interest coupons. The average annual programme utilisation was euro 10.9 billion in 2024 (euro 10.2 billion). The programme utilisation at the end of 2024 was euro 8.5 billion (euro 8.6 billion).

## Rentenbank bonds

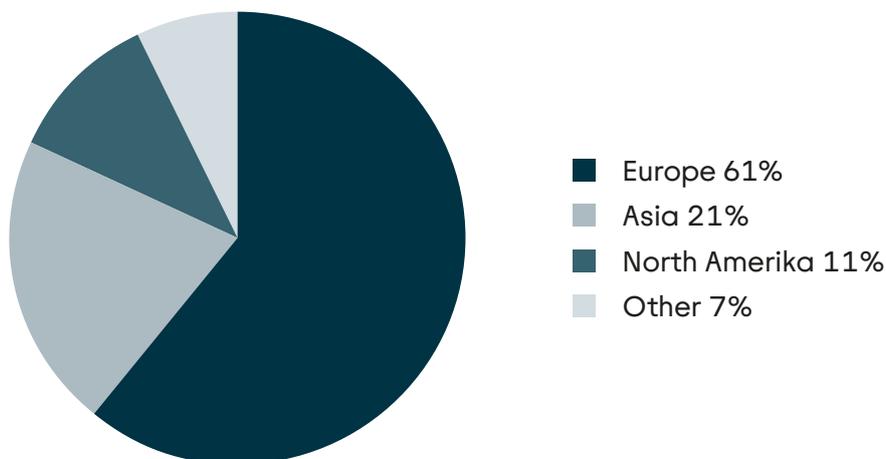
Based on the Credit Risk Standardised Approach of the Capital Requirements Regulation (CRR), EU banks do not need to allocate capital to back their loans to and receivables from Rentenbank. The zero risk weight resulting from the German Federal Republic's guarantee is also possible in many countries outside of the EU such as in the United Kingdom, Norway and Switzerland, the United States and Canada, Australia, and New Zealand.

## Banks were again the most important investor group

The percentage of our medium- and long-term issue volume placed with banks was 55% in the past financial year (57%). This group of buyers purchases the highest-rated zero-weight notes offering attractive spreads, which are recognised as liquid assets. In addition, central banks and other government agencies purchased a significant percentage of these funding instruments. This percentage rose to 35% (30%) in 2024.

The share of German investors fell to 21% from the previous year (30%). We placed 40% (39%) of our bonds with other European investors. At 21%, the demand of Asian buyers was about the same as in the previous year (20%). The share of US investors rose to 11% (6%). Another 5% (3%) of our issues were placed with investors in the Middle East and Africa, and 2% (2%) in New Zealand and Australia.

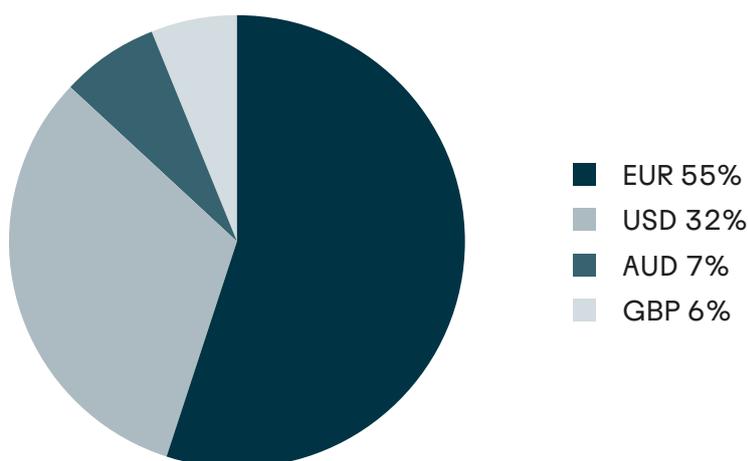
### Breakdown by region of medium- and long-term issues in 2024



## Euro was the most important issue currency

Our medium- and long-term issue volume was divided among four currencies in the past financial year. The most important issue currency was the euro, at 55% (66%), followed by the US dollar, the share of which rose to 32% (27%). The Australian dollar came in third place, at 7% (7%). The British pound accounted for 6% of our total issue volume.

### Breakdown by currency of medium- and long-term issues in 2024



## Rentenbank issues are classified as “liquid assets” ...

In the European Union, the bonds of promotional banks are classified as “liquid assets” for purposes of bank regulatory reporting pursuant to the CRR. Thanks to the German Federal Republic’s guarantee, our bonds fulfil the regulatory requirements of “Level 1 assets” in the EU. The same applies in some countries outside of the EU.

## ... and recognised as eligible collateral

Our euro-denominated exchange-listed issues meet the requirements of the European System of Central Banks (ESCB) to qualify as Category I collateral. Our bonds are classified as belonging to Liquidity Category II. Only the bonds of central banks and sovereign states are assigned to the higher

Category I. Liquidity Category II includes the bonds of supranational institutions and the issues of institutions with a public promotional mandate. Moreover, the Reserve Bank of Australia recognises our “kangaroo bonds” and the Reserve Bank of New Zealand our “kauri bonds” as eligible collateral. Our issues also enjoy a preferential status in the private repo markets. For example, Eurex Clearing AG accepts our securities as collateral for the “GC Pooling ECB Basket”.

## **Rentenbank bonds are included in the most important bond indices**

Our large-volume euro- and US-dollar-denominated bonds are included in the most important bond indices, including the Bloomberg Euro-Aggregate Government Related TR Index and the Bloomberg US Aggregate Bond Index. These indices measure the performance of international market segments. Many institutional investors are measured by the performance of these indices and therefore they manage their investments and invest their assets on that basis.

## **Money market operations**

We employ a number of instruments to fund short-term assets, manage liquidity, and hedge short-term interest rate risks. Short-term funds can be raised by way of the ECP Programme and EMTN Programme, by way of overnight deposits and term deposits in the interbank market, and by way of the ECB’s refinancing facilities. We also manage interest rate risk through the use of derivatives.

## **Derivatives to hedge market price risks**

To hedge interest rate and currency risks, we entered into swaps amounting to euro 16.9 billion in the past financial year (euro 22.2 billion). Of this total, euro 13.2 billion (euro 18.7 billion) consisted of interest rate swaps and euro 3.7 billion (euro 3.5 billion) consisted of cross-currency interest rate swaps. We also hedged our foreign currency ECP issues with currency swaps (FX swaps).

We only use derivatives as hedging instruments for existing or foreseeable market price risks. We limit the credit default risk of the derivatives we employ by means of collateral agreements with all swap counterparties.

## **Rentenbank remains classified as a non-trading book institution**

Rentenbank does not keep a trading book according to the definition of the German Banking Act (KWG) and Article 4 (1) number 86 CRR. We therefore classified our bank as a non-trading book institution and notified this classification to the BaFin and the Bundesbank already in 1998. We still do not hold any positions with trading intent according to Article 4 (1) number 85 CRR. We assign all transactions to the banking book.

# Our employees

## People strategy

Rentenbank is a reliable partner to the agricultural sector. In line with its purpose “We promote the sustainable development of agribusiness and rural areas”, the bank works every day to foster growth and sustainability in agriculture and rural communities.

The successful execution of this important mandate would not be possible without a strong team. With their expertise and commitment, our employees make a crucial contribution to supporting agricultural enterprises, rural areas, and sustainable investment projects in challenging times. At the same time, we face tremendous challenges and we are experiencing radical changes – both in the work environment and in the dynamic conditions affecting the agriculture and financing sectors.

We launched a comprehensive transformation process in 2022 to prepare our bank and our employees for the future in the best possible way and to fulfil our promotional mandate successfully over the long term. This process included the development of our “Future Vision 2028”. We have already been able to achieve many of our ambitions from the Future Vision, including the modernisation of our IT application landscape. Due to the expansion of our tasks and activities and the rising regulatory requirements, our workforce increased from 436 at the end of 2023 to 459 as of 31 December 2024. The largest increase was in the IT department.

Another key milestone of our transformation process is our new employer branding presence, which brings Rentenbank to life as an employer and positions us strongly in the competition for the brightest minds. Since the go-live in the summer of 2023, the campaign has helped increase the number of job applications received for each open position by a factor of nearly six from 2022 to 2024. Our employer brand is attractive.

Constructive feedback plays a key role in our transformation process. For that reason, we introduced a new feedback process in 2024 that was developed in collaboration with employees and managers. The traditional performance assessment process has been replaced by an “orientation dialogue” as the first crucial step towards a sustainable feedback culture. The orientation dialogue promotes open discussion at eye level as a means of developing the employee’s skills, commitment, performance, and leadership abilities. To accompany the introduction of this process, practical training sessions were held for all employees. These sessions were followed by “buddy groups” as an opportunity to practice and deepen the knowledge gained in the training.

Our corporate purpose and future vision were complemented by newly introduced corporate values in 2024, to the development of which all employees were invited to actively contribute. We presented the results at our company summer party, where we also celebrated the 75<sup>th</sup> anniversary of Rentenbank’s founding. The five values that represent us as Rentenbank and serve as a compass for our actions are: drive, appreciation, responsibility, innovation, and consistency. To bring these values to life, we have developed practical behavioural anchors to serve as guide in our day-to-day work. We also established a dedicated team of value ambassadors who foster dialogue, act as multipliers, and support the lasting integration of the values into our corporate culture.

We believe it is very important to regularly keep our employees informed about relevant developments in the bank. For this purpose, bank-wide town hall meetings are held on a regular basis. Other important communication channels include our intranet and the Rentenbank podcast “Three questions for ...”, which informs employees about specific areas and other topics of current interest in the bank.

As a member of the German Association of Public Banks, Rentenbank applies the collective wage agreement concluded with the relevant trade union. As of 31 December 2024, 48% of the bank’s employees were paid according to

the collective wage scale, while 52% were paid outside of the collective wage scale. As of 1 January 2024, the weekly work hours under the collective wage agreement were reduced from 39 to 38. The shorter work hours were also applied to those Rentenbank employees receiving above-tariff compensation at Rentenbank.

## **Corporate co-determination and staff representation**

For purposes of corporate co-determination, a Staff Council elected on the basis of the German Federal Staff Representation Act (Bundespersonalvertretungsgesetz) represents the bank's employees. Together with the Gender Equality Officer and the Council of Severely Disabled Employees, the Staff Council represents the interests of all employees. The Staff Council exercises its co-determination, participation, and consultation rights.

## **Corporate health management**

Our comprehensive health management promotes the physical and mental well-being of our employees. The offerings are available to all employees and include company sports clubs, allowances for membership in a fitness centre of the employee's choice, personalised health training courses, medical check-ups for managers, and occupational reintegration management. These benefits are supplemented by free counselling from a family service agency on topics such as life coaching, elder care, and addiction prevention.

Our in-house company restaurant also makes an important contribution to the health of our staff. As a promotional bank for agriculture, it is important to us that we serve balanced meals with fresh, seasonal, and regional ingredients to our employees. As part of our Sustainability Programme, we introduced "Green Meal Monday" in 2024: To reduce meat consumption in the company restaurant, we offer a completely meat-free menu on every second Monday of the month.

On the occasion of Rentenbank's Annual Health Day in 2024, we offered yoga and meditation classes, exercise breaks, spinal scans and cardio scans, as well as presentations on the subject of mental health.

As part of the risk assessment required by the German Occupational Health and Safety Act, we held analysis workshops to evaluate psychological stresses at the workplace. Based on the results, we offered workshops on resilience, self-management, and time management in the autumn of 2024.

Rentenbank organises voluntary flu vaccinations, which are handled by the company physician, once a year.

## **Occupational health and safety**

The occupational health and safety organisation provides the framework for the measures taken by the bank to protect employees against occupational hazards. Rentenbank has established an Occupational Health and Safety Committee composed of members of the Staff Council, the Occupational Health and Safety Officer, the Council of Severely Disabled Employees, and employer representatives, among others.

## **Sustainable mobility**

Sustainability is also an important factor when it comes to transportation. Our employees are encouraged to use sustainable modes of transportation for business trips whenever possible. Under the new company car policy adopted in 2024, Rentenbank will only purchase fully electric vehicles. In addition, Rentenbank reimburses its employees for the cost of the “Deutschland Ticket” train pass, making it easier for them to commute to and from work in an environmentally friendly manner.

## **Lived diversity and equal opportunity**

As a signatory to the Diversity Charter, Rentenbank is publicly committed to genuine diversity in the workplace. All employees are valued regardless of social background, ethnicity, gender, religion, worldview, disabilities, age, family status, or sexual identity.

## **International Women’s Day and Diversity Day**

On the occasion of the 114<sup>th</sup> International Women’s Day, our Gender Equality Officers treated all employees to an inspirational presentation entitled “Why Noah, not Nora Built the Ark”. The presentation given by a female expert in gender equality matters provoked lively discussions. A subsequent get-together gave all the participants an opportunity to informally discuss issues related to gender equality and work-life balance.

In May of last year, Rentenbank again participated in the German Diversity Day. Highlights included a presentation by the Managing Director of the Frankfurt Dialogue Museum entitled “Diversity and Inclusion – A Culture by Everyone, for Everyone“. The presentation provided valuable insights into the question of how to actively create an inclusive corporate culture.

## **Gender equality**

The equality of women and men – also in terms of compensation – is an important element of personnel policy at Rentenbank. The Gender Equality Officer and her deputy are actively consulted on all relevant decision processes, including employee hiring.

## **Gender Equality Plan and compatibility of family, caretaking, and work**

The Gender Equality Plan, accessible to all employees, contains targeted measures to promote the equality of women and men and enhance family friendliness and the compatibility of family, caretaking, and work. These measures include flexible work schedules and part-time models, allowances to defray childcare costs at designated day-care centres in Frankfurt, and the counselling services of a family services agency. Under the “Company Agreement on Mobile Working”, staff members have the opportunity to work from anywhere in Germany for up to 40% of their weekly work hours; an even higher percentage can be agreed with the respective supervisor.

Rentenbank works together with an agency that connects staff members with qualified, certified, and insured caretakers for children and older family members in need of nursing care via an online portal. All staff members are entitled to use this portal to find caretakers in their neighbourhoods and build a network of reliable caretakers.

In addition to qualitative goals and measures, the Gender Equality Plan and the Gender Equality Report also include key indicators such as the percentage of management positions held by women and the breakdown of compensation paid to men and women by collective wage groups. In 2024, 37% of management positions were held by women. At 56% to 44%, the ratio of male to female employees was again nearly even. Women represented 76% of part-time employees.

Rentenbank was awarded the “audit berufundfamilie certificate” in 2024, confirming the attention given to family life and life phases in the bank’s personnel policy. The certificate was awarded after a months-long audit process in which a target agreement and concrete measures were adopted with the involvement of employees and managers. The agreed measures include initiatives to make work schedules even more flexible, establish a meeting culture that honours work-life balance, and promote equal opportunity by introducing probationary management positions and dual management teams.

Rentenbank’s traditional Children’s Day, which teaches employees’ children about agriculture, was held again in October 2024 after being suspended due to COVID-19. The young participants spent an entertaining day at the “Sindlinger Glückswiese” adventure farm and animal sanctuary. They were treated to a special experience with activities like a farm rally, creative activities, and fascinating insights into how to interact with animals.

The “parental leave mentorship” programme was introduced for the first time in 2024. Under this programme, colleagues who apply for maternity leave or parental leave are assigned a mentor who serves as a conversation and sparring partner on all topics related to work-life balance and acts as a link to the bank.

## **Inclusion**

In exercising its social responsibility, Rentenbank advocates for the inclusion of disabled persons. In this respect, we adhere to the principles of the UN Convention on the Rights of Persons with Disabilities, which took effect in Germany in March 2009, and design appropriate workplaces for our employees with disabilities. We concluded an inclusion agreement, adopted an action plan, and appointed an Inclusion Officer in 2024. Our inclusion rate was 2.68% in 2024.

# Qualifications

We ensure that our staff have the appropriate qualifications primarily by means of continuous, personalised, and needs-based staff development measures. We offer a wide range of options to help our staff develop their knowledge and skills, including external seminars, internal work shadowing, language courses, and in-house workshops. As an important component of our personnel strategy, we track the number of continuing education days per employee, which came to an average of 3.3 days per employee in 2024.

## Compliance training

To raise the awareness of its employees for relevant laws and regulations, the bank provides regular, mandatory training courses, especially on the subject of money laundering and fraud prevention, data protection, and information security. Employees' participation in these courses is subject to monitoring. In addition, employees are continually informed about the latest trends, attack patterns, and specific warning indicators to further raise awareness of IT security issues.

## Artificial intelligence

We started a test phase with our "AI Sandbox" in autumn of last year. This is a virtual test environment in which our employees can try out different AI applications for themselves and develop specific use cases for the bank. Workshops on the subject of prompt engineering were offered and supplementary learning materials were made available to optimally prepare employees to use the AI Sandbox tool.

## Mentoring programmes

Rentenbank's internal mentoring programme entered its third year in 2024. Over the course of 12 months, mentors and mentees meet regularly to share knowledge, exchange experiences, and learn from each other. Everyday work challenges are discussed and personal development paths explored in a protected atmosphere. In the cross-mentoring programme organised by an external partner, mentees from Rentenbank are advised by mentors from other companies, thus broadening their horizons. In exchange, Rentenbank makes mentors of its own available to other companies.

## Trainee programme

A new cycle of our trainee programme begins twice a year. During a nine-month rotation, the trainees are familiarised with different areas of the bank before they can apply and further develop their skills in their core area. The programme includes mandatory assignments as well as individual elective stations chosen on the basis of the participants' individual interests and tasks. Trainees also attend regular seminars and off-site courses offering opportunities for both professional and personal development. Trainees are given permanent employment contracts from the beginning and they are specifically prepared to take on a permanent position in their core area of expertise after the trainee programme is completed. We welcomed five new trainees in 2024. A highlight of this trainee class was a field trip to the Dottenfelder Hof farm in Bad Vilbel and the Karlshof farm in Roßdorf, where the trainees were treated to a first-hand look at projects promoted by Rentenbank.

## Training courses for senior managers

As part of the senior manager development programme, four off-site training events were held for senior managers in 2024. Particular emphasis was given to the application of new management instruments and practical discussions of the newly developed corporate values. These events gave the participants the chance to discuss their experiences with each other, reflect on their progress, and devise concrete measures to strengthen the bank's corporate culture.

# Key personnel indicators

Key personnel indicators	2024	2023	2022
Number of employees <sup>1</sup>	459	436	403
Ratio of men to women (in %)	56/44	55/45	53/47
of whom:			
Number of part-time employees	104	92	89
Ratio of men to women (in %)	24/76	20/80	21/79
Percentage of total management positions held by women	37%	31%	27%
Percentage of “Level 1” management positions (top management level) held by women	21%	14%	14%
Percentage of “Level 2” management positions (all other managers) held by women	40%	35%	31%
Percentage of temporary employees	6%	13%	15%
Percentage of employees paid according to collective wage agreements	48%	52%	50%
Percentage of employees paid above collective wage agreements	52%	48%	50%
Average length of service (in years)	9.0	9.1	9.5
Staff turnover rate	7.4%	6.0%	9.0%
Average age (in years)	44.4	44.4	44.5
Continuing education days per employee	3.3	3.1	3.2
Inclusion rate	2.68%	2.40%	2.84%

1 Excluding Management Board members, employees on leave (exempli gratia, parental leave), apprentices and interns. Women accounted for 33% of Management Board members at 31/12/2024 (previous year: 33%). Women accounted for 28% of Supervisory Board members (previous year: 33%).

<b>Personnel expenses</b> (in euro millions)			
	<b>2024</b>	<b>2023</b>	<b>2022</b>
Personnel expenses	52.8	48.2	56.8
of whom: “Social security contributions and expenses for pensions and other employee benefits”	9.7	9.7	21.5

# Operational ecology and sustainable procurement

## Operational ecology

As a bank with a small number of employees working at a single location in Frankfurt am Main, the environmental impact of Rentenbank's business activities is minor. Nevertheless, Rentenbank strives to continuously shrink its ecological footprint. Because our own building on Hochstraße is currently being renovated while preserving its landmark-building status, we are using the "Goldenes Haus" building on Theodor-Heuss-Allee 80, where we have leased four floors, as an interim headquarters. The bank's own resource management standards are met both in the building we are using on a temporary basis and in the renovation of our own building.

After the initial certification as an Eco-Profit Enterprise in 2022, Rentenbank successfully attained [recertification](#) in 2023. The recertification was tied to the fulfilment of Eco-Profit's mandatory criteria and the definition and implementation of measures within the cross-divisional environmental protection team. The programme did not require recertification in 2024. Since the Rhein Main Eco-Profit Programme was discontinued in 2024, Rentenbank is currently studying the option of introducing a follow-on environmental management programme.

# Key indicators of operational ecology

## Energy consumption

Electricity, water, and heating consumption data up to and including 2024 are available to Rentenbank. The category of indirectly purchased electricity is relevant due to Rentenbank's status as a lessee. Whereas directly purchased electricity is used to power staff offices, EV charging stations, and kitchen appliances, other electricity-consuming equipment like air conditioning, cooling, and elevator systems use the indirectly purchased building power. The electricity used to operate the building is ordered by the lessor and charged to Rentenbank. Whereas the generating sources of the building's power had been equivalent to the overall power mix in Germany until the end of 2021, 100% of the power used since January 2022 has been generated from renewable energy sources.

The energy-saving measures introduced in the second half of 2022 in the context of a looming shortage of natural gas have been continued without interruption. These measures made it possible to reduce the bank's consumption of resources from the year-ago levels, particularly with respect to electricity consumption per employee. Some of the decrease in directly purchased electricity is reflected in an increase in indirectly purchased electricity due to a billing change in this area.

## Key indicators of operational ecology

<b>Bank operation</b>	<b>2024</b>	<b>2023<sup>1</sup></b>	<b>2022<sup>2</sup></b>	<b>2021<sup>3</sup></b>
Directly purchased electricity (in kWh)	669,811	668,851	801,400	872,373
Of which from eco-power (in %)	100	100	100	100
Indirectly purchased electricity (in kWh) (building power)	1,697,937	1,645,791	1,515,991	1,338,241
Of which from eco-power (in %)	100	100	100	65
Electricity consumption per employee (in kWh)	5,624	5,966	6,455	6,426
Heating energy (in MJ)	9,458,972	8,571,881	7,556,432	7,520,508
Heating energy per employee (in MJ)	22,468	22,092	21,049	21,862
Employees (full-time equivalents)	421	388	359	344

1 Previous-year values have been supplemented or corrected.

2 See footnote 1.

3 See footnote 1.

## Motor vehicle pool and business travel

A slight increase from the previous year can be observed in the consumption data for the motor vehicle pool. The increase in trips using petrol-powered vehicles resulted from the higher number of on-site audits and inspections related to the programmes of the German federal government.

Hybrid vehicles and fully electric vehicles accounted for 55% of the entire motor vehicle fleet at the end of 2024. The implementation of the new company car policy adopted on 1 January 2024 will lead to an increase in the percentage of electric vehicles in 2025.

