Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO)

Key Rating Drivers

Rating Derivation Summary: Fitch Ratings views Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) as a government-related entity (GRE) of the Netherlands (AAA/Stable) and equalises FMO's ratings with those of the sovereign. This reflects a score of 45 points under our *Government-Related Entities Rating Criteria*. The Outlook is Stable.

Status, Ownership and Control – 'Strong': The Dutch state owns 51% of FMO's shares. The remaining 49% is owned by large Dutch banks and institutions, and private individuals. Fitch considers it highly unlikely that the state would give up its majority stake due to the terms of the keep-well agreement. The Ministry of Finance and the Ministry of Foreign Affairs jointly oversee FMO's activity and accounts.

Support Track Record and Expectations – 'Very Strong': The 1998 keep-well agreement has an indefinite term and its termination requires 12 years' notice from either party. Under Article 8 of the sovereign support agreement, the state is legally bound to enable FMO to meet its financial obligations on time, notably by providing liquidity. Article 7 of the agreement commits the state in most circumstances to safeguard FMO's solvency.

Socio-Political Implications of Default – 'Strong': FMO is a policy instrument for the Ministry of Development Cooperation, providing financing for private companies and financial institutions. It also manages strategic development (off-balance-sheet) funds on behalf and at the risk of the state. Its high dependence on the financial markets to fund its activities means that a default would threaten its activity and may lead to diplomatic issues. However, other development banks in Europe could, with some delay, fill the gap.

Financial Implications of Default – 'Very Strong': Fitch believes that a default by FMO would have a serious impact on the availability of financing for borrowers linked to the Netherlands' development policy and on the Dutch state's creditworthiness. FMO is a major Dutch government-related entity issuer, issuing between EUR1 billion and EUR2 billion bonds a year and tapping both domestic and international markets.

ESG Considerations: ESG issues have a minimal impact on FMO's ratings, as reflected in a score of '3'.

Rating Sensitivities

Sovereign Rating: A change in the Netherlands' sovereign ratings would be mirrored in FMO's.

Weaker Support Factors: A downgrade could result from a weakening of the state's support through a significantly lower assessment by Fitch of the strength of linkage or incentive to support, notably through a questioning of FMO's keep-well agreement with the state.

Ratings

Foreign Currency

Long-Term IDR	AAA
Short-Term IDR	F1+

Local Currency

Long-Term IDR	AAA
Short-Term IDR	F1+

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable

Issuer Profile

FMO is the Dutch development bank created in 1970, majority owned by the Dutch state with minority ownership by the private sector. FMO focuses mostly on supporting the private sector in emerging markets. Its bonds benefit from an explicit guarantee from the Dutch state (AAA/Stable).

Financial Data

FMO

(EURbn)	2018	2019
Total assets	8.5	9.4
Total equity	3.0	3.1
Net income	0.2	0.1
Net interest income/earning assets (%)	3.0	3.0
Common equity Tier 1 capital ratio (%)	24.6	21.8
Equity/total assets (x)	35.1	33.2
Basel leverage ratio	31.1	28.5

Source: Fitch Ratings, FMO

Applicable Criteria

Government-Related Entities Rating Criteria (November 2019)

Related Research

Netherlands (November 2019)

Analysts

Nicolas Miloikovitch, CFA
+33 1 44 29 91 89
nicolas.miloikovitch@fitchratings.com

Christophe Parisot
+33 1 44 29 91 34
christophe.parisot@fitchratings.com

Rating Synopsis

Fitch views FMO as a GRE of the Dutch state and assigns a score of '45' to the development bank, according to our GRE criteria. The rating factors 'Status, Ownership and Control' and 'Socio-Political Implications of Default' are assessed as 'Strong', while the 'Support Track Record and Expectations' and 'Financial Implications of Default' are assessed as 'Very Strong'.

The score of '45' leads to an equalisation of FMO's ratings with the sovereign's.

