

# »» KfW at a glance

Structure and Mission of KfW

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**KFW**

## »» Agenda

1

KfW – An Introduction

2

KfW Domestic Promotion

3

KfW International Business



# »» KfW – An Introduction

## »» 68 years of KfW

Financing with a public mission

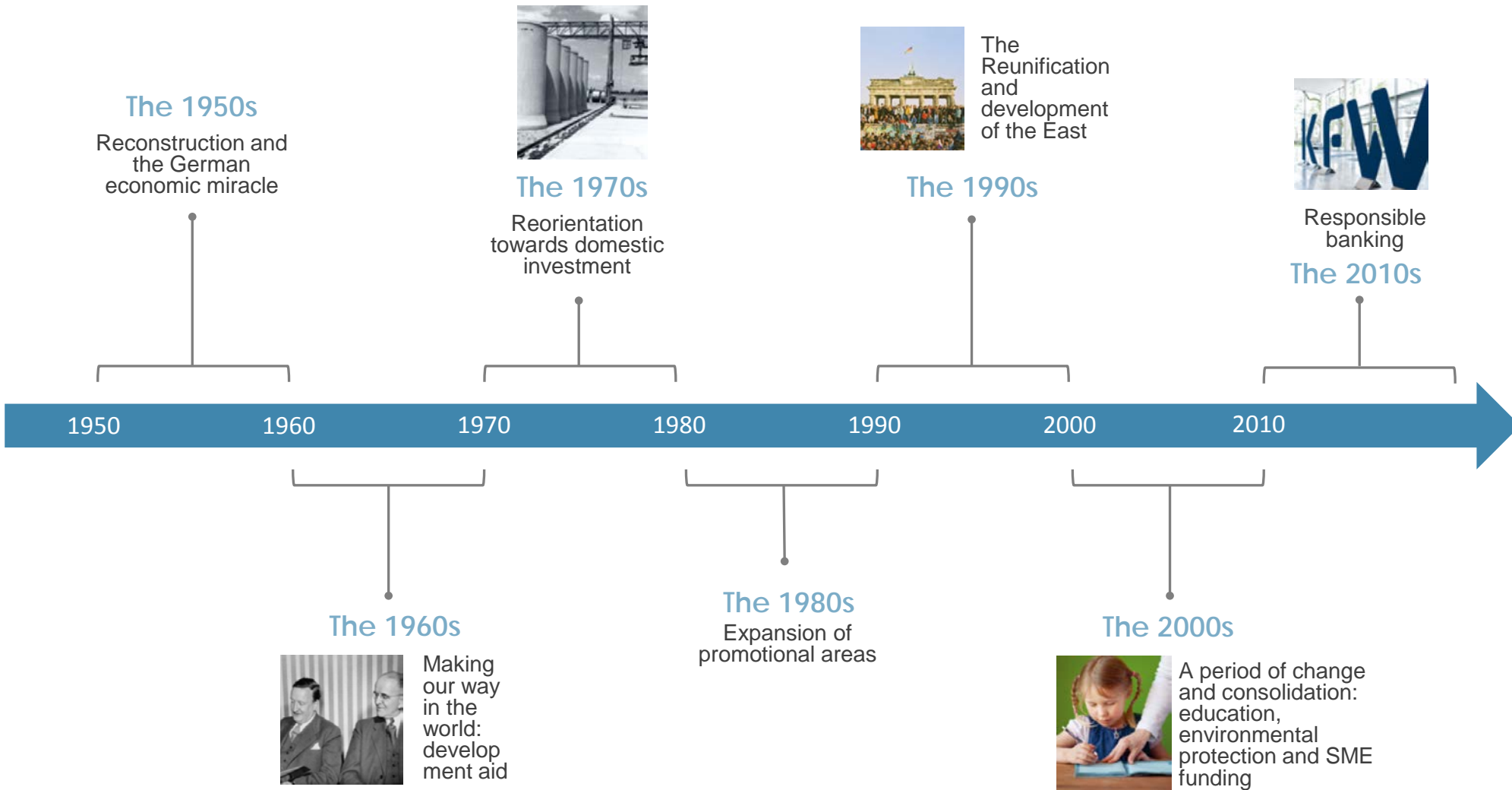


- › Promotional bank of the Federal Republic of Germany
- › Established in 1948 as Kreditanstalt für Wiederaufbau
- › Shareholders: 80% Federal Republic, 20% federal states
- › Headquarters: Frankfurt am Main  
Branches: Berlin, Bonn and Cologne
- › Representative offices: 80 offices and representations worldwide
- › Balance sheet total 2014: EUR 489.1 billion
- › Financing volume 2014: EUR 74.1 billion
- › 5,518 employees (2015) <sup>1</sup>
- › Best long-term rating: AAA/Aaa/AAA

<sup>1)</sup> The average number of employees including temporary staff but without members of the Executive Board and trainees