### Key indicators of operational ecology

Motor vehicles	2024	2023	2022	2021
Petrol (in l)	5,270	4,211	4,072	4,357
Diesel (in l)	2,498	2,110	926	205
Electricity (in kWh)	1,004	1,066		

The number of business trips was nearly unchanged although the distance covered was slightly higher. The kilometre distribution among the different modes of transportation is similar to the previous year. The share of kilometres covered by airline flights increased, while the relative share of kilometres covered by roadway and railway trips was modestly lower in both cases. Nevertheless, the emissions target set for 2024 of less than 0.25 t CO<sub>2</sub>e per employee due to business travel was achieved.

In calculating business trips using an automobile, a distinction was made between trips using a company car and trips with the employee's car. Emissions from company-owned cars are sub-divided into direct emissions from fuel combustion and indirect emissions caused in the production of the automobile (for example), where no such distinction is made with respect to vehicles not belonging to the bank's motor vehicle fleet.

## Business trips by means of transport in 2024

Means of transport	km	tCO <sub>2</sub> e	
	(in thsd)	Scope 1	Scope 3
<b>Passenger vehicles (including upstream emissions per VfU)</b>	<b>113.08</b>	<b>19.2</b>	<b>20.2</b>
Of which motor vehicle pool, diesel	17.00	6.7	4.8
Of which motor vehicle pool, petrol	54.16	12.5	8.3
Of which motor vehicle pool, hybrid and electric	20.24	Included in electricity consumption	
Of which employees' vehicles	21.68		7.1
<b>Rail transport</b>	<b>447.53</b>		<b>7.3</b>
<b>Air travel</b>	<b>288.15</b>		<b>40.8</b>
Of which short-range (up to 500 km)	16.31		2.2
Of which long-range	271.84		38.6
<b>Distance divided by emissions per employee (full-time equivalents)</b>	<b>2.01</b>	<b>0.05</b>	<b>0.16</b>

Emissions calculated in accordance with the VfU Standard, Update 2022, Version 1.0

## Resource consumption

The target of reducing paper consumption to below 850,000 pages by 2024 was not only achieved but significantly over-achieved. In view of this strong improvement, the paper consumption target was adjusted downwards to 300,000 sheets by the year 2026.

The overall waste quantity was slightly higher than in the previous year, but the waste quantity per employee was below the level of the previous year.

## Key indicators of operational ecology

<b>Resources</b>	<b>2024</b>	<b>2023<sup>1</sup></b>	<b>2022<sup>2</sup></b>	<b>2021<sup>3</sup></b>
<b>Paper</b>				
Paper consumption total (in sheets)	504,133	410,000	793,925	1,016,125
Paper consumption per employee (in sheets)	1,197	1,057	2,212	2,954
<b>Waste</b>				
Waste quantity total	58.45	54.49	44.25	95.85
Of which non-hazardous waste	100	100	100	100
Of which paper and cardboard, including packaging <sup>4</sup> (in %)	10.1	6.6	10.7	24.6
Waste quantity per employee	138.8	140.4	123.3	278.6
<b>Water</b>				
Water consumption total (in m <sup>3</sup> )	4,574	5,268	6,904	5,709
Water consumption per employee (in litres)	10,865	13,578	19,232	16,579
Employees (full-time equivalents)	421	388	359	344

1 The previous-year figures have been supplemented or corrected in part.

2 See footnote 1.

3 See footnote 1.

4 Due to Rentenbank's use of leased space, it only has limited data at its disposal to provide a breakdown of the waste quantity produced. The stated percentage of paper waste (Waste Breakdown number 20 01 01) only refers to certified file destruction and is not comparable with the previous years.

## Emissions

The extended collection of operational ecology consumption data enables us to conduct a more detailed computation of the emissions caused in each case. The emissions from the building power are reflected in Scope 3 because the power is ordered by the lessor. We have also calculated the emissions associated with our consumption of paper and water and production of waste. In the table below, the estimates used in previous years have been replaced with calculated values. A computation of CO<sub>2</sub> emissions from the lending portfolio is provided in the “Promotional programmes” section of the Financial Report.

### Key indicators of operational ecology

<b>Greenhouse gas emissions</b> (in t CO <sub>2</sub> e)				
	<b>2024</b>	<b>2023<sup>1</sup></b>	<b>2022<sup>2</sup></b>	<b>2021</b>
Scope 1 emissions	540.1	487.7	428.3	255.0
Scope 2 emissions	0	0	0	0
Scope 1 and 2 emissions per employee	1.3	1.3	1.2	0.7
Scope 3 emissions	293.5	276.6	234.8	569.9
Electricity (indirect)	33.1	32.2	30.9	338.2
Paper	2.3	1.8	3.6	4.6
Heating (indirect)	154.7	140.2	123.6	72.5
Water	2.8	3.3	4.3	2.6
Waste	32.4	31.4	20.7	44.0
Electricity for external data centre <sup>3</sup>		9.6	7.2	108.0
Business travel (including upstream emissions)	68.1	58.0	44.5	–
Total emissions measured per employee	2.0	2.0	1.8	2.4
Employees (full-time equivalents)	421	388	359	344

Emissions calculated in accordance with the VfU Standard, Update 2022, Version 1.0

1 The previous-year figures were supplemented or corrected in part.

2 See footnote 1.

3 The current consumption values of the external data centre were not available at the publication deadline.

# Sustainable procurement

As a non-manufacturing enterprise, our procurement is mainly limited to electronic and IT equipment, office supplies, and food for the bank's own cafeteria, as well as consulting, IT, and marketing services.

Landwirtschaftliche Rentenbank is committed to respecting human rights, the [Core Labour Standards of the ILO](#), and the [Diversity Charter](#). In addition to implementing these principles in our relations with our own staff, we also intend to place a greater emphasis on these aspects in our procurement activities. To this end, we formulated and introduced the [Sustainability Requirements for the Procurement Activities of Landwirtschaftliche Rentenbank](#) in 2023.

The Sustainability Requirements define the expectations for Rentenbank's suppliers in relation to environment, social, and governance issues. They are applied to a constantly growing number of contracts and in all European tenders.

The review of environmental and social standards on the basis of quality seals will still be considered in decisions regarding service providers and suppliers. Thus, we observe recognised sustainability standards in the procurement of office supplies. For example, we only use certified copy paper (FSC and Blue Angel) in our copiers and printers and only use certified envelopes (FSC) for outgoing post and externally printed publications. In the procurement of IT hardware, we will give even greater preference to electricity-saving components and sustainable materials in the future. Furthermore, we seek to purchase regional and seasonal food products for use in our internal cafeteria.

# 1950s



Main building on Hochstraße in Frankfurt am Main.

## **Landwirtschaftliche Rentenbank**

Theodor-Heuss-Allee 80  
60486 Frankfurt am Main/Germany

P.O. Box 101445  
60014 Frankfurt am Main/Germany

phone +49 69 2107-0  
office@rentenbank.de

# financial report

## 2024



rentenbank

# Management report

## General information about Rentenbank

### Promotional mandate

Rentenbank is a promotional bank that operates throughout Germany. According to Rentenbank's Governing Law, its mission is to promote agriculture along with related upstream and downstream industries, as well as rural areas in general. The Bank's business activity is aligned with this promotional mandate and its business model is defined by the framework established in Rentenbank's Governing Law and Articles of Incorporation.

As a promotional bank for agribusiness and rural areas, Rentenbank provides earmarked funds for a wide range of investments and initiatives. It grants its special promotional loans to local banks in a competitively neutral way to fund projects in Germany. The loans are granted to enterprises in the sectors of agriculture and forestry, viticulture and horticulture, and aquaculture and fisheries. Rentenbank also promotes projects in the food industry and other industries upstream and downstream of agriculture, as well as investments in renewable energy and infrastructure projects in rural areas. Furthermore, the Bank carries out promotional activities on behalf of the German federal government and state governments (mandate business). The appropriation of profit is aligned with the promotional mandate: One half the distributable profit is allocated to Rentenbank's Promotional Fund and the other half to the federal Republic of Germany's Special-Purpose Fund Administered by Rentenbank. The Special-Purpose Fund is used to promote innovation in agriculture on the basis of the guidelines set out by the German

Federal Ministry of Food and Agriculture (Bundesministerium für Ernährung und Landwirtschaft, BMEL). Rentenbank also promotes innovative business models by investing in venture capital funds that provide targeted financing to start-ups in the areas of ag-tech and food-tech and help them establish themselves in the market. Moreover, the Bank provides funding to banks, savings banks, and local authorities operating in rural areas, also by purchasing registered bonds, promissory note bonds, and securities.

## Management system

The Bank's strategic objectives and the measures required to achieve them, as well as the strategic control parameters, are derived from its business strategy. The strategic objectives are operationalised in different sub-strategies.

The strategic control parameters are applied in four categories to measure the effectiveness of strategic measures at the company-wide level:

- Attractive promotional programmes
- Efficient bank operations
- Adequate risk culture
- Fulfilment of the capital and liquidity requirements defined in the Risk Appetite Statement

## Segments

The Bank is managed on the basis of three segments:

- Promotional Activity
- Capital Investment
- Treasury Management

In the "Promotional Activity" segment, Rentenbank promotes investments in agribusiness and rural areas by funding earmarked loans granted to ultimate borrowers by local banks for use in Germany according to the terms and conditions of its special promotional lending programme.

Rentenbank also fulfils its promotional mandate by acting as a funding partner to lending banks operating in agriculture and rural areas, as well as local authorities in rural areas. Such funding takes the form of various

financial instruments (registered bonds, promissory notes, securities). These transactions also serve to fulfil regulatory liquidity requirements in part. Rentenbank manages both the business volume and the risk structure.

Since 2022, Rentenbank's line-up of promotional instruments to finance start-ups operating in areas related to the Bank's promotional mandate also includes investments in venture capital funds, which are presented within the "Promotional Activity" segment.

The mainly maturity-matched funding operations are likewise assigned to the "Promotional Activity" segment.

The "Capital Investment" segment comprises investments of the Bank's equity and long-term provisions. The Bank invests mainly in registered bonds, promissory notes, and securities issued by banks and public-sector issuers.

Short-term liquidity and short-term interest rate risk are managed in the "Treasury Management" segment. Various instruments featuring fixed-interest periods of no more than one year are available for short-term investments of surplus liquidity and for the borrowing of required liquidity. In addition to money market transactions, Rentenbank can also purchase longer-term debt instruments for the purpose of managing the Bank's liquidity profile.

## Financial key performance indicators

Financial key performance indicators are the key financial reporting-related metrics applied to measure the achievement of strategic objectives within the internal management system. These KPIs are reflective of the Bank's business activities. They include:

- Operating result (operating result before loan loss provisions and valuation effects)

Rentenbank's business activity is not geared primarily to generating profits, but rather to fulfilling its statutory promotional mandate. However, business management principles must be observed in order for the Bank to perform a self-supporting promotional activity. In particular, this means that the Bank's activities must be economically efficient so that it can permanently sustain and adapt its promotional activity when necessary. With a view to rising regulatory requirements, the operating profit is reinvested to strengthen the Bank's capital base. Rentenbank relies on its high credit rating as a promotional institution under public law combined with a commensurate capital markets strategy to raise funds at favourable rates.

- Cost-income ratio<sup>1</sup>

As a key performance indicator for measuring cost in relation to income, the cost-income ratio is applied to ensure the efficient use of the Bank's resources. Referring as it does to the ratio of cost to income, it is influenced by changes in both these variables. To enhance operational transparency, allocations to promotional contributions and reversals of promotional subsidies from previous years are not included in the calculation of the cost-income ratio. The cost-income ratio is observed over a longer period of time and is supplemented by the periodic analysis of changes in costs.

- Volume of promotional loans

The volume of promotional loans refers to the volume of new special promotional loans granted in a given year. The special promotional loans granted to promote agribusiness and rural areas represent the core of Rentenbank's promotional activity. The loans are granted as earmarked funding instruments. The loans granted to the federal states' development banks may also be bundled together.

These three financial key performance indicators and their primary components are calculated and checked against the corresponding budget values as part of the monthly reporting process. They are also included in the multi-year plan as separate indicators. Additional information on the financial key performance indicators is provided in the section on Rentenbank's financial position, cash flows, and financial performance and in the forecast report.

## Non-financial key performance indicators

- Employees

Highly qualified and dedicated employees are the basis of Rentenbank's long-term success. The objectives of the corresponding personnel strategy, which is consistently derived from the business strategy, include the assurance of appropriate staff in quantitative and qualitative terms, the promotion of equal opportunity, and the provision and refinement of personnel management instruments and processes.

1 The cost-income ratio is calculated as the ratio of cost to income. The numerator shows the sum of general administrative expenses, depreciation, amortisation and impairments of intangible assets as well as property and equipment, other operating expenses and income taxes. The denominator shows the sum of interest income and current income minus interest expenses (plus allocation to the interest subsidy, minus reversals from previous years), other operating income and fee and commission income minus fee and commission expenses.

- Corporate social responsibility

An essential aspect of Rentenbank's corporate social responsibility is closely linked to its promotional mandate. As a direct agency of the German federal government, however, it is also committed to serving the public good beyond the scope of its promotional mandate.

- ESG ratings

An enterprise's activities in the area of sustainability management are reflected in its ESG ratings, which assess the entirety of an enterprise's exertions in this area. ESG ratings are an important indicator for external stakeholders, but they also serve to measure the success of implemented sustainability measures. Rentenbank strives to continually improve its ESG ratings or maintain them at a constantly high level.

## Affiliated companies

The Bank's direct and indirect subsidiaries are:

- LR Beteiligungsgesellschaft mbH (LRB)
- DSV Silo- und Verwaltungsgesellschaft mbH (DSV)

All material risks of the subsidiaries are concentrated in and centrally managed by Rentenbank. As in previous years, the scope of the subsidiaries' business activity was strictly limited in the 2024 financial year. The primary activity of DSV was limited to the fulfilment of pension obligations to former employees of those entities for which DSV is the legal successor. LRB's former subsidiary Getreide-Import-Gesellschaft mbH (GIG) was merged as the transferring entity with DSV as the acquiring entity by notarised contract dated 8 May 2024 with retroactive effect to 1 January 2024. GIG ceased to exist upon the entry of the merger in the Commercial Register on 14 May 2024. LRB's business activity essentially consists in the management as a holding company and business management agent of the affiliate DSV and the investment of liquid funds. Rentenbank has issued a letter of comfort in favour of LRB, under it which it undertakes, insofar as and for as long as it holds 100% of LRB's equity, to provide it with enough financial resources that it will be able to fulfil its obligations punctually at all times.

## Public Corporate Governance Code

The Statement of Compliance with the German Public Corporate Governance Code issued by the Management Board and the Supervisory Board is publicly available on Rentenbank's website.

## Economic report

### General economic and institution-specific conditions

#### International interest rate and monetary policy

Germany's economy contracted in 2024 mainly due to weak industrial production and foreign demand, as well as consumers held back on their spending. The high level of interest rates continued to weigh on the building industry in general and home building in particular. Consequently, Germany's gross domestic product (GDP) declined by 0.2% year-over year.<sup>2</sup>

The inflation rate generally subsided in the Eurozone over the course of 2024. The rate of increase tracked by the Harmonised Index of Consumer Prices (HICP) in the Eurozone fell from 2.8% in January 2024 to 1.7% in September. Towards the end of the year, however, consumer inflation began to pick up again. Consumer prices in December 2024 were 2.4% higher than in December 2023<sup>3</sup>.

In line with the favourable trend of inflation, the European Central Bank (ECB) lowered its deposit facility rate in four steps from 4.00% in early June 2024 to 3.00% in December, after having left it unchanged since September 2023.

The ECB also announced that as of mid-2024 it will no longer completely reinvest the redemption proceeds from the securities purchased under its Pandemic Emergency Purchase Programme (PEPP) 2024 when they mature. This decision had the effect of reducing the PEPP portfolio by an average of euro 7.5 billion per month. The reinvestment of redemption proceeds from the PEPP will be discontinued at the end of 2024.<sup>4</sup>

<sup>2</sup> Press release of the German Federal Statistical Office (DESTATIS), number 019 of 15/1/2025.

<sup>3</sup> Eurostat, Euro Indicators December 2024, "Jährliche Inflationsrate auf 2,4 % gestiegen" ("Annual Inflation Rate Rose to 2.4%"), 17/1/2025.

<sup>4</sup> ECB Press Releases dated 6/6, 18/7, 12/9, 17/10, and 12/12/2024.

The U.S. Federal Reserve (the “Fed”) likewise eased its interest rate policy in 2024. The Fed lowered its base rate in three steps from a target range of 5.25% to 5.50% in September to a target range of 4.25% to 4.50% at the end of the year.<sup>5</sup>

The euro depreciated modestly against the US dollar during the course of 2024. At the end of 2024, the ECB set the reference rate for the euro-dollar exchange rate at 1.04, 6.3% below the rate at the end of 2023 (1.11).<sup>6</sup>

## Development of long-term interest rates

Due to the high level of base rates, long-term interest rates trended up until the middle of 2024. In the second half of the year, the upward trend was dampened by the interest rate cuts of central banks. The yield of 10-year German Bunds rose to 2.39 % at the end of 2024, above the 2.03% level observed at the end of 2023.<sup>7</sup>

## Development of the economic environment for promotional activity

According to an estimate of the German Federal Agriculture Information Centre (Bundesinformationszentrum Landwirtschaft), German agricultural output declined modestly to euro 75.4 billion in 2024, which was about 1% less than in the previous year. Whereas the output value of crop production fell by 2% to euro 34.6 billion, the output value of livestock production rose modestly to euro 36.0 billion.

Within the category of crop production, production values were generally lower due to weather conditions and price effects, particularly in the case of grain (-12%), thereof rye (-16%), and oilseeds (-15%), while the production value of fodder crops was only modestly lower (-1%).

In the category of livestock and livestock products, meat production increased in 2024, due in part to higher carcass weights. However, the increase in production output was offset by a somewhat greater decrease in producer prices. Due to rather tight supplies of raw milk, milk prices in particular rose above the level of the previous year in 2024, resulting in a higher production value for livestock products.<sup>8</sup>

5 <http://www.leitzinsen.info/usa.htm>

6 ECB reference exchange rates: [https://www.ecb.europa.eu/stats/policy\\_and\\_exchange\\_rates/euro\\_reference\\_exchange\\_rates/html/eurofxref-graph-usd.en.html](https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/eurofxref-graph-usd.en.html)

7 Börsen-Zeitung 31/12/2024, page 45.

8 BMEL Statistics: <https://www.bmel-statistik.de/landwirtschaft/landwirtschaftliche-gesamtrechnung/produktionswert>

As expected, the overall economic situation of agricultural enterprises was worse in the 2023/2024 fiscal year (1 July 2023 to 30 June 2024) than in the previous year, when the profits of agricultural enterprises reached an all-time high. The average profit of agricultural enterprises came to EUR 77,500, which was about 29% lower than in the previous year, particularly due to lower producer prices and higher input costs.<sup>9</sup>

The revenue of the German food industry was approximately euro 230 billion in 2024, roughly the same as in the previous year, although exports were slightly higher. However, this increase was mainly driven by price effects.<sup>10</sup>

Electricity generation from renewable energy sources in Germany increased further in 2024, rising by 4% to 283.6 TWh. Onshore wind power generation accounted for the greatest share (40%), followed by photovoltaics (26%) and biomass (15%). The preliminary net increase in onshore wind power capacity was 2,558 MW in 2024, that being 4.2% more than in the previous year. The preliminary net increase in photovoltaics capacity was 16,179 MW, which was nearly 20% more than in 2023.<sup>11</sup>

## Business development

The volume of new special promotional loans granted in 2024 was euro 3.6 billion, as compared to euro 6.1 billion in the previous year. Promotional lending activity was affected most of all by general investment restraint on the part of agricultural enterprises. Another important factor was the high level of EU base interest rate, which caused a substantial decline in demand for credit, especially in the Renewable Energy promotional line because under the German Renewable Energy Act (Erneuerbare-Energien-Gesetz, EEG), investments can only be promoted by loans granted at unsubsidised interest rates. This effect was also felt in other promotional lines, especially Agribusiness and Food. The decrease in new promotional loans granted in the Agriculture promotional line was comparatively small. In the Rural Development line, the development banks of the German federal states took out fewer global loans for rural areas after the strong demand registered in the previous year. This development was also influenced by investment restraint in this sector.

9 Situation Report 2024/2025 of the German Farmers Association (Deutscher Bauernverband, DBV), Chapter 5.2.

10 EY press release “Umsatz im Agribusiness sinkt erstmals seit 2015 – KI-Anwendungen wecken Hoffnungen” (“Agribusiness Revenue Declines for the First Time Since 2015 – AI Applications Fuel Hope”) of 15/1/2025.

11 German Federal Environment Agency: Monthly Report on the Development of Renewable Electricity Generation and Output in Germany, as of 15/1/2025.

To bolster innovation in Germany, Rentenbank continued to invest in venture capital funds in 2024, with a particular focus on ag-tech and food-tech.

The total volume of new promotional loans amounted to euro 7.9 billion in the past financial year, which was below the level of the previous year (euro 10.7 billion).

Nominal new promotional business is presented in the table below:

	<b>1/1 to 31/12/2024</b>	<b>1/1 to 31/12/2023</b>	<b>Change</b>
	mEUR	mEUR	mEUR
Special promotional loans <sup>1</sup>	3,602	6,114	-2,512
Registered bonds/promissory note bonds	2,241	3,396	-1,155
Securities	2,033	1,217	816
Venture capital investments	48	22	26
<b>Total</b>	<b>7,925</b>	<b>10,749</b>	<b>-2,824</b>

Due to rounding, there may be minor differences in totals and percentage calculations in the present report.

1 Includes programme-linked registered bonds, which had previously been presented within registered bonds; the previous-year figure has been adjusted accordingly.

Rentenbank raised euro 8.2 billion (euro 10.5 billion) in medium- and long-term funds in the national and international financial markets in 2024. The Bank employed the following medium- and long-term funding instruments:

	<b>1/1 to 31/12/2024</b>	<b>1/1 to 31/12/2023</b>	<b>Change</b>
	mEUR	mEUR	mEUR
Euro Medium-Term Notes (EMTN)	6.2	7.7	-1.5
Global bonds	1.4	2.1	-0.7
AUD Medium-Term Notes (MTN)	0.6	0.7	-0.1
<b>Total</b>	<b>8.2</b>	<b>10.5</b>	<b>-2.3</b>

## Economic position

### Financial performance

The Bank's financial performance is presented in the table below:

	<b>1/1 to 31/12/2024</b>	<b>1/1 to 31/12/2023</b>	<b>Change</b>
	mEUR	mEUR	mEUR
Net interest income <sup>1</sup>	287.5	310.0	-22.5
Net commission income	-4.7	-2.5	-2.2
Administrative expenses	130.8	113.6	17.2
Other operating result	11.3	4.8	6.5
Income taxes/other taxes	1.7	1.4	0.3
<b>Operating result before loan loss provisions and valuation effects</b>	<b>161.6</b>	<b>197.3</b>	<b>-35.7</b>
Loan loss provisions and valuation effects	123.6	160.3	-36.7
<b>Net income for the year</b>	<b>38.0</b>	<b>37.0</b>	<b>1.0</b>

1 Net interest income including income from equity interests.

#### **Operating result before loan loss provisions and valuation effects**

The operating result before loan loss provisions and valuation effects came to euro 161.6 million, which was considerably better than planned, but still below the high level of the previous year. The year-over-year decrease resulted from lower income in the “Promotional Activity” and “Treasury Management” segments. Administrative expenses were also higher.

