



rentenbank

Press release

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More than 1,000 Kauri trees planted for Rentenbank's New Zealand bonds

Landwirtschaftliche Rentenbank, based in Frankfurt am Main, also raises funds in New Zealand's domestic capital market. This so-called Kauri market is named after the largest native tree in New Zealand. Ten years ago, Germany's development agency for agribusiness and rural areas issued its first Kauri bond of 275 million New Zealand dollars (NZD). This equals roughly EUR 170 million at the current exchange rate. Since its Kauri debut, Rentenbank has become a regular issuer in the NZD market. With almost NZD 4 billion (equivalent to roughly EUR 2.49 billion) Rentenbank is one of the most important issuers.

Kauri trees, which are protected and play an important role in Māori mythology, are not just the market's namesakes. They also benefit from the Kauri market via a program launched by the Bank of New Zealand (BNZ). Together with the Kauri 2000 Trust, a non-profit NGO, BNZ plants 100 Kauri trees on the Coromandel Peninsula for each transaction arranged. To date, 11 of Rentenbank's Kauri transactions have been led by BNZ, creating a small forest of 1,100 young Kauri trees over the course of the past ten years.

"We permanently strive to broaden and diversify our investor base in the international capital markets. Raising funds at favorable rates is a prerequisite for effectively fulfilling our statutory promotional mandate. We are, of course, very pleased that our funding activities also contribute to a nature conservation project on the other side of the world," said Horst Reinhardt, Speaker of Rentenbank's Board of Managing Directors.

A decision by the Reserve Bank of New Zealand (RBNZ) served as an initial catalyst for the birth of the Kauri market for foreign issuers. Due to its low public debt, New Zealand kept scaling back

government bond issuance, which led to a severe lack of liquidity. In response, the RBNZ decided to add Rentenbank's bonds, among others, to the local repo-eligibility list in 2007. Due to its status as a public law institution benefitting from the explicit guarantee of the Federal Republic of Germany for its obligations, Rentenbank is triple-A rated by the three major rating agencies.

Internet: www.rentenbank.de

Contact:

*Dr. Christof Altmann, phone: + 49 69 2107 393,
fax: +49 69 2107 6447, e-mail: altmann@rentenbank.de*

Service:

Landwirtschaftliche Rentenbank is Germany's development agency for agribusiness. Under its statutory promotional mandate, Rentenbank provides low-interest loans for agriculture-related investments via other banks on a competitively neutral basis. The appropriation of profits is also subject to the promotional mandate. The bank is a public law institution whose capital stock was formed by contributions paid by the German agricultural and forestry sectors. The bank is one of the few triple-A rated institutions in Germany and raises funds primarily in the international capital markets.