



rentenbank

Press release

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Rentenbank expects 2017 funding volume of up to EUR 12 billion

Landwirtschaftliche Rentenbank, based in Frankfurt am Main, expects a total issuance of up to EUR 12 billion with maturities of more than two years in 2017. The medium and long-term funding volume will thus remain broadly flat compared to the current financial year.

Germany's development agency for agribusiness 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 financial year to date, Rentenbank has raised around EUR 12.5 billion in the capital markets, including two USD global bonds with maturities of 10 and 5 years, respectively. The bank also issued a 10-year EUR benchmark. The average maturity of EUR-denominated bonds increased as bonds with longer maturities offered attractive positive yields, thus leading to strong investor demand. The bank's overall borrowing costs were favorable, measured in terms of the hedging margin against 6-month Euribor.

"Our international funding strategy and the associated cost advantages are a prerequisite for attractive promotional programs for agriculture and rural development," said Horst Reinhardt, Speaker of Rentenbank's Board of Managing Directors, responsible for treasury business.

In 2016, USD retained its dominant share of medium and long-term funding with 51% (2015: 50%). The share of EUR issuance increased to around 31% (2015: 22%). Bond issues under the Kangaroo program declined to 4% (2015: 17%), whereas sterling issuance doubled to 10% (2015: 5%).

Rentenbank issued debt securities with maturities of up to 364 days in seven 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 7.6 billion (2015: EUR 6.9 billion).

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Service: Landwirtschaftliche Rentenbank is Germany's development agency for agribusiness. Within the framework of its legal promotional mandate, Rentenbank provides low-interest loans for agriculture-related investments via other banks in line with its competition neutrality. The appropriation of profits is subject to the promotional mandate as well. The bank is a public law institution whose capital stock was formed by contributions paid by Germany's agricultural and forestry sector. The bank mainly raises funds in international capital markets and is Triple A rated by the three major rating agencies.

Forward-Looking Statements: This press release contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of Rentenbank's management and currently available information. Such statements include, in particular, statements about our plans, strategies and prospects. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", variations of such words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. Except as required by law, Rentenbank does not have any intention or obligation to update publicly any forward-looking statements after they are made, whether as a result of new information, future events or otherwise.