



Press Release

Number 4 on 11 May 2021

Page 1 of 3

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First 30-year Green Federal bond successfully placed Issuance volume amounts to 6 billion euro

The Federal Republic of Germany has issued a 30-year Green Federal bond for the first time today. Hence, it continues its strategy started in 2020 to give investors worldwide access to green benchmark bonds. Germany has set itself ambitious national and international climate targets and aims to be climate neutral before 2050. Green Federal securities are part of the federal government's sustainable finance strategy.

The 30-year Green Federal bond has the same commercial characteristics as the conventional twin bond issued in 2019:

	Green Federal bond	Conventional Federal bond
Issuance date	11 May 2021	21 August 2019
ISIN	DE0001030724	DE0001102481
Maturity segment	30 years	
Coupon	0.00 percent	
Interest payment	Annually on 15 August	
Maturity date	15 August 2050	

The placement of the 30-year Green Federal bond was carried out in a syndication process involving a banking syndicate led by BNP Paribas, BofA Securities, Citi, Commerzbank, DZ BANK and HSBC.

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MEMBERS OF THE EXECUTIVE BOARD Dr. Tammo Diemer and Dr. Jutta A. Dönges REGISTERED OFFICE Frankfurt/M.

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Number 4 on 11 May 2021
Page 2 of 3

Like the Green Federal securities issued last year, the bond placed today was in very high demand from both national and international investors. The order book included orders of over 38.9 billion euros. The issuance volume was set to 6.0 billion euros. This includes a retained volume of 0.5 billion euros. At the same time, the conventional twin bond was increased by 6.0 billion euros into the federal government's own holdings. The yield of the Green Federal bond was set with a spread of 0.02 percentage points below the yield of the conventional twin within the syndicate process.

The twin bond concept transfers Germany's established market approach to the green segment. As a result, a green yield curve with a broad maturity spectrum for different investor needs is established. In addition, the close connection to the conventional twin bond creates maximum price transparency; the value of the green element of the bond (also called "Greenium") becomes measurable.

"We are in the process of building a green yield curve comparable to our established Bund curve. With the new 30-year Green Federal bond we are now offering the longest-dated green bond of a sovereign issuer in the euro capital market and are already completing the long end of the curve - just a few months after entering the green segment - with a maturity in 2050," says Tammo Diemer, member of the Finance Agency's Executive Board. Last September, the Federal Republic of Germany issued the first Green Federal security, a 10-year Green Federal bond, followed by a 5-year Green Federal note in November. Further maturities of the green Bund curve are to follow successively. "Today's demand for this long-term maturity is very impressive in its extent and diversity. This renewed high interest confirms our innovative twin concept. We are very motivated to continue with this concept and thus further contribute to the development of the sustainable financial market."

The proceeds from Green Federal bonds are not allocated to future expenditures, but rather green expenditures already made are selected from the five sectors (1) transport, (2) international cooperation, (3) research, innovation and awareness raising, (4) energy and industry, (5) agriculture, forestry, natural landscapes and biodiversity, taking into account established international market standards, and are allocated to the issuance proceeds. This creates the greatest possible transparency and reliability in the allocation of expenditure.

Expenditures are recorded in an annual allocation report. On 20 April 2021 this report was published by the German government for the first time for the Green Federal securities issued in 2020, and verified by the audit firm Deloitte.



Number 4 on 11 May 2021
Page 3 of 3

In future and following the Green Bond Framework, the German government will also report on the impact of the green expenditures on the environment and climate. This impact report for the 2019 expenditures presented in the allocation report for 2020 is expected to be published for the first time in mid-2022.

THE PROCEEDS FROM THE ISSUANCE OF GREEN GERMAN FEDERAL SECURITIES SERVE TO REFINANCE EXPENDITURES OF THE FEDERAL BUDGET. THE FEDERAL REPUBLIC OF GERMANY SPENT AN AMOUNT EQUAL TO THE PROCEEDS DERIVED FROM THE ISSUE OF THE GREEN FEDERAL BOND FOR EXPENDITURES THAT COMPLY, ON THE DATE OF THE ISSUE OF THE GREEN FEDERAL BOND, WITH THE REQUIREMENTS STIPULATED BY THE FEDERAL REPUBLIC OF GERMANY IN ITS GREEN BOND FRAMEWORK DATED 24 AUGUST 2020.

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