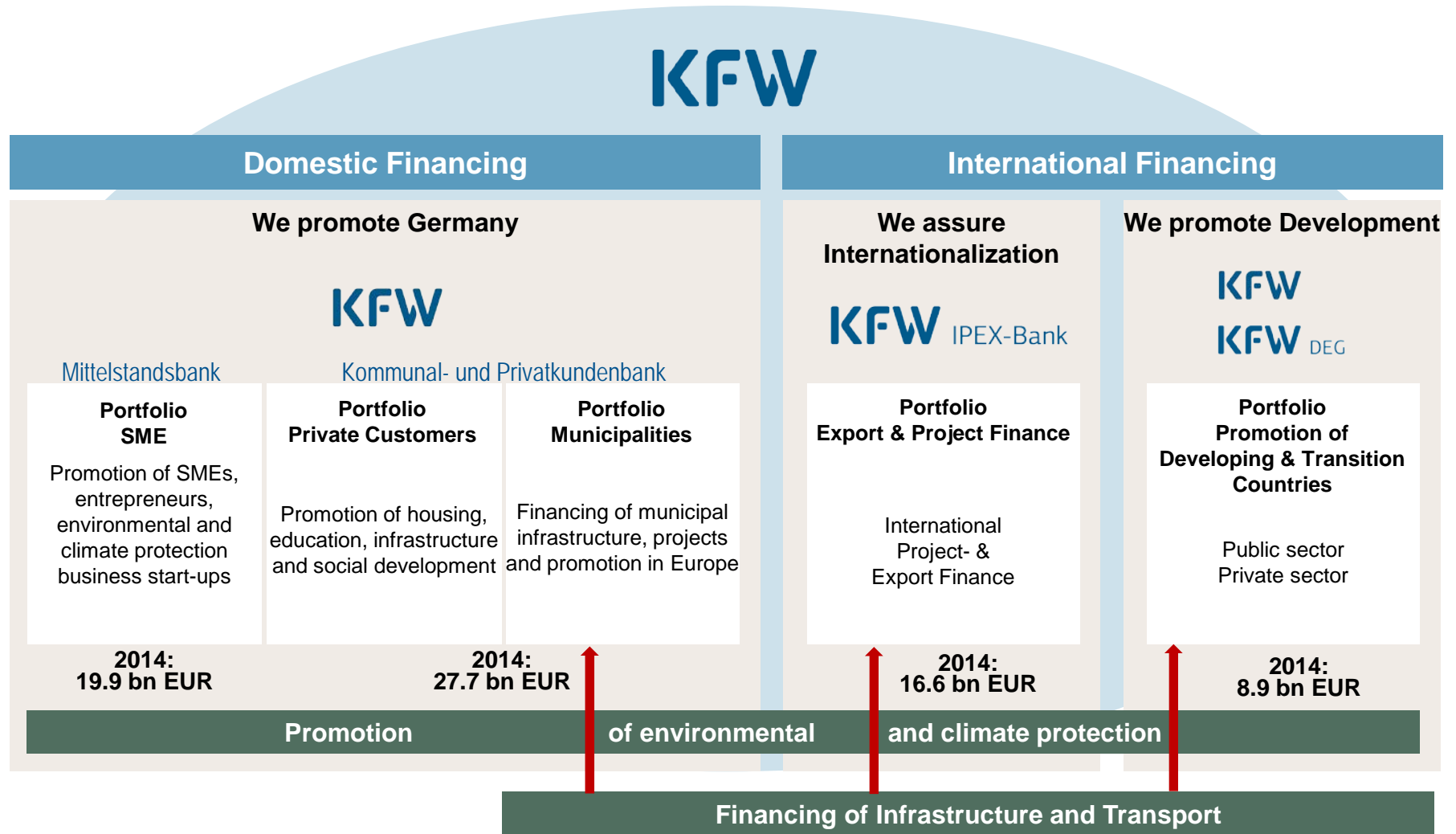
# »» History

## Key events



# »» KfW Group at a glance

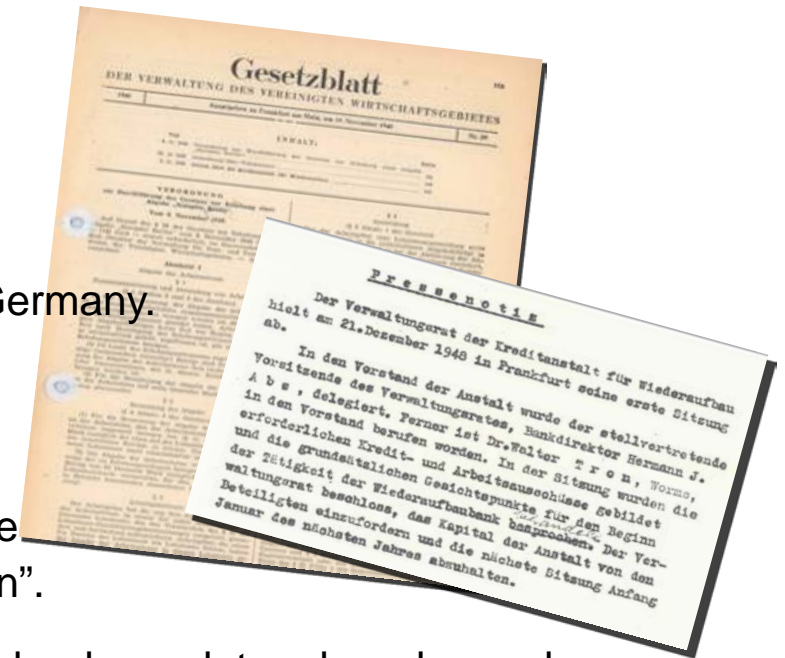
A bank with various tasks



# »» Statutes and Regulation

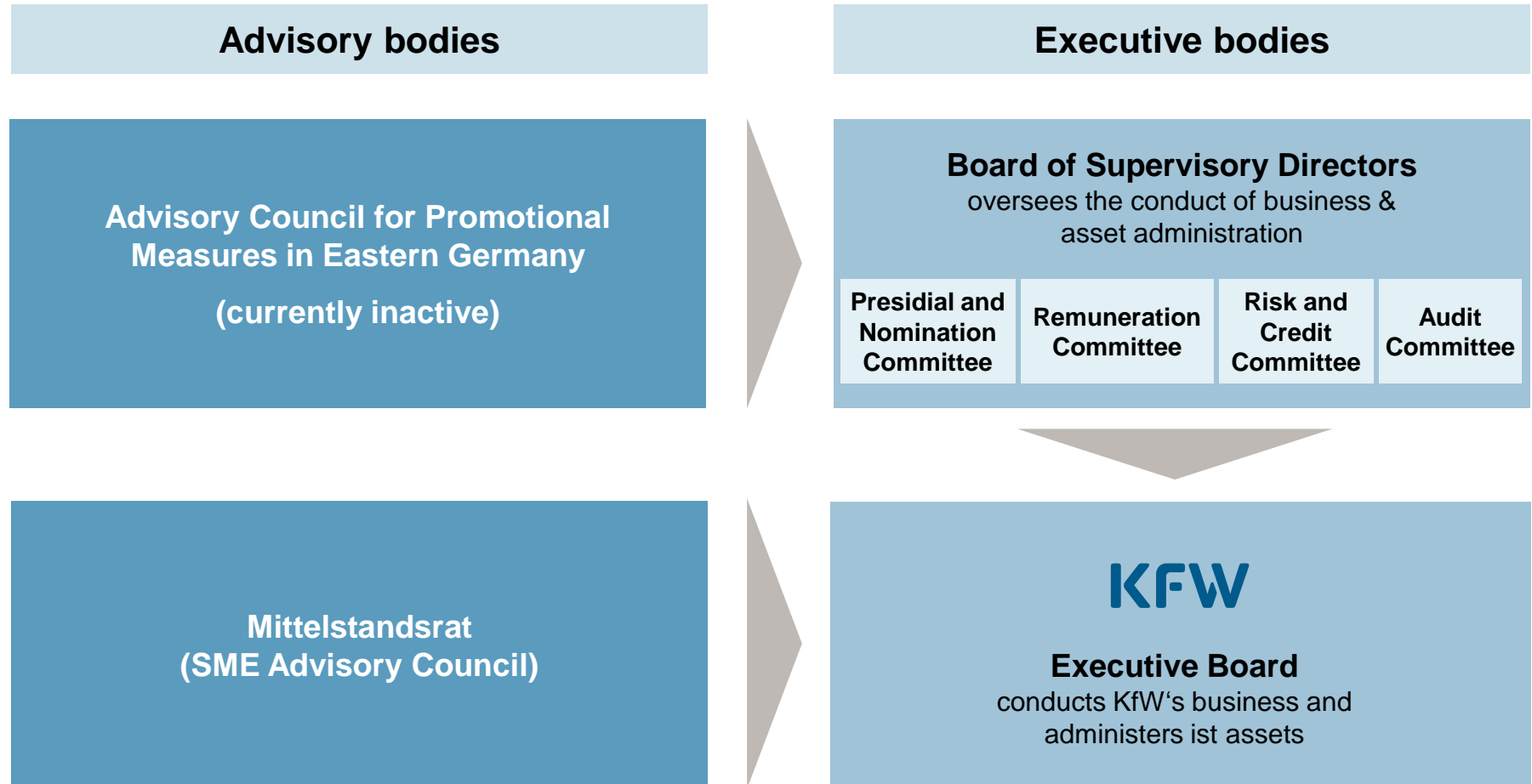
## Law concerning KfW

- › Benefits from explicit and direct statutory guarantee and institutional liability from the Federal Republic of Germany.
- › Regulated by the “Law concerning KfW” and exempt from corporate taxes.
- › Supervision by the German Federal Ministry of Finance and the German Financial Supervisory Authority “BaFin”.
- › Subject to certain provisions of German and European bank regulatory laws by analogy, large parts effective as of 2016:
  - KfW continues not to qualify as a credit institution within the meaning of the German Banking Act and remains exempt from the European Banking Directive.
  - The special features of KfW’s business model and its status as a public sector entity without deposit business are taken into account by the KfW Regulations and administrative practice.