Rating History

Date	Long-Term Foreign-Currency IDR	Long-Term Local-Currency IDR
04 Dec 13	AAA	AAA

Source: Fitch Ratings

Notching Guideline Table

SCP of GRE vs. rating of government/overall support score	Equal or more than 45	Between 35 – 42.5	Between 27.5 – 32.5	Between 20 – 25	Between 15 – 17.5	12.5	Equal or less than 10
Same or above	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained	Standalone or constrained
Up to three notches away from government	Equalised	Equalised	Equalised	Top-down -1[a]	Bottom-up + 1 capped at government -1	Bottom-up + 1 capped at government -1	Standalone
Four notches away	Equalised	Top-down -1	Top-down -1	Top-down -2	Bottom-up + 1	Bottom-up + 1	Standalone
More than four notches away from government or standalone not derived/not meaningful[c]	**Equalised**	Top-down -1	Top-down -2	Top-down -3	Bottom-up + 2 or +3 capped at government -3[b]	Bottom-up + 1[b]	Standalone[b]

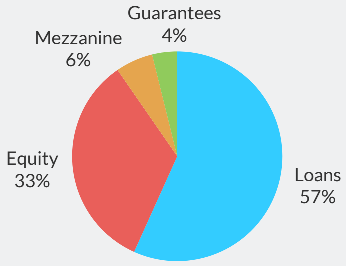
[a] If the Standalone Credit Profile (SCP) of the GRE is one notch below the government and the credit drivers of the GRE are largely independent from those of the government, a one-notch uplift to the same rating as the government can also be considered
[b] When the standalone is not assigned or not meaningful, entities for which the notching approach is bottom-up or standalone would not be rated
[c] The SCP may be 'not meaningful' when the issuer cannot be effectively de-linked from the government - notably when the GRE primarily acts on behalf of the government to perform a policy-driven mission and doesn't generate its own cash flow or because of very tight operational and financial links with the government
Source: Fitch Ratings

Issuer Profile

FMO is the key Dutch government financial vehicle for developmental finance, providing financing for private companies in developing countries, primarily in the 55 poorest countries in the world. FMO finances companies, projects and financial institutions through long-term loans and equity investments in these countries, in line with the Dutch government's policy goals on development co-operation. FMO also provides guarantees for third-party investments in developing economies and plays an active role in trade financing and syndicated loans.

FMO was founded in 1970 by the Dutch government, the private sector, employers and trade unions as a joint-stock company under the Law of 1 May 1970 with the goal of empowering entrepreneurs in emerging economies. FMO specialises in sectors where its contribution can have the highest long-term impact, such as financial institutions, energy and agribusiness. In addition to activities for its own account, FMO acts as an asset manager for several government funds. The risks of these investments are borne by the state and therefore do not weigh on FMO's solvency. An exception to these funds is Fonds Opkomende Markten (FOM), which is on FMO's balance sheet and which is on average 85% guaranteed by the Dutch state.

Total Portfolio, End-2019



Source: Fitch Ratings, FMO

Assessment of the Support – GRE

FMO – Assessment of Support

Status, ownership, and control	Support, track record and expectations	Socio-political implications of default	Financial implications of default	GRE score
Strong	Very strong	Strong	Very strong	45

Source: Fitch Ratings

Status, Ownership and Control: Strong

Legal Status and Ownership

FMO is a limited-liability company with a development-bank status, based in The Hague. The Dutch state, through the Dutch Ministry of Finance, has owned 51% of FMO's shares since 1977, in the form of A-shares, which may only be issued to and placed with the Dutch state. The remaining 49% is owned by Dutch banks and Dutch institutions – mainly ABN AMRO, Rabobank and ING – and individual investors in the form of B-shares. A-shares and B-shares have the same voting rights.

All decisions in the general assembly of shareholders need a simple majority, with the exception of motions to amend the Articles of Association and dissolve the company and resolutions for a legal merger or divestiture.

Fitch considers it highly unlikely that the Dutch state would give up its majority stake, given that the state guarantee can only be revoked with a 12-year notice period.

Governance

FMO's strategy is implemented by a management board made up of three members:

- Peter van Mierlo, chief executive officer
- Linda Broekhuizen, chief investment officer
- Fatoumata Bouaré, chief risk and finance officer

Members of the management board are appointed by the supervisory board, made up of five members appointed by the general meeting of shareholders. The supervisory board's chairman is Pier Vellinga, who has been a member since 2008. The supervisory board has two dedicated committees: an audit and risk committee, and a selection, appointment and remuneration committee.

