Greensill Bank AG
Issuer Rating Report

SCOPE A- STABLE

Overview

Scope assigns an issuer rating of A- to Greensill Bank AG. The Outlook is stable.

Highlights

- Greensill Bank AG ("Greensill Bank") is a German factoring bank based in Bremen. The bank is a 100% subsidiary of privately held Greensill Capital Pty Ltd ("Greensill"), an Australian parent company of a supply chain finance group that operates mainly through its UK subsidiary Greensill Capital (UK) Ltd., ("Greensill Capital") and Greensill Bank.
- The assets of Greensill Bank consist predominantly of trade receivables from factoring and reverse factoring transactions originated by Greensill Capital. The trade receivables are fully covered by credit insurance with highly rated insurance counterparties that materially reduce the risk of default and dilution for Greensill Bank
- The group has grown strongly in recent years successfully competing with major global banks as a specialised non-bank provider of supply chain finance. Greensill has attracted more than US$ 1bn capital from investors, of which a significant proportion has been invested in Greensill Bank.
- The ambitious growth strategy requires the group to invest heavily in staff, systems and processes to maintain its competitive position and manage risk. Greensill Bank will have to significantly expand its deposit base to fund the expansion of its asset portfolio. With no branch network, Greensill Bank relies primarily on term deposits raised through external platforms and money brokers

Rating drivers (summary)

The rating drivers, in decreasing order of importance in the rating assignment, are:

- Greensill Bank is a core operating entity of the Greensill group and is highly dependent on the group's origination capabilities. While Greensill sees significant growth opportunities in the global SCF market, the group is still comparatively small compared with global banks and there is an important degree of execution risk with the growth strategy.
- Greensill Bank benefits from very high capitalisation and liquidity after a capital increase earmarked for future growth. Thus, ratios will normalise as the bank grows its asset portfolio. The balance sheet benefits from the short-dated nature of trade receivables that are enhanced by credit insurance from leading high-quality credit insurers. The assets are appropriately matched with term deposits covered by deposit insurance.
- Greensill Capital's use of third-party IT platforms for origination, structuring and servicing exposes the group to elevated levels of operational risk. Greensill Bank's staffing and systems will also have to be reinforced to handle the expansion.

Ratings & Outlook

Issuer rating	A-
Outlook	Stable

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Bloomberg: SCOP

Rating-change drivers

↑	**Successful execution of Greensill's growth strategy without any detrimental impact to the risk profile and profitability of Greensill Bank.** Asset growth and market share gains that are supported by investment in systems and staffing that transform Greensill Bank into a larger player in funding global supply chain finance assets.
↓	**Operational risk events related to IT platforms, litigation, loss of key staff or reputation leading to reduced origination capacity of Greensill** such as IT platforms or litigation, loss of key staff or reputation leading to reduced origination capacity of Greensill Capital.
↓	**Loss of insurance cover, a material downgrade of credit insurance counterparties or unexpected losses to Greensill Bank due to delayed or sub-par recoveries.** Credit enhancement that covers default and dilution risk is a key ratings driver because Greensill Bank's exposure is very concentrated
↓	**Ongoing access to German private bank depositor protection fund**. Greensill Bank relies heavily on brokered deposits that are protected by the German Banks' voluntary private deposit insurance fund. Greensill Bank needs to meet conditions in addition to regulatory minimum requirements

Rating drivers (details)