#### **Net interest income**

Interest income, including income from equity interests, amounted to euro 3,860.2 million (euro 3,464.9 million). After deducting interest expenses of euro 3,572.7 million (euro 3,154.9 million), net interest income came to euro 287.5 million (euro 310.0 million).

Net interest income by segment:

	<b>1/1 to 31/12/2024</b>	<b>1/1 to 31/12/2023</b>	<b>Change</b>
	mEUR	mEUR	mEUR
Net interest income			
Promotional Activity	195.0	206.9	-11.9
Capital Investment	75.6	66.9	8.7
Treasury Management	16.9	36.2	-19.3
<b>Total net interest income</b>	<b>287.5</b>	<b>310.0</b>	<b>-22.5</b>

The net interest income of the **Promotional Activity** segment amounted to euro 195.0 million, which was less than the strong previous-year figure of euro 206.9 million, as expected. The year-over-year decline resulted in part from the 23% reduction in new issuance of registered bonds, promissory note bonds, and securities.

As anticipated, the net interest income of the **Capital Investment** segment amounted to euro 75.6 million, which was higher than the previous-year figure (euro 66.9 million). The returns on new investments exceeded the returns on maturing securities. In addition, the dividend collected from DZ-Bank was higher than in the previous year. The higher funding costs of prior investments represented a countervailing effect.

The net interest income of the **Treasury Management** segment amounted to euro 16.9 million. As expected, this result was less than the strong previous-year figure of euro 36.2 million due to the ECB's decision to pay interest of 0% on minimum reserves, as well as the sharper-than-expected interest rate reductions totalling a full percentage point and narrowing spreads in the market.

#### **Administrative expenses**

**Administrative expenses** rose by 15.1% to euro 130.8 million (euro 113.6 million), mainly due to higher material expenses (euro +8.6 million). In addition, personnel expenses were euro 4.5 million higher and depreciation, amortisation and impairments were euro 4.0 million higher than in the previous year.

The higher material expenses resulted mainly from higher expenses for IT investments.

The increase in personnel expenses resulted mainly from the higher number of employees compared to the previous year. The average staff level (according to Section 267 (5) HGB) is now 451 employees (420 employees). This increase was partially offset by somewhat lower pension expenses due to inflation effects.

Depreciation, amortisation and impairments of intangible assets as well as property and equipment increased to euro 14.2 million (euro 10.2 million) due to higher software amortisation charges.

### **Other operating result**

The Other operating result increased from euro 4.8 million to euro 11.3 million, mainly due to lower grants for innovation promotion, which resulted from an unscheduled special allocation to the Innovation Fund in 2023.

### **Loan loss provisions / valuation effects**

A net amount of euro 123.6 million was allocated to the loan loss provisions under the heading of “Loan loss provisions / valuation effects”. Of this total, euro 73.7 million was allocated to the Fund for general banking risks, thus further increasing the Bank’s regulatory capital.

### **Net income / distributable profit**

The net income for the year rose from euro 37.0 million to euro 38.0 million in the past financial year.

Subject to an approving resolution to be adopted by the Supervisory Board, a total amount of euro 19.0 million (euro 18.5 million) was allocated to the principal reserve from net income in the course of preparing the annual financial statements.

The distributable profit of euro 19.0 million remaining after the allocation of funds to the principal reserve was modestly higher than the previous-year figure (euro 18.5 million). One half the distributable profit is to be allocated to the German federal government’s Special-Purpose Fund administered by Rentenbank and the other half to Rentenbank’s Promotional Fund.

## Financial position and cash flows

Rentenbank's financial position according to the financial statements is presented in the table below:

### Changes in significant asset items

	<b>31/12/2024</b>	<b>31/12/2023</b>	<b>Change</b>
	mEUR	mEUR	mEUR
Loans and advances to banks	65,615.4	67,244.3	-1,628.9
Loans and advances to customers	7,003.2	7,502.4	-499.2
Bonds and other fixed-income securities	16,742.6	15,855.2	887.4

Loans and advances to banks totalled euro 65.6 billion at 31 December 2023 (euro 67.2 billion). They accounted for 69.1% of total assets and were slightly higher than the previous-year figure. Thus, they still represent the largest constituent of total assets. The decrease in loans and advances to banks resulted mainly from a reduction of the portfolio of special promotional loans. This decrease was partially offset by an increase in money market instruments due to reporting date effects.

Loans and advances to customers mainly include the promissory notes issued to the German federal states, German rural districts, and German municipalities. This balance sheet item declined by euro 0.5 billion to euro 7.0 billion because the amount of maturing loans exceeded the amount of new loans granted.

The portfolio of bonds and other fixed-income securities rose by euro 0.9 billion to euro 16.7 billion in 2024. As in the previous year, this portfolio is assigned in full to Fixed assets.

## Changes in key items of liabilities and equity

	31/12/2024 mEUR	31/12/2023 mEUR	Change mEUR
<b>Liabilities</b>			
Liabilities to banks	1,528.3	1,765.1	-236.8
Liabilities to customers	1,490.4	1,834.5	-344.1
Securitised liabilities	83,752.3	85,756.5	-2,004.2
Subordinated liabilities	0.0	40.0	-40.0
<b>Total</b>	<b>86,771.0</b>	<b>89,396.1</b>	<b>-2,625.1</b>
<b>Equity (including Fund for general banking risks)</b>			
Subscribed capital	135.0	135.0	0.0
Retained earnings	1,252.6	1,233.6	19.0
Distributable profit	19.0	18.5	0.5
Fund for general banking risks	3,553.5	3,479.8	73.7
<b>Total</b>	<b>4,960.1</b>	<b>4,866.9</b>	<b>93.2</b>

### Liabilities

Liabilities to banks amounted to euro 1.5 billion, which was euro 0.2 billion less than in the previous year. Moreover, liabilities to customers fell by euro 0.3 to euro 1.5 billion. The overall decline resulted mainly from the decrease in registered bonds.

Securitised liabilities decreased by euro 2.0 billion or 2.3% to euro 83.8 billion. The Medium-Term-Note Programme (MTN) amounted to euro 61.5 billion. It was still the Bank's most important funding source despite the fact that it was euro 2.0 billion less than in the previous year. Outstanding Euro Commercial Paper (ECP) issues fell to euro 7.0 billion (euro 8.5 billion), whereas outstanding global bonds rose to euro 14.8 billion (euro 13.4 billion).

## Equity

Equity including the fund for general banking risks pursuant to Section 340g HGB rose in total by euro 93.2 million to euro 4,960.1 million. Half of net income totalling euro 38.0 million was allocated to retained earnings and half to the distributable profit. The Fund for general banking risks was increased by euro 73.7 million.

## Regulatory capital ratios

Both the total capital ratio and the CET 1 capital ratio were 38.3% (31.3%). They reflect Rentenbank's strong capitalisation and are still well above the minimum regulatory requirements.

Please refer to the chapter entitled "Risk-bearing capacity" for details on the amounts and development of regulatory own funds and risk-weighted assets (RWA).

## Capital expenditures

Capital expenditures in the past year were still focused on modernising the Bank's IT systems, particularly the replacement of the internally developed, host-based core banking system. In this respect, major milestones were achieved with the successful migrations to SAP and Murex. The Bank also conducted preliminary studies for additional implementation measures and launched the corresponding projects. Moreover, considerable funds were invested to implement regulatory requirements and improve IT security.

The Promotion Portal introduced in cooperation with the Federal Agriculture Programme in December 2020 was further optimised and the internal IT systems were integrated into it.

To digitalise the Bank's processes, additional bots were developed to perform routine application processing tasks, thus enhancing efficiency.

Aside from modernising the IT landscape, Rentenbank is also investing in the energy-efficient refurbishment of the landmark-status building on Hochstraße in Frankfurt am Main.

## Liquidity

The Federal Republic of Germany bears the institutional responsibility and guarantee for the liabilities of Rentenbank (statutory funding guarantee).

Thanks to the resultant AAA rating, Rentenbank is able to procure liquid funds in the market without any problems. The considerable holdings of debt instruments eligible as collateral for borrowings from the Bundesbank represent an additional liquidity reserve. For more information on this subject, please refer to the description of liquidity risks in the Risk Report section of the present Management Report.

## Summary assessment of business development and economic position

The Management Board judges the Bank's business development and the development of its financial position, cash flows, and financial performance to be satisfactory. The same goes for the financial and non-financial key performance indicators defined in the chapter entitled "Management system".

## Financial and non-financial key performance indicators

### Financial key performance indicators

The operating result before "loan loss provisions and valuation effects" (operating result) amounted to euro 161.6 million, which was 18% below the level the previous-year operating result of euro 197.3 million, but far above the expectations for 2024, particularly due to the lower-than-expected interest subsidy. Net interest income decreased by 7% and administrative expenses increased by 15% over the respective previous-year figures.

The aforementioned development of income and administrative expenses also affected the cost-income ratio, one of our key performance indicators. Moreover, the allocations to promotional contributions (euro 33.8 million) and reversals of promotional grants from previous years (euro 3.1 million) are excluded from the cost-income ratio. As expected, the cost-income ratio rose to 41.8% (35.6%). Taken as a whole, the cost-income ratio is still low.

The key performance indicator "volume of promotional loans", which comprises the volume of new special promotional loans granted in a given year, amounted to euro 3.6 billion in the past financial year (previous year: euro 6.1 billion), which fell well short of our expectations.

## Non-financial key performance indicators

With regard to the key performance indicator of “employees”, Rentenbank had a total of 459 (previous year: 436) employees (excluding apprentices, interns, employees on parental leave, and members of the Management Board) at the end of 2024.

With regard to employee qualifications, the average number of continuing education days per employee came to 3.3 in 2024, which was somewhat more than in the previous year (3.1 days).

Rentenbank’s work benefits society in many ways. Through its Promotional Fund, it provided promotional funds totalling euro 9.58 million in 2024, sponsoring agricultural, innovation, and general causes, supporting the forest project in the Buchenborn forest reserve, and donating to cultural institutions and social organisations in Frankfurt am Main.

### ESG ratings

Rentenbank’s sustainability performance is regularly assessed by rating agencies specialising in sustainability. Rentenbank is rated by ISS ESG, MSCI ESG, and Sustainalytics. In the feedback process with ISS ESG, we improved our sustainability rating from D+ (36.3 points) to C- (48.6 points) in 2024. Our MSCI ESG Rating remained at the consistently high level of AA (on a scale from AAA to CCC). The Sustainalytics rating was unchanged at 9.1 in financial year 2024. Thus, the development of our ESG ratings was in line with our expectations.

#### Overview

- ISS ESG (as of 28/4/2024): C- (on a scale of A+ to D-).
- MSCI ESG Ratings (as of 11/7/2024): AA (on a scale of AAA to CCC)
- Sustainalytics (as of 23/5/2024): “Negligible Risk” with 9.1 out of 100 possible points, 0 being the best score.

We will make further efforts to continually improve our ESG ratings in the coming years.

# Forecast and opportunities report

## Anticipated development of business and general conditions

The economic performance of Rentenbank mainly depends on the prevailing conditions in the credit and financial markets, which are, in turn, decisively influenced by the monetary policy of central banks, the development of prices and currencies, and the development of public finances.

## Macroeconomic outlook

The International Monetary Fund (IMF) expects global economic growth of 3.3% in 2025, which is below the long-term average of 3.7%. For Germany, however, the IMF predicts a significantly lower year-over-year increase in gross domestic product (GDP) of only 0.3% compared to 2024.<sup>12</sup>

The longer-lasting phase of economic weakness can be expected to impact unemployment and therefore dampen private consumption. Although German exports could potentially benefit from growing sales markets, they could also be threatened by rising protectionism. On the other hand, lower financing costs could have a positive effect on capital investment activity. According to the Bundesbank, however, Germany must contend not only with economic headwinds, but also with structural problems.<sup>13</sup>

The rate of inflation will presumably normalize further in 2025. According to the Bundesbank, the rate of increase tracked by the Harmonised Index of Consumer Prices (HICP) will remain nearly unchanged in 2025, with an annual average of 2.4% after 2.5% in the preceding year.<sup>14</sup> However, this value is still above the 2% target set by the European Central Bank (ECB).

In view of the lower inflation rates and potential further interest rate cuts by central banks, Rentenbank anticipates a more-or-less sideways movement of long-term interest rates accompanied by continuing volatility in the further

<sup>12</sup> IMF: World Economic Outlook Update, January 2025; <https://www.imf.org/en/Publications/WEO/Issues/2025/01/17/world-economic-outlook-update-january-2025>

<sup>13</sup> Bundesbank Monthly Report December 2024, page 7.

<sup>14</sup> Bundesbank Monthly Report December 2024, page 5.

course of the year. Whereas subdued economic growth would tend to imply falling interest rates in the capital markets, we anticipate structurally higher risk premiums at the long end of the yield curve.

## Outlook for the economic environment for promotional activity

Investments in agriculture and food and therefore also the demand for special promotional loans are influenced by many factors, one of which being the development of general economic conditions, which influences demand and prices in the agricultural markets. However, agricultural investment propensity is also heavily influenced by political and legal framework conditions, as well as public-sector promotional support.

The current situation of animal epidemics (foot-and-mouth disease, African swine fever, bluetongue disease) creates a considerable degree of forecast uncertainty. The Association of Chambers of Agriculture (Verband der Landwirtschaftskammern, VLK) expects lower revenue for most agricultural enterprises in fiscal year 2024/25. If the epidemic situation does not worsen further, only cattle farmers can be expected to benefit from more positive general conditions.

However, the VLK expects that the markets and economic situation of agricultural enterprises will normalise after the market turmoil caused by the coronavirus pandemic and the beginning of the war in Ukraine.<sup>15</sup>

The “Rentenbank Agriculture Barometer” survey commissioned by Rentenbank provides insights into the current and future business situation of farmers in Germany. According to the latest survey results from December 2024, the assessment of the future economic situation and investment propensity in agriculture has risen modestly from the low level registered in the September survey. Particularly dairy farmers and cattle farmers take a somewhat brighter view of their future economic situation than other kinds of farmers. Agricultural enterprises anticipate adverse effects particularly from agriculture policy and bureaucracy.<sup>16</sup>

<sup>15</sup> VLK: “Prognose der Wirtschaftsentwicklung für das laufende Wirtschaftsjahr 2024/25” (“Forecast of Economic Development in the Current Fiscal Year 2023/24”), press release of 16/1/2025.

<sup>16</sup> Rentenbank Agriculture Barometer, survey December 2024.

The business expectations of food industry enterprises are much better than they were in the previous year. Nonetheless, uncertainties remain with respect to the future energy supply, economic conditions, and consumer decisions.<sup>17</sup>

Rentenbank expects additional growth impetus in the renewable energy sector. The German federal government intends to accelerate the expansion of renewable energy and increase its share of gross electricity consumption to 80% by the year 2030. Wind power in particular will make a decisive contribution to this goal. The German Wind Energy Association (Bundesverband Windenergie, BWE) expects a further increase of up to 5.3 GW in gross wind energy capacity in 2025.<sup>18</sup> The German Solar Industry Association (Bundesverband Solarwirtschaft, BSW) also expects further market growth in the next two years. However, the BSW believes that attractive and reliable regulatory conditions are an essential prerequisite for continued investment in this sector.<sup>19</sup>

## Business development forecast

The Bank's loan loss provisions were little changed in the 2024 financial year. Rentenbank expects that the loan loss provisions will be subject to only minor changes in 2025. We do not expect any significant changes in the volume-weighted average credit rating of the loan portfolio, which should therefore remain at AA+. This expectation is supported by the small, only 8.0% unsecured portion of the Bank's lending portfolio, coupled with the steady performance and consistently good credit ratings of the Bank's business partners. Rentenbank continually monitors the business development of its business partners. There was no need to recognise specific valuation allowances (SVAs) in the lending portfolio in 2024 and it is not planned to recognise any SVAs in 2025 either.

Annual and five-year budget plans are prepared for the purpose of forecasting the Bank's future financial position, cash flows, and financial performance. These budget plans cover the planned development of new loans, existing loans, capital, income and costs, as well as adverse scenarios. They also include the planned development of regulatory ratios and the anticipated development of the Bank's risk-bearing capacity. The forecasts offered in the following refer to the budget plan for 2025.

17 EY press release "Umsatz im Agribusiness sinkt erstmals seit 2015 – KI-Anwendungen wecken Hoffnungen" ("Agribusiness Revenue Declines for the First Time Since 2015 – AI Applications Fuel Hope") of 15/1/2025.

18 BWE press release "2024: Windenergie-Rekordjahr bei Zuschlägen und Genehmigungen" ("2024: Record Year for New Wind Energy Contracts and Permits") of 15/1/2025.

19 BSW press release "Photovoltaik überschreitet 100-Gigawatt-Marke" ("Photovoltaic Installations Pass the 100-Gigawatt Mark") of 6/1/2025.

## Budget plan for the 2025 financial year

According to the current budget plan, in the Promotional Activity segment the average volume of new promotional loans is expected to be modestly lower and the net interest rate spreads for new promotional loans are expected to be moderately lower than in the previous year. And because the planned spreads on new promotional loans are narrower than the spreads on promotional loans maturing in 2025, the net interest income of the Promotional Activity segment is expected to be moderately lower in 2025.

Special promotional loans will continue to be the focus of the Bank's lending activity. Rentenbank plans to grant new promotional loans totalling euro 5.2 billion in 2025. However, the economic environment and investment propensity are rather weak at the present time.

In the Promotional Activity segment, the portfolio of securities, registered bonds, and promissory note bonds in 2025 is expected to be moderately above the level of 2024.

Already in 2022, Rentenbank's offering of promotional loans to finance start-ups related to the Bank's promotional mandate was expanded to include investments in venture capital funds. Commitments of an amount in the triple-digit millions have already been made. We are planning to make further investments of an amount in the mid-double-digit millions in 2025.

In the Capital Investment segment, Rentenbank expects that interest income in 2025 will be well above the level of the preceding year, mainly because reinvestment returns are expected to be significantly higher than the returns on maturing securities, and also in view of the expected investment returns on newly allocated funds.

The net interest income of the Treasury Management segment in 2025 should be modestly higher than in the preceding year because we expect higher income from collateralised money market transactions, among other things.

Modestly lower net interest income in total is expected from the three operating segments in 2025.

The administrative expenses planned for 2025 should be above the level of the preceding year particularly due to further investments in IT security and IT infrastructure and the implementation of new regulatory requirements. In view of the anticipated development of income and costs, a moderately lower operating result before loan loss provisions and valuation effects is expected in 2025. Despite the lower operating result, Rentenbank will still be

able to fund the planned promotional activities without restriction from its current income.

The cost-income ratio will probably be moderately higher due to modestly lower income and higher administrative expenses.

Rentenbank's ESG ratings are expected to be at about the same levels at least in 2024.

## Opportunities and risks

Additional opportunities and risks affecting the development of the Bank's business compared to the planned results for 2025 could arise as a result of changed operating conditions.

The further development of the current recession in Germany and the geopolitical instability in the world caused by the wars in Ukraine and the Middle East, as well as the tensions between China and the United States, are critical factors influencing the economic situation. A protracted downturn is possible.

Apart from the demand for credit, the development of interest rates and credit spreads would be the chief factors shaping opportunities and risks in such a scenario. However, the effects on Rentenbank's financial position, cash flows, and financial performance would be limited by reason of its business model as a promotional bank.

In an economically uncertain environment, the Bank's own credit spreads have mostly proved to be relatively stable thanks to its credit rating. In this scenario, rising credit spreads of the Bank's business partners would have a positive effect on its net interest income. Any unexpected rise in interest rates would likewise have a positive effect on Rentenbank's net interest income because Rentenbank invests its equity in long-term fixed-interest securities.

This scenario would have a temporarily adverse effect on the Bank's financial position by increasing its undisclosed liabilities. In a worsened economic environment, the Bank would be exposed to the risk that the credit ratings of the borrowers in its portfolio would deteriorate and/or that the demand for credit and therefore the volume of new promotional loans would be reduced.

With respect to the Bank's venture capital investments, economic conditions would worsen and the risk of impairments and defaults would increase in such a scenario.

More detailed information on the Bank's risks is provided in the Risk Report section.

Further, as yet unknown regulatory requirements could give rise to additional adverse factors affecting administrative expenses such as increased IT and personnel expenses. Such additional regulatory requirements could also necessitate further changes in the IT infrastructure beyond the already planned investments. Moreover, the refurbishment of the landmark-status bank building on Hochstraße could lead to negative budget variances and higher costs.

## **Developments in the current financial year**

The net interest income of the Bank's three operating segments at the beginning of the current financial year was generally well below the levels of the previous year and the plan figures. This development is mainly attributable to the Promotional Activity segment, in which significantly more interest subsidies were granted at the start of the year.

Based on the developments to date in the current fiscal year, the Management Board considers the operating results planned for the 2025 fiscal year to be ambitious, but nevertheless achievable.

The forecast report contains certain forward-looking statements that are based on current expectations, estimates, assumptions, and forecasts of the Management Board, as well as the information available to it. These statements particularly include statements about the Bank's plans, business strategy, and prospects. Such forward-looking statements are signified by words such as "expects", "anticipates", "intends", "plans", "believes", "strives", "estimates" and similar expressions. These statements are not to be understood as guarantees of the future developments mentioned therein, but rather as being dependent on factors that involve risks and uncertainties and are based on assumptions that may prove to be incorrect. Unless required by law, Rentenbank accepts and assumes no obligation to update forward-looking statements after the publication of this information.

# Risk report

The Bank's Risk Management System (RMS) serves the purpose of identifying, managing, and monitoring the risks arising from the Bank's business activities. The Bank's RMS is designed to fulfil the regulatory requirements and reflect the specific circumstances of its business model as a promotional bank. The main elements of the Risk Management System are:

- The risk strategy, consistently derived from the overall business strategy,
- The Risk Appetite Framework and the Risk Appetite Statement,
- The risk culture,
- Ongoing assessments to confirm the adequacy of the Bank's capital and liquidity position,
- Clear structural and procedural organisation of the RMS within a three-lines-of-defence structure.

Rentenbank is not a CRR institution within the meaning of Section 1 (3d) of the German Banking Act (Kreditwesengesetz, KWG). It is subject to the national jurisdiction of the German regulators, the Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) and the Bundesbank. Rentenbank is nonetheless subject to the Capital Requirements Regulation (CRR) pursuant to Section 1a (1) KWG. Furthermore, Rentenbank does not keep a trading book according to Article 4 paragraph 1 numbers 85 and 86 CRR.