# »» Executive and advisory bodies

## Composition

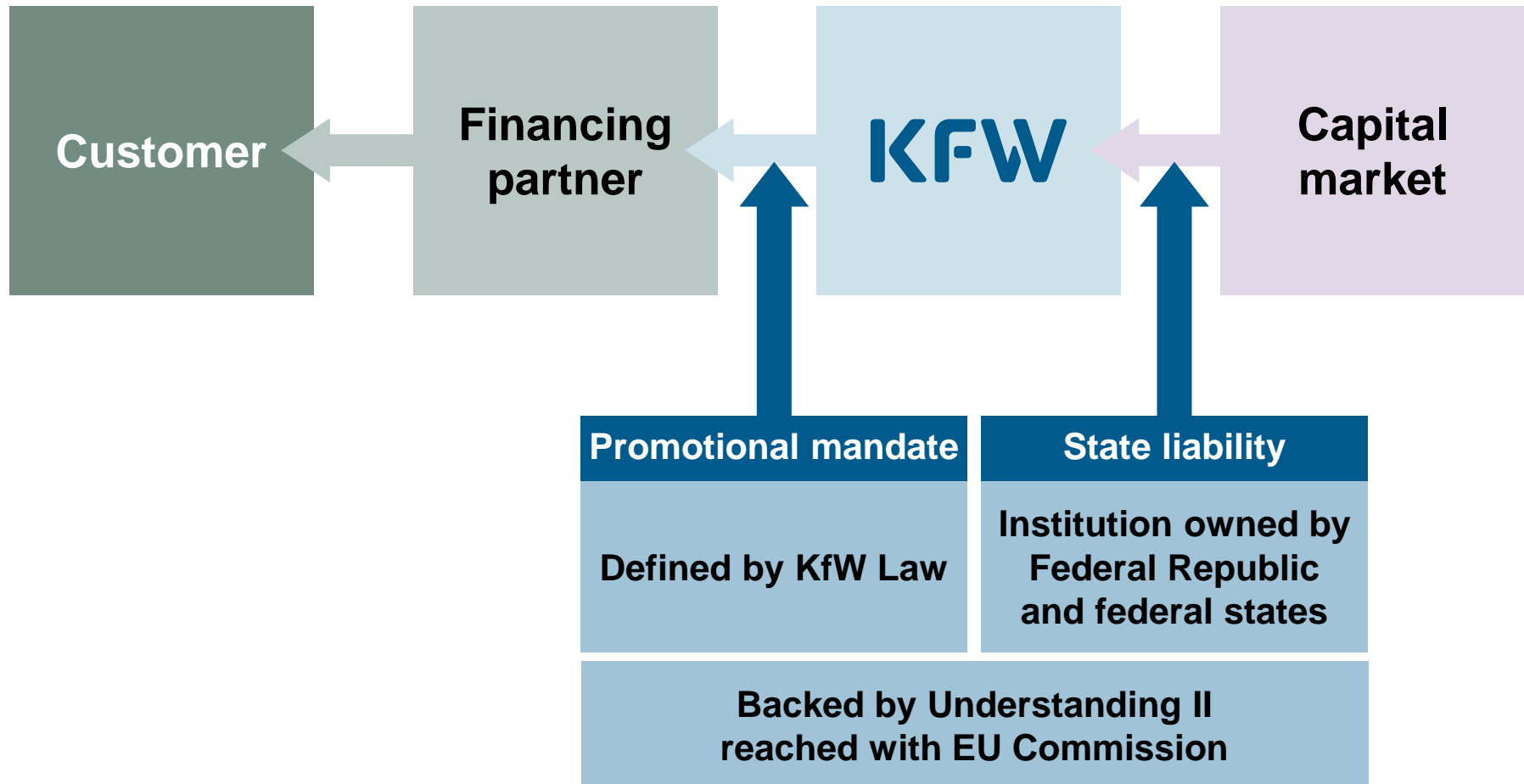




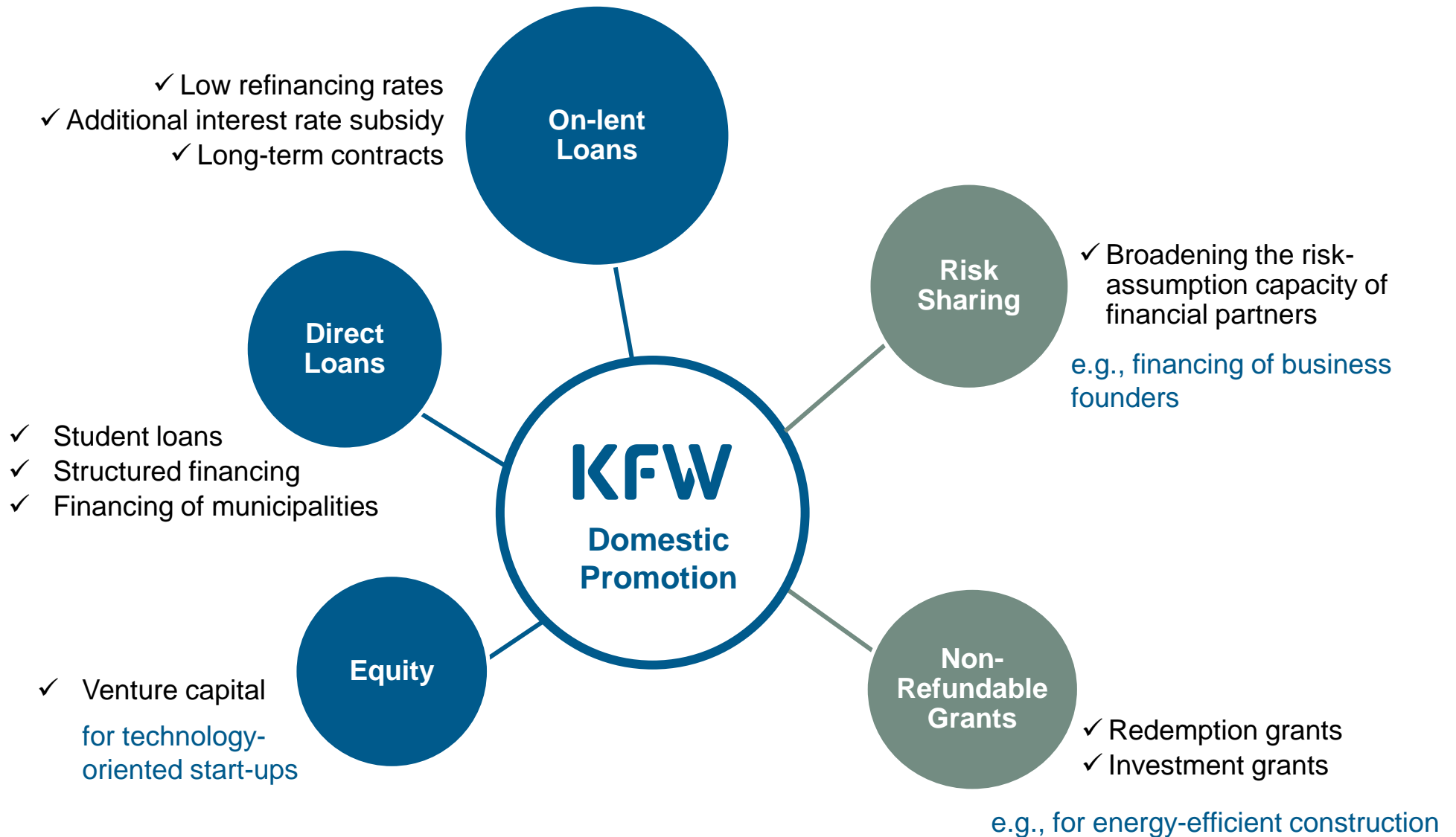


# »» KfW Domestic Promotion

## »» Proven and successful business model



## »» Overview of Promotional Instruments



# »» KfW Promotion – A Flexible Instrument of Crisis Intervention



## Helping Refugees

- › 2015: supporting the accommodation and the integration of refugees at municipal level
- › Zero-interest financing facility for municipalities



## Reconstruction after Natural Disasters

- › 2013 flooding: Special financing facilities for house owners, enterprises, and municipalities



## Fighting Economic Crises

- › 2009 great recession: Financing facility for enterprises
- › Risk taking helped preventing credit crunch