Legal structure & ownership

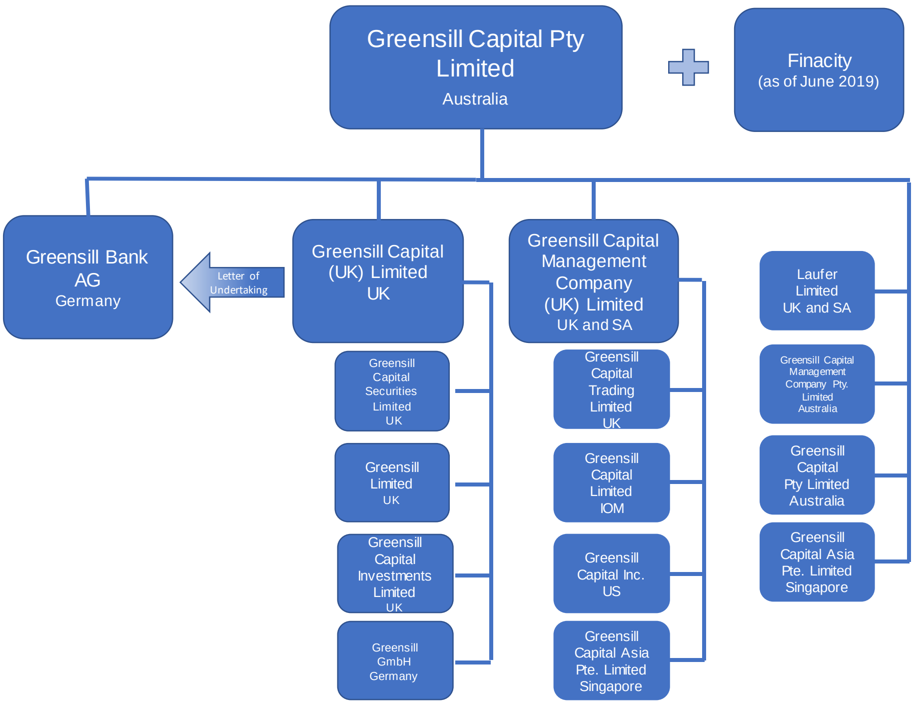
Complex Group Structure

Greensill Bank AG (“Greensill Bank”) is a core operating entity of Greensill Capital Pty Ltd (“Greensill”), the parent of a specialised group of companies providing supply chain finance (“SCF”) globally. Greensill Bank is 100% owned by the parent company Greensill Capital Pty Ltd in Australia (see figure 1).

While legally domiciled in Australia, Greensill’s main operating entities are based in the UK, notably Greensill Capital (UK) Ltd (“Greensill Capital”), and in Germany (Greensill Bank). Next to its on-balance sheet activity via Greensill Bank, Greensill distributes its assets widely among banks and asset managers and cooperates on several white-label funds for example with GAM and Credit Suisse Asset Management.

In June 2019, Greensill acquired Finacity, a US-based receivables securitisation boutique, giving the group direct access to the US trade receivables market.

Figure 1: Greensill group structure



Source: Company Data

Regulated bank subsidiary

Greensill Bank is supervised by the German BaFin and is a member of the German private bank deposit insurance fund. Greensill Bank provides the group with access to the German deposit market and an EU-wide licence to purchase and warehouse trade receivables originating in the EU. Greensill Bank benefits from a letter of undertaking by Greensill Capital, governed by German law (“Patronatserklärung”).

Closely held ownership

Greensill is a closely held private company, owned by its CEO, directors, staff and two private equity funds (SoftBank Vision Fund & General Atlantic)

Business model

Greensill follows an originate to distribute business model

The business model of Greensill is focused on the origination, structuring and distribution of trade receivables. The company’s main focus is on reverse factoring (i.e. financing of account payables for buyers) but it is also active in factoring (i.e. purchases of account receivables from suppliers).

Greensill originates the receivables through its relationships with buyers and suppliers using several external IT platforms for servicing. Asset pools are structured into capital market notes that are distributed to third parties, incl. white label funds, or are retained by Greensill Bank. For any transactions purchased by Greensill Bank the bank takes out credit insurance to cover any loss from defaults and, in case of traditional factoring, also fraud or dilution.

The group currently employs ca. 400 staff, a number that is expected to rise to ca. 530 under current expansion plans. Greensill Bank employed 77 staff as of mid-2019 and management expects that staff levels will rise to about 100-110 over the coming months.

Supply chain Finance: obligor default is the key risk

Greensill's core business is supply chain financing solutions for account payables, also known as reverse factoring. Greensill Capital acquires irrevocable payment undertakings ("IPUs") from an obligor and assigns them to an SPV that issues notes to Greensill Bank and other investors equivalent to the face value of the IPUs.

Greensill Capital then offers improved payment terms to the suppliers of the obligor ahead of the respective due dates of the receivables and settles the invoices at a discount using funds raised via an SPV. At legal final maturity, the obligor repays the SPV and the note is redeemed at par.

To process the transactions, Greensill Capital uses third-party IT platform partners such as Oracle or specialist providers such as Taulia. To cover the risk of non-payment by the obligor of the IPUs, Greensill Bank takes out credit insurance for any notes acquired by Greensill Bank to eliminate the risk of default.

Traditional factoring: Dilution risk in addition to obligor risk

In addition to reverse factoring, Greensill Capital also purchases account receivables, i.e. traditional factoring on a recourse and non-recourse basis. Unlike reverse factoring, where the credit risk lies solely with the obligor, traditional factoring exposes Greensill to the risk of dilution from disputed or fraudulent claims by the suppliers in addition to the risk of default by the obligor. Greensill also covers these risks through credit insurance, though the precise terms can differ by exposure and insurer.

The asset purchases of Greensill Bank have changed significantly over the past years. While the bank was initially focused mainly on reverse factoring, account receivable purchases have been dominating over reverse factoring since 2017. At the end of 2018, the bank owned EUR 158mn of supply chain finance notes and had advanced EUR 295mn under its account's receivables purchase program.