## Organisation of risk management

The Management Board bears overall responsibility for the RMS. It is informed about the risk situation on a regular and ad-hoc basis.

The Management Board informs the Supervisory Board about the risk situation in the regular meetings of the Supervisory Board. It informs the Supervisory Board about material risk-relevant events on an ad-hoc basis.

The Supervisory Board has formed various committees to deal with specific issues. The Management Board reports on the risk situation in the meetings of the Risk Committee. Besides discussing the risk situation, the Risk Committee deals with material risk-relevant issues. The Audit Committee particularly

deals with the auditor’s report and the annual financial statements. Both committees and the competent regulatory authorities receive the risk report on a quarterly basis.



Rentenbank has established various committees to manage the Bank’s business and risks. The Risk Committee, which convenes at least once every quarter, is the central committee bearing responsibility for risk management. It discusses central issues and topics of risk management and advises the Management Board on this subject. Besides the members of the Management Board, the committee members include the Head of the Risk Controlling Department and the Heads of the Credit, Finance, Treasury, and Promotional Activity Departments. The Finance Committee deals with the Bank’s financial situation and the Market Committee deals with promotional topics and treasury topics. The Sustainability Board deals with sustainability-related requirements and the operational and strategic implications of these requirements for Rentenbank.

To ensure a robust RMS, Rentenbank has organised its internal control system (ICS) in a clear three-lines-of-defence structure. The first line of defence is formed by primary and key controls in the operating units. The second line of defence is composed of the Regulatory Issues Work Group (ART), the special MaRisk functions of Risk Controlling and Compliance pursuant to the German Minimum Requirements for Risk Management (Mindestanforderungen an das Risikomanagement, MaRisk), the officers in charge of information security, money laundering and other criminal acts, and data protection. The Internal Audit Department forms the third line of defence.

The CRO serves as the Head of the Risk Controlling Department pursuant to the MaRisk. The Risk Controlling Department performs essential tasks of the Risk Controlling function, which include supporting the Management in all risk policy matters, particularly in the development and implementation of the risk strategy, the regular monitoring of the limits defined to ensure the Bank's risk-bearing capacity, risk reporting, the daily valuation of financial instruments and market conformity checks, and risk assessment in the "New Products Process" (NPP).

In accordance with the MaRisk requirements, risks are monitored and reported independently of the front office functions Promotional Activity and Treasury.

The back office function is performed by the Credit Department, which casts the market-independent vote on credit decisions. This department also monitors compliance with credit default risk-specific limits for purposes of loan portfolio management.

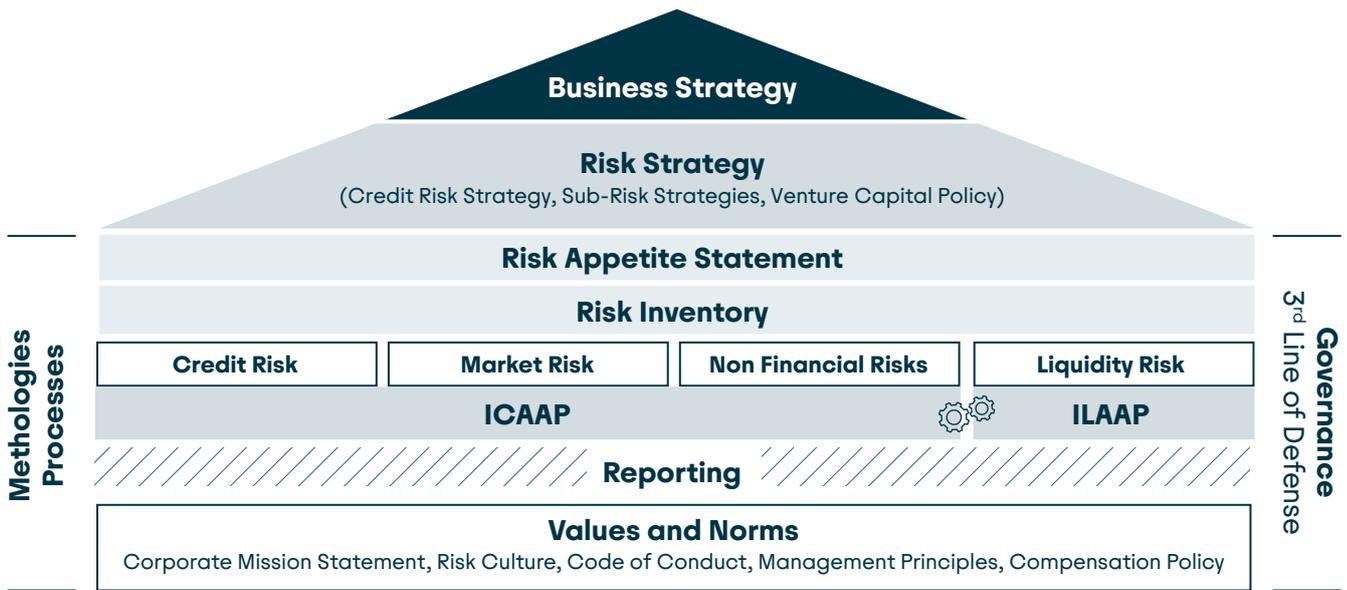
Rentenbank's Compliance function is directly subordinated to the Management Board organisationally and reports directly to it. In addition, Rentenbank has established a central office for the prevention of money laundering, terrorist financing, and other criminal acts. The Money Laundering Officer is directly subordinated to the Management Board organisationally and reports to it directly.

The Information Security Department (ISD) bears responsibility for all information security concerns. The head of this department performs the function of Information Security Officer (ISO) prescribed by the Regulatory Requirements for IT in Financial Institutions (Bankaufsichtliche Anforderungen an die IT, BAIT).

Internal Audit audits and evaluates the legal compliance of activities and processes and the appropriateness and effectiveness of the RMS and the ICS on a risk-oriented and process-independent basis. It reports directly to the Management Board and performs its duties in an autonomous and independent manner.

## **Business and risk strategies**

Rentenbank's risk strategy is consistently derived from its business strategy. The risk strategy comprises both the general risk strategy and the sub-strategies related to specific risk types, as well as the Venture Capital Policy.



The Risk Appetite Framework comprises all strategies and guidelines, methods, processes, responsibilities, controls, and systems from which the risk appetite is derived, communicated, and monitored. Apart from minimum targets, alert thresholds, and limit systems, the Framework also includes an appropriate compliance culture and an actively practiced, appropriate risk culture.

The Risk Appetite Statement describes the extent to which the Bank is prepared to accept risks and allocate risk capital in order to achieve its strategic objectives. The risk appetite is defined on the basis of quantitative requirements and qualitative assertions. The requirements are concretised in the form of the limits and alert thresholds defined in line with the risk-bearing capacity.

The risk strategy, the Risk Appetite Framework, and the Risk Appetite Statement define the main risk management parameters established by the Management Board.

The credit risk strategy is shaped by the promotional mandate. To promote agriculture and rural areas, funding is only granted as a rule to banks domiciled in the Federal Republic of Germany or another EU country that conduct business with agricultural enterprises, enterprises in upstream or downstream sectors, or in rural areas. The special promotional loans are only granted to promote investments in Germany.

Rentenbank is also authorised to acquire equity interests, purchase shares in venture capital funds, and provide funding to the German federal states, German rural districts, and German municipalities in the form of promissory note bonds, registered securities, and bearer securities.

Thus, the Bank's lending activity is limited to the funding of credit institutions and financial institutions as defined in Article 4 CRR and to providing capital to German local authorities.

In accordance with the Bank's credit risk strategy, only a Rentenbank subsidiary may grant loans directly to enterprises. No such direct loans were granted in 2024.

Derivatives are only used as hedging instruments and are only concluded with business partners with whom Rentenbank has entered into a collateral agreement.

Rentenbank's credit risk strategy demands a careful selection of business partners and products for all business activities. In accordance with its core competencies and business model, Rentenbank mainly choose banks and public-sector borrowers as business partners. By reason of its promotional mandate, Rentenbank is necessarily exposed to the banking sector as a sector concentration risk. As an indicator of the Bank's risk profile, the average credit rating of the total loan portfolio should be at least A+, with due regard to product credit ratings.

One objective of the market risk strategy is the avoidance of interest rate risks that could lead to a decrease or loss in net interest income that would endanger the achievement of the Bank's promotional goals. Furthermore, market risks are limited and managed on a present value basis. Foreign currency positions are closed as a basic rule.

The objectives of the liquidity risk strategy are to ensure the Bank's solvency at all times, even under stress conditions, and to optimise the funding structure.

Non-financial risks, which include operational and strategic risks according to the Bank's understanding, are managed with the goal of preventing losses by ensuring the quality of all the Bank's operational processes. Compliance with regulatory requirements and the minimisation of reputation risks by means of appropriate communication management and a code of conduct are likewise components of the risk strategy.

## Risk culture

Rentenbank's risk culture shapes its understanding of dealing with risks on a day-to-day basis. It comprises all standards, attitudes, and behavioural patterns related to risk awareness, risk appetite, and risk management. Rentenbank has determined and defined the requirements for its risk culture. It has also defined key indicators for monitoring the active implementation of the risk culture. As core elements of the risk culture, all senior managers and staff members are required to handle the Bank's risks responsibly and independently within the scope of their assigned responsibilities. All senior managers and staff members are accountable for their conduct with respect to risks. The risk culture status quo was determined by means of an employee questionnaire and measures to further improve the risk culture were formulated.

## Risk inventory

The risk inventory provides a structured overview of all risks that could harm the Bank's financial position, capital resources, financial performance, or liquidity situation. This overview also comprises risk concentrations within individual risk types and between risk types.

The risk profile established in this way forms the basis for the Risk Appetite Statement and for the measurement, monitoring, and management of risks at Rentenbank. The risk inventory also serves the purpose of enhancing the transparency of risks, which also supports the risk culture of Rentenbank. The risk profile comprises the following material risk types: credit default risks, market risks, liquidity risks, and non-financial risks. Non-financial risks include operational and strategic risks. Particular attention is also given to changes in the area of Environmental, Social and Governance (ESG) in the monitoring of risks. ESG risks are integrated into the RMS as risk drivers of the risk types, including by means of scenario analysis.

In addition, material risks are identified by means of indicators based on quantitative and qualitative risk characteristics and reported. Risks are further identified as part of the New Products Process (NPP), key controls of the ICS system, and daily control and monitoring activities.

## Validation of risk measurement

A validation framework based on the regulatory requirements specifies the modalities for validating the methods and procedures defined for the measurement of material risk types in Rentenbank's Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP).

The methods and procedures are validated at least once a year. The separation between method development and validation is ensured by organisational segregation. The objective of the validation process is to critically review the quality of the risk measurement methods and models employed, as well as the corresponding parameters and assumptions, on the basis of quantitative and qualitative analysis. The assessment is based on a defined methodology. The validation results are discussed by the Risk Committee.

## Risk-bearing capacity

Rentenbank's risk-bearing capacity concept is the central element of its Internal Capital Adequacy Assessment Process (ICAAP) and the basis for the operational implementation of its risk strategy. The objectives of the risk-bearing capacity concept are to ensure the continuation of the Bank as a going concern in order to fulfil its promotional mandate in compliance with the regulatory requirements, to ensure the long-term preservation of the Bank's capital, and to protect creditors against economic losses. These objectives are reflected in the two perspectives of the Bank's risk-bearing capacity concept, which encompasses a Normative Approach and an Economic Approach. The risk management processes are designed to fulfil these objectives and requirements equally. The monitoring of limits within the risk-bearing capacity concept is supplemented with stress tests, which are reported to the Management Board and discussed there and in the Risk Committee on a regular basis.

## Normative Approach

The managerial objective of the Normative Approach is to fulfil all regulatory minimum capital requirements and standards. For this purpose, the Bank determines whether the Bank's capital resources are sufficient to ensure compliance with all regulatory requirements and thus the continuation of the Bank as a going concern, in the base scenario and in the adverse scenarios,

both as of the reporting date and over the period covered by the multi-year (five-year) capital plan. The capital resources should also make it possible for the Bank to sustainably pursue its business strategy under these scenarios.

The Bank's regulatory own funds under the Normative Approach at the reporting date and in comparison with the corresponding prior-year figures is presented in the table below:

	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Subscribed capital	135.0	135.0
Retained earnings	1,233.6	1,215.1
Fund for general banking risks	3,479.8	3,395.0
Intangible assets	-48.4	-39.1
Tier 2 capital	0.0	0.7
<b>Regulatory own funds</b>	<b>4,800.0</b>	<b>4,706.7</b>

The increase in own funds compared to the previous year resulted mainly from profit retention in the previous year. The eligibility of Tier 2 capital expired in 2024.

Risk exposures and risk-weighted assets (RWAs) are presented in the table below:

	<b>Risk Exposure</b> <b>31/12/2024</b> mEUR	<b>Risk Exposure</b> <b>31/12/2023</b> mEUR
Credit default risk	11,454.8	13,967.3
CVA charge	530.5	541.9
Operational risk	544.3	536.5
<b>Total RWAs</b>	<b>12,529.6</b>	<b>15,045.7</b>

The considerably lower RWAs resulted mainly from upgrades of external ratings of business partners with high business volumes, but also from the lower volume of special promotional loans. The combination of these effects led to much higher capital ratios in 2024. For information purposes, moreover, the plan values for the following three years from the base scenario applied in the capital plan are presented in the table below. The first-time application of the CRR III as of 2025 is expected to have negative effects on the capital ratios. However, the capital ratios will still be well above the minimum regulatory requirements:

	<b>Reporting Date 31/12/2024</b>	<b>Base Scenario</b>		
		<b>2025</b>	<b>2026</b>	<b>2027</b>
Total capital ratio in %	38.3	28.6	29.5	29.7
Tier 1 capital ratio in %	38.3	28.6	29.5	29.7
CET 1 capital ratio in %	38.3	28.6	29.5	29.7
Leverage ratio in %	10.2	11.2	11.4	11.7

The various geopolitical crisis situations and the mild recession in Germany had no observable material effects on Rentenbank's key risk indicators in 2024. Under the base scenario considered for capital planning purposes, a continuation of the conflicts and a decrease in inflation accompanied by a modest economic recovery are assumed. In the base scenario, therefore, Rentenbank anticipates a stable development of its portfolio from a risk perspective. This is reflected in the capital ratios.

The regulatory requirements are fulfilled as of the reporting date and at all times considered in the base scenario of the capital plan.

In addition to the base scenario, various adverse scenarios involving seriously negative market-wide and institution-specific developments are analysed for capital planning purposes. Even considering the CRR III effects, all regulatory requirements will be met at all times.

## Economic Approach

The objectives of the Economic Approach are to ensure the long-term preservation of the Bank's capital and protect creditors against economic losses. For this purpose, the economic capital is checked against the total risk exposure and assessed both as of the reporting date and in the base scenario of the capital plan.

Economic capital includes undisclosed reserves and liabilities from securities and promissory note bonds of the German federal states, including their hedges, as well as the reserves pursuant to HGB 340f. Interim profits or losses (during the year) are included, while planned and not yet realised profits are not included.

The economic capital applied in the Economic Approach is presented as of the reporting date and in the previous year in the table below:

	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Subscribed capital	135.0	135.0
Retained earnings	1,252.6	1,233.6
Fund for general banking risks	3,553.5	3,479.8
Undisclosed liabilities / reserves	211.1	706.8
<b>Economic capital</b>	<b>5,152.2</b>	<b>5,555.2</b>

The planned utilisation of profit from 2024 is included in economic capital. The significant decrease in economic capital in 2024 resulted from a methodological conversion under which additional items were included in Undisclosed liabilities/reserves, as well as somewhat higher credit spreads.

Under the Economic Approach, risks in all positions are considered independently of their accounting treatment. Risks are calculated at a confidence level of 99.9% and for a time period of one year. The risk exposures of the individual risk types are aggregated without regard to diversification effects. They break down as follows:

	<b>Risk Exposure 31/12/2024</b> mEUR	<b>Risk Exposure 31/12/2023</b> mEUR
Credit default risks	470.5	392.9
Market price risks	1,826.6	1,453.1
of which interest rate risks	558.6	543.5
of which CVA risk from derivatives	39.6	65.1
of which spread and other risks	1,213.4	829.5
of which risk buffer	15.0	15.0
Non-financial risks	93.1	102.1
of which operational risks	62.1	74.1
of which strategic risks	31.0	28.0
<b>Total risk</b>	<b>2,390.2</b>	<b>1,948.1</b>

Rentenbank's risk-bearing capacity under the Economic Approach was assured at each observation date in 2024. All limits were kept. The utilisation of economic capital at the reporting date was 46.39%, considerably higher than in the previous year (35.07%), due to the lower amount of economic capital and the corresponding increase in exposures from the measurement of credit spread risks and a corresponding increase in migration risks within credit default risks.

## Stress tests

The objective of the stress tests is to analyse whether Rentenbank's risk-bearing capacity would also be assured in unusual, but plausible scenarios affecting different risk types. For this purpose, a hypothetical scenario

(economic downturn and further rise in inflation) and an historical scenario (financial markets crisis and ensuing sovereign debt crisis) are simulated. Market-wide and institution-specific aspects are considered in these scenarios. The main risk parameters applied in the stress scenarios are credit rating deterioration, changes in interest rates, and a widening of credit spreads. The effects of the stress scenarios are analysed from the normative and economic perspectives. Under the Normative Approach, the effects of the scenarios on the income statement and equity and particularly also on risk-weighted assets are simulated over a time period of three years. The dominant risk under the Normative Approach is credit default risk; under the Economic Approach, credit default risk and market risk are particularly relevant.

Under both approaches, Rentenbank's risk-bearing capacity is assured also in the stress scenarios without the use of regulatory reliefs from capital and liquidity requirements, thus confirming the Bank's comfortable capital situation.

In addition to these stress scenarios, the Bank also conducts an inverse stress test to identify those events that would cause the Bank's risk-bearing capacity to be no longer assured. The Bank also analyses the impact of sustainability risks under different scenarios (see separate section).

## **Credit default risks**

### **Definition**

Credit default risk refers to the risk that a counterparty would not be able to fulfil its payment obligations, or only in part, as well as the risk of valuation losses due to the deterioration of credit ratings. This risk type is sub-divided into credit risk, migration risk, and country risk.

The Bank's lending business is largely limited to the funding of credit institutions, institutions, and financial institutions according to the definitions of Article 4 CRR, as well as other interbank transactions. The credit risk inherent in the ultimate borrowers of special promotional loans lies with the local bank extending the loans. In addition, funding is provided to German federal states, German rural districts, and German municipalities.

## Risk assessment and management

The central risk parameters for the determination of credit default risk are probability of default, loss given default, exposure at default, and the correlations between business partners, with the aid of which simultaneous defaults of business partners are simulated in the credit portfolio model.

The probability of default is derived from the credit ratings of the Bank's business partners. The credit rating is assigned by way of an internal risk classification process under which individual business partners or transaction types are assigned to one of 20 credit rating categories. The best ten rating categories AAA to BBB- are reserved for business partners with low risks ("investment grade"). The seven rating categories BB+ to C signify latent or heightened latent risks, and the three rating categories DDD to D signify problem loans and business partners in default.

The credit ratings of our business partners are reviewed at least once a year on the basis of an analysis of their financial statements and financial position. For this purpose, key performance indicators, qualitative characteristics, the background of shareholders, and other supporting factors such as their affiliation with a protection scheme or state guarantee mechanisms are considered. The country risk of the business partner's country of domicile is also considered in assessing the credit quality. For certain products such as German mortgage bonds (Pfandbriefe), the associated collateral or cover assets are considered as a further criterion, in addition to the respectively applicable national regulations, in determining the product rating. Whenever the Bank becomes aware of current information about negative financial data or a deterioration of the business partner's business outlook, the credit rating is reviewed and adjusted if necessary.

The loss given default quantifies that portion of the exposure that would be irrecoverable after the default of a business partner and the realisation of collateral. To quantify its credit default risks, Rentenbank applies product-specific or transaction type-specific loss ratios determined on the basis of analytical and expert-based methods. In particular, the utilisation chain of the special promotional loans granted by way of on-lending is considered in the measurement and parameterisation of the loss given default for special promotional loans. Rentenbank also relies on external data sources in assessing specific transaction types.

The exposure at default corresponds to the net balance at the reporting date, plus off-balance sheet transactions with individual business partners. This indicator represents the residual value or market value of the exposure. In determining the amount of exposure under derivatives, a premium is added to account for market value fluctuations, with due consideration given to contractual netting clauses and any cash collateral furnished and received.

Under the Economic Approach, the credit value at risk is calculated by way of a credit portfolio model with due consideration given to correlations between business partners and migration risks.

The method described above makes it possible to measure, monitor, and manage risks in accordance with the MaRisk requirements. In this way, adverse developments and portfolio concentrations can be quickly identified and countermeasures initiated.

## Limitation and monitoring

The maximum credit limit for all credit limits and a maximum limit for unsecured lines are set by the Management Board to limit credit default risks. Concentration risks are managed and limited at several levels of the Bank by means of various targeted concepts. In addition, country limits and currency transfer limits are set to limit the corresponding risks.

A limit system manages the amount and structure of all credit default risks. Internal limits are set for all borrowers, issuers, and counterparties and are sub-divided where appropriate for specific products and maturities. The Bank's risk classification system is the central decision-making basis for the adoption of limits. In addition, certain minimum credit ratings have been established for individual transaction and limit types.

For risk-bearing capacity purposes, credit default risks are limited on the basis of the credit value at risk determined in the credit portfolio model.

In addition, risk indicators provide early indications of potential risk increases and risk shifts within the portfolio. Alert thresholds are established to quickly detect higher limit utilisation levels so that appropriate countermeasures can be taken.

Limits are monitored on a daily basis. Limit overruns are immediately reported to the Management Board.

Thus, credit default risks are managed, monitored, and reported for individual transactions at the borrower level and borrower unit level, at the country level, and at the level of the overall credit portfolio.

## Portfolio overview

More than 90% of the Bank's risk exposures are backed by collateral in the form of assignments of claims under funded loans to ultimate borrowers and state guarantee mechanisms. The Other risk exposures are likewise mainly secured products such as German mortgage bonds (Pfandbriefe) and covered bonds. Unsecured risk exposures largely consist of loans to and receivables from banks belonging to joint liability schemes in Germany (Haftungsverbände).