Control

Fitch considers the control and oversight by the state as highly supportive of FMO's credit quality. Within the mandates assigned to it by the keep-well agreement, FMO has substantial independence to operate, although it periodically consults the state on important strategic decisions. In case it becomes likely that FMO will need financial support from the Dutch state, the state can give "reasonable instructions" according to Article 10 of the Agreement to the management board, under exceptional circumstances.

The Ministry of Finance supervises FMO's risks policy and position on a quarterly basis through a report by FMO's chief risk and finance officer. The Ministry of Foreign Affairs assesses the alignment of FMO's activities with its general development co-operation policy on an annual basis. Within one month of the end of each quarter, FMO has to provide the Ministers of Finance and Foreign Affairs with a summary for the calendar year, including the current quarter on the balance sheet at the end of that quarter, and the profit and loss account compared with the budget.

The Ministers of Finance and Foreign Affairs meet with FMO at least twice a year for the purposes of policy consultation, and to discuss whether FMO's activities have been performed in accordance with its activity criteria. Changes to the regulatory framework may be made with the consent of both the state and FMO.

The state also intervenes in FMO's management and operations as, notably, it must be consulted for exceptional investments higher than 30% of FMO's capital, and as FMO's remuneration policy is subject to a non-binding proposal from the Ministry of Finance.

FMO has a Dutch banking licence and is therefore also supervised by the Dutch banking regulator (De Nederlandse Bank, DNB – the Dutch central bank).

Support Track Record and Expectations: Very Strong

Keep-well Agreement

State backing for FMO's solvency and liquidity is strong and formalised. It applies to all debt issued in the capital markets, irrespective of tenor and rank. The relationship between the state and FMO is set out in a formal agreement first signed in 1991 and amended in 1998, which is viewed as a state guarantee on FMO's financial obligations. The agreement has an indefinite term and its termination requires 12 years' notice from either party, which is in line with FMO's self-imposed 12-year maturity limit on its bond issues. According to Article 8 of the 1998 agreement, "The state shall prevent situations arising in which FMO is unable to meet its financial commitments on time."

The article comprehensively lists the types of obligations covered by this undertaking. This obligation exists solely between the state and FMO. In the exceptional case that the Dutch state has suspended its obligations, a third party cannot take legal action to force the Dutch state directly to honour its payment obligations. However, Fitch considers that the state support is to FMO and the pledge from the state effectively ensures that FMO's obligations are strongly backed up by the Netherlands' credit standing.

Under Article 7 of the 1998 agreement, the state has a "maintenance obligation" to FMO, which, unlike the guarantee on the company's financial obligations, can be suspended. Under this obligation, the state is committed to covering all of FMO's losses from unforeseen and non-provisioned operational risks that cannot be covered by the general reserve risk fund.

If FMO's financial situation were to deteriorate to the extent that it could be expected to invoke the state's obligations, the Ministry of Finance would be entitled to direct its financial and economic policies. Under such a scenario, FMO's failure to comply with the minister's directions could result in the suspension of the maintenance obligation, but the record of smooth and tight cooperation between the state and FMO is strong, and therefore we consider that such suspension is unlikely. If FMO were liquidated, its capital reserves would revert to a state obligation after settlement of the contractual return to shareholders.

High Level of Reserves

The Article 6 of the keep-well agreement requires FMO to keep in the General Risks Reserve Fund (GRRF) a defined share of its annual profits: [(prior year's equity – amount compulsorily paid by shareholders – general reserve – share premium reserve) / prior year's equity]. After this contractual amount is transferred to the GRRF, the rest is available for distribution to shareholders.

As per the 1998 agreement and FMO's statuses (Articles of Association), FMO can pay dividends to the state. FMO's dividend payout ratio generally stands at a maximum of 5% of net profit, of which 51% is paid out to the Dutch state. There have been discussions with the state with regard to a potential increase of the dividend payout ratio, but this would require an amendment of the Articles of Association. To date, there have been no initiatives to implement such an amendment.

