

# »»» KfW USD Green Bond I/2021

## 5yr USD 3bn 1.000% due Oct 2026

14<sup>th</sup> October 2021

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Joint Lead Managers:

### KfW issues largest-ever USD green bond.



**Tim Armbruster (Senior Vice President, KfW Treasurer) comments:** "With this landmark among USD green bonds, we have reached a green financing volume of EUR 15 billion in 2021 - a new milestone for KfW green bonds. We are flattered by the great interest and trust of investors which is reflected in the largest order book for a USD green SSA bond."

#### Transaction Highlights

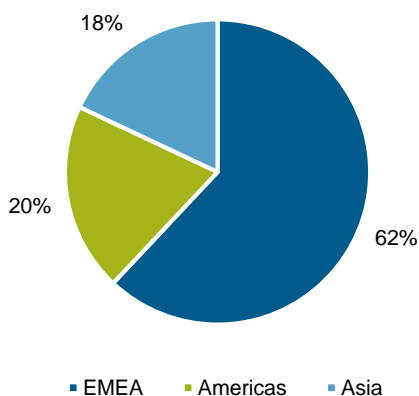
- On Wednesday, 13<sup>th</sup> October 2021, KfW, rated Aaa/AAA/AAA (all stable; Moody's/Scope/S&P) and guaranteed by the Federal Republic of Germany, successfully issued a new 5-year USD-denominated Green Bond, its first ever in this maturity.
- This was the first KfW USD fixed rate benchmark to be marketed and priced vs SOFR mid-swaps.
- Final orders reached more than USD 11bn (excl JLM interest), which represents the largest-ever orderbook for a SSA USD Green bond.
- The final deal size was set at USD 3bn (no-grow) from the outset, and makes this **the largest ever USD green bond**, across all sectors, whilst taking the total green funding volume from KfW to EUR 15bn (equiv.) for 2021, **setting a new record for KfW**.
- Strong high-quality and price-insensitive demand allowed the issuer to tighten pricing by 2bps from IPTs, allowing KfW to print the tightest 5yr USD vs. Treasuries this year.
- Landing at SOFR MS+19bps, this deal priced flat to fair value, whilst a conventional KfW USD 5-year bond would currently require a ~2bp new issue concession.

#### 96% raised ytd out of EUR 75-80bn

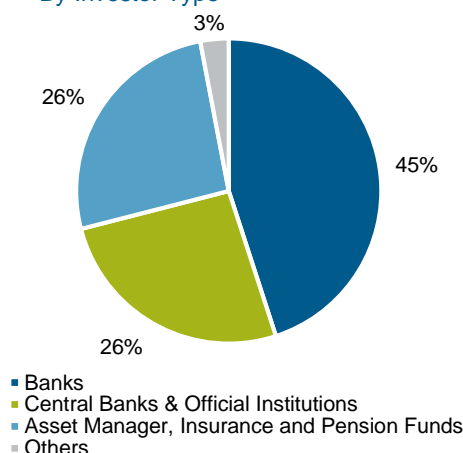
KfW expects its volume of long-term funding to be raised in the capital markets in 2021 to be approximately EUR 75-80 billion.

#### Distribution Statistics

By Geography



By Investor Type



#### More than 120 individual investors

High-quality order book dominated by EMEA accounts.

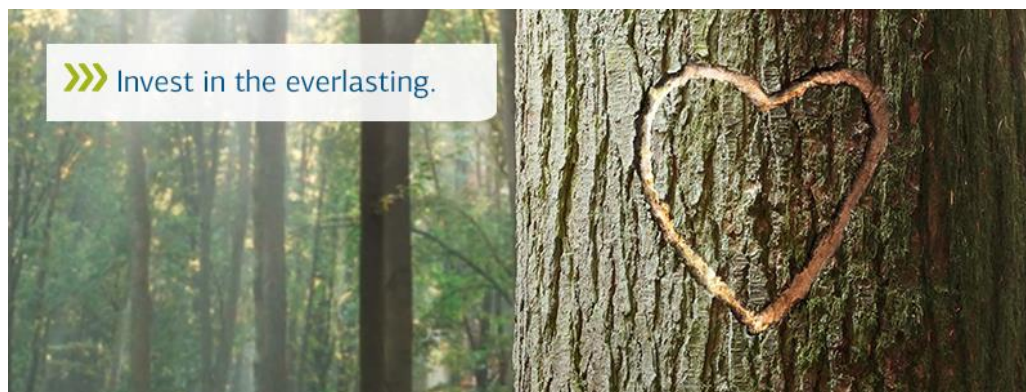


Photo: gettyimages / Piotr Krzeslak, Cultura

## Transaction Summary

<b>ISIN</b>	US500769JQ84
<b>Issuer</b>	KfW
<b>Guarantor</b>	Federal Republic of Germany
<b>Rating</b>	Aaa / stable (Moody's) AAA / stable (Scope Ratings) AAA / stable (Standard & Poor's)
<b>Notional Amount</b>	USD 3 billion
<b>Pricing Date</b>	13 October 2021
<b>Maturity Date</b>	01 October 2026
<b>Coupon</b>	1.000% s.a.
<b>Reoffer Price / Yield</b>	99.458% / 1.113% s.a.
<b>Swap Spread</b>	SOFR mid-swaps + 19bps
<b>Benchmark Spread</b>	UST 0.875% 09/2026 + 5.25bps
<b>Format</b>	SEC-registered global notes
<b>Listing</b>	Luxembourg Stock Exchange (Regulated Market)
<b>Clearing</b>	DTC (deliverable through Clearstream and Euroclear)
<b>Joint Lead Managers</b>	BofA Securities, HSBC Continental Europe and TD Securities

## Execution Process

- The deal was announced in the afternoon of Tuesday 12<sup>th</sup> October at 12:00 CET, with deal size set at USD 3bn (no-grow) and IPTs of SOFR MS+21bps area. The deal achieved great momentum from the outset, with IOIs in excess of USD6.4bn (excluding JLM) by 9:00 CET the following morning.
- Books were officially opened at ~09:00 CET on Wednesday 13<sup>th</sup> October, at which point spread guidance was revised 1bp tighter to SOFR MS+20bps area.
- The book continued to grow rapidly with orders surpassing USD 10bn by ~11:20 CET, allowing the spread to be set at SOFR MS+19bps.
- Global books closed at 14:30 CET, with final book size in excess of USD 11bn (excl JLM interest), a new record orderbook for a SSA USD green bond deal.
- At 17:05 CET, the USD 3bn green bond transaction was priced at MS SOFR+19bps, with a coupon of 1.000% and a reoffer price of 99.458%, giving a yield of 1.113% and a spread of 5.25bps over the UST 0.875% 09/2026.