Short duration of lending assets support asset quality

Most account receivables and payables have very short payment terms by nature. While this supports the risk profile of Greensill Bank, it also means that profitability and availability of assets can change quickly

Greensill Bank also finances a small number of longer-term transactions, such as mobile phone contracts that typically offer payment terms of 3 years to their retail clients. Here the risk of the underlying obligors is very granular.

Extension risk lies mainly with default or dilution events where the terms and conditions of the credit insurance may allow the insurance counterparties to settle claims only after a delay of several months. As this has a negative impact on the regulatory capital treatment of credit insurance, Greensill has started renegotiating its key contracts for Greensill Bank to shorten the pay-out period to days rather than months.

Balance sheet

Strong capitalization after cash injection from SoftBank

Greensill reported total assets of $2.5bn at end-2018 under Australian GAAP (see table 1), which included US$ 1.4bn of third-party fund assets related to three funds managed by GAM. Two of these funds have since been deconsolidated.

The group reported US$ 113mn equity, which included a $250mn capital injection (incl. a 95.7mn convertible) from General Atlantic in July 2018 that was in part used to repay existing debt and resolve a negative equity position in the balance sheet. At the time, General Atlantic valued Greensill at $1.64bn.

For the current financial year, one must add a further US$ 784mn of cash raised from SoftBank Vision Fund in May 2019 through a combination of equity and convertibles. The fresh capital substantially de-levered the group and, thus, provides the basis for significant growth for the group and the bank going forward, incl. acquisitions such as Finacity in June 2019.

Table 1: Consolidated balance sheet of Greensill Capital Pty Ltd.

US$ '000	2016Y	2017Y	2018Y
Assets	**1,219,284**	**2,022,391**	**2,520,604**
Cash & cash equivalents	313,082	309,648	322,783
Financial Assets	873,262	1,655,220	2,090,101
SCF Assets	236,513	419,742	674,640
SCF Funds	633,281	1,225,656	1,402,965
Loan loss allowance	(34,709)	(7,740)	(24,620)
Other assets	32,940	57,523	107,720
Liabilities	**1,314,162**	**2,096,053**	**2,407,908**
Financial Liabilities	1,054,148	1,637,962	2,139,014
Deposits	331,316	351,000	666,162
SCF Funds	720,061	1,282,621	1,470,325
LT borrowings	176,124	223,170	117,312
Loans - related parties	31,039	26,635	104,979
subordinated debt	16,444	19,193	12,333
Promissory notes	128,641	177,342	-
ST borrowings		181,172	
other liabilities	83,890	53,749	151,582
SCF Funds	30,116	17,060	17,930

Source: Company data, Scope calculations

Greensill bank received major capital injection in 2019

Greensill Bank accounted for EUR 665mn of group assets at end-2018 under German GAAP and has grown substantially since the beginning of the year (see table 2). The SCF loan book of Greensill Bank increased from EUR 489mn at year-end 2018 to EUR 862mn at the end of May and total assets, incl. cash and interbank exposures, were EUR 1.5bn at end-May 2019. During that period, Greensill down-streamed more than EUR 400mn of equity, increasing the total paid-in capital of Greensill Bank to EUR 500mn by the end of May 2019.

The total capital ratio jumped to 107.2% at the end of May 2019 from 14.8% at the end-December 2018, reflecting the capital injections as well as more effective hedging with credit insurance contracts. While the loan volume of the bank increased by 74% to EUR 869mn during the first 5 months of 2019, risk-weighted assets fell by 11% to EUR 466mn because the BaFin authorised the use of a large credit insurance contract for risk mitigation after it had been renegotiated to meet regulatory requirements.

Table 2: Balance sheet of Greensill Bank AG

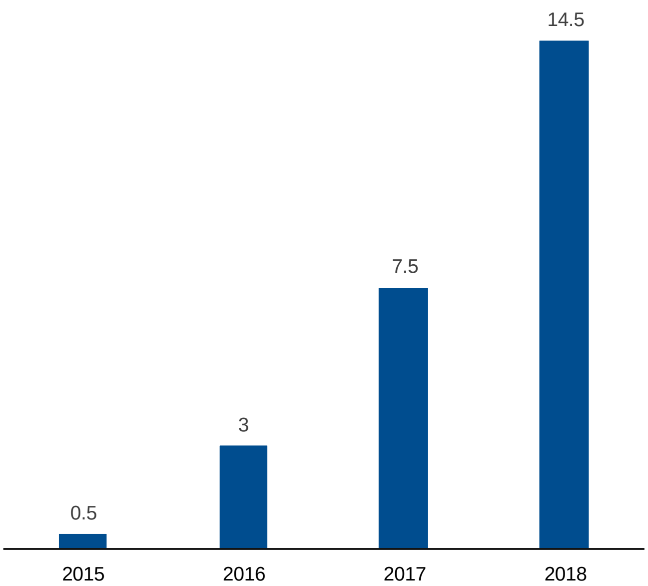
in € million	2016Y	2017Y	2018Y	May-19
Total Assets	360	338	666	1,470
Interbank	127	93	134	565
Loan Book	226	233	500	869
SCF Book	**197**	**220**	**489**	**862**
non core book	29	13	10	7
Customer Deposits	**315**	**293**	**582**	**960**
Savings Deposits	9	7	6	6
Term Deposits	306	286	576	983
Bonds	7	7	7	7
Subdebt	5	5	5	5
Equity	28	28	68	500
Total Capital	40	39	78	505
Total Capital Ratio	13.9%	19.1%	14.8%	107.2%
SREP minimum			10.5%	
RWAs	287	207	526	466
RWA/Total assets	80%	61%	79%	32%

