



rentenbank

Press release

January 18, 2010

Fiscal year 2009:

Rentenbank reported again extraordinary results

- Promotional lending volume and promotional benefit grow significantly -

During the second year of the financial market crisis, Rentenbank, Frankfurt am Main, continued to report an extraordinarily positive development in earnings with above-average growth rates. Against this background, Rentenbank continued to strongly expand its promotional activities in the fiscal year 2009. This was driven by the brisk new business in promotional loans for biogas and photovoltaic facilities and a strong demand for liquidity assistance loans launched jointly with the German federal government and the federal states. Based on preliminary calculations, the special promotional loan portfolio rose by 22.5 % to €19.6 billion. "Thus, we are making an important contribution to stable financing conditions in the agricultural and food industry during the economic crisis. Our business model, with its emphasis on sustainability, promotional activities and stability, has proven its value especially during the financial market crisis," said Dr. Marcus Dahmen, Spokesman of the Board of Managing Directors of Rentenbank, the promotional bank for the agribusiness. The bank used the amount of €82 million of its own income (2008: €75 million) to provide special promotional loans at particularly low interest rates. Since the net profit is also used for promotional purposes, the total promotional benefit amounted to €95 million (2008: €86 million) including the increase of Edmund Rehwinkel Foundation's capital, funded also from the bank's income. Despite the significant decrease in total assets and a cautious investment sentiment in the agricultural sector, promotional lending volume grew by 3.6 % to €65.8 billion (2008: €63.5 billion).

Growth driven by renewable energies

Rentenbank granted €5.4 billion in new special promotional loans in 2009 (2008: €4.0 billion). Promotional loans for renewable energies reached €1.6 billion (2008: €0.3 billion), five times as high as in the prior year. Approx. €1 billion of that amount was attributable to investments in photovoltaic facilities, while financing of biogas plants accounted for

around €450 million. "Thus, we provided financing for almost 70 % of the volume of investments in biogas plants in Germany, which the German Biogas Association estimates to reach €660 million in total," said Marcus Dahmen.

Strong demand for liquidity assistance loans

In the reporting period, there was also strong growth in demand for liquidity assistance loans and follow-up financings, which have been offered by Rentenbank since March within its Agribusiness economic aid program. They have been additionally subsidized by the German federal government and federal states using budget funds since July. A total of €730 million was granted by Rentenbank, thereof €680 million including an additional interest subsidy. Financings of farm buildings and machinery also grew at double-digit rates in 2009, reaching €550 million (2008: €457 million) and €179 million (2008: €112 million), respectively, while demand for loans for land purchases remained flat and the demand from federal state promotional banks for global loans decreased significantly.

Net interest income and operating result reach record levels

The credit margin trend on the financial markets enabled Rentenbank to achieve a considerable increase in net interest income and an extraordinarily high operating result. Net interest income as reported under the German Commercial Code (HGB) rose approx. 8 % to €423 million (2008: €392 million), based on preliminary figures. The operating result (HGB) before valuation adjustments and net of administrative expenses amounted to €347 million (2008: €350 million). "We will not be able to maintain our operating result at this extraordinarily high level in the years to come. We anticipate a normalization of the earnings trend in 2010," said Marcus Dahmen. The Board of Managing Directors intends to account for the economic crisis and the high volatility of results by recognizing appropriate reserves and risk provisions and expects net income under HGB to amount to €45.0 million in fiscal year 2009 (2008: €43.0 million). The Board plans to distribute €11.3 million of this amount (2008: €10.8 million) for promotional purposes.

Reduction in short-term loans and advances: total assets at €76 billion

The development of total assets (HGB) in fiscal year 2009 was influenced by the reduction in short-term loans and advances to banks and customers. According to preliminary calculations, total assets amounted to €76 billion (2008: €88 billion), of which €47 billion (2008: €53 billion) accounted for loans and advances to banks. The securities portfolio had a year-end volume of €28 billion (2008: €28 billion). According to prelimi-

nary figures, total capital as reported in the HGB balance sheet for fiscal year 2009 totaled €3.1 billion (2008: €3.0 billion), of which €1.1 billion (2008: €1.1 billion) are subordinated liabilities. Both the total capital ratio (2009: 23.8 %; 2008: 19.1 %), which is calculated pursuant to the German Solvency Regulation, and the core capital ratio (2009: 15.3 %; 2008: 12.3 %) continue to significantly exceed the regulatory requirements.

New issues: share of domestic investors increases

The amount of medium and long-term funds used for refinancing amounted to €59 billion as of December 31, 2009 (2008: €62 billion). Rentenbank raised medium and long-term funds in the amount of €10 billion (2008: €11 billion) on domestic and international markets. In contrast to the trend in recent years, the domestic business was the most important pillar of refinancing and accounted for a share of around 50 % (2008: 11 %). Accordingly, the share of Euro denominated issues increased to 65 % (2008: 20 %). As a result of the normalization of the market environment in the second half of the reporting year, the share of foreign currencies in new issues should be higher again in 2010.

Service:

Rentenbank is Germany's agency for agribusiness and rural development. As partner to an important growth sector with global responsibility, the bank promotes this sector with various programmes. The bank raises funds predominantly in international capital markets and is Triple A rated by the three major rating agencies. With total assets of €76 billion, Rentenbank is among the 20 largest German banks.

Internet: www.rentenbank.de

For further information and questions, please contact:

Dr. Karin Gress, phone: +49 69/2107-393, E-mail: gress@rentenbank.de

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.*