

Press release

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Rentenbank plans to raise up to EUR 11 billion in 2015

Landwirtschaftliche Rentenbank, based in Frankfurt/Main, expects its total funding volume with maturities of more than two years to reach up to EUR 11 billion in 2015, in line with the volume raised in 2014. "As we expect demand for our low-interest promotional loans to remain buoyant, our total volume of bond issuance is likely to be unchanged year on year. Thus, we are ensuring stable funding conditions throughout the agricultural sector, which is one of the most capital-intensive industries in Germany," commented Horst Reinhardt, Speaker of Rentenbank's Board of Managing Directors.

The promotional bank plans to raise around 40 percent of the total volume by issuing medium and long-term benchmark bonds with a minimum volume of EUR 1 billion or USD 1 billion each. The issuance of bonds denominated in Australian dollars (AUD) is once again expected to play a key role in Rentenbank's funding strategy. Strategic bond issues will be supplemented by other liquid issues and private placements in various currencies.

Rentenbank has raised around EUR 10.9 billion in the capital markets so far this year to finance its promotional business. Its funding costs have remained largely unchanged year on year. The cost of issuing foreign-currency bonds on a hedged basis has declined over the course of the year. "By consistently pursuing our international funding strategy, we are ideally placed to enhance the appeal of our financing programs for the agricultural sector and rural areas," explained Reinhardt.

Medium and long-term bonds issued in USD accounted for 41 percent of the total funding volume in 2014, which represented a substantial year-on-year increase (2013: 28 percent). By contrast, the proportion of euro-denominated bond issuance fell from 34 percent in 2013 to around 28 percent. Demand for bonds issued under Rentenbank's "Kangaroo" program remained high at AUD 2.2 billion in 2014 (2013: AUD 2.85 billion). This constituted 14 percent of total funding



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(2013: 21 percent, with a further 3 percent raised under the Australian Dollar Euro Medium Term Note [AUD-EMTN] program). Seven currencies accounted for the remaining 17 percent (2013: 14 percent) of the total funding volume.

Rentenbank has issued debt securities with maturities of up to 364 days in various currencies under its Euro Commercial Paper program. Average utilization of this program has been EUR 6.3 billion (2013: EUR 6.5 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.