



rentenbank

Press release

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Rentenbank plans EUR 11 billion funding volume in 2023

Frankfurt. Landwirtschaftliche Rentenbank anticipates a funding volume of EUR 11 billion in 2023, to be raised on bond issues with terms of longer than two years.

Emphasis on benchmark bonds in euros and US dollars

Germany's development agency for agribusiness and rural areas plans to raise up to 50% of its medium-term and long-term funding volume by issuing benchmark bonds denominated in euros and US dollars. These strategic issues will be supplemented by other liquid issues and private placements in various currencies, especially in euros, US dollars, British pounds, and Australian dollars. A benchmark issue under the ICMA Green Bond Framework is also planned.

"The further expansion of renewable energy is an indispensable prerequisite for making energy supplies in Germany more sustainable and independent. And agribusiness in particular has a key role to play in this regard. The necessary increase in the investment needs of this sector is fuelling the growth of our sustainable promotional lending activities and enlarging the loan portfolio of our Green Bond Framework. Moreover, we are currently seeking to incorporate biogas plants into the Green Bond Framework, in addition to wind power and photovoltaic plants. These two factors together can be expected to increase our potential for additional green bonds in 2023 and enable us to broaden our investor base further", said Rentenbank Chairwoman Nikola Steinbock.

Euro the most important issue currency in 2022

Rentenbank has raised approximately EUR 11.8 billion in the capital markets so far in 2022. This included Rentenbank's largest euro benchmark bond to date, with a volume of EUR 2 billion. The order book for the 5-year bond reached a record level of approximately EUR 8 billion. Rentenbank also issued a 10-year euro benchmark bond in the form of a

green bond and a US dollar benchmark issue with a term of 5 years. The average term of the bank's issues increased to 7.0 years (2021: 6.5 years).

Rentenbank raised funds in seven currencies. While the percentage of euro issues rose to 65% (2021: 62%), the percentage of US dollar issues fell to 19% (2021: 25%). At 6%, the percentage of issues denominated in British pounds was slightly higher than in the previous year (2021: 4%).

ECP Programme dominated by US dollar issues

Under its Euro Commercial Paper Programme (ECP Programme), Rentenbank issued bonds with terms of up to 364 days in seven different currencies. The most important issue currency in the ECP Programme was still the US dollar, with a share of 75%. The average utilisation of the ECP Programme was EUR 13.3 billion (2021: EUR 11.1 billion).

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Background:

Landwirtschaftliche Rentenbank is Germany's development agency for agribusiness and rural areas. Its promotional mandate covers not only agriculture and forestry, but also the entire food value chain, the increased use of energy from renewable sources, and the promotion of bio-economy solutions. Rentenbank attaches particular importance to the promotion of innovation, including research and development in universities, the early-stage financing of agriculture-related start-ups, and the market introduction and practical use of new technologies and products. Rentenbank's promotional instruments are subsidies, subordinated loans, and special promotional loans. The special promotional loans are granted via the local banks of the ultimate borrowers on a competitively neutral basis. Rentenbank provides funding to banks, savings banks, and local authorities operating in rural areas. The Bank is a federal institution under public law whose capital stock was formed by contributions from the German agriculture and forestry sectors. It is subject to the German Banking Act (KWG) and is regulated by the Federal Financial Supervisory Authority (BaFin) and the Bundesbank. As one of the few triple-A rated institutions in Germany, Rentenbank raises funds in the capital markets.

This press release contains certain forward-looking statements that are based on current expectations, estimates, forecasts and projections of the Management Board and on the information currently available to it. These statements include, in particular, statements about our plans, strategies and prospects. Such forward-looking statements are identified by words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates' and similar expressions. These statements are not to be understood as guarantees of future performance; instead, they are dependent on factors that involve risks and uncertainties and are based on assumptions that may prove to be incorrect. Unless required by law, we assume no obligation to update forward-looking statements after the publication of the present press release.