

Press release

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Rentenbank expects 2019 funding volume of up to EUR 11 billion

Frankfurt. Landwirtschaftliche Rentenbank expects a total issuance of up to EUR 11 billion with maturities of more than two years in 2019. Germany's development agency for agribusiness and rural areas plans to raise up to 40 % of its medium and long-term funding via benchmark bonds, with a minimum volume of EUR 1 billion or USD 1 billion each. The funding program will be complemented by other liquid issues and private placements in various currencies, especially in euros, US dollars, pound sterling, and Australian dollars.

In the year to date, Rentenbank has raised around EUR 11.2 billion in the capital markets, including two EUR benchmarks with maturities of 5 and 7 years, respectively. The bank also issued a 5-year USD global bond. The average maturity of the issues decreased to 6.2 years (2017: 8.4 years). The bank's overall borrowing costs remained favorable, measured in terms of margin against 6-month Euribor.

"Due to the phasing out of the ECB's asset purchase program in 2019, medium and long-term refinancing costs for euro bonds are expected to rise. This may affect the composition of our funding mix", said Horst Reinhardt, Spokesman of Rentenbank's Board of Managing Directors, responsible for treasury business.

Rentenbank raised funding in eight different currencies. While the share of EUR-denominated issues declined marginally to 54 % (2017: 57 %), the share of USD increased, accounting for 25 % of medium and long-term funding (2017: 19 %). Sterling issuance saw a slight increase to 9 % (2017: 7 %). Bond issues under the Kangaroo program decreased to 5 % (2017: 10 %).

Under the EMTN program, Rentenbank raised additional funds of approximately EUR 2.0 billion with maturities of less than two years. In this context, a USD bond with a volume of USD 2.0 billion and a maturity of almost two years was of particular interest to investors.

Under its Euro Commercial Paper (ECP) program, Rentenbank issued debt securities with maturities of up to 364 days in eight different currencies. With a share of 91 %, USD remained the program's largest source of funding. As in the previous year, the average utilization of the ECP program amounted to EUR 7.8 billion.

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Landwirtschaftliche Rentenbank is Germany's development agency for agribusiness and rural areas. Under its statutory promotional mandate, the bank extends low-interest loans for agriculture-related investments via local banks on a competitively neutral basis. Rentenbank provides funding for banks, savings banks, and local authorities related to rural areas. 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 in the capital markets.

This press release contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of the Board of Managing Directors and information currently available to it. These statements include, in particular, statements about our plans, 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 obligated to update forward-looking statements after their publication.