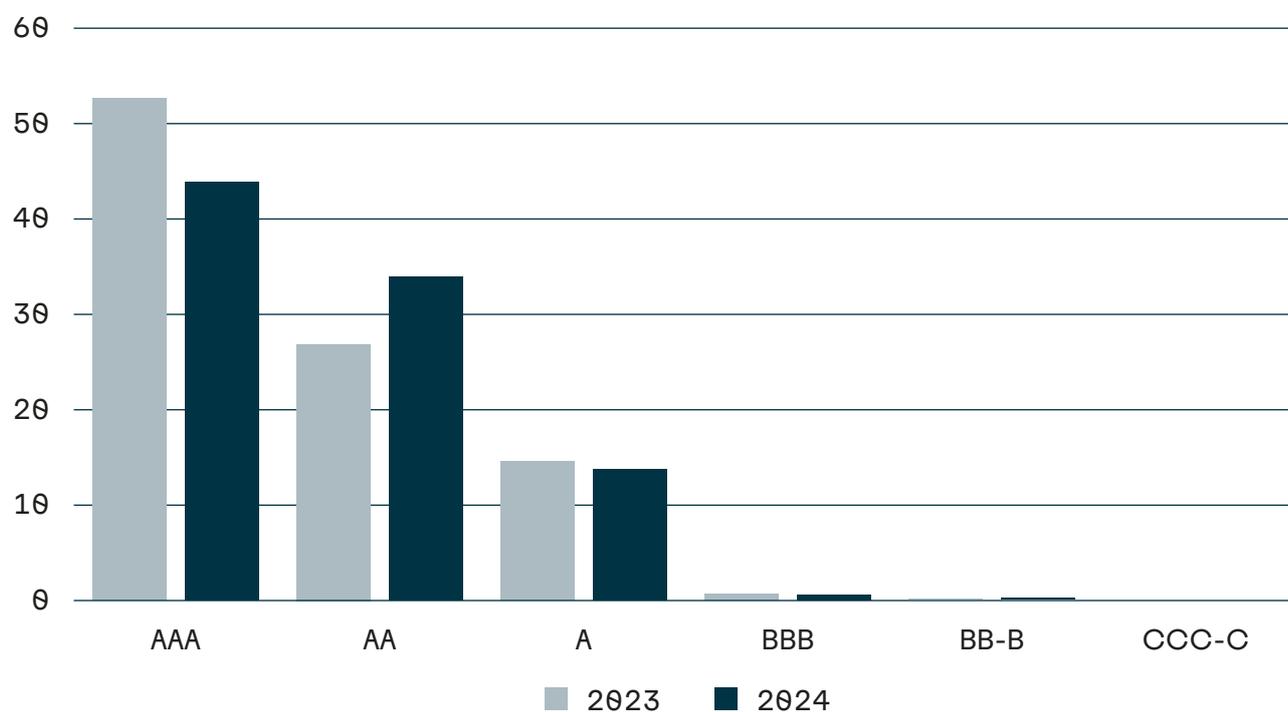
The overall credit portfolio of EUR 92 billion (previous year: EUR 95 billion) comprises the nominal amounts of risk exposures in euros, including special promotional loans with the corresponding assignments of claims under funded loans to the ultimate borrowers, state-guaranteed special promotional loans, registered bonds, promissory note bonds, securities, money market and derivative transactions, equity interests, venture capital investments, and all externally committed credit facilities, but not loans granted from the German federal government's Special-Purpose Fund. The risk exposures of companies in which Rentenbank holds direct equity interests are included in the equity interests.

Derivative financial instruments may only be concluded as hedging instruments on the basis of a netting and collateral agreement.

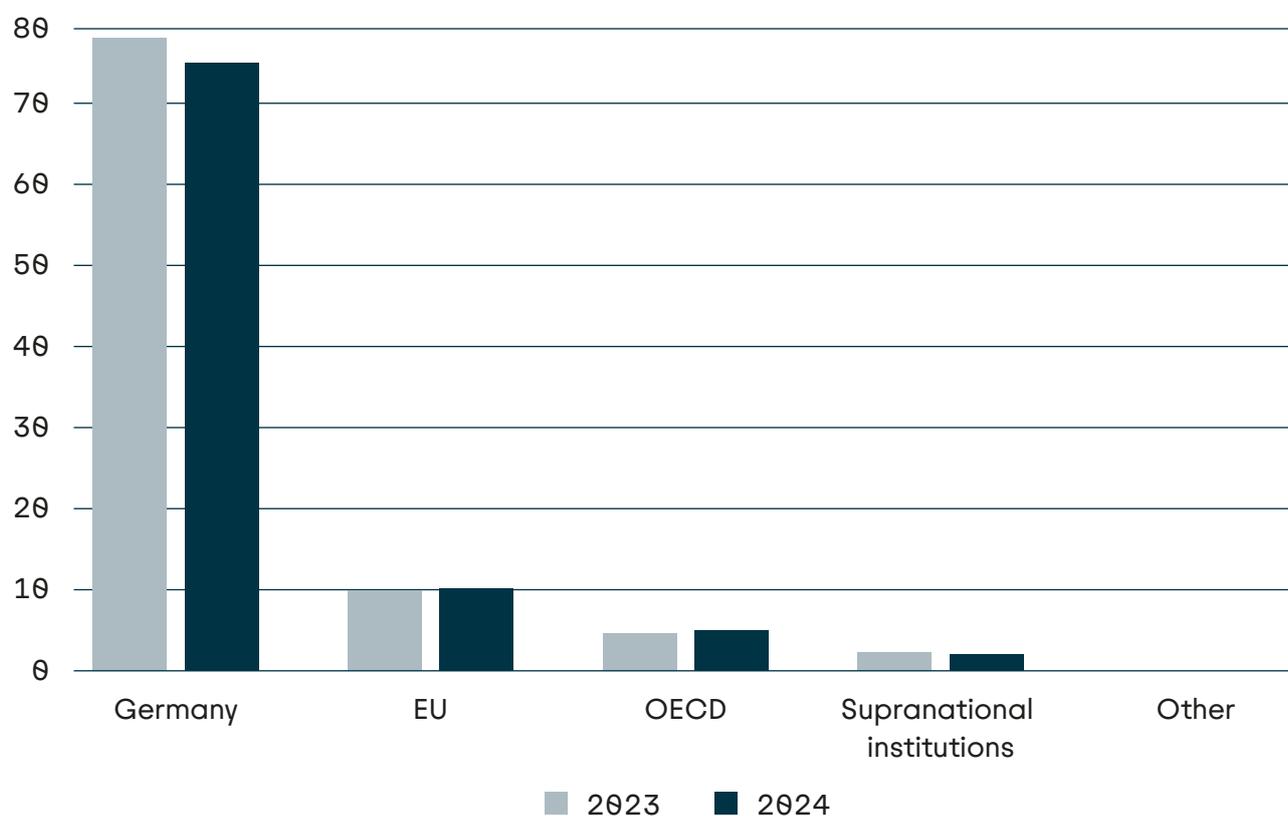
In the three tables below, risk exposures are aggregated on the basis of country of domicile and at the level of the legally independent business partner without regard to Group affiliations. The risk exposures are assigned to credit rating categories on the basis of product ratings. The presented figures are based on nominal amounts.

The portfolio is secured at a rate of over 90%. It breaks down as follows:

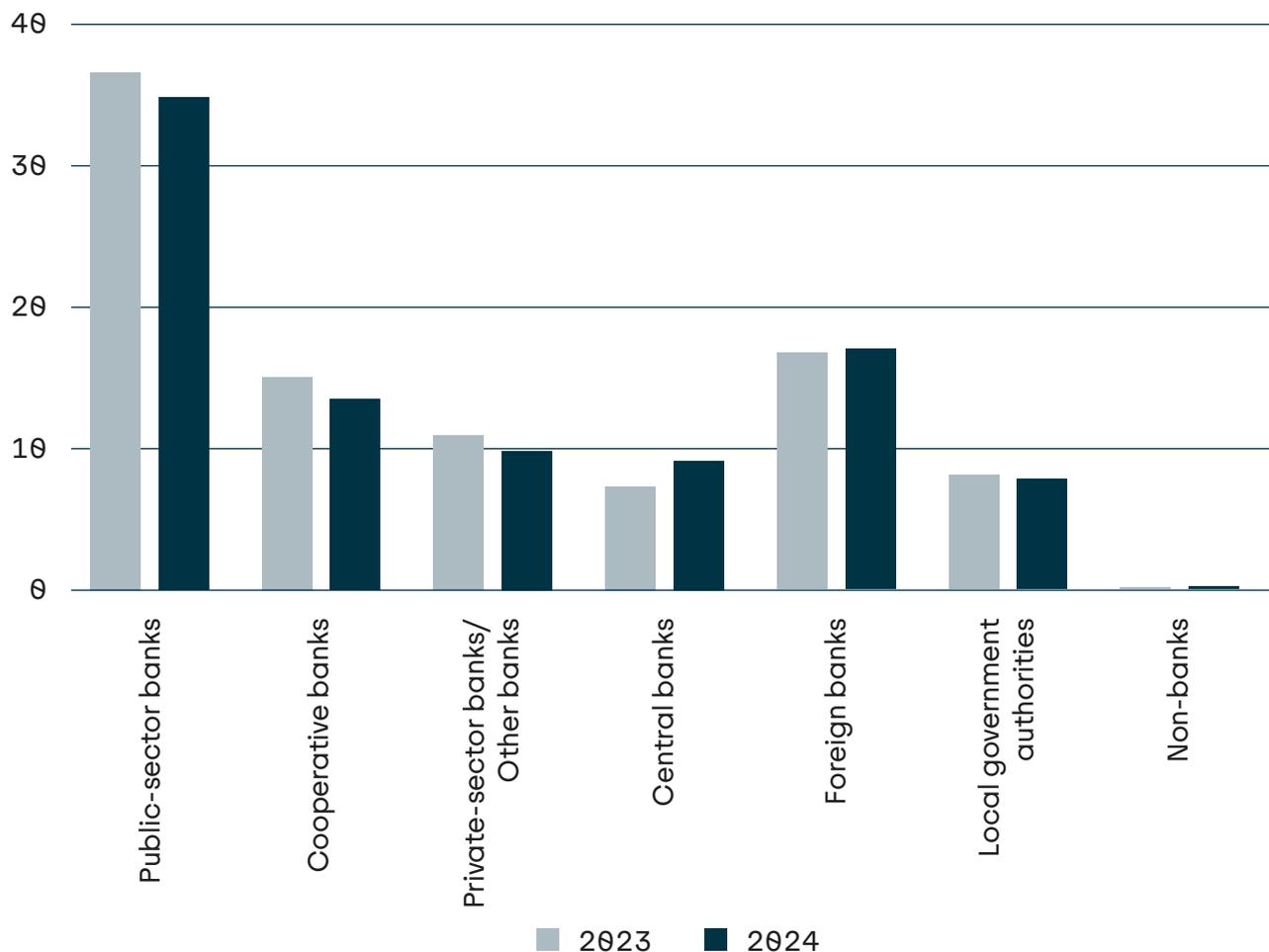
### Credit Rating Categories (in euro billions)



### Country Groups (in euro billions)



## Counterparty groups (in euro billions)



Rentenbank has no exposure to Russian, Belorussian, or Ukrainian business partners or their subsidiaries. The exposure of Rentenbank's business partners to Russia and/or Ukraine is very limited. Therefore, the direct effects of the Russia-Ukraine crisis on the business performance of the affected institutions are manageable on the whole. Rentenbank is also monitoring the current developments in Israel and Gaza. It does not see any effects on the Bank's business partners at the present time.

## Loan loss provisions

### Specific valuation provision

The Bank assesses on a monthly basis whether there are any indications that not all payments of interest and principal can be made in accordance with the applicable contractual provisions. For financial reporting purposes, the necessity of recognising a specific valuation allowance in respect of a given loan receivable is assessed on the basis of the following criteria:

- “Non-investment grade” credit rating,
- non-performing, deferred, or restructured exposures,
- significant deterioration of the business partner’s credit quality,
- significant deterioration of the credit rating of the business partner’s country of domicile.

As in the previous year, it was not necessary to recognise specific valuation allowances at the reporting date.

### Value corrections of venture capital equity investments

The venture capital funds are assigned to Fixed assets at Rentenbank. A value correction of euro 0.3 million was made in one fund in 2024.

### General valuation allowance

General valuation allowances are recognised to account for latent credit default risks. The amounts of such general valuation allowances are determined on the basis of the probability of default and the loss given default.

The general valuation allowances for loan receivables, securities, and irrevocable credit commitments amounted to euro 3.1 million, negligibly lower than in the previous year (euro 3.2 million).

## Market risks

### Definition

Market risk refers to the potential losses arising from changing market data. It encompasses interest rate risks, CVA risks from derivatives, spread risks, and other market risks. The latter category comprises currency risks and volatility risks. Spread risks are sub-divided into credit spread risks, cross-currency basis spread risks, and tenor basis spread risks.

## Risk assessment and management

### Interest rate risks

Interest rate risks from the present value perspective (Economic Value of Equity, EVE) and the income-oriented perspective (Net Interest Income, NII) are measured with reference to shifts of yield curves.

Interest rate risks are calculated and monitored from the present value perspective on a daily basis for the Treasury Management and Promotional Activity segments and on a monthly basis at the overall bank level. Applying stress scenarios under the Normative Approach, interest rate risks are measured from the income-oriented perspective over a time horizon of three years on the basis of the gap structure in the interest rate scenarios considered.

Six interest rate shock scenarios specified by the regulatory authority are calculated as well. At the reporting date, the regulatory interest rate coefficient to be applied for simulating an interest rate increase was 10.9%. The extensive new CoRep IRRBB minimum reporting requirements have been implemented.

Generating material income from the assumption of interest rate risks is not one of the Bank's strategic objective. Interest rate risk is limited through the use of derivatives on the basis of micro-hedges or macro-hedges, the latter being used for the special promotional loans.

### Spread risks

Spread risks are calculated with a Value-at-Risk (VaR) model on the basis of an historical simulation. In this process, the credit spread risks of securities, promissory note bonds, all registered securities, and basis spread risks are quantified and limited. Credit spread risks are managed on the basis of the buy-and-hold strategy, particularly in observance of the requirements specified by the credit risk strategy.

### Other market risks

Even in the case of closed foreign currency positions, the market values of underlying and hedging transactions can differ from each other by reason of different measurement parameters, mainly the spreads. When converted to euros, these differences lead to present value differences resulting from the exchange rates applied, which are considered as currency risk. Aside from certain immaterial positions in the clearing accounts, there are no open foreign currency positions. Volatility risk refers to the risk that the value of an option could change as a result of changes in volatilities. Rentenbank only holds interest rate-related options, which also include embedded options,

particularly in the case of loans with termination rights. Currency risks and volatility risks are measured and limited by means of scenario-based changes in exchange rates, cap floor volatilities, and swaption volatilities.

Other market risks such as equity transaction risks and commodity transaction risks are not relevant to the Bank by reason of its business model.

### **CVA risk**

CVA risk refers to the risk of potential market value losses in derivatives resulting from a deterioration of the counterparty's credit rating. The parameters applied in the calculation are the business partner's probability of default, which is derived from credit default swaps, the loss given default, and the potential market value changes (potential future exposure) at the level of netting pools. CVA risk is limited by means of collateral agreements and limits.

### **Risk buffer**

Risk modelling uncertainties and simplifications are additionally accounted for by means of a risk buffer.

## **Liquidity risks**

### **Definition**

Liquidity risk refers to the risk of not being able to meet current or future payment obligations or only to a limited degree. This also includes intraday liquidity risk, market liquidity risk, and funding cost risk.

Funding cost risk refers to the risk that future funding resources could only be raised or a liquidity surplus would have to be invested under unexpectedly worsened cost conditions.

## **Risk assessment and management**

The objectives of liquidity management are to ensure the Bank's ability to meet its financial obligations at all times, also under stress conditions, to optimise the funding structure, and to coordinate the Bank's own issues in the money market and capital markets. To achieve these objectives, Rentenbank has implemented a suitable Internal Liquidity Adequacy Assessment Process (ILAAP).

In the ILAAP, liquidity risks are backed by liquidity coverage potential in the form of liquid assets. The starting point for the measurement of liquidity risk is the cumulative net liquidity requirement, which is also considered under different stress scenarios. The liquidity coverage potential on hand at the given point in time (liquidity buffer) is checked against the cumulative net liquidity requirement. The utilisation rate is considered over short-term, medium-term, and long-term horizons and limits are set on each such utilisation rate. In accordance with the MaRisk, the potential utilisation of the liquidity coverage potential is explicitly calculated for periods of one week and one month.

Stress scenarios are employed for the purpose of analysing the effects of unexpected, unusual events on the Bank's liquidity position and market liquidity risk. The scenarios include a market-wide scenario involving a decline in the prices of securities (market liquidity) and liquidity outflows for cash collateral. In addition, an idiosyncratic scenario involving simultaneous calls of all irrevocable credit commitments and default on the part of important borrowers is simulated. This scenario mix is used to simulate the cumulative occurrence of liquidity stress scenarios. Liquidity stress tests are also conducted on an ad-hoc basis when risk-relevant events occur. The composition and appropriate diversification of the liquidity coverage potential are checked as part of the validation process.

The regulatory liquidity ratios Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are calculated and limited as well.

The scenario mix is defined as a management-relevant scenario. The minimum survival horizon is assured by the use of a traffic light system.

The short-term, medium-term, and long-term liquidity limits are monitored and reported on a daily basis.

The current liquidity position and liquidity buffer utilisation rate, as well as a 90-day forecast of the net liquidity requirement expressed in the LCR, are monitored on a daily basis. The other internal and regulatory ratios are calculated and monitored on a monthly basis.

The instruments available for the purpose of managing the short-term liquidity position are interbank funds, ECP placements, and open market operations with the Bundesbank. In addition, securities can be purchased for liquidity management purposes and funds maturing in up to two years can be raised by way of the Euro Medium-Term Note programme (EMTN programme), promissory notes, and global bonds or domestic capital market instruments.

The bonds issued by Rentenbank are classified in the EU as “liquid assets” in the sense of the LCR. Rentenbank’s bonds may be held as highly liquid assets in other jurisdictions as well (exempli gratia, United States and Canada).

As in the previous year, the Bank’s liquidity was assured at every date considered in the reporting period, also under stress assumptions. All liquidity limits and regulatory liquidity ratios were comfortably kept. The average LCR was 4.15 (3.89) and the average NSFR was 1.32 (1.34).

Funding cost risks are measured as part of the risk inventory and validation process. They were below the internally defined materiality limit in the reporting period.

## **Non-financial risks**

### **Definition**

Non-financial risks are sub-divided into operational risks and strategic risks.

Operational risks arise as a result of non-functioning or defective systems and processes, misconduct on the part of humans, or external events. Operational risks include legal risks, compliance risks, outsourcing risks, IT risks, information security risks, personnel risks, model risks, project risks, and event or environmental risks.

Strategic risks are sub-divided into business/strategic risks, reputation risks, and pension risks.

Business/strategic risk refers to the risk that business strategy objectives would not be attained due to business strategy positioning or detrimental changes in the framework conditions for Rentenbank and that this non-attainment of business strategy objectives would have an adverse effect on the Bank’s financial position and financial performance.

Reputation risk refers to the risk of losses as a result of a worsening of the perception of Rentenbank in the minds of relevant internal and external stakeholders, which would have adverse economic effects or lessen the trust placed in Rentenbank.

Pension risk refers to the risk of an inadequate measurement of pension provisions.

## Risk assessment and management

From an economic perspective, non-financial risks are quantified by means of a simulation model (Value at Risk). The data basis comprises the risk estimates from the self-assessments of the process owners, the risk analyses of other organisational units, and historical losses from operational risks. The risk model allows for a detailed analysis of individual risks and risk drivers, as well as the simulation of scenarios.

All the Bank's loss events and near losses are decentrally recorded in a loss event database by the Operational Risk Officer. Risk Controlling analyses and aggregates the loss events and refines the methodological instruments.

In the self-assessments, material operational risk scenarios of specific business processes are analysed and assessed with a view to inherent risks and risk-reducing measures are adopted.

Risk Controlling aggregates and analyses all non-financial risks on a centralised basis. This department is responsible for the use of instruments and the refinement of risk identification, assessment, management, and communication methods. Non-financial risks are managed by the respective organisational units.

The Legal & Committees Department manages and monitors legal risk. It informs the Management Board about current or potential legal disputes on an ad-hoc basis and also periodically in the form of semi-annual reports. The Bank minimises legal risks from contracts by largely employing standardised contracts. The Legal Department is involved in the corresponding decisions at an early stage and important projects are coordinated with the Legal & Committees Department. Legal disputes are immediately entered into the loss event database. A specified risk indicator is monitored to ensure the early identification of risks.

Regulatory risks as a sub-category of compliance risks are managed by the Compliance function and the regulatory working group ART, by means of active participation in regulatory initiatives and other legislative initiatives affecting Rentenbank, and the identification of potential consequences for the Bank.

On the basis of a materiality and risk assessment, compliance-related risks are identified and analysed to assess whether the general and institution-specific requirements for an effective organisation are met. The same procedure is applied with respect to risks related to money laundering,

terrorist financing, and criminal acts, which could endanger the Bank's assets. Organisational measures to optimise risk prevention are defined on the basis of the risks identified in this procedure.

The fulfilment of duties of care and the identification of contractual partners (know-your-customer principle) are particularly important elements of money laundering prevention. The necessary procedures and processes for this purpose have been implemented and any suspected cases are referred immediately by the Anti-Money Laundering Officer to the Central Financial Intelligence Unit (FIU). The Bank is not aware of any suspicious cases involving money laundering, terrorist financing, or other criminal acts in 2024.

The risks associated with the outsourcing and other purchases of IT services are identified as a sub-category of operational risks. Rentenbank has instituted the position of a Central Outsourcing Officer who is supported by the Central Outsourcing Management Department. Outsourced activities are monitored decentrally. The Central Outsourcing Management Department also performs risk management and monitoring with respect to the portfolio of outsourced activities. Outsourced activities are classified as material or immaterial on the basis of a standardised risk analysis. Material outsourced activities are subject to special requirements, particularly with regard to contracts, management, monitoring, and reporting.

Rentenbank has implemented an Information Security Management System (ISMS) to protect data, systems, networks, and the business premises. The Information Security Department monitors compliance with all standards and requirements for the confidentiality, availability, and integrity of information specified in the ISMS. Employees are regularly trained in matters of information security and sensitised to risks by means of different channels. Information security risks are integrated into operational risk management and are transparently reported. This also includes risks arising from threats related to cyber-attacks. To this end, Rentenbank arranges for external service providers to conduct penetration tests on a regular basis.

The Bank's Emergency Management Department has defined preventive and reactive measures to protect time-critical business processes in case of emergency or crisis. The manner of dealing with business interruptions is detailed in the Emergency Handbook, business continuation plans, and recovery plans. Rentenbank reviews and monitors the efficacy of these plans on the basis of test and drill plans.

A code of conduct and professional corporate communication help to minimise reputation risks.

To measure the risks inherent in pension provisions, an actuarial opinion is prepared by an outside expert on the basis of parameters such as interest rates, inflation, and life expectancies. The corresponding interest rate risks are taken into account in the monitoring of Interest Rate Risk in the Banking Book (IRRBB).

Non-financial risks are limited separately by operational and strategic risks in the economic risk-bearing capacity calculation.

The loss events identified in the reporting period, the insights gained from the self-assessments, the risk assessment of the organisational units, and the monitoring of early warning indicators do not show any risks that would endanger the Bank's continuation as a going concern.

