

# »» KfW inaugural €STR-linked FRN EUR 1bn 3yr FRN due Nov 2022

13<sup>th</sup> November 2019

Investor Relations: [investor.relations@kfw.de](mailto:investor.relations@kfw.de) • [www.kfw.de/investor-relations](http://www.kfw.de/investor-relations)

## KfW successfully launches its inaugural floating rate note linked to the Euro Short-Term Rate (€STR).

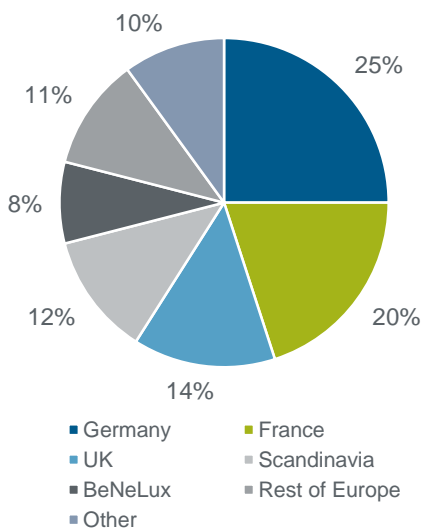
**Petra Wehlert (Head of Capital Markets) comments:** “The transition to €STR is an important step forward for capital markets. Being a large issuer of EUR-denominated bonds we would like to contribute to a growing acceptance of this product with this new issue. We see an increasing number of investors getting prepared for the new product.”

### Transaction Highlights

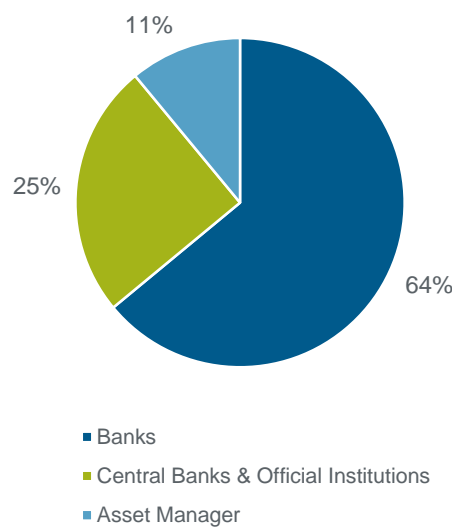
- On Wednesday 13<sup>th</sup> November 2019, KfW, rated Aaa/AAA/AAA (Moody’s/Scope/S&P; all stable) and guaranteed by the Federal Republic of Germany, successfully issued its inaugural 3-year floating rate note, linked to the Euro Short-Term Rate (€STR).
- Final orders in excess of EUR 1.1bn (excluding JLM orders) allowed the issuer to price at €STR+10bps, offering a small new issue concession versus its secondary fixed rate curve.
- The EUR 1bn transaction is due on 21<sup>st</sup> November 2022 and pays a coupon of €STR+200bps, daily compounding with 5 day observation lag.
- The demand was primarily driven by bank treasuries, followed by central banks.
- €STR is the recommended new risk-free benchmark rate in Euros, being published daily by the European Central Bank since October 2<sup>nd</sup>.

### Distribution Statistics

#### By geography



#### By investor type



Joint Lead Managers:



### 99% raised ytd out of EUR 80bn

KfW expects its volume of long-term funding to be raised in the capital markets in 2019 to be approximately EUR 80 billion.

### 25 individual investors

Very well diversified order book primarily driven by bank accounts.



Photo: Freunde des Hauses / Getty Images

## Transaction Summary

<b>ISIN</b>	DE000A254PH6
<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>	EUR 1 billion
<b>Pricing Date</b>	13 November 2019
<b>Maturity Date</b>	21 November 2022
<b>Coupon</b>	+200bps, daily compounded €STR, 5d observation lag, quarterly, floor at 0%
<b>Discount margin</b>	compounded €STR plus 10bps
<b>Reoffer Price</b>	105.829%
<b>Format</b>	EMTN programme
<b>Listing</b>	Frankfurt
<b>Clearing</b>	CBF (CBL, Euroclear)
<b>Joint Lead Managers</b>	Crédit Agricole CIB, Deutsche Bank, UniCredit

## Execution Process

- The deal was announced in the afternoon of Tuesday 12<sup>th</sup> November at 14:25 CET.
- Following a stable market opening on Wednesday morning, the books opened with initial spread guidance of €STR+10bps area at 9am CET.
- Strong investor demand continued to support the bookbuilding as orders reached in excess of EUR 1bn (excluding JLM orders) by 11:22am CET after which the spread was set to €STR +10bps. The books finally closed at 12pm CET in excess of EUR 1.1bn (excluding JLM orders).
- The deal was priced at 13:31pm CET at €STR+10bps, with a coupon of 200bps over the compounded daily €STR and a reoffer price of 105.829%.