Limited Impact of the BRRD

FMO's bank status also provides it with access to the ECB refinancing operations, if needed.

Fitch does not consider the validity of the keep-well agreement to be threatened by European regulation on state aid and the BRRD. As an entity of lesser significance according to the European Central Bank with a clear public ownership and public policy mandate, Fitch considers that the BRRD would not prevent the state from supporting FMO according to the prescriptions of the keep-well agreement.

Socio-Political Implications of Default: Strong

Reliance on External Financings to Refinance Debt

FMO relies on its market access to refinance its outstanding bonds. FMO issues between EUR1 billion and EUR2 billion of bonds every year to fund its operations. At end-2019, FMO had about EUR5.8 of bonds outstanding on the capital markets, which represent more than 60% of its total assets. In 2020 alone, FMO has to refinance more than EUR1.2 billion of maturing bonds. With negative cash flow before financing activities in 2019, market access is essential for FMO to refinance its bonds.

Strategic Importance for the Netherlands

FMO has a high strategic importance for the state, which Fitch considers highly supportive of its credit quality. FMO implements one of the state's core responsibilities; it is a policy instrument of the Ministry of Foreign Affairs and therefore qualifies as a strategically important activity.

FMO manages several government funds off-balance sheet, at the state's risk. These funds consisted at end-2019 of loans and equity investments totalling EUR1.3 billion, and would account for about 13% of FMO's balance sheet. The MASSIF (EUR0.5 billion of committed funds) and Building Prospects (EUR0.4 billion) funds account for the bulk of the risk that FMO manages on behalf of the state, representing together more than 80% of the total. The assignment of FMO to manage these funds illustrates the instrumental role it plays in the Dutch state's development co-operation strategy.

The majority of FMO's financing operations are deals in which commercial banks are reluctant to participate due to the risks involved. Regular commercial banks without a state guarantee would face difficulties obtaining funding for the activities in which FMO is involved. One of FMO's goals is to involve commercial banks in its deals to improve the development of the financial systems of developing countries.

FMO also contributes to promoting Dutch interest by supporting Dutch SME's investing abroad with a variety of trade finance tools. This activity is financed on FMO's own account but also under the funds managed on behalf of the state. This activity can however be taken over by standard commercial banks.

The Netherlands has two other promotional public banks: BNG Bank N.V. (AAA/Stable), tasked with financing Dutch local authorities, and Nederlandse Waterschapsbank N.V., tasked with financing Dutch local authorities, water authorities and other infrastructure projects. Fitch does not consider that they could easily replace FMO as their business models and risk are very different: whereas they operate solely in the Dutch public sector, FMO operates in higher-risk geographies mostly with private borrowers.

Strong Socio-Political Implications of Default

Fitch considers that a default by FMO on its financial obligations would automatically lead to an activity standstill as its inability to access the capital markets would threaten its operations. Also, Fitch views FMO as strategically important for Dutch foreign relations and exporters, although its failure would not directly affect the Dutch people.

Financial Implications of Default: Very Strong

Strong Presence on the Financial Markets

FMO benefits from a strong and sustained presence on the financial markets with its EUR7 billion euro Debt Issuance Programme, its EUR1.5 billion Euro Commercial Paper Programme and its AUD1 billion Australian and New Zealand Note Issuance Programme. FMO is a large issuer with EUR5.8 billion of market debt outstanding at end-2019 and has access to both domestic and international financial markets. It has also issued green and sustainability bonds to finance green and inclusive finance projects. FMO's financial debt reached EUR6.2 billion at end-2019, or 1.9% of the Dutch central government debt (estimated at EUR318 billion at end-2019 by the Dutch State Treasury Agency).

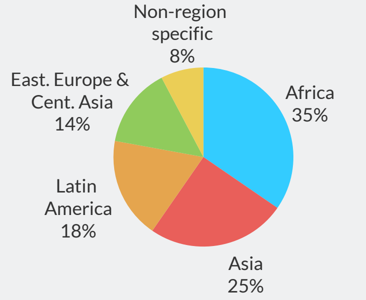
High Contagion Risk

FMO's issues are also eligible for the ECB's Public Sector Purchase program (PSPP) launched in March 2015. This is a feature it shares only with two other Dutch issuers: BNG Bank N.V. (AAA/Stable), and Nederlandse Waterschapsbank N.V. FMO and the two other banks (both significant credit institutions supervised by the ECB) are active in the markets and share a common pool of investors. Therefore a default by FMO could affect the two other public banks' cost of funding, with a direct impact on the availability of funds for the Dutch public sector.