# »» KfW International Business

# »» International Business for different markets

**KfW**

**KfW** DEG

**KfW** IPEX-Bank

|                  |  |  |  |
|------------------|--|--|--|
| Objectives       | <ul style="list-style-type: none"> <li>Promotion of reform processes, investments and accompanying advisory services in cooperation with <b>governments and state institutions</b> in developing and industrialising countries</li> <li>ODA</li> </ul> | <ul style="list-style-type: none"> <li>Financing investments to establish and expand the <b>SME sector in developing and transition countries</b></li> <li>Advisory services for small and medium-sized enterprises, in particular German enterprises</li> </ul> | <ul style="list-style-type: none"> <li>International medium to long-term financing in the interest of the <b>European and German economy</b> to promote exports and foreign investments</li> </ul> |
| Economic sectors | <ul style="list-style-type: none"> <li>Social infrastructure</li> <li>Economic infrastructure</li> <li>Financial systems</li> <li>Climate/Environment</li> </ul>   | <ul style="list-style-type: none"> <li>All economic sectors</li> </ul>   | <ul style="list-style-type: none"> <li>Exports</li> <li>Infrastructure</li> <li>Climate protection</li> <li>Securing raw materials supply</li> </ul>   |
| Market entry     | <ul style="list-style-type: none"> <li>Very early phase ("supportive function")</li> </ul>   | <ul style="list-style-type: none"> <li>Early phase</li> </ul>  | <ul style="list-style-type: none"> <li>More mature markets</li> </ul>  |



# »» Our financings support major themes of our time

Export industry - Infrastructure - Environmental and climate protection - Raw materials supplies

## Export industry

Expansion of petrochemical production in India



- › ECA covered loan of USD 2 billion
- › One of the biggest Hermes covered corporate finance operations in history
- › Partly financed from funds of the ERP Export Programme, fixed interest on CIRR basis
- › Supports more than 40 medium-sized exporters from Germany

## Environmental and climate protection

Construction of offshore wind farm off the coast of Belgium



- › 325 MW capacity
- › Project financing incl. Hermes-covered tranche, total investment cost approx. EUR 1.4 billion
- › Financing the supply of 48 wind turbines from the German manufacturer REpower Systems AG

## Infrastructure

Upgrade of A9 motorway in Germany



- › Widening from 4 to 6 lanes on a stretch of 46.5 km
- › Investment volume: approx. EUR 200 million
- › First realisation of an "availability model" for the upgrade of a national motorway
- › Part of the Trans-European Network

