

»»» KfW USD Green Bond

10yr USD 2bn 0.750% due September 2030

19th August 2020

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KfW successfully launches its first USD Green Bond in 2020

Tim Armbruster (Senior Vice President, Treasurer at KfW) comments:

“Our new USD bond reiterates our strategic approach to the Green Bond market – investors appreciate the liquidity in our green bonds, not only in EUR but also in USD. This is reinforced by the more than three times oversubscribed orderbook of the USD “Green Bond – Made by KfW”, which was especially well received by green asset managers. ”

Joint Lead Managers:



Transaction Highlights

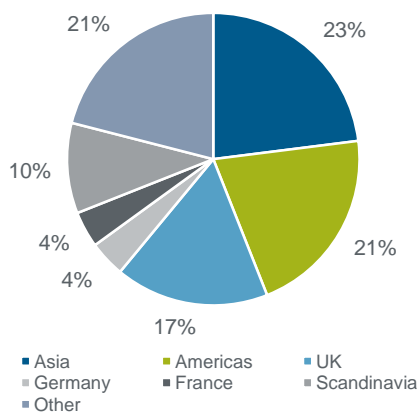
- On the back of supportive market conditions, especially at the longer end of the USD curve after the sell-off in rates – KfW issued a new USD 2bn 10yr Green bond benchmark on Tuesday 18th August 2020.
- With this transaction, KfW has now raised EUR 5.2bn equivalent in Green bonds so far this year in 6 currencies.
- With a final orderbook in excess of USD 6.7bn, it represents the largest orderbook ever for a KfW USD green bond as well as the largest orderbook for a 10yr USD SSA so far this year.
- The very high level of oversubscription allowed KfW to tighten the the pricing by 3bps from the “Initial Pricing Thoughts” and price without any new issue concession.
- The final spread of MS+16bps equated to a pick-up of 14.75 bps over Treasury which is the tightest level year-to-date in the “SSA” segment.
- The demand was well diversified across regions and investor type, including a significant support from ESG investors, representing 65% of the final allocation.

75% raised ytd out of EUR 65bn

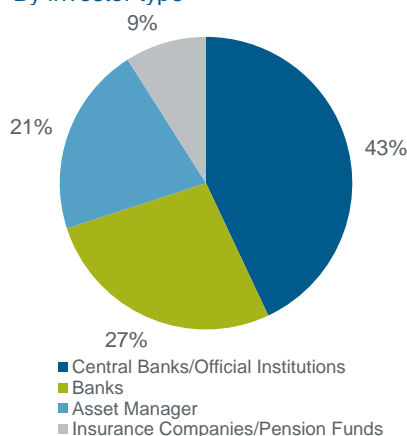
KfW expects its volume of long-term funding to be raised in the capital markets in 2020 to be approximately EUR 65 billion.

Distribution Statistics

By geography



By investor type



128 individual investors

Strong and diversified orderbook with an impressive share of 65% green investors.

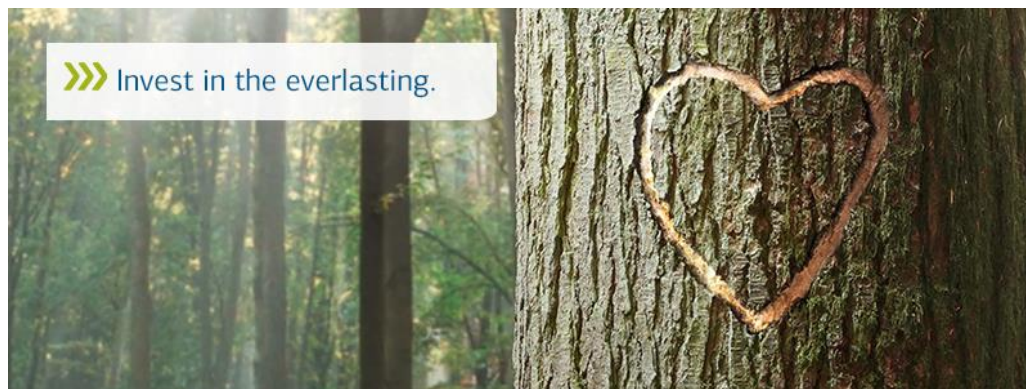


Photo: gettyimages / Piotr Krzeslak, Cultura

Transaction Summary

ISIN	US500769JG03
Issuer	KfW
Guarantor	Federal Republic of Germany
Rating	Aaa / stable (Moody's) AAA / stable (Scope Ratings) AAA / stable (Standard & Poor's)
Notional Amount	USD 2 billion
Pricing Date	18 th August 2020
Maturity Date	30 th September 2030
Coupon	0.75 % s.a.
Reoffer Price / Yield	99.477% / 0.804%
Reoffer Spread	MS+16bps
Benchmark Spread	UST+14.75
Format	Global / SEC registered
Listing	Luxembourg
Joint Lead Managers	BofA Securities, BNP Paribas, Citi

Execution Process

- On Monday 17th August at 12.50pm London time, the mandate for a min USD 1bn Green Bond due in 2030 was announced to the market, taking Indications of interest (IOIs) at IPT of MS+19bps area.
- Indications built rapidly and the orderbook opened with initial spread guidance of MS+18bps area on Tuesday the 18th of August at 8am London time, having collected IOIs in excess of USD 4.2bn (inc. USD 200m JLM interest).
- On the back of further progress out of Asia and Europe, the book was in excess of USD 5.7bn (inc. USD 300m JLM interest) at 9.45am London when the terms of the transaction were set with a spread of MS+16bps and a size of USD 2bn.
- EMEA and APAC books went subject at 10.30am London and Global books were closed at 8.00am New York time. The deal was launched shortly thereafter with final books in excess of USD 6.7bn.
- The swift bookbuilding process is once again a testament to the quality of KfW's Green Bond programme and the ongoing support from high quality Green/SRI investors.
- The USD 2bn Green Bond was priced at 5.38pm London time at MS+16bps, offering a coupon of 0.750% and a yield of 0.804%, equivalent to a cash price of 99.477 and a spread of 14.75bps over the UST 0.625% 15th August 2030.