



rentenbank

Press release

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Rentenbank funding plans for 2022 amount to EUR 11 billion

Frankfurt. For 2022, Landwirtschaftliche Rentenbank expects its funding volume with maturities of more than two years to be around EUR 11 billion.

The focus will be on benchmark bonds denominated in euros and US dollars

Germany's development agency for agribusiness and rural areas intends to raise up to 50% of its medium-term and long-term funding through benchmark bonds denominated in euros and US dollars. These strategic issuances are to be supplemented by further liquid issuances and private placements in various currencies, specifically euros, US dollars, pound sterling and Australian dollars.

"The transition to a climate-neutral economy and rising social requirements are creating an enormous need for investment within the agricultural sector. We therefore consider it likely that Rentenbank will be involved in further federal programs focusing on the transformation of the agricultural sector in the coming years. Our planning takes into account the potential increase in the level of required funding that this will entail," says Nikola Steinbock, designated Chairwoman of the Management Board at Rentenbank as of January 1, 2022. "With regard to the financial instruments that will be used to raise funds, our primary objective in 2022 will once again be to increase the volume of green bond issuance."

Euro most important issuance currency in 2021

In the year to date, Rentenbank has raised around EUR 10.7 billion in the capital markets. The funding activities included two issues of euro benchmark bonds with maturities of five and ten years. The five-year euro benchmark bond, which was issued as a green bond, contributed to the further expansion of the green bond curve. The average maturity of the issuances was 6.5 years (2020: 7.3 years).

Rentenbank raised funding in seven currencies. Issuances denominated in US dollars accounted for 25% of the total volume (2020: 47%) while the proportion of placements denominated in euros increased to 62% (2020: 42%). The proportion of issuances in pound sterling remained almost unchanged at 4% (2020: 5%).

US dollar dominant in the ECP Programme

Rentenbank issued notes with maturities of up to 364 days in six different currencies under its Euro Commercial Paper Programme (ECP Programme). The US dollar remained the most important issuance currency in the programme with a share of 71%. The average ECP Programme utilization was EUR 10.8 billion (2020: EUR 7.3 billion).

Website: www.rentenbank.de

Press contact:

Christian Pohl, tel: +49 69 2107 376 fax: +49 69 2107 6447

E-Mail: pohl@rentenbank.de

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 for 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 capital markets.

This press release contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of the Management Board and information currently available to it. These statements include, in particular, statements about our plans, business strategies and prospects. Words such as 'expects', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates' and similar expressions are intended to identify such forward-looking statements. These statements are not to be understood as guarantees of future performance, but rather as being dependent on factors that involve risks and uncertainties and are based on assumptions that may prove to be incorrect. Unless required by law, we shall not be obliged to update forward-looking statements after their publication.