Overall GRE Assessment

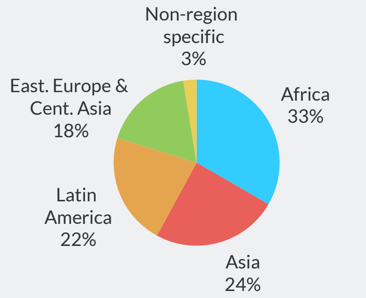
The assessment of FMO's rating factors leads to a score of '45' under our GRE criteria.

Total Portfolio, End- 2019



Source: Fitch Ratings, FMO

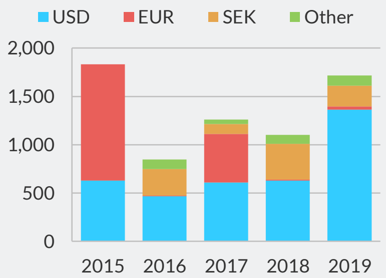
New Commitments in 2019



Source: Fitch Ratings, FMO

Raised Funding by Currency

(EURm)



Source: Fitch Ratings, Bloomberg

Financial Profile

Risk Appetite

FMO's fairly high risk appetite is consistent with its policy mission to promote sustainable economic growth in emerging markets, the top five countries being India (BBB-/Stable), Turkey (BB-/Stable), Nigeria (B/Negative), Argentina (CC) and Georgia (BB/Stable). FMO invests in loans, equity (including private equity), guarantees and mezzanine debt. Its main sectors of interest are financial institutions, energy and agribusiness.

As a result of its exposure to emerging markets, FMO exhibits a very high exposure to foreign currencies, the bulk of its investment portfolio being denominated in US dollars (77% at end-June 2019), and to a lesser extent in local currencies (10%) and in euros (13%). Most loans granted in local currencies are then swapped to US dollars. FMO partly benefits from a natural hedge as a significant part of its funding is in US dollars. For its private equity investments, however, FMO maintains an unhedged foreign-currency position, which has recently led to the depreciation of the value of its investments in many countries due to the appreciation of the US dollar compared with emerging markets' currencies.

Asset Quality

The result of this high exposure to emerging countries is a sustained level of non-performing loans that reached 9.8% of the loan portfolio at end-2019, compared with 8.4% at end-2018. Total impairment expense, however, remains low at 1.2% of the loan portfolio at end-2019, compared with 0.2% at end-2018, thanks to active management and FMO's focus on recovery. The risks arising from this portfolio are, in Fitch's view, ultimately backed by the Dutch state.

Liquid assets are comprised of a portfolio of low-risk and are exclusively made of investment-grade instruments including Dutch, German, Swedish, French, Finnish and supranational bonds.

Earnings and Profitability

FMO's revenue is driven by net interest income. The net interest margin is relatively solid and stable at slightly more than 3% on average over the past five years as FMO, backed by the Netherlands, borrows at low rates to lend at higher rates (which remain competitive in emerging markets). Fitch expects profitability to remain broadly stable in the next four years, as long as FMO's funding rate remains low.

Operating efficiency deteriorated slightly in 2019 with a cost-to-income ratio sharply increasing to 40%, versus close to 25% on average in previous years. This is a result of the application of IFRS 9, which changed the way the results from equity investments are recorded. Fitch expects this new cost-to-income ratio above 30% to remain the standard for FMO in the medium term. FMO's net profit decreased to EUR120 million in 2019 from EUR151 million in 2018 and EUR255 million in 2017 as a result of this accounting change.