## **ESG risks**

ESG risks in the areas of climate and environment are sub-divided into physical and transition risks. Physical risks arise from both extreme weather events and their consequences, as well as long-term changes in climatic and ecological conditions. Transition risks arise in relation to the conversion to a low-carbon economy.

ESG risks are not regarded as a standalone risk type, but rather as a driver of classic risk types at Rentenbank. ESG risk drivers relevant for Rentenbank were identified from a long list of potential ESG risk drivers. The identification of these ESG risk drivers was based on risk exposure, financial effects, and the potential transmission channel.

In its promotional activity, Rentenbank ensures the funding of local banks that grant its special promotional loans. The local bank bears the default risk of the ultimate borrower. Therefore, Rentenbank's customers are nearly all classified as banks or German state institutions. The Bank does therefore not invest directly in agriculture and forestry.

Based on this classification, Rentenbank analyses the potential effects of sustainability risks. Individual ESG aspects are already taken into account within the existing credit rating procedures. Rentenbank has employed controversy screening as part of its credit assessment process since 2023. An ESG scoring procedure was introduced in 2024.

Various ESG scenarios focused on climate and environmental risks have been analysed and the potential effects of climate change on Rentenbank's capital and risk situation have been examined since 2020. The ESG scenarios were developed on the basis of currently available information and assessments (including the "Network for Greening the Financial System"). Two scenarios that reflect Rentenbank's physical and transition risk drivers as broadly as possible were selected. Quantitative estimates of the long-term effects of both scenarios were performed. As expected, the effects on Rentenbank's risk indicators were found to be minor. The scenarios are continually refined on the basis of new insights, particularly those of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). In addition, the development of the CO<sub>2</sub> price is monitored as a risk indicator.

## Financial reporting process

The essential purpose of the financial reporting process is to track the account assignment and processing of transactions all the way to the preparation of the required annual financial statements.

The purpose of the financial reporting-related ICS/RMS is to ensure compliance with financial reporting standards and regulations and to ensure legally compliant financial reporting.

Rentenbank prepares its financial statements in accordance with the regulations of the German Commercial Code (Handelsgesetzbuch, HGB) and the Regulation on the Financial Reporting of Credit Institutions, Financial Services Institutions, and Investment Firms (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute, **RechKredV**).

The regulations are documented in handbooks and procedural instructions. The Finance Department monitors these documents regularly and adapts them to changed statutory, regulatory, and procedural requirements. The involvement of the Finance Department in the "New Products Process" ensures the appropriate representation of new products in the financial reporting system.

The documentation of the financial reporting process conforms with German Generally Accepted Accounting Principles (Grundsätze ordnungsmäßiger Buchführung, GoB) and is comprehensible to knowledgeable third parties. The statutory retention periods are observed with respect to the retention of the corresponding documents.

The functions of organisational units that play an important role in the financial reporting process are clearly separated. Appropriate subsidiary ledgers for money market accounting, loan accounting, securities accounting, and liabilities accounting are assigned to the different organisational units and monitored by them. The data contained in the subsidiary ledgers are transferred to the general ledger by way of automated interfaces. The Finance Department is responsible for accounting, the definition of account assignment rules, the posting methodology, management of the posting programme, and the administration of the financial accounting system.

Rentenbank employs standard software in its financial reporting process. Authorisations are granted on a task-specific basis to protect the financial reporting process from unauthorised access. Plausibility checks are performed on a regular basis. In addition, the application of the dual control principle, standardised reconciliation routines, and budget-actual comparisons within the financial system ensure the prompt detection and correction of errors. These measures also serve to ensure the correct recognition, presentation, and measurement of assets and liabilities.

The functional efficacy of the financial reporting-related ICS/RMS is monitored by means of periodic, process-independent audits conducted by the Internal Audit Department.

Quality-assured, relevant data are promptly reported to the responsible persons via the Management Information System. The Management Board informs the Supervisory Board and its committees of the corresponding results on a regular basis. It also promptly informs them of specific events of importance.

# Annual financial statements

# Balance Sheet of Landwirtschaftliche Rentenbank at 31 December 2024

Assets	Note	mEUR	31/12/2024 mEUR	31/12/2023 mEUR
<b>1. Cash reserve</b>				
a) Cash on hand		0.0		0.2
b) Balances with central banks		56.2		21.4
of which: with the Bundesbank: EUR 56.1 million (PY: EUR 21.4 million)			56.2	21.6
<b>2. Loans and advances to banks</b>	1			
a) Payable on demand		9,081.4		8,695.2
b) Other loans and receivables		56,534.0		58,549.1
			<b>65,615.4</b>	<b>67,244.3</b>
<b>3. Loans and advances to customers</b>	2			
of which: Secured by mortgages: EUR -.- million (PY: EUR -.- million)				
Municipal loans: EUR 6,980.1 million (PY: EUR 7,316.4 million)			7,003.2	7,502.4
<b>4. Bonds and other fixed-income securities</b>	3/7			
a) Commercial paper				
ab) Other issuers				
of which: Eligible as collateral with the Bundesbank EUR -.- million (PY: EUR -.- million)		50.4		0.0
b) Bonds and notes				
ba) Public-sector issuers		977.5		801.8
of which: Eligible as collateral with the Bundes- bank: EUR 848.4 million (PY: EUR 647.7 million)				
bb) Other issuers		15,714.7		15,053.4
of which: Eligible as collateral with the Bundesbank: EUR 13,367.6 million (PY: EUR 12,649.0 million)			16,742.6	15,855.2
<b>5. Shares and other non-fixed-income securities</b>	4/7		33.2	13.4
<b>6. Equity interests</b>	5/7			
of which: In banks: EUR 321.9 million (PY: EUR 321.9 million)				
In financial services institutions: EUR -.- million (PY: EUR -.- million)				
In investment firms: EUR -.- million (PY: EUR -.- million)			327.9	327.9
<b>7. Shares in affiliated companies</b>	5/7			
of which: In banks: EUR -.- million (PY: EUR -.- million)				
In financial services institutions: EUR -.- million (PY: EUR -.- million)				
In investment firms: EUR -.- million (PY: EUR -.- million)			49.6	49.6
<b>8. Trust assets</b>	6			
of which: Trust loans: EUR 168.5 million (PY: EUR 164.1 million)			168.5	164.1
<b>9. Intangible assets</b>	7			
a) Purchased concessions, industrial property rights and similar rights, and licenses to such rights			36.5	30.8
<b>10. Property and equipment</b>	7		80.1	66.4
<b>11. Other assets</b>	8		2,426.4	3,845.9
<b>12. Prepaid expenses</b>	9			
a) From issuing and lending business		2,114.8		2,267.0
b) Other		330.6		398.7
			<b>2,445.4</b>	<b>2,665.7</b>
<b>Total assets</b>			<b>94,985.0</b>	<b>97,787.3</b>

## Liabilities and equity

	Note	mEUR	mEUR	31/12/2024 mEUR	31/12/2023 mEUR
<b>1. Liabilities to banks</b>	10/21				
a) Payable on demand			0.0		50.8
b) With agreed term or notice period			1,528.3		1,714.3
				<b>1,528.3</b>	<b>1,765.1</b>
<b>2. Liabilities to customers</b>	11				
a) Other liabilities					
aa) Payable on demand			0.0		137.0
ab) With agreed term or notice period			1,490.4		1,697.6
				<b>1,490.4</b>	<b>1,834.6</b>
<b>3. Securitised liabilities</b>	12				
a) Debt securities issued				<b>83,752.3</b>	85,756.5
<b>4. Trust liabilities</b>	13				
of which:					
Trust loans: EUR 168.5 million (PY: EUR 164.1 million)				<b>168.5</b>	164.1
<b>5. Other liabilities</b>	14			<b>351.7</b>	377.4
<b>6. Deferred income</b>	15				
a) From issuing and lending business			310.9		391.8
b) Other			2,081.1		2,232.9
				<b>2,392.0</b>	<b>2,624.7</b>
<b>7. Provisions</b>	16				
a) Provisions for pensions and similar obligations			153.7		154.6
b) Other provisions			188.0		203.4
				<b>341.7</b>	<b>358.0</b>
<b>8. Subordinated liabilities</b>	17			<b>0.0</b>	40.0
<b>9. Fund for general banking risks</b>				<b>3,553.5</b>	3,479.8
<b>10. Equity</b>					
a) Subscribed capital			135.0		135.0
b) Retained earnings					
ba) Principal reserve pursuant to Section 2 (2) of Rentenbank's Governing Law		1,233.6			1,214.1
Allocations from guarantee reserve		0.0			1.0
Allocations from net income		19.0			18.5
			1,252.6		1,233.6
bb) Guarantee reserve pursuant to Section 2 (3) of Rentenbank's Governing Law		0.0			1.0
Withdrawals pursuant to Section 2 (3) of Rentenbank's Governing Law		0.0			1.0
			0.0		0.0
c) Distributable profit			19.0		18.5
				<b>1,406.6</b>	<b>1,387.1</b>
<b>Total liabilities and equity</b>				<b>94,985.0</b>	<b>97,787.3</b>
<b>1. Contingent liabilities</b>	19				
a) Liabilities from guarantees and indemnity agreements				<b>17.0</b>	26.5
<b>2. Other commitments</b>	20				
a) Irrevocable loan commitments				<b>589.9</b>	1,515.7

# Income Statement of Landwirtschaftliche Rentenbank for the period from 1 January to 31 December 2024

	Note	2024 mEUR	2024 mEUR	2024 mEUR	2023 mEUR
<b>1. Interest income from</b>	22				
a) Lending and money market transactions		3,503.6			3,181.5
b) Fixed-income securities and debt register claims		346.0			274.8
			3,849.6		3,456.3
less negative interest: EUR 2.9 million					(3.7)
<b>2. Interest expenses</b>	23		3,572.7		3,154.9
less positive interest: EUR 0.0 million					(0.3)
				<b>276.9</b>	301.4
<b>3. Current income from</b>					
a) Shares and other non-fixed-income securities			0.0		0.0
b) Equity interests			10.6		8.6
				<b>10.6</b>	8.6
<b>4. Fee and commission income</b>			0.6		0.5
<b>5. Fee and commission expenses</b>			5.3		3.0
				<b>-4.7</b>	-2.5
<b>6. Other operating income</b>	24			<b>16.8</b>	14.5
<b>7. General administrative expenses</b>					
a) Personnel expenses					
aa) Wages and salaries		43.1			38.5
ab) Social security contributions and expenses for pensions and other employee benefits		9.7			9.7
			52.8		48.2
of which: EUR 3.1 million for pensions					(3.3)
b) Other administrative expenses			63.8		55.2
				<b>116.6</b>	103.4
<b>8. Depreciation, amortisation and impairments of intangible assets as well as property and equipment</b>				<b>14.2</b>	10.2
<b>9. Other operating expenses</b>	25			<b>5.5</b>	9.7
<b>10. Write-downs and impairments of loans and advances and certain securities and additions to provisions for loan losses</b>				<b>49.8</b>	75.5
<b>11. Write-downs and impairments of equity interests, shares in affiliated companies and securities held as fixed assets</b>				<b>0.1</b>	0.0
<b>12. Income from reversals of write-downs and impairments of equity interests, shares in affiliated companies and securities held as fixed assets</b>				<b>0.0</b>	0.0
<b>13. Additions to the fund for general banking risks</b>				<b>73.7</b>	84.8
<b>14. Profit on ordinary activities</b>				<b>39.7</b>	38.4
<b>15. Taxes on income and profit</b>			1.6		1.3
<b>16. Other taxes not included in "Other operating expenses"</b>			0.1		0.1
				<b>1.7</b>	1.4
<b>17. Net income for the year</b>				<b>38.0</b>	37.0
<b>18. Allocations to retained earnings</b>					
to principal reserve pursuant to Section 2 (2) of Rentenbank's Governing Law					
from net income				<b>19.0</b>	18.5
<b>19. Distributable profit</b>				<b>19.0</b>	18.5

## Statement of Cash Flows for the period ended 31/12/2024

	<b>2024</b> mEUR	<b>2023</b> mEUR
Net income/loss for the period	38.0	37.0
Depreciation, amortisation and impairments, and reversals of impairments of loans and advances and fixed assets	14.2	10.2
Increase (+)/decrease (-) in provisions	-16.3	-21.8
Other non-cash expenses / income	123.8	160.3
Other adjustments (net)	21.9	20.6
Increase (-)/decrease (+) in loans and advances to banks	1,579.1	-1,313.4
Increase (-)/decrease (+) in loans and advances to customers	499.2	298.0
Increase (-)/decrease (+) in securities (not held as fixed assets)	-50.0	-
Increase (-)/decrease (+) in other assets from operating activities	1,611.2	554.2
Increase (+)/decrease (-) in liabilities to banks	-236.8	7.6
Increase (+)/decrease (-) in liabilities to customers	-344.1	-250.3
Increase (+)/decrease (-) in securitised liabilities	-2,004.2	2,010.7
Increase (+)/decrease (-) in other liabilities from operating activities	-254.3	-1,499.9
Interest expenses / interest income	-276.9	-301.4
Income tax expenses / income	1.7	1.3
Interest and dividends received	3,863.2	3,464.9
Interest paid	-3,608.2	-3,184.1
Income taxes paid	-1.7	-1.3
<b>Cash flow from operating activities</b>	<b>959.8</b>	<b>-7.4</b>
Proceeds from disposal of financial investments	2,213.1	1,896.3
Payments for investments in financial investments	-3,048.7	-1,836.1
Proceeds from disposal of property and equipment	2.4	0.2
Payments for investments in property and equipment	-16.0	-10.6
Proceeds from disposal of intangible assets	0.0	0.0
Payments for investments in intangible assets	-17.6	-20.2
<b>Cash flow from investing activities</b>	<b>-866.8</b>	<b>29.6</b>
Appropriation of distributable profit pursuant to Section 9 of Rentenbank's Governing Law	-18.5	-18.0
Net change in funds from other capital	-40.0	0.0
<b>Cash flow from financing activities</b>	<b>-58.5</b>	<b>-18.0</b>
Net change in cash and cash equivalents	34.5	4.2
Cash and cash equivalents at beginning of period	21.6	17.4
<b>Cash and cash equivalents at end of period</b>	<b>56.1</b>	<b>21.6</b>

The Statement of Cash Flows shows the changes in cash and cash equivalents for the 2024 and 2023 fiscal years from operating, investing and financing activities. Cash and cash equivalents correspond to the Cash reserve reported in the balance sheet.

Cash flows are allocated to operating activities based on the definition of the operating result. Cash flows from investing and financing activities were derived directly from the financial accounting. The cash flows from investing activities result from proceeds from and payments for property and equipment and intangible assets and from proceeds from and payments for securities held as fixed assets. The net change in cash and cash equivalents resulting from financing activities includes proceeds from and payments for Regulatory Tier 2 Capital and the appropriation of our distributable profit.

The Statement of Cash Flows was prepared on the basis of the regulations set out in German Accounting Standard number 21.

The informative value of the Statement of Cash Flows as an indicator of the liquidity position is limited. For further details on liquidity management, please refer to the information in the Management Report.

## Statement of Changes in Equity at 31 December 2024

	<b>Subscribed capital</b> mEUR	<b>Principal reserve</b> mEUR	<b>Guarantee reserve</b> mEUR	<b>Distributable profit</b> mEUR	<b>Total 2024</b> mEUR
Equity at 1/1	135.0	1,233.6	0.0	18.5	1,387.1
Profit distribution	–	–	–	-18.5	-18.5
Net income	–	19.0	–	19.0	38.0
Allocation to/withdrawal from guarantee reserve	–	0.0	0.0	–	0.0
<b>Equity at 31/12</b>	<b>135.0</b>	<b>1,252.6</b>	<b>0.0</b>	<b>19.0</b>	<b>1,406.6</b>

## Statement of Changes in Equity at 31 December 2023

	<b>Subscribed capital</b> mEUR	<b>Principal reserve</b> mEUR	<b>Guarantee reserve</b> mEUR	<b>Distributable profit</b> mEUR	<b>Total 2023</b> mEUR
Equity at 1/1	135.0	1,214.1	1.0	18.0	1,368.1
Profit distribution	–	–	–	-18.0	-18.0
Net income	–	18.5	–	18.5	37.0
Allocation to/withdrawal from guarantee reserve	–	1.0	-1.0	–	0.0
<b>Equity at 31/12</b>	<b>135.0</b>	<b>1,233.6</b>	<b>0.0</b>	<b>18.5</b>	<b>1,387.1</b>

# Notes to the financial statements

## Basis of accounting

Landwirtschaftliche Rentenbank (hereinafter referred to as Rentenbank) has its registered office in Frankfurt am Main. It is recorded in the Commercial Register of the Local Court of Frankfurt am Main under entry number HRA 30636.

Rentenbank's annual financial statements have been prepared in accordance with the regulations of the German Commercial Code (Handelsgesetzbuch, HGB) applicable to large corporations and the relevant provisions of the German Regulation on the Accounting of Banks and Financial Services Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute, RechKredV). The vertical format structure of the balance sheet and the income statement is based on the templates set out in RechKredV. Balance sheet and income statement items that are included in the template, but not used at Rentenbank are not reported.

Based on the exemption allowed in Section 290 (5) in conjunction with Section 296 (2) HGB, Rentenbank is not required by law to prepare consolidated financial statements in accordance with HGB. Therefore, Rentenbank is not required by Section 315e HGB to prepare consolidated financial statements in accordance with IFRS. Rentenbank has opted not to prepare consolidated financial statements on a voluntary basis.

Rentenbank is exempt from corporation tax in accordance with Section 5 (1) number 2 (Körperschaftsteuergesetz, KStG) and trade tax in accordance with Section 3 number 2 (Gewerbsteuergesetz, GewStG). Accordingly, deferred taxes pursuant to Section 274 HGB are not to be recognised in the annual financial statements of Rentenbank.

## Accounting policies

### General information

Assets, liabilities, and pending transactions are recognised and measured in accordance with the provisions of Sections 252 et sequens HGB, with due regard to the supplementary provisions for banks (Sections 340 et sequens HGB). The annual financial statements at 31 December 2024 are generally based on the same accounting policies as were applied in the prior year's annual financial statements. Any changes are described below.

### Recognition and measurement of financial instruments

In accordance with Section 11 RechKredV pro rata interest is presented in the corresponding balance sheet item.

### Loans and advances / liabilities

Loans and advances are accounted for in accordance with Section 340e (2) HGB, id est at their nominal amount less any write-downs. Liabilities are measured at their settlement amount in accordance with Section 253 (1) sentence 2 HGB. Premiums and discounts on loans as well as advances and liabilities are presented as either prepaid expenses or deferred income. Zero bonds are measured at their issue price plus capitalised interest based on the issue yield.

## Securities held as fixed assets

The Bank does not keep a trading book pursuant to Section 1 (35) German Banking Act (Kreditwesengesetz, KWG) in conjunction with Article 4 (1) number 86 Regulation (EU) number 575/2013.

All securities are carried at amortised cost less any impairments. Reversals of impairments are recognised if the reasons for an earlier impairment no longer apply.

Fixed-income securities held as fixed assets are measured in accordance with the moderate lower of cost or market principle pursuant to Section 253 (3) sentence 5 HGB. On the basis of the criteria defined by the Insurance Committee of the Institute of Public Auditors in Germany (IDW), Rentenbank tests for a potential permanent impairment if the carrying amount of the bond was more than 20% below the fair value in the last six months prior to the reporting date or if the average of daily fair values over the last twelve months was more than 10% below the carrying amount.

Because these securities are intended to be held over the long term, no write-downs to fair value are recognised if an identified impairment is considered to be only temporary. In particular, write-downs are not recognised when an identified impairment is only of a temporary nature with respect to future financial performance and it is expected that the securities will be fully repaid when due.

The shares in venture capital funds presented under Shares and other non-fixed-interest securities are held as fixed assets and measured in accordance with the moderate lower of cost or market principle. The elective option allowed by Section 253 (3) Sentence 6 HGB permits the recognition of impairments even when an impairment is not expected to be permanent. This elective option is generally exercised with due regard to the different life phases of the venture capital funds.

## Securities allocated to the liquidity reserve

Securities allocated to the liquidity reserve are measured in accordance with the strict lower of cost or market principle (Section 253 (4) HGB). These securities are written down to their lower fair value where applicable.

## Equity interests and shares in affiliated companies

Equity interests and shares in affiliated companies are measured at cost in accordance with the rules applicable to fixed assets. They are written down to their lower fair value to account for any impairment that is expected to be permanent.

## Derivatives

Derivatives are only used to hedge existing or foreseeable market price risks. Measurement effects from derivatives are taken into account in the loss-free valuation of the banking book.

Upfront payments made and received from derivatives contracts are presented as prepaid expenses or deferred income, respectively. The reversal amounts from upfront payments from swap transactions are netted with the nominal interest income or expenses, depending on the contract.

## Other assets / liabilities

Other assets are measured at their nominal amount and Other liabilities at their settlement amount.

## Loan loss provisions

Identifiable risks in the lending business are sufficiently accounted for by specific valuation allowances and provisions. In addition to the fund for general banking risks presented in the balance sheet, general valuation allowances and contingency reserves pursuant to Section 340f HGB are recognised to account for latent (credit) risks and deducted from the corresponding asset items.

Rentenbank assesses on a monthly basis whether there are any objective indications that not all payments of interest and principal can be made in accordance with the terms of the underlying contracts. For accounting

purposes, the Bank applies the following criteria to determine whether the recognition of a specific valuation allowance for a given receivable is required:

- Significant financial difficulties,
- breach of contract such as default or overdraft event > 90 days,
- economic or contractual concessions by creditors,
- probable insolvency or financial restructuring of the borrower.

The amount of specific valuation allowances on loans and advances is equal to the difference between the outstanding loan amount and the lower fair value at the reporting date. The fair value is determined on the basis of the still expected, discounted returns from the loan exposure. Due consideration is given to furnished collateral.

In accordance with IDW RS BFA 7, general valuation allowances are recognised for latent credit risks, the amount of which is calculated using the probability of default and the loss ratio as a basis.

Due to the low default rates of its portfolio, Rentenbank does not have enough of a default history to allow for a reliable estimate of its default rate.

Therefore, the internal master scale is derived from the realised default rates published by the rating agencies Fitch, Moody's, and S&P. The probabilities of default are allocated on the basis of the credit quality of the respective business partner.

The loss given default (LGD) rates for specific products and types of transactions are determined by application of analytical and expert-based methods, with due regard to the respective collateralisation.

## **Determination of fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is determined with reference to either directly observable exchange or market prices or the Bank's own calculations on the basis of valuation models

and observable market parameters. When valuation models are applied, the fair value of contracts without option features is determined on the basis of the discounted expected future cash flows (discounted cash flow (DCF) method). Contracts with option features are measured by application of recognised option pricing models. Hedged items are discounted to present value using a base curve plus a credit spread based on credit quality.

