



rentenbank

Press release

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Rentenbank launches its first benchmark Green Bond to record demand

Frankfurt. Rentenbank has successfully placed its first publicly listed Green Bond. With a maturity of 7 years, the benchmark bond's issuance volume was set at EUR 1.75 billion. The demand was just under EUR 4 billion. 'The record demand for a Rentenbank bond shows how buoyant this market segment currently is,' said Horst Reinhardt, Chairman of the Management Board at Rentenbank, Germany's development agency for agribusiness and rural areas. Investors for whom sustainability goals are an explicit mainstay of their investment strategy benefitted from an increased allocation quota.

Rentenbank's Green Bond Framework is consistent with the ICMA Green Bond Principles (International Capital Market Association). The Framework is backed by a loan portfolio which currently comprises more than 2,000 wind power and around 21,500 photovoltaic projects. It is mostly agricultural companies which make these investments. Rentenbank is providing these loans out of its Rural Energy programme. An independent 'second opinion' was obtained from CICERO Shades of Green. CICERO has ranked Rentenbank's Green Bond Framework 'dark green', its best ranking possible.

'In Germany, the expansion of renewable energy is primarily taking place in rural areas where our Green Bonds support wind and photovoltaic plants. In 2019 alone, we achieved a saving in CO₂ of almost 5 million tonnes through the investments we made within the loan portfolio of our Green Bond Framework,' added Reinhardt. This was calculated by the Center for Solar Energy and Hydrogen Research (*Zentrum für Sonnenenergie- und Wasserstoff-Forschung Baden-Württemberg ZSW*).

Federal Minister for Food and Agriculture and deputy Chairwoman on Rentenbank's Supervisory Board, Julia Klöckner, welcomed Rentenbank's commitment to sustainable bonds: 'Agriculture and rural areas make a substantial contribution to reducing emissions. Investment in renewable

energy is another building block along the way to reconciling sustainability with secure incomes whilst at the same time increasing the creation of economic value in rural areas. Rentenbank Green Bonds are making an important contribution to this and support the federal government's climate policy.'

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Background information:

Landwirtschaftliche Rentenbank is Germany's development agency for agribusiness and rural areas. Under its statutory promotional mandate, Rentenbank provides loans at favourable interest rates for agriculture-related investments via other banks on a competitively neutral basis. Rentenbank provides funding for banks, savings banks and local authorities operating in rural areas. The appropriation of profits is also subject to the promotional mandate. The Bank is a federal public law institution whose capital stock was formed by contributions paid by the German agricultural 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. The Bank is one of the few triple-A rated institutions in Germany and raises funds primarily in the financial markets. Rentenbank does not receive any funds from the federal government budget but generates its own funds to keep fulfilling its statutory promotional mandate and its operations running.