Capitalisation and Leverage

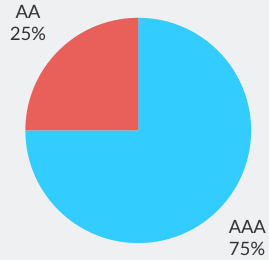
FMO reports solid risk-weighted regulatory capital ratio (fully loaded common equity Tier 1 (CET1) ratio of 21.8% at end-2019) due to its high level of contractual reserves made mandatory under Article 6 of the keep-well agreement with the state.

As of end-2019, FMO complies with the minimum regulatory leverage ratio of 3% owing to profit retention: the leverage ratio remains sound at 28.5% in 2019 vs. 31.1% in 2018. Changes to the EU's Capital Requirement Regulation, which will become effective in 2021, will result in the exclusion of promotional loans from the leverage exposure measure. This should have a positive effect on FMO's leverage ratio as a material share of its loans qualifies as promotional.

Funding and Liquidity

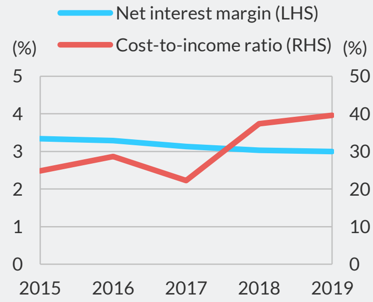
FMO is reliant on its market access to fund its operations and manage its balance sheet. The bank strives to diversify its investor base and maintain a low cost of funding by issuing internationally and in various currencies. FMO's debt issues qualify in the EU as Level 1 (highest-quality) liquid assets for the purpose of calculating the liquidity coverage ratio (LCR).

Securities Portfolio



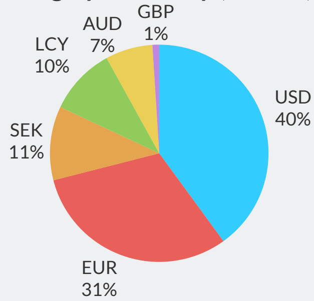
Source: FItch Ratings, FMO

Profitability Metrics



Source: Fitch Ratings, FMO

Funding by Currency (Oct 19)



Source: Fitch Ratings, FMO

Refinancing risk is also mitigated by prudent liquidity management. In addition to annual refinancing needs ranging between EUR1 billion and EUR2 billion, the bank's liquidity is sensitive to market movements as it may be required to post additional cash collateral on derivatives used to hedge market risk. At end-2019, liquid assets comprising cash and highly liquid securities totalled EUR2.1 billion. Additionally, the bank could use its entire solvency-free portfolio as collateral to obtain funding from the ECB, if needed. FMO had a strong LCR of 252% and a net stable funding ratio of 120% at end-2019.

Peer Analysis

FMO's IDR benefits from its 45 points GRE score that it shares with Agence Francaise de Developpement, the French promotional bank operating mostly in emerging markets. The Stichting Waarborgfonds Eigen Woningen, the Dutch fund guaranteeing loans for home ownership, is also equalised with the state notably thanks to a formalised backstop agreement with the Dutch state.

Peers

Issuer	Sponsor	GRE score	IDR	Rating approach
FMO	Netherlands	45	AAA	Equalised
Agence Francaise de Developpement	France	45	AA	Equalised
EPIC Bpifrance	France	45	AA	Equalised
Stichting Waarborgfonds Eigen Woningen	Netherlands	45	AAA	Equalised

Source: Fitch Ratings

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3' – ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity.

For more information on our ESG Relevance Scores, visit:

https://www.fitchratings.com/site/esg.