Source: Company data, Scope

Profitability & market position

Greensill's earnings have grown considerably in recent years, swinging from a US$ 62mn loss in 2016 to a US$ 49mn net profit in 2018 (see table 3). The pre-tax margin improved to 24% in 2018 from 19% the year before. Greensill generated $32bn factoring purchases in 2018 and at year end had US$ 14.5bn assets funded across its bank and several funds in cooperation with GAM and Credit Suisse (see figure 2).

Figure 2: Greensill funded assets, 2018



Source: Company Data

Table 3: Consolidated P&L of Greensill Capital Pty Ltd

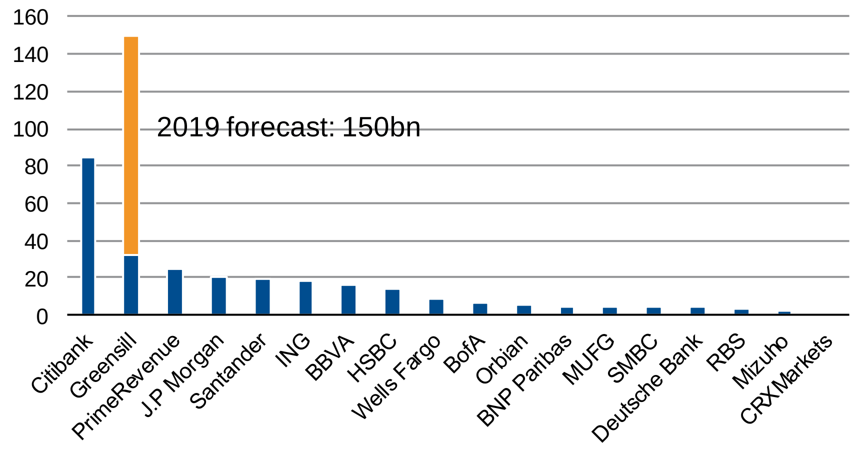
US$ '000	2016Y	2017Y	2018Y
Income from financial assets	50,035	102,501	117,987
other interest income	772	10,601	14,949
Finance Cost	(12,696)	(21,689)	(21,915)
Net Interest Income	38,111	91,413	111,021
Fee & commission income	4,738	19,171	125,051
Other income	41	107	149
Other gains & losses	(4,952.0)	(2,299)	1,301
Total income excl SCF funds	**37,938**	**108,392**	**237,522**
Income attributable to SCF funds	754	6,656	22,552
Employee benefit expense	(20,730)	(29,538)	(57,011)
Depreciation	(690)	(899)	(2,076)
Other Expenses	(55,003)	(60,986)	(121,151)
Insurance expenses	(8,063)	(11,851)	(22,337)
Operational Expenses		(43,000)	(90,721)
Administrative Expenses		(17,986)	(30,430)
Total Expenses	**(76,423)**	**(91,423)**	**(180,238)**
pre-impairment profit	(38,485)	16,969	57,284
Impairment	(29,991)	(1,750)	(18,353)
Pre-tax profit	(67,700)	21,875	61,483
Loss from discontinued operations	(22)		
Income Tax	5,514	(1,078)	(12,117)
Net Profit	**(62,208)**	**20,797**	**49,366**
Cost income ratio (excl SCF funds)	*201%*	*84%*	*76%*
Pre-tax margin (excl SCF funds)	*-178%*	*20%*	*26%*

Source: Company Data & Scope

Going forward, management expects strong volume growth, not least due to the acquisition of Finacity, announced in June 2019. Greensill expects its receivables purchases to rise to US$ 150bn this year, up from US$ 32bn in 2018 (see figure 3). This would place Greensill among the top players in the otherwise highly competitive and fragmented global supply chain finance market that is dominated by major banks.

