

Press release

December 18, 2015

Rentenbank plans to raise up to EUR 12 billion in 2016

Landwirtschaftliche Rentenbank, based in Frankfurt/Main, expects its total volume of funding with maturities of more than two years to reach up to EUR 12 billion in 2016. This is roughly in line with the volume raised this year.

Germany's development agency for agribusiness plans to raise around 40 % of its total volume by issuing medium and long-term benchmark bonds with a minimum volume of EUR 1 billion or USD 1 billion each. Strategic bond issues are to be supplemented by other liquid issues and private placements in various currencies, especially in EUR, USD (US dollars) and AUD (Australian dollars).

In the year to date, Rentenbank has raised around EUR 13.0 billion in the capital markets. Two USD-denominated global bonds, both with ten-year maturity, and one EUR-denominated seven-year benchmark bond helped to ensure that loans granted by Rentenbank were funded with matching maturities. Overall, funds were raised at historically low cost – measured in terms of the hedging margin against six-month-Euribor.

"The conditions for issues in euro were challenging, but we were able to issue fully hedged foreign-currency bonds in all maturities at very favorable cost. Our promotional programs for agriculture and rural areas therefore remain extremely attractive," said Horst Reinhardt, Speaker of the Board of Managing Directors of Rentenbank, responsible for capital markets business.

The medium and long-term bond issues were denominated in eight different currencies. In 2015, the share issued in USD was up significantly on the previous year, rising to 50 % (2014: 41 %). By contrast, the share of EUR-denominated issues decreased to 22 % (2014: 28 %). Bonds issued under the Kangaroo program reached a record high of around AUD 3.1 billion (2014: AUD 2.2 billion), which equates to a share of 17 % (2014: 14 %). Issues

denominated in New Zealand dollars and pound sterling each accounted for 5 % in 2015, while 1 % of the total volume was attributable to three further currencies.

Rentenbank issued debt securities with maturities of up to 364 days in seven currencies under its Euro Commercial Paper (ECP) program. The issuance volume was EUR 38 billion (2014: EUR 47 billion), 84 % of which was in USD. By contrast, the euro played virtually no part due to negative yields. The average ECP program utilization was EUR 7.1 billion (2014: EUR 6.3 billion).

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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.