Appendix A

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

(EURm)	2015	2016	2017	2018	2019
Income statement					
Interest revenue	272.7	282.4	284.6	324.9	376.3
Interest expenditure	-45.5	-65.9	-84.7	-124.0	-161.0
Net interest income	227.2	216.5	199.9	200.9	215.2
Net fees and commissions	33.4	34.7	35.4	34.0	26.0
Other operating income	48.4	57.0	192.5	73.4	108.5
Personnel expenses	-59.6	-63.7	-71.6	-79.3	-90.3
Other operating expenses	-19.9	-22.0	-27.1	-27.5	-40.2
Net gains/losses on securities & trading	11.0	-8.8	16.1	-22.2	-20.0
Net operating income/(loss)	240.4	213.8	345.2	179.3	199.4
Provisions	-9.4	43.0	-15.1	-11.6	-91.9
Operating profit (loss) after provisions	231.0	256.8	330.1	167.7	107.5
Other non-operating revenue/expenses	-16.0	-37.7	-37.6	-1.8	11.1
Profit (loss) before tax	215.0	219.1	292.5	165.9	118.5
Taxation	-40.7	-43.0	-37.3	-14.7	1.9
Net profit (loss)	174.3	176.1	255.2	151.1	120.4
Balance sheet					
Assets					
Cash and cash equivalents	77.0	58.2	71.8	54.6	64.6
Liquid securities	862.7	761.6	622.3	650.2	651.5
Deposits with banks	1,545.4	1,242.6	1,544.1	1,147.9	1,373.5
Loans	4,307.2	4,526.7	4,139.4	4,770.8	5,030.6
Other earning assets	0.7	1.9	0.3	0.5	1.2
Long-term investments	1,500.3	1,828.2	1,710.3	1,797.5	2,165.4
Fixed assets	7.6	9.2	12.9	15.2	45.9
Intangible	2.1	10.6	18.0	32.8	53.5
Other long-term assets	118.4	113.8	203.8	20.6	25.8
Total assets	8,421.3	8,552.8	8,322.9	8,490.1	9,412.0
Liabilities and equity					
Customer deposits	-	-	-	-	-
Deposits from banks	-	-	-	-	-
Short-term borrowing	76.0	39.5	125.9	76.1	94.3
Other short-term liabilities	-	-	-	-	-
Debt maturing after 1 year	5,347.6	5,181.0	5,101.3	5,139.9	5,808.2
Other long-term funding	391.1	424.0	147.4	221.3	260.0
Other provisions and reserves	1.7	45.4	46.6	54.5	49.4
Other long-term liabilities	94.0	89.4	71.7	14.5	73.0
Equity	2,050.2	2,202.5	2,429.3	2,966.0	3,094.0
Reserves	460.7	571.1	400.7	17.8	33.1
Total liabilities and equity	8,421.3	8,552.8	8,322.9	8,490.1	9,412.0

Source: Fitch Ratings, FMO

Appendix B

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Ratio analysis	2015	2016	2017	2018	2019
Performance ratios					
Interest revenue on loans/loans (%)	6.1	6.0	6.7	5.8	6.1
Interest expense/borrowings and deposits (%)	0.8	1.2	1.6	2.3	2.6
Net interest income/earning assets (%)	3.3	3.3	3.1	3.0	3.0
Net operating income/net interest income and other operating revenue (%)	77.8	69.4	80.7	58.2	57.0
Net operating income/equity and reserves (%)	9.6	7.7	12.2	6.0	6.4
Net operating income/total assets (%)	2.9	2.5	4.2	2.1	2.1
Credit ratios					
Growth of total assets (%)	18.8	1.6	-2.7	2.0	10.9
Growth of loans (%)	10.8	3.5	-10.2	13.2	7.1
Impaired loans/total loans (%)	6.9	6.8	5.6	8.1	4.3
Reserves for impaired loans/impaired loans (%)	114.1	94.1	85.9	37.8	106.8
Loan impairment charges/loans (%)	0.2	-0.8	0.4	0.2	1.8
Liquidity and funding ratios					
Long-term debt/total equity and reserves (%)	213.0	186.8	180.3	172.3	185.7
Liquid assets/total assets (%)	11.2	9.6	8.3	8.3	7.6
Total deposits and debt/total assets (%)	69.1	66.0	64.6	64.0	65.5
Liquid assets/short-term deposits and borrowing (%)	1,236.1	2,077.4	551.1	926.8	759.1
Capitalisation ratios					
Equity and reserves/total assets (%)	29.8	32.4	34.0	35.1	33.2
Net profit/total equity and reserves (%)	6.9	6.4	9.0	5.1	3.9
Loans/equity and reserves (%)	186.1	174.4	153.6	164.9	168.6
Regulatory capital adequacy ratio (%)	23.6	23.9	25.8	25.5	22.5

Source: Fitch Ratings, FMO

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.