Greensill's profitability will be helped by higher asset retention of its banking subsidiary this year. It will also depend on its fund cooperation business where Greensill raises assets for dedicated supply chain funds managed by Credit Suisse Asset Management and GAM.

Figure 3: Market position of Greensill, 2018



Source: Company Data & Scope

Greensill bank turned the corner in 2018

Greensill Bank's development was more muted as the bank's balance sheet was constrained by a low capital base and restructuring needs regarding its legacy activities. Whilst Greensill Bank was loss making in between 2016 and 2018, the bank turned profitable in Q4 2018, and profitability has improved further since then. For the first 5 months of 2019, Greensill Bank reported an operating profit of EUR 2.6mn (see table 4).

Performance metrics of Greensill Bank have yet to stabilise and are distorted by FX hedging cost and credit enhancement. Based on the first 5 months of 2019, the cost income ratio is around 68% and the ROA about 42bps on an annualized basis. While it is too early to judge the recurring earnings power of the bank, the capital injections this year have pre-funded significant growth capacity and provide a significant buffer against earnings volatility in the initial phase of the expansion.

These figures will evolve as Greensill Bank plans to double its staff from the 2018 level to about 100 FTEs and expand the lending portfolio. Financial performance will depend crucially on Greensill Capital's ability to generate enough receivable purchases going forward.

Table 4: P&L of Greensill Bank

in € million	2016Y	2017Y	2018Y	May-19
Net Interest Income	9.11	7.46	11.40	8.0
Net Commission Income	0.25	-0.04	0.01	2.6
Leasing	0.31	0.31	1.33	
Other Income	0.27	0.74	0.89	1.5
Other cost (incl FX hedges)	-2.51	-3.25	-6.78 -	4.3
Oprating income (after hedging)	7.42	5.22	6.83	7.77
Admininistrative cost	-8.57	-9.31	-10.04 -	4.2
Depreciation	-0.50	-0.57	-1.36 -	1.1
Cost	-9.07	-9.87	-11.40	-5.27
pre-provision Operating Profit	-1.65	-4.66	-4.57	2.50
Provisions	0.53	1.10	0.02	0.1
Operating Profit	-1.12	-3.56	-4.55	2.59
Cost/Income Ratio	122%	189%	167%	68%
ROA (annualised)	-0.31%	-1.05%	-0.68%	0.42%

Source: Company Data & Scope

Credit cost are minimal after the bank addressed losses in a small legacy portfolio that predated the acquisition by Greensill. The credit insurance cover should mean that credit losses are minimal going forward, provided credit insurers settle any claims from defaults or dilution in a timely fashion.

Asset Quality

Highly concentrated asset portfolio

As of May 2019, the asset portfolio of Greensill Bank is very concentrated on certain sellers and countries. Obligor risk (investment grade and non-investment grade) is spread among a limited number of industry sectors, which can be considered cyclical. These concentrations are mitigated by the predominantly short-dated nature of the assets and the available credit enhancement from credit insurance. The anticipated lending growth is also likely to lead to a better diversified portfolio over time, depending on Greensill Capital's ability to source the assets.

Geographical concentrations lie mainly outside Germany

Despite being incorporated in Germany, only 9% of Greensill Bank's underlying obligor exposure was in Germany at the end of May 2019 and more than 40% was outside of Europe, which reflects the global nature of Greensill's origination capacity. The biggest country concentrations were to Australia and the US and to Asia (Hong Kong, Singapore & Malaysia).

Single obligor concentrations point to elevated business risk

Greensill Bank currently only reports a few outright single obligors' concentrations due to the substantial capital increase that increased its large exposure threshold to EUR 50mn (10% of T1 capital) from less than 10mn at the beginning of the year.

However, 2/3 bank's loan portfolio has been originated from a portfolio of linked private companies. The assets are mainly of account receivables, i.e. the default credit exposure is to the buyers not the sellers. The small amount of direct obligor exposure is well below Greensill Bank's large exposure limit.

Credit enhancement is the key risk mitigant for Greensill bank

The above concentrations are fully covered by available credit enhancement from credit insurers. At end-May 2019, credit insurance covered 98% of Greensill Bank's loan portfolio.

Minimum rating for the insurance counterparties is single-A and the most important contracts are with two AA- rated insurers (S&P). In the case of account receivables purchases, the policies do cover dilution as well as default risk, though the exact terms may vary across different transactions and insurers.

Policy terms do not always meet regulatory requirements of Greensill Bank, though the bank has recently renegotiated its key contract to be compliant by shortening the pay-out period considerably to days rather than months, which is the common standard in the industry. The regulatory recognition of this policy led to a reduction in risk- weighted assets in Q2 2019, which almost halved the RWA density to 55% as of May 2019.