Derivatives are discounted to present value on the basis of the OIS (overnight interest rate swap) swap curve, as well as basis swap spreads and cross-currency basis spreads. These are differentiated by maturity and currency and obtained from external market data providers. Apart from the yield curves and spreads mentioned above, volatilities and correlations are also taken into account in the calculations.

## **Loss-free valuation of the banking book**

According to the IDW Accounting Principle “Specific aspects of the loss-free valuation of interest rate transactions in the banking book (interest book)” (new version of IDW RS BFA 3), a provision for onerous contracts must be recognised in respect of any excess liability in the banking book resulting from an interest rate transaction on the basis of an overall assessment of the transaction.

A periodic (income statement) approach was applied to calculate the amount required to be recognised as a provision in the context of the loss-free valuation of the banking book. The banking book comprises all the Bank’s interest-bearing transactions and is managed on a uniform basis.

For calculation purposes, future period gains or losses in the banking book were determined on the basis of the profit/loss contributions of closed and open interest rate positions.

These future cash flows were discounted to present value at the reporting date on the basis of generally recognised, maturity-matched money market and capital market rates. Risk expenses were calculated on the basis of future expected losses and the proportion of administrative expenses allocable to portfolio management was determined on the basis of internal assessments. Based on these calculations, it was determined that no such provisions needed to be recognised at 31 December 2024.

## Trust assets / trust liabilities

Trust assets and trust liabilities are presented as separate balance sheet items in accordance with Section 6 RechKredV. Due to the correlation between trust assets and trust liabilities, both are measured at nominal amounts.

## Property and equipment and intangible assets

In accordance with German commercial law, items of property and equipment and intangible assets are measured at cost, less any depreciation and amortisation over their estimated useful lives.

Depreciation of property and equipment and amortisation of intangible assets are charged on a straight-line basis over estimated useful lives, ranging from 33 to 50 years for buildings and from three to six years for operational and office equipment. Intangible assets are amortised on a straight-line basis over a period of three to four years.

## Prepaid expenses / deferred income

Other prepaid expenses and deferred income are recognised in accordance with Section 250 (1) and (2) HGB.

## Provisions

Provisions are measured at the necessary settlement amount according to prudent business judgement, with due regard to future price and cost increases. Provisions with a remaining term of more than one year are discounted to present value at the reporting date.

## Pension provisions

Pension obligations are discounted to present value by application of the average market interest rate for the last ten financial years, as calculated and published on a monthly basis by the Bundesbank in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung, RückAbzinsV). This average interest rate corresponds to

the remaining term of the provisions. In accordance with Section 253 (2) sentence 2 HGB, provisions for pension obligations are discounted to present value on a flat-rate basis by application of the average market interest rate corresponding to an assumed remaining term of 15 years.

In accordance with Section 253 HGB, as amended in 2016, provisions for pension obligations are discounted to present value by application of the average market interest rate for the last ten financial years (last seven financial years up to and including 2015), which corresponds to the remaining term of the pension obligations. On this basis, a difference of euro -1.4 million (euro +2.0 million) was calculated for 2024. According to Section 253 (6) sentence 2 HGB, profits may only be distributed if the freely disposable reserves remaining after distribution, plus any profit carried forward and minus any loss carried forward, are at least equal to the (positive) difference determined in accordance with Section 253 (6) sentence 1 HGB.

Pension provisions are measured in accordance with actuarial principles using the projected unit credit (PUC) method. Under the PUC method, the provision amount is defined as the actuarial present value of the pension obligations earned by employees in the past periods of service up to the reporting date in accordance with the pension formula. The 2018 G Mortality Tables of Professor Dr Klaus Heubeck are applied as the biometric calculation parameters.

The following parameters were applied as the basis for the calculation as of 31 December 2024:

	<b>2024</b> per annum	<b>2023</b> per annum
Actuarial interest rate pursuant to Section 253 (2) sentence 2 HGB	1.90 %	1.83 %
Career trend	1.00 %	1.00 %
Trend of creditable compensation	2.50 %	2.50 %
Pension trends (range of adjustments)	1.00 – 2.20 %	1.00 – 2.50 %
Employee turnover	average 5.00 %	average 5.00 %
Increase in the Consumer Price Index (CPI) <sup>1</sup>	2.20 %	2.50 %
Development of contribution assessment ceilings	3.50 %	3.00 %

<sup>1</sup> Accumulated inflation was included in the CPI adjustment with subsequent funding of 4.2% in 2024 (previous year: 4.6%).

## Other provisions

Other provisions are discounted to present value by application of the average market interest rates for the past seven financial years, as calculated and published on a monthly basis by the Bundesbank in accordance with the German Regulation on the Discounting of Provisions. This average interest rate corresponds to the remaining terms of the provisions.

Provisions for special promotional loans cover the interest subsidy for the entire term of the loan or until the repricing date.

## Valuation units / currency translation

Currency translation and the presentation of the transactions in the balance sheet without currency hedging are done in accordance with Section 340h in conjunction with Section 256a HGB and Section 252 (1) number 4 HGB. In accordance with Section 277 (5) sentence 2 HGB, currency translation gains are presented in the item of “Other operating income” (conferre Note 24) and currency translation losses in the item of “Other operating expenses” (conferre Note 25).

Rentenbank uses currency swaps and cross-currency interest rate swaps to hedge currency risks. Currency hedges are presented in the balance sheet by way of currency valuation units pursuant to Section 254 HGB. In these valuation units, the cash flows of the hedged item are fully reflected in the hedging instrument, id est the derivative (perfect hedge). The Bank utilises the net hedge presentation method to present the offsetting value changes between the hedged item and the hedging instrument.

To measure the effectiveness of hedging relationships, the Bank uses the critical terms match method, by which the terms of the hedged item are continually compared with those of the hedging instrument. Exchange rate fluctuations of the corresponding hedged items and hedging derivatives move in opposite directions and will offset each other in the time until the planned maturity dates of the valuation units with respect to the holding intention for the hedged risk.

Foreign currency-denominated assets, liabilities and pending transactions were translated into euros at the mean spot exchange rate at 31 December 2024. Rentenbank uses the reference rate of the European Central Bank (ECB) for this purpose.

# Notes to the balance sheet

The disclosures in the notes to the financial statements exclude pro rata interest, which may result in differences from the amounts presented on the face of the balance sheet.

## (1) Loans and advances to banks

<b>Breakdown by residual maturity</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Payable on demand	9,081	8,693
Other loans and advances		
• up to three months	1,929	1,875
• more than three months and up to one year	5,549	5,659
• more than one year and up to five years	25,112	25,844
• more than five years	23,161	24,341
<b>Total</b>	<b>64,832</b>	<b>66,412</b>

Loans and advances to companies in which an equity interest is held amounted to euro 4,428 million (euro 4,795 million).

## (2) Loans and advances to customers

<b>Breakdown by residual maturity</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
up to three months	66	291
more than three months and up to one year	301	889
more than one year and up to five years	3,241	2,447
more than five years	3,225	3,693
<b>Total</b>	<b>6,833</b>	<b>7,320</b>

As of 31 December 2024, there were no loans and advances to customers with an indefinite term to maturity within the meaning of Section 9 (3) number 1 RechKredV.

### (3) Bonds and other fixed-income securities

Securities with a total carrying amount of euro 16,535 million (euro 15,690 million) are assigned to fixed assets. For securities totalling euro 11,033 million (euro 12,582 million), the fair value of euro 10,357 million (euro 11,836 million) is less than the carrying amount. The undisclosed liabilities resulted from the changed environment of market interest rates.

Based on the regular monitoring of issuers, there were no permanent impairments of securities held as fixed assets, as in the prior year. Avoided impairments amounted to euro 675 million, as compared to euro 746 million in the prior year.

As in the prior year, no securities of affiliated companies or companies in which an equity interest is held were included in bonds and other fixed-income securities.

Of the total bond holdings, an amount of euro 14,216 million is eligible as collateral with the Bundesbank. Of this amount, one security with a nominal value of euro 5 million has been deposited as collateral with EUREX.

Separate disclosures on exchange listing and residual maturity:

<b>Exchange listing</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
	mEUR	mEUR
Exchange-listed	15,896	15,380
Not exchange-listed	639	310
<b>Total</b>	<b>16,535</b>	<b>15,690</b>

<b>Residual maturity up to one year</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
	mEUR	mEUR
Public-sector issuers	156	24
Other issuers	2,010	2,178
<b>Total</b>	<b>2,166</b>	<b>2,202</b>

## (4) Shares and other non-fixed-interest securities

The line item of shares and other non-fixed-income securities with a total carrying amount of euro 33.2 million (euro 13.4 million) included exchange-listed securities with a carrying amount of euro 0.1 million (euro 0.1 million) and non-exchange-tradable securities with a carrying amount of euro 33.1 million (euro 13.3 million).

Securities in the form of shares in VC funds with a carrying amount of euro 33.1 million (euro 13.3 million) are held as fixed assets. In the case of securities totalling euro 6.5 million (euro 4.2 million), the fair value of euro 5.8 million (euro 3.4 million) is less than the carrying amount. In view of the early life phase of the VC funds, no impairment was recognised. The avoided impairments amount to euro 0.7 million (euro 0.8 million). If the reasons for recognised impairments no longer apply, the corresponding impairments are reversed.

## (5) Equity interests and shares in affiliated companies

Rentenbank holds equity interests in the amount of euro 328 million (euro 328 million) and shares in affiliated companies in the amount of euro 50 million (euro 50 million). As in the prior year, no exchange-tradable securities are included in the balance sheet item of Equity interests and shares in affiliated companies.

## (6) Trust assets

<b>Breakdown</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Receivables from the German Federal Republic's Special-Purpose Fund held at Rentenbank	169	164
<b>Total</b>	<b>169</b>	<b>164</b>

## (7) Fixed assets

### Statement of Changes in Fixed Assets (in euro millions)

	Intan- gible assets	Property and equipment			Financial investments			
	Software and licences	Land and build- ings	Opera- tional and office equip- ment	Assets under con- struc- tion	Bonds and other fixed- income securities	Shares and other non-fixed- income securities	Equity interests	Shares in affli- ated compa- nies
<b>Acquisition/production cost 1/1/2024</b>	<b>94</b>	<b>55</b>	<b>20</b>	<b>19</b>	<b>15,690</b>	<b>13</b>	<b>328</b>	<b>50</b>
Acquisitions	18	–	1	14	3,008	20	–	–
Disposals	–	–	-2	–	-2,213	0	–	–
Transfers	–	–	–	–	0	–	–	–
<b>Acquisition/production cost 31/12/2024</b>	<b>112</b>	<b>55</b>	<b>19</b>	<b>33</b>	<b>16,485</b>	<b>33</b>	<b>328</b>	<b>50</b>
Accumulated depre- ciation and amortisa- tion 1/1/2024	-63	-10	-18	0				
<b>Depreciation, amortisa- tion and impairments</b>								
Accumulated depre- ciation and amortisa- tion on disposals	–	–	2	–				
Depreciation and amortisation 2024	-12	0	-1	–				
Accumulated depre- ciation and amortisa- tion 31/12/2024	-75	-10	-17	–				
Write-ups	–	–	–	–				
<b>Carrying amounts at 31/12/2024</b>	<b>37</b>	<b>45</b>	<b>2</b>	<b>33</b>	<b>16,485</b>	<b>33</b>	<b>328</b>	<b>50</b>
<b>Carrying amounts at 31/12/2023</b>	<b>31</b>	<b>45</b>	<b>2</b>	<b>19</b>	<b>15,690</b>	<b>13</b>	<b>328</b>	<b>50</b>

**Net change  
Pursuant to Section 34 (3)  
Sentence 2 RechKredV:  
EUR 0.3 million**

## (8) Other assets

<b>Breakdown</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Cash collateral provided for derivatives contracts	2,425	3,839
Miscellaneous	1	7
<b>Total</b>	<b>2,426</b>	<b>3,846</b>

## (9) Prepaid expenses

<b>Breakdown</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Premium from lending business	1,366	1,656
Discount from issuing business	749	611
Upfront payments made from derivatives	328	396
Payments made from EONIA-€STR conversion	0	1
Other	2	2
<b>Total</b>	<b>2,445</b>	<b>2,666</b>

## (10) Liabilities to banks

<b>Breakdown by residual maturity</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Payable on demand	0	51
With agreed term or notice period		
• up to three months	642	181
• more than three months and up to one year	27	57
• more than one year and up to five years	124	709
• more than five years	0	0
<b>Total</b>	<b>793</b>	<b>998</b>

## (11) Liabilities to customers

Breakdown by residual maturity		
	31/12/2024 mEUR	31/12/2023 mEUR
Payable on demand	0	137
With agreed term or notice period		
• up to three months	62	75
• more than three months and up to one year	16	108
• more than one year and up to five years	404	483
• more than five years	938	958
<b>Total</b>	<b>1,420</b>	<b>1,761</b>

This item includes liabilities to affiliated companies in the amount of euro 30 million (euro 97 million). There were no liabilities to companies in which an equity interest is held at the reporting date (euro 0 million).

## (12) Securitised liabilities

Breakdown by residual maturity		
	31/12/2024 mEUR	31/12/2023 mEUR
Debt securities issued		
• up to one year	17,843	17,238
• more than one year and up to five years	44,215	43,007
• more than five years	21,228	25,109
<b>Total</b>	<b>83,286</b>	<b>85,354</b>

## (13) Trust liabilities

<b>Breakdown</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Liabilities from the German Federal Republic's Special-Purpose Fund held at Rentenbank	169	164
<b>Total</b>	<b>169</b>	<b>164</b>

## (14) Other liabilities

<b>Breakdown</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Cash collateral received for derivatives contracts	344	365
Miscellaneous	8	12
<b>Total</b>	<b>352</b>	<b>377</b>

## (15) Deferred income

<b>Breakdown</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Discount from lending business	47	42
Premium from issuing business	264	350
Upfront payments received from derivatives	2,071	2,221
Payments received from EONIA-€STR conversion	10	12
<b>Total</b>	<b>2,392</b>	<b>2,625</b>

## (16) Provisions

This balance sheet item includes provisions for pension obligations to employees who are contractually entitled to pension benefits in the amount of euro 154 million (euro 155 million). The Other provisions break down as follows:

<b>Other provisions</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Interest subsidy for promotional loans	150	167
Promotion of research for innovation in agribusiness	17	18
Promotion of agriculture (Promotional Fund)	7	6
Miscellaneous provisions	14	12
<b>Total</b>	<b>188</b>	<b>203</b>

## (17) Subordinated liabilities

<b>Breakdown by residual maturity</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Up to one year	–	40
More than one year and up to five years	–	–
More than five years	–	–
<b>Total</b>	<b>–</b>	<b>40</b>

All subordinated liabilities matured in financial year 2024. In the previous year, this item consisted of promissory notes with a carrying amount of euro 40 million. Interest expenses for subordinated liabilities amounted to euro 0.1 million (euro 2.0 million).

Conversion into equity or another form of debt has not been agreed or planned.

## **(18) Foreign-currency assets and liabilities**

At the reporting date, assets denominated in foreign currency amounted to euro 4,001 million (euro 4,256 million) and liabilities denominated in foreign currency amounted to euro 35,994 million (euro 37,328 million). The currency risks from foreign currency holdings are almost completely hedged by derivatives.

## **(19) Contingent liabilities**

The contingent liabilities of euro 17 million (euro 26 million) result from deficiency guarantees. Default guarantees were issued for interest-subsidised capital market loans backed by public-sector counter-guarantees. We do not expect these guarantees to be called.

## **(20) Other commitments**

Other commitments consist of irrevocable loan commitments of euro 590 million (euro 1,516 million), almost all of which in the special promotional loan business.

The irrevocable loan commitments result from transactions for which Rentenbank has made a binding commitment to its customers, thereby exposing the Bank to a future credit risk. Based on experience values from previous years, Rentenbank expects that these irrevocable loan commitments will be drawn down almost entirely in 2025.

## **(21) Cover calculation**

Outstanding liabilities requiring cover consist exclusively of a small number of bearer bonds of insignificant amounts, the submission period for which has not yet expired, with a carrying amount of euro 0.1 million. Loans and advances to customers in the amount of euro 1.0 million (euro 1.0 million) have been designated as cover assets to back debt securities issued.

# Notes to the Income Statement

## (22) Interest income

Interest income from cash collateral provided and from lending and money market transactions is presented after deduction of negative interest in the total amount of euro 2.9 million (euro 3.7 million) (reducing income). Interest income includes the pro rata utilisation of the corresponding provisions for special promotional loans in the amount of euro 48.9 million (euro 52.6 million).

## (23) Interest expenses

Interest expenses are presented after deduction of positive interest from money market liabilities and cash collateral received in the total amount of euro 0.0 million (euro 0.3 million) (reducing expenses).

Interest expenses for the recognition of provisions for the interest subsidy for special promotional loans amounted to euro 32.6 million in 2024 (euro 29.1 million).

## (24) Other operating income

Presentation of the most important sub-items according to Section 35 (1) number 4 RechKredV:

<b>Other operating income</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Rental income / cost allocations from residential buildings and properties	2	2
Income from reversal of provisions	3	1
Capitalisation of project work contributed by internal employees	3	3
Other reimbursements	8	8
Other income	1	1
<b>Total</b>	<b>17</b>	<b>15</b>

Other operating income includes currency translation gains of euro 8.1 thousand (euro 0.9 thousand). This currency translation item resulted exclusively from the currency valuation of balances in foreign currency accounts with correspondent banks in foreign countries

## (25) Other operating expenses

Presentation of the most important items according to Section 35 (1) number 4 RechKredV:

<b>Other operating expenses</b>	<b>31/12/2024</b> mEUR	<b>31/12/2023</b> mEUR
Interest expenses from the valuation of pension provisions	1	1
Capital allocation research for innovation in agribusiness	3	7
Expenses for residential properties	0	0
Other expenses	1	0
<b>Total</b>	<b>5</b>	<b>8</b>

The Other operating expenses include currency translation losses of euro 13.5 thousand (euro 4.3 thousand). This currency translation item resulted exclusively from the currency valuation of balances in foreign currency accounts with correspondent banks in foreign countries.

## Other disclosures

### Other financial commitments

In 2024, framework agreements were concluded with the development banks of the German federal states in relation to the granting of promotional loans for the 2025 financial year in the amount of euro 2,155 million (euro 2,400 million).

## Derivative financial instruments

Derivatives are only used to hedge existing or foreseeable market price risks. The transaction volume is limited by counterparty-specific and product-specific limits and is continuously monitored as part of the risk management function.

### Derivative transactions

Pursuant to Section 285 number 19 HGB, derivative transactions not measured at fair value are presented in the table below (netting and collateral agreements are not included in the table):

<b>Derivatives carried in the banking book to hedge</b>	<b>Nominal values 31/12/2024 mEUR</b>	<b>Nominal values 31/12/2023 mEUR</b>	<b>Market values positive 31/12/2024 mEUR</b>	<b>Market values negative 31/12/2024 mEUR</b>
<b>Interest rate risks</b>				
Interest rate swaps	123,466	126,982	2,757	4,565
• of which €STR swaps	1,200	2,120	0	0
• of which termination and conversion rights embedded in swaps	2,323	2,377	133	144
Swaptions (sales)	49	49	0	1
<b>Total interest rate risks</b>	<b>123,515</b>	<b>127,031</b>	<b>2,757</b>	<b>4,566</b>
<b>Currency risks</b>				
Cross-currency interest rate swaps	35,860	35,390	1,174	1,339
Currency swaps	3,714	5,698	56	5
<b>Total currency risks</b>	<b>39,574</b>	<b>41,088</b>	<b>1,230</b>	<b>1,344</b>
<b>Total interest rate and currency risks</b>	<b>163,089</b>	<b>168,119</b>	<b>3,987</b>	<b>5,910</b>

Derivative transactions are broken down by residual maturity in the table below:

Derivatives in the banking book	Nominal values Interest rate risks		Nominal values Currency risks	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	mEUR	mEUR	mEUR	mEUR
Up to three months	8,166	6,716	6,887	7,412
More than three months and up to one year	10,718	11,485	5,003	2,686
More than one year and up to five years	64,691	64,053	22,116	25,247
More than five years	39,940	44,777	5,568	5,743
<b>Total</b>	<b>123,515</b>	<b>127,031</b>	<b>39,574</b>	<b>41,088</b>

Derivative transactions are broken down by counterparty in the table below:

Derivatives in the banking book	Nominal values		Market values	
	31/12/2024	31/12/2023	positive	negative
	mEUR	mEUR	mEUR	mEUR
Banks in the OECD	153,089	158,283	3,889	5,442
Other counterparties in the OECD	10,000	9,836	98	468
<b>Total</b>	<b>163,089</b>	<b>168,119</b>	<b>3,987</b>	<b>5,910</b>

## Disclosures on valuation units pursuant to Section 285 number 23 HGB

Hedged items were grouped into valuation units at the reporting date as follows:

<b>Balance sheet item</b>		<b>Carrying amount 2024 mEUR</b>	<b>Carrying amount 2023 mEUR</b>	<b>Hedged risk/ nominal value 2024 mEUR</b>	<b>Hedged risk/ nominal value 2023 mEUR</b>
	<b>Risk type</b>				
Other loans and advances to banks	Currency	27	27	32	32
Bonds and other fixed-income securities	Currency	3,741	4,011	3,745	3,945
Liabilities to customers	Currency	27	27	29	27
Securitised liabilities	Currency	34,801	37,518	35,768	37,062
Subordinated liabilities	Currency	–	–		–

Please refer to the Section entitled Valuation units / currency translation for a description of the qualitative formation of valuation units.

## Compensation of the Management Board and Supervisory Board

Pursuant to Section 285 number 9a HGB, the total compensation of the members of the Bank's Management Board amounted to euro 1,580 thousand in the 2024 financial year (previous year: euro 1,577 thousand).

The following compensation was paid to the individual Management Board members in the 2024 financial year:

<b>Breakdown</b>			
	<b>Fixed compensation</b> kEUR	<b>Other compensation</b> kEUR	<b>Total</b> kEUR
Nikola Steinbock	550	12	562
Dietmar Ilg	500	8	508
Dr Marc Kaninke	500	10	510
<b>Total Management Board</b>	<b>1,550</b>	<b>30</b>	<b>1,580</b>

As of 31 December 2024, the provision for pension commitments to former members of the Management Board and their survivors totalled euro 22,596 thousand (euro 24,650 thousand). An amount of euro 1,706 thousand (euro 1,663 thousand) was paid for current pension benefits.

Under the established compensation system, the annual base compensation of the Chairperson of the Supervisory Board amounts to euro 30 thousand, that of the Vice Chairperson euro 20 thousand, and that of all other Supervisory Board members euro 10 thousand each. An additional compensation of euro 2 thousand is paid to members for each committee membership and euro 4 thousand to the Chairperson of each committee. The compensation of members of the German federal government, who are members of the Supervisory Board pursuant to Section 7 (1) number 4 of Rentenbank's Governing Law, and the Representative of the German Federal Ministry of Food and Agriculture pursuant to Section 7 (5) of Rentenbank's Governing Law, has been set at euro 0.

