

Press release

December 12, 2017

Rentenbank expects 2018 funding volume of up to EUR 11 billion

Landwirtschaftliche Rentenbank, based in Frankfurt am Main, expects a total issuance of up to EUR 11 billion with maturities of more than two years in 2018. Germany's development agency for agribusiness and rural areas plans to raise up to 40% of its medium and long-term funding via benchmark bonds, with a minimum volume of EUR 1 billion or USD 1 billion each. The funding program will be complemented by other liquid issues and private placements in various currencies, especially in euros, US dollars, pound sterling, and Australian dollars.

In the year to date, Rentenbank has raised around 12.3 billion in the capital markets, including three EUR benchmarks with maturities of 7, 8 and 10 years, respectively. The bank also issued a 10-year USD global bond. The issuance volume of EUR-denominated bonds almost doubled. The low interest environment fueled strong investor demand, particularly for bonds with longer maturities and positive yields. The average maturity of the issues increased to 8.5 years (2016: 7.7 years). The bank's overall borrowing costs remained favorable, measured in terms of margin against 6-month Euribor.

"After strong growth in 2017, the share of EUR issuance of our medium and long-term funding is expected to decrease slightly in 2018," said Horst Reinhardt, Spokesman of the Board of Managing Directors, responsible for treasury business.

Rentenbank has raised funding in nine different currencies. The share of EUR issuance increased to 57% (2016: 32%), whereas the share of USD declined, accounting for 19% of medium and long-term funding (2016: 50%). Bond



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issues under the Kangaroo program rose in volume, amounting to 10% (2016: 4%), while sterling issuance saw a slight decrease from 10% to 7%.

Rentenbank issued debt securities with maturities of up to 364 days in four currencies under its Euro Commercial Paper (ECP) program. USD remained the largest source of funding with a share of 96%. In contrast, EUR played virtually no role as an issuance currency due to negative yields. The average utilization of the ECP program amounted to EUR 7.7 billion (2016: 7.4 billion).

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Service: Landwirtschaftliche Rentenbank is Germany's development agency for agribusiness and rural areas. Under its statutory promotional mandate, Rentenbank provides low-interest loans for agriculture-related investments via other banks on a competitively neutral basis. The appropriation of profits is also subject to the promotional mandate. The bank is a public law institution whose capital stock was formed by contributions paid by the German agricultural and forestry sectors. The bank is one of the few triple-A rated institutions in Germany and raises funds primarily in the international capital markets.

Forward-Looking Statements: This press release contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of the Board of Managing Directors 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 on factors that involve risks and uncertainties and are based on assumptions that may prove to be incorrect. Unless required by law, we shall not be obligated to update forward-looking statements after their publication.