Funding & Liquidity

Liquidity relies on insured term deposits

Greensill Bank relies mainly on term deposits raised in the German market through money brokers and retail platforms. At end-May 2019, Greensill Bank had 960mn deposits outstanding, which were predominantly raised through a hand-full of German money brokers. The depositor concentration was, however, matched with a substantial liquidity buffer of more than EUR 500mn (56% of deposits) due to the proceeds from its capital increase and higher deposit volumes. Excess liquidity will decrease as Greensill bank expands its lending.

Given that most of Greensill Banks's assets are short-term, deposit funding allows for appropriate maturity matching. In view of its substantial USD exposure, Greensill has also started to raise private banking deposits denominated in USD, though the amounts are very small.

Deposit insurance provides a backstop for the funding franchise

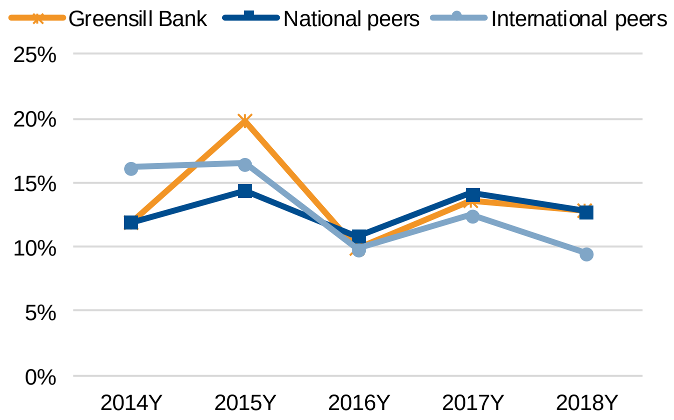
Greensill Bank is a member of the German Banks' private depositor protection scheme (Einlagensicherungsfonds des Bundesverband deutscher Banken e.V. „ESF"), which provides private and certain institutional depositors with additional depositor protection above the EU's statutory limits. Most German private banks are members of the ESF, including Deutsche Bank and Commerzbank. Thus, the fund has enough financial fire power to bail-out a smaller member institution the size of Greensill Bank.

Currently, the ESF protects depositors up to 20% of the capital of a given bank, though from 1 January 2020, the ESF cover for deposits will reduce to 15% of capital (EUR 75mn per depositor in the case of Greensill Bank) and will be restricted to term-deposits with a maximum maturity of 18 months. Most institutional investors are covered except for financial institutions and certain funds. Access to the insurance fund is subject to conditions laid out in the ESF's statutes.

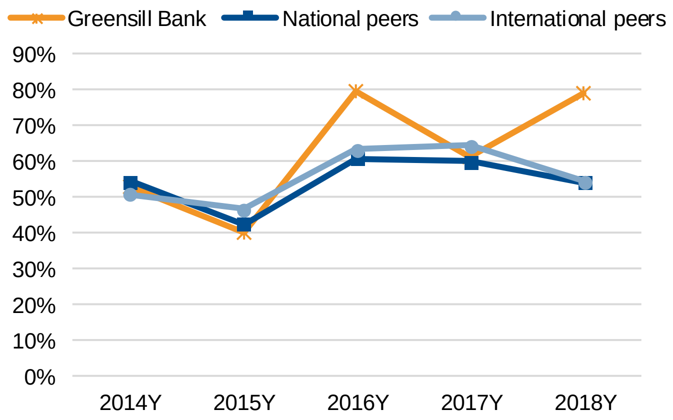
German investors are familiar with the system when placing deposits with smaller banks that fall within the coverage of the ESF. This provides Greensill Bank with a stable funding base through money brokers provided it fulfils the membership criteria of the ESF and avoids headline risk.

I. Appendix: Peer comparison

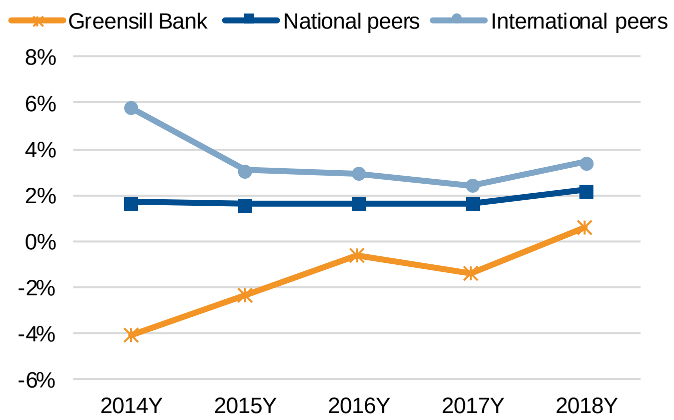
CET1 Ratio (%, transitional)