The total compensation granted to Supervisory Board members in the past financial year amounted to euro 239.2 thousand (euro 236.7 thousand).

The individual compensation amounts are presented in the table below:

Member	Time Period		Compensation in kEUR (rounded)	
	2024	2023	2024	2023
	Joachim Rukwied	1.1. – 31.12.	1.1. – 31.12.	46.0
Cem Özdemir	1.1. – 31.12.	1.1. – 31.12.	0.0	0.0
Silvia Bender	1.1. – 31.12.	1.1. – 31.12.	0.0	0.0
Petra Bentkämper	1.1. – 4.7.	1.1. – 31.12.	5.1	10.0
Dr Frank Czichowski	4.7. – 31.12.	–	7.9	–
Jan Fries	1.1. – 31.12.	–	10.0	–
Dr Holger Hennies	1.1. – 31.12.	27.3. – 31.12.	10.0	7.6
Franz-Josef Holzenkamp	1.1. – 31.12.	1.1. – 31.12.	14.0	14.0
Markus Kamrad	–	1.1. – 27.4.	–	3.3
Michaela Kaniber	1.1. – 31.12.	–	10.0	–
Torsten Krawczyk	4.7. – 31.12.	–	4.9	–
Bernhard Krüsken	1.1. – 31.12.	1.1. – 31.12.	18.0	18.0
Detlef Kurreck	1.1. – 4.7.	1.1. – 31.12.	5.1	10.0
Stefanie Münz	4.7. – 31.12.	–	6.9	–
Dr Marcus Pleyer	1.1. – 31.12.	1.1. – 31.12.	18.0	18.0
Michael Reuther	1.1. – 4.7.	1.1. – 31.12.	8.2	16.0
Dr Birgit Roos	1.1. – 4.7.	1.1. – 31.12.	7.2	14.0
Harald Schaum	1.1. – 31.12.	1.1. – 31.12.	14.0	14.0
Karsten Schmal	1.1. – 31.12.	1.1. – 31.12.	13.0	12.0
Daniela Schmitt	–	1.1. – 31.12.	–	10.0
Rainer Schuler	1.4. – 31.12.	–	4.9	–
Werner Schwarz	–	1.1. – 31.12.	–	14.0
Tim Schwertner	1.1. – 4.7.	1.1. – 31.12.	5.1	10.0
Sven Schulze	1.1. – 31.12.	–	10.0	–
Susanne Schulze Bockeloh	4.7. – 31.12.	–	6.9	–
Dr Caroline Toffel	1.1. – 31.12.	1.1. – 31.12.	14.0	14.0
Esther Uleer	–	1.6. – 31.12.	–	5.8
<b>Total compensation</b>			<b>239.2</b>	<b>236.7</b>

## Average number of employees pursuant to Section 267 (5) HGB

Employees	2024			2023		
	Men	Women	Total	Men	Women	Total
Full-time	227	125	352	208	120	328
Part-time	23	76	99	19	73	92
<b>Total</b>	<b>250</b>	<b>201</b>	<b>451</b>	<b>227</b>	<b>193</b>	<b>420</b>

Rentenbank had an annual average of 201 female employees (193) and 250 male employees (227) – full-time and part-time – under contract in the 2024 financial year.

## Shareholdings pursuant to Section 285 number 11 and Section 340a (4) number 2 HGB

In accordance with Section 286 (3) sentence 1 number 1 HGB, we have opted not to provide a list of share-holdings pursuant to Section 285 number 11 HGB due to their minor significance for an assessment of the Bank's financial position, cash flows, and financial performance.

Pursuant to Section 340a (4) number 2 HGB, the equity interests held in large corporations exceeding 5% of the voting rights in each case are listed in the following:

- Niedersächsische Landgesellschaft mbH, Hanover

## Other liability agreements

Rentenbank has undertaken in a letter of comfort to endow LR Beteiligungsgesellschaft mbH with its registered head office in Frankfurt am Main with sufficient financial resources to ensure that it is always able to meet its obligations on time insofar and as long as it holds 100% of the equity in LR Beteiligungsgesellschaft mbH.

## Auditors' fees pursuant to Section 285 number 17 HGB

The fees of Rentenbank's auditors are as follows:

<b>Breakdown<sup>1</sup></b>	<b>2024</b> kEUR	<b>2023</b> kEUR
Auditing services	482.8	486.2
Other assurance services	117.3	110.1
Other services	18.0	5.1
<b>Total</b>	<b>618.1</b>	<b>601.4</b>

1. Of the total fees payable to the auditor in 2024, an amount of EUR 14.3 thousand was for auditing services provided in the previous year.

## Events after the reporting date pursuant to Section 285 number 33 HGB

No events of particular significance occurred after the close of the financial year that were not included in the income statement or the balance sheet.

## Proposals for the utilisation of profit pursuant to Section 285 number 34 HGB

The profit utilisation proposal included in the annual financial statements for the 2024 financial year requires the adoption of approving resolutions by the Supervisory Board.

The proposal for the utilisation of 2024 net income and profit is set out in the following draft resolutions:

- From the net income of euro 38,000,000 presented in the income statement, an amount of euro 19,000,000 will be allocated to the principal reserve pursuant to Section 2 (2) of Rentenbank's Governing Law.
- From the remaining distributable profit of euro 19,000,000, an amount of euro 9,500,000 will be allocated to the Federal Republic of Germany's Special-Purpose Fund and an amount of euro 9,500,000 to the Promotional Fund.

## Disclosure of mandates pursuant to Section 340a (4) number 1 HGB

Pursuant to Section 340a (4) number 1 HGB, the mandates held by the legal representatives or other employees of Rentenbank on the legally required supervisory boards of large corporations (Section 267 (3) HGB) are listed below:

Nikola Steinbock	Universitätsklinikum Leipzig, AÖR (Member of the Supervisory Board)
Dietmar Ilg	BVVG Bodenverwertungs- und -verwaltungs GmbH (Member of the Supervisory Board)  Internationales Bankhaus Bodensee AG (Member of the Supervisory Board)  VR Smart Finanz AG, Eschborn (Member of the Supervisory Board)

The Management Board's and Supervisory Board's Statement of Compliance with the Public Corporate Governance Code of the Federal Republic of Germany is publicly available at Rentenbank's website.

The annual financial statements and the management report are available on Rentenbank's website and in the German Federal Gazette (Bundesanzeiger).

# Members of the Management Board and the Supervisory Board

(Time period: 1/1/2024 to 5/3/2025)

## Management Board

Nikola Steinbock (Chairperson of the Management Board),  
foreign trade merchant

Dietmar Ilg (Chief Risk Officer), Dipl.-Kaufmann

Dr Marc Kaninke (Chief Financial and IT Officer),  
Dipl.-Volkswirt, Dipl.-Kaufmann

## Supervisory Board

### Chairperson:

Joachim Rukwied President of Deutscher Bauernverband e. V.

### Vice Chairperson:

Cem Özdemir German Federal Minister for Food and Agriculture

## Representatives of Deutscher Bauernverband e. V.:

Bernhard Krüsken	Secretary General of Deutscher Bauernverband e. V.
Detlef Kurreck (until 4/7/2024)	President of Bauernverband Mecklenburg-Vorpommern e. V., retired
Karsten Schmal	President of Hessischer Bauernverband e. V.
Petra Bentkämper (until 4/7/2024)	President of Deutsche LandFrauenverband e. V.
Dr Holger Hennies	President of Landvolk Niedersachsen Landesbauernverband e. V.
Torsten Krawczyk (since 4/7/2024)	President of Sächsischer Landesbauernverband e. V.
Susanne Schulze Bockeloh (since 4/7/2024)	Vice President of Deutscher Bauernverband e. V.

## Representatives of Deutscher Raiffeisenverband e. V.:

Franz-Josef Holzenkamp	President of Deutscher Raiffeisenverband e. V.
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## Representatives of the food industry:

Tim Schwertner (until 4/7/2024)	Treasury of Bundesvereinigung der Deutschen Ernährungsindustrie e. V.
Rainer Schuler (1/4/2024 to 31/12/2024)	President of DER AGRARHANDEL – Bundesverband Agrarhandel und Verein der Getreidehändler der Hamburger Börse e. V.
Martin Courbier (since 1/1/2025)	Managing Director of DER AGRARHANDEL – Bundesverband Agrarhandel und Verein der Getreidehändler der Hamburger Börse e. V.

## Agriculture Ministers of the German federal states:

### **Bavaria:**

Michaela Kaniber                      State Minister, Bavarian State Ministry  
for Nutrition, Agriculture, Forests and Tourism

### **Bremen:**

Jan Fries                                State Councillor, Senate for Environment, Climate  
and Science of the Free Hanseatic City of Bremen

### **Saxony-Anhalt:**

Sven Schulze                          Minister Economic Affairs, Tourism, Agriculture and  
Forests of the Federal State of Saxony-Anhalt

## Representative of the trade unions

Harald Schaum                        National Vice Chairman of the Industrial Union  
for Construction, Agriculture, Environment  
(IG Bauen-Agrar-Umwelt)

## Representative of the of the German Federal Ministry of Food and Agriculture:

Silvia Bender                          State Secretary

## Representative of the German Federal Ministry of Finance:

Dr Marcus Pleyer                      Head of Directorate

## Representatives of banks or other lending experts:

Dr Frank Czichowski (since 4/7/2024)	Member of the Supervisory Board of Commerzbank AG
Stefanie Münz (since 4/7/2024)	Member of the Management Board of Landesbank Baden-Württemberg
Michael Reuther (until 4/7/2024)	Managing Director Keppler Mediengruppe
Dr Birgit Roos (until 4/7/2024)	Chairperson of the Management Board of Sparkasse Krefeld, retired
Dr Caroline Toffel	Member of the Management Board of Berliner Volksbank eG

Frankfurt am Main, 5 March 2025

### LANDWIRTSCHAFTLICHE RENTENBANK The Management Board



Nikola Steinbock



Dietmar Ilg



Dr Marc Kaninke

# Responsibility Statement from the Management Board

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the financial position, cash flows and financial performance of the Bank, and the management report includes a fair review of the development and performance of the business and the position of the Bank, together with a description of the principal opportunities and risks associated with the expected development of the Bank.

Frankfurt am Main, 5 March 2025

LANDWIRTSCHAFTLICHE RENTENBANK  
The Management Board



Nikola Steinbock



Dietmar Ilg



Dr Marc Kaninke

# Independent auditor's report<sup>1</sup>

To Landwirtschaftliche Rentenbank, Frankfurt am Main/Germany

## Report on the Audit of the Annual Financial Statements and of the Management Report

### Audit Opinions

We have audited the annual financial statements of Landwirtschaftliche Rentenbank, Frankfurt am Main/Germany, which comprise the balance sheet as at 31 December 2024, and the statement of profit and loss, the cash flow statement and the statement of changes in equity for the financial year from 1 January to 31 December 2024, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Landwirtschaftliche Rentenbank, Frankfurt am Main/Germany, for the financial year from 1 January to 31 December 2024. In accordance with the German legal requirements, we have not audited the content of the declaration of compliance of the executive board and the supervisory board concerning the Public Corporate Governance Code of the German Federal Government referred to in section 1.4 "Public Corporate Governance Code" of the management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on

1 Translation of the independent auditor's report issued in German language on the financial statements and the management report prepared in German language by the executive board of Landwirtschaftliche Rentenbank, Frankfurt am Main. The German language statements are decisive.

the management report does not cover the content of the declaration of compliance of the executive board and the supervisory board concerning the Public Corporate Governance Code of the German Federal Government referred to in section 1.4 “Public Corporate Governance Code” of the management report.

Pursuant to Section 322 (3) sentence 1 German Commercial Code (HGB), we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

## Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with Section 317 HGB and the EU Audit Regulation (No. 537/2014; referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Annual Financial Statements and of the Management Report” section of our auditor’s report. We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

## Key Audit Matters in the Audit of the Annual Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In the following, we present the issue of identification and measurement of provisions for credit losses, which we have determined to be a key audit matter in the course of our audit.

Our presentation of this key audit matter has been structured as follows

- a) description (including reference to corresponding information in the annual financial statements and the management report)
- b) auditor's response

## Identification and measurement of provisions for credit losses

- a) In its annual financial statements for the financial year ended 31 December 2024, Landwirtschaftliche Rentenbank discloses loans and advances to credit institutions, loans and advances to customers, securities and contingent liabilities as well as irrevocable loan commitments totalling bEUR 90.4 arising from its lending business. In light of the relative significance of credit transactions in the balance sheet of Rentenbank, given a balance sheet total of bEUR 95.0, we considered the provisions for credit losses to be a key audit matter. The provisions for credit losses as at 31 December 2024 are as follows:

Rentenbank has set up general allowances of mEUR 3 and general provisions of kEUR 4 to provide for inherent credit risks in the lending business for the above balance sheet items. As in the prior year, no specific allowances and/or provisions for individual loans for imminent credit losses are recognised in the annual financial statements.

For the purpose of determining general allowances for inherent credit risks, loans and advances to credit institutions, loans and advances to customers, securities, contingent liabilities and irrevocable loan commitments without any identifiable imminent credit losses are allocated to rating levels on the basis of quantitative and qualitative criteria. They are calculated using an expected loss approach as provided for in Accounting Statement of the Banking Committee of the Institute of Public Auditors in Germany IDW RS BFA 7. For this purpose, the Bank uses the simplified valuation method permitted under IDW RS BFA 7 and determines the one-year expected credit loss based on annual probabilities of default in accordance with the respective internal rating levels. The prob-

abilities of default are derived from data published by rating agencies using regression analyses. The loss given default is determined individually for each business line.

For determining potential specific allowances and/or provisions for imminent credit losses, the loans and advances, securities, contingent liabilities and irrevocable loan commitments for which a sustainable debt servicing capacity is not expected are identified in a first step. Subsequently, the specific allowances and/or provisions are determined on a case-by-case basis based on estimated future cash flows, taking into account expected cash inflows from the sale of collateral, if applicable.

The loss given default is the key value-determining parameter for determining the general allowances. In addition, in light of the credit volume, we consider the identification of any need for specific allowances to be significant as, in the scope of credit monitoring, this identification requires appropriate assumptions to be made concerning the solvency of the borrowers and, if applicable, the recoverability of collateral and as, in this respect, these estimations and/or assumptions are subject to the judgement of the executive directors of Rentenbank.

Concerning an explanation of the system for risk provisioning, we refer to section 3 “Provision for loan losses” of the notes to the financial statements of Landwirtschaftliche Rentenbank as well as to section 4.7 “Credit risks” of the management report.

- b) In the scope of our audit, we relied, based on our risk assessment, on control-based and substantive procedures. We performed the following audit procedures, among others:

First, we obtained an understanding of the development and composition of the credit portfolio, the associated credit risks and internal control with regard to the identification, management, monitoring and valuation of provisions for credit losses and assured ourselves of the appropriateness and effectiveness of the relevant accounting-related internal control.

With regard to Rentenbank’s recognition and measurement policies, we assessed whether the method for measuring the general allowances and provisions complies with legally required accounting principles. As part of our audit of the risk management, we assessed and reviewed

the methodological appropriateness of the parametrisation of default probabilities and loss given default. Moreover, we audited the correctness of the calculations for determining the general allowances and/or provisions. In addition, we audited the implementation and effectiveness of controls regarding the up-to-dateness and correctness of borrower ratings used by Rentenbank as well as for identifying defaulted borrowers and/or issuers. By means of a sample, we audited whether specific allowances for imminent credit losses were necessary using documentation supplied for proving creditworthiness and, if applicable, collateral.

## Other Information

The executive directors and/or the supervisory board are responsible for the other information. The other information comprises

- the report of the supervisory board,
- the declaration of compliance of the executive board and the supervisory board concerning the Public Corporate Governance Code of the German Federal Government referred to in section 1.4 “Public Corporate Governance Code” of the management report,
- the executive directors’ confirmations regarding the annual financial statements and the management report pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB, respectively, and
- all other parts of the annual report including the integrated sustainability reporting,
- but not the annual financial statements, not the audited content of the disclosures in the management report and not our auditor’s report thereon.

The supervisory board is responsible for the report of the supervisory board. The executive directors and the supervisory board are responsible for the declaration of compliance concerning the Public Corporate Governance Code of the German Federal Government. Otherwise the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the disclosures in the management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

## Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the management report.

## Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of internal control or these arrangements and measures of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure about the matter.

## **Other Legal and Regulatory Requirements**

### **Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB**

#### **Audit Opinion**

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the management report (hereinafter referred to as "ESEF documents") prepared for publication, contained in the file, which has the SHA-256 value 62c896f5a5e49fdea0836b6fb7d12019f8c53091d516f5446dd0e108c50c4759, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB ("ESEF format"). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying management report for the financial year from 1 January to 31 December 2024 contained in the “Report on the Audit of the Annual Financial Statements and of the Management Report” above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

### **Basis for the Audit Opinion**

We conducted our audit of the electronic reproductions of the annual financial statements and of the management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the “Auditor’s Responsibilities for the Audit of the ESEF Documents” section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

### **Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

### **Auditor's Responsibilities for the Audit of the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit on the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited annual financial statements and to the audited management report.

### **Further Information Pursuant to Article 10 of the EU Audit Regulation**

We were elected as auditor by resolution of the supervisory board on 20 March 2024. We were engaged by the supervisory board on 3 July 2024. We have been the auditor of Landwirtschaftliche Rentenbank, Frankfurt am Main/Germany, without interruption since the financial year 2019.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (longform audit report).

In addition to the financial statement audit, we have provided to the audited Company or its controlled entities the following services that are not disclosed in the annual financial statements or in the management report:

- project-based audit of the project “DWH-BAIS-Anbindung” (DWH-BAIS connection),
- issuance of comfort letters and other related assurance services,
- audit related to the utilisation of credit claims as eligible collateral in the Eurosystem (MACCs),
- confirmation of the questionnaire for contributions to the deposit guarantee fund of the Association of German Public Sector Banks (Bundesverband Öffentlicher Banken Deutschlands e.V.),
- training courses for committee members and executive employees, and
- voluntary audit of subsidiaries as well as audit of annual accounts of the Federal Republic’s Special Purpose Fund which is administered by Rentenbank.

## **Other Matter – Use of the Auditor’s Report**

Our auditor’s report must always be read together with the audited annual financial statements and the audited management report as well as with the audited ESEF documents. The annual financial statements and the management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

## German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Martina Mietzner.

Frankfurt am Main/Germany, 6 March 2025

Deloitte GmbH  
Wirtschaftsprüfungsgesellschaft

Signed:  
Martina Mietzner  
Wirtschaftsprüferin  
(German Public Auditor)

Signed:  
Martin Maurer  
Wirtschaftsprüfer  
(German Public Auditor)

# Governing bodies

## (as of 25 February 2025)

### Management Board and Supervisory Board

The members of the Management Board and the Supervisory Board are listed on pages 168 to 171 of the present Annual Report.

### General Meeting

#### **Appointed by the State of Baden-Württemberg:**

Bernhard Bolkart

Juliane Veas

#### **Appointed by the Free State of Bavaria:**

Maria Hoßmann

Stefan Köhler

#### **Appointed by the State of Berlin:**

Dinah Hoffmann

#### **Appointed by the State of Brandenburg:**

Julia Bar-Tal

Henrik Wendorff

#### **Appointed by the Free Hanseatic City of Bremen:**

Ralf Hagens

#### **Appointed by the Free and Hanseatic City of Hamburg:**

Heinz Behrmann

#### **Appointed by the State of Hesse:**

Stefan Emert

Stefan Schneider

#### **Appointed by the State of Mecklenburg-Western Pomerania:**

Dr. Kathrin Marianne Naumann

Harald Nitschke

**Appointed by the State of Lower Saxony:**

Elisabeth Brunkhorst                      Ottmar Ilchmann

**Appointed by the State of North Rhine-Westphalia:**

Bernhard Conzen                      Karl Werring

**Appointed by the State of Rhineland-Palatinate:**

Eberhard Hartelt                      Michael Prinz zu Salm-Salm

**Appointed by the State of Saarland:**

Peter Hoffmann

**Appointed by the Free State of Saxony:**

Robert Otto                      Dr. Anna Catharina Voges

**Appointed by the State of Saxony-Anhalt:**

Jochen Dettmer                      Olaf Feuerborn

**Appointed by the State of Schleswig-Holstein:**

Malte Jacobsen                      Kirsten Wosnitza

**Appointed by the Free State of Thuringia:**

Joachim Lissner                      Dr. Wolfgang Peter

**Trustee:**

Alois Bauer                      Ministerial Director  
German Federal Ministry of Food  
and Agriculture

**Deputy Trustee:**

Martinus Wejwer                      Ministerial Councillor  
German Federal Ministry of Food  
and Agriculture

# Report of the Supervisory Board

The Supervisory Board and its committees performed the duties assigned to them by law and by Rentenbank's Articles of Association and corporate governance principles and they advised and supervised the Management Board on the proper conduct of its work during the past financial year.

The Supervisory Board assured itself that the Management Board and Supervisory Board observed the Public Corporate Governance Code of the Federal Republic of Germany in the version of 13 December 2023. It will continually see to it that the Code is observed and implemented. The Supervisory Board approves the Corporate Governance Report, including the Statement of Compliance.

The annual financial statements and additionally the management report at 31 December 2024 prepared by the Management Board in accordance with the regulations of the German Commercial Code have been audited and provided with an unqualified audit opinion by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. The Supervisory Board has acknowledged and concurred with the audit results.

The Supervisory Board has reviewed the annual financial statements, including the management report, and the Annual Report 2024 of Landwirtschaftliche Rentenbank. It hereby adopts the Bank's 2024 annual financial statements and management report.

Of the net income of EUR 38,000,000 presented in the income statement, an amount of EUR 19,000,000 will be allocated to the Principal Reserve pursuant to Section 2 (2) of Rentenbank's Governing Law.

The Supervisory Board resolves to utilise the remaining distributable profit of EUR 19,000,000 in such a way that EUR 9,500,000 will be allocated to the Federal Republic of Germany's Special-Purpose Fund and EUR 9,500,000 to the Promotional Fund.

Frankfurt am Main, 20 March 2025

THE SUPERVISORY BOARD  
OF LANDWIRTSCHAFTLICHE RENTENBANK



The Chairman  
Joachim Rukwied

This annual report contains certain forward-looking statements that are based on current expectations, estimates, forecasts and projections of the Management Board and information currently available to it. These statements include, in particular, statements about our plans, strategies and prospects. Words such as 'expects,' 'anticipates,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates', and similar expressions are intended to identify such forward-looking statements. These statements are not to be understood as guarantees of future performance, but rather as being dependent upon factors that involve risks and uncertainties and are based on assumptions which may prove to be incorrect. Unless required by law, we shall not be obligated to update forward-looking statements after their publication.

**Landwirtschaftliche Rentenbank**

Theodor-Heuss-Allee 80  
60486 Frankfurt am Main/Germany

P.O. Box 101445  
60014 Frankfurt am Main/Germany

phone +49 69 2107-0  
office@rentenbank.de