>>> KfW at a glance

Structure and Mission of KfW

Antje Oberländer, Management Affairs Den Haag/ April 5, 2016

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 f
 ür 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) ¹
- > Best long-term rating: AAA/Aaa/AAA

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



»» KfW Group at a glance

A bank with various tasks

ancing ermany al- und Privatkundenbank mers Portfolio Municipalities	Internationalia KFW IPE Portfolio Export & Project	ization EX-Bank	Financing Ve promote Developmen KFW KFW DEG Portfolio Promotion of
al- und Privatkundenbank Portfolio	Internationalia	ization EX-Bank	KFW KFW DEG Portfolio
Portfolio		-	
using, Financing of municipal infrastructure, projects opment and promotion in Europe	Internationa Project- & Export Finan	nal &	Public sector Private sector
2014: 27.7 bn EUR	16.6 bn	EUR	2014: 8.9 bn EUR
	27.7 bn EUR of environi	27.7 bn EUR 16.6 bn of environmental and clin	27.7 bn EUR 16.6 bn EUR

»» 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

Advisory bodies

Advisory Council for Promotional Measures in Eastern Germany (currently inactive)

Executive bodies

Board of Supervisory Directors

oversees the conduct of business & asset administration

Presidial and Nomination Committee	Remuneration