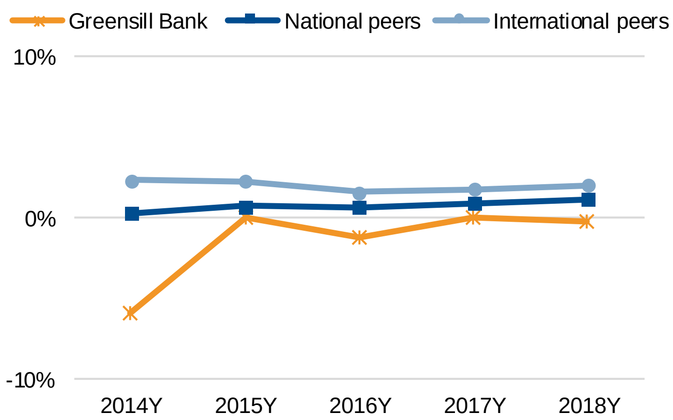
RWA / Total assets (%)



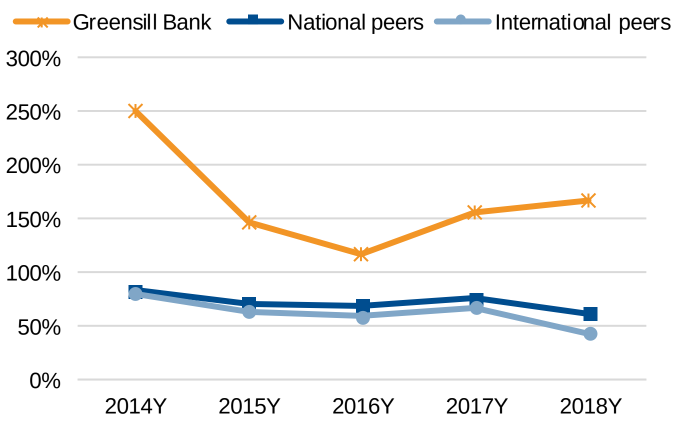
Pre-Provision Income/RWA (%)



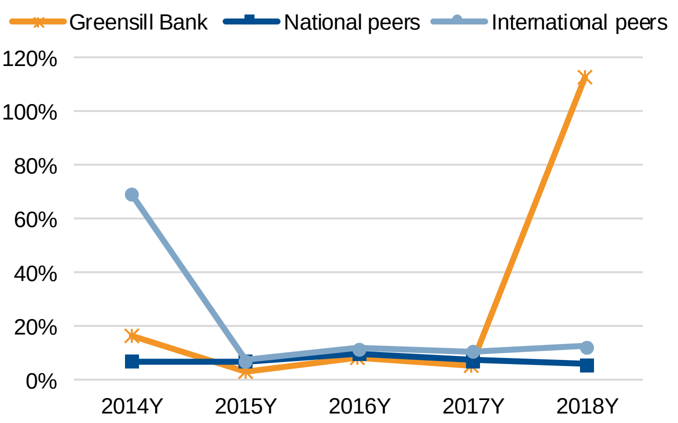
RoRWA (%)



Cost income ratio



Net loan growth (%)



*National peers: Deutsche Bank, Commerz Bank, DZ Bank, Deutsche Factoring Bank, Eurofactor GmbH, Grenke Bank. IKB Bank Group
International peers: UniCredit Factoring SpA, Meediocredit Italiano, Banca Farmafactoring, Bibby Financial Services
Source: SNL

II. Appendix: Selected Financial Information – Greensill Bank AG

	2013Y	2014Y	2015Y	2016Y	2017Y	2018Y
Balance sheet summary (EUR m)						
Assets						
Cash and interbank assets	14	68	132	127	93	134
Total securities	3	0	0	0	0	0
of which, derivatives	NA	NA	NA	NA	NA	NA
Net loans to customers	172	200	206	222	234	500
Other assets	19	18	14	10	11	32
Total assets	**208**	**286**	**353**	**360**	**338**	**666**
Liabilities						
Interbank liabilities	1	0	0	0	0	0
Senior debt	0	7	7	7	7	7
Derivatives	NA	NA	NA	NA	NA	NA
Deposits from customers	189	251	308	315	301	582
Subordinated debt	5	5	5	5	5	5
Other liabilities	NA	NA	NA	NA	NA	NA
Total liabilities	**200**	**268**	**325**	**331**	**309**	**594**
Ordinary equity	7	18	28	28	28	68
Equity hybrids	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0
Total liabilities and equity	**208**	**286**	**353**	**360**	**338**	**666**
Core tier 1/ common equity tier 1 capital	NA	18	28	28	28	67
Income statement summary (EUR m)						
Net interest income	14	6	7	9	7	11
Net fee & commission income	0	0	0	0	0	0
Net trading income	0	0	0	0	0	1
Other income	1	-2	0	1	1	1
Operating income	**15**	**5**	**7**	**10**	**8**	**13**
Operating expenses	20	11	11	12	13	10
Pre-provision income	**-5**	**-7**	**-3**	**-2**	**-5**	**3**
Credit and other financial impairments	0	8	1	-1	-1	0
Other impairments	0	0	0	0	0	7
Non-recurring items	NA	NA	NA	NA	NA	NA
Pre-tax profit	**-12**	**-10**	**1**	**-3**	**0**	**-4**
Discontinued operations	0	0	0	0	0	0
Other after-tax Items	0	0	0	0	0	4
Income tax expense	0	0	1	0	0	1
Net profit attributable to minority interests	0	0	0	0	0	0
Net profit attributable to parent	**-12**	**-10**	**0**	**-3**	**0**	**-1**