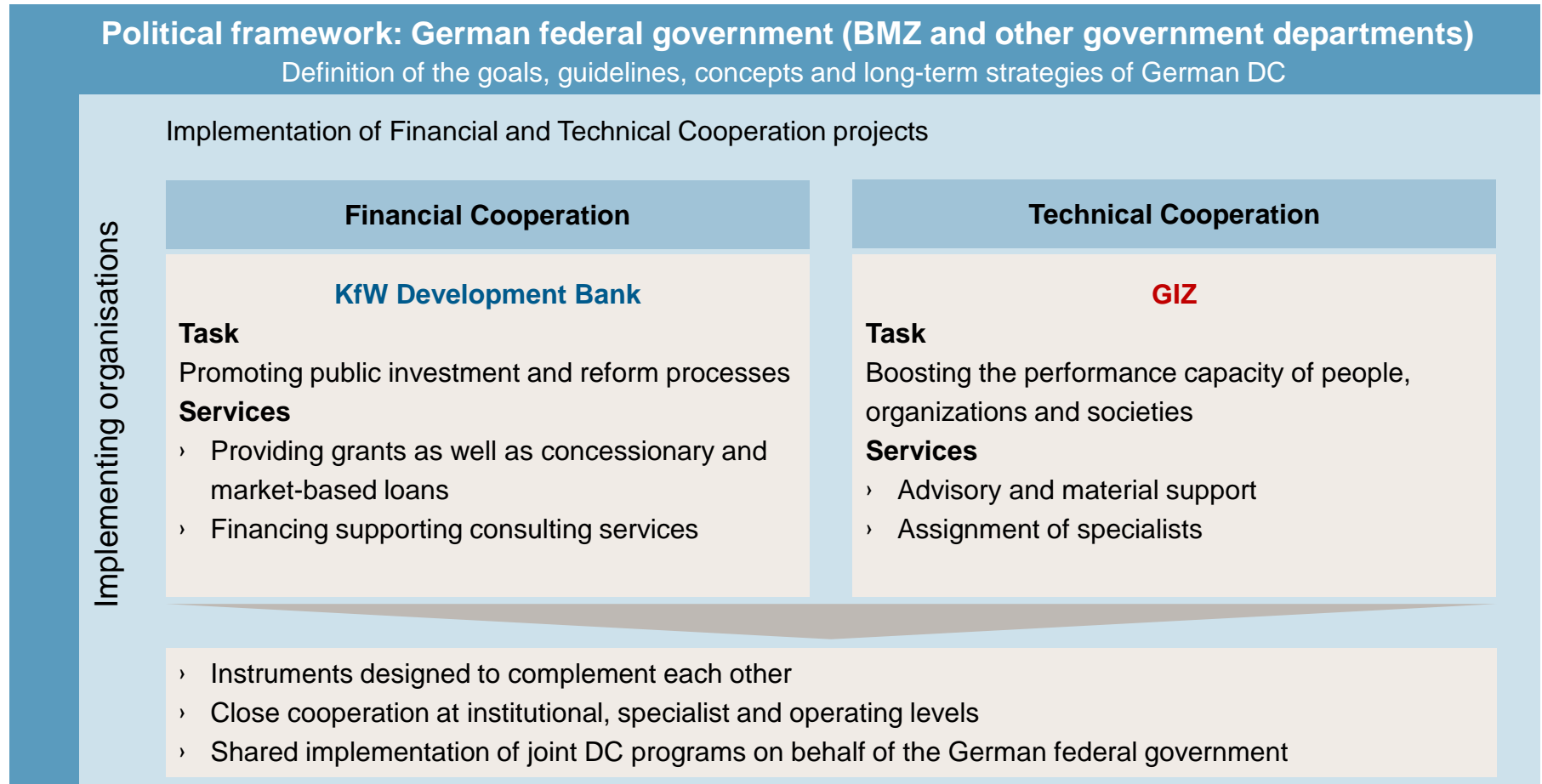
## Securing raw materials supplies

Expanding iron ore extraction capacity in Mauritania



- › Total financing of over USD 700 million
- › Complex structured financing
- › Secures long-term iron-ore supplies and supports German exporters

## »» Organisation of German bilateral DC





# »» Priorities and sectors

| <ul style="list-style-type: none"> <li>•Infrastructure</li> </ul>  | <ul style="list-style-type: none"> <li>•Social development/<br/>governance</li> </ul>   | <ul style="list-style-type: none"> <li>•Financial system<br/>development</li> </ul>  | <ul style="list-style-type: none"> <li>•Rural development/<br/>conservation of<br/>natural resources</li> </ul>   | <ul style="list-style-type: none"> <li>•Peace and security</li> </ul>   |
|--|---|--|---|---|
| <ul style="list-style-type: none"> <li>› Renewable energies/<br/>energy efficiency</li> <li>› Water/sewage/waste</li> <li>› Transport</li> <li>› Urban development</li> </ul>    | <ul style="list-style-type: none"> <li>› Education</li> <li>› Health</li> <li>› Decentralisation</li> <li>› Good governance</li> </ul>    | <ul style="list-style-type: none"> <li>› Microfinance</li> <li>› Promoting SMEs</li> </ul>    | <ul style="list-style-type: none"> <li>› Agriculture</li> <li>› Preserving biodiversity</li> <li>› Reforestation</li> <li>› Anti-erosion measures</li> </ul>    | <ul style="list-style-type: none"> <li>› Preventing crises<br/>and conflict</li> <li>› Reconstruction</li> <li>› Emergency relief and<br/>transitional aid</li> <li>› Reintegration</li> </ul>    |

»» Thank you for your attention.

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