Source: SNL, Scope Ratings

III. Appendix: Ratios – Greensill Bank AG

	2013Y	2014Y	2015Y	2016Y	2017Y	2018Y
Funding and liquidity						
Net loans/ deposits (%)	91.0%	79.7%	66.9%	70.7%	79.9%	85.9%
Liquidity coverage ratio (%)	NA	NA	NA	NA	NA	NA
Net stable funding ratio (%)	NA	NA	NA	NA	NA	NA
Asset mix, quality and growth						
Net loans/ assets (%)	82.7%	69.9%	58.5%	61.8%	69.3%	87.4%
Problem loans/ gross customer loans (%)	NA	8.1%	4.5%	4.2%	0.1%	0.9%
Loan loss reserves/ problem loans (%)	NA	65.8%	53.7%	49.8%	387.2%	19.5%
Net loan growth (%)	-6.2%	16.5%	3.1%	7.8%	5.2%	113.7%
Problem loans/ tangible equity & reserves (%)	NA	58.2%	28.8%	29.1%	0.5%	6.7%
Asset growth (%)	-6.9%	37.8%	23.2%	1.9%	-6.1%	97.3%
Earnings and profitability						
Net interest margin (%)	7.0%	2.6%	2.3%	2.6%	2.2%	2.0%
Net interest income/ average RWAs (%)	7.4%	3.5%	4.7%	3.7%	2.3%	2.1%
Net interest income/ operating income (%)	90.9%	129.0%	93.2%	91.6%	88.1%	83.5%
Net fees & commissions/ operating income (%)	3.1%	10.7%	3.5%	2.5%	-0.4%	0.4%
Cost/ income ratio (%)	132.8%	250.7%	146.4%	116.4%	155.0%	167.0%
Operating expenses/ average RWAs (%)	10.9%	6.8%	7.5%	4.7%	4.0%	1.9%
Pre-impairment operating profit/ average RWAs (%)	-2.7%	-4.1%	-2.4%	-0.7%	-1.4%	0.6%
Impairment on financial assets / pre-impairment income (%)	0.2%	3.5%	0.3%	-0.2%	-0.3%	1.4%
Loan loss provision/ average gross loans (%)	0.2%	4.0%	0.4%	-0.2%	-0.5%	0.0%
Pre-tax profit/ average RWAs (%)	-6.7%	-5.9%	0.5%	-1.2%	0.0%	-0.9%
Return on average assets (%)	-5.8%	-4.1%	0.0%	-0.8%	0.0%	-0.1%
Return on average RWAs (%)	-6.7%	-6.0%	0.0%	-1.2%	0.0%	-0.2%
Return on average equity (%)	-169.3%	-78.2%	0.0%	-10.2%	0.0%	-1.4%
Capital and risk protection						
Common equity tier 1 ratio (%, fully loaded)	NA	NA	NA	NA	NA	NA
Common equity tier 1 ratio (%, transitional)	NA	11.8%	19.8%	9.8%	13.6%	12.8%
Tier 1 capital ratio (%, transitional)	3.5%	16.4%	24.7%	12.2%	17.0%	14.1%
Total capital ratio (%, transitional)	5.1%	19.8%	28.4%	13.9%	19.1%	14.8%
Leverage ratio (%)	NA	8.6%	9.9%	3.7%	14.4%	11.2%
Asset risk intensity (RWAs/ total assets, %)	88.2%	53.1%	40.1%	79.8%	61.2%	79.0%
Market indicators						
Price/ book (x)	NA	NA	NA	NA	NA	NA
Price/ tangible book (x)	NA	NA	NA	NA	NA	NA
Dividend payout ratio (%)	NA	NA	NA	NA	NA	NA

Source: SNL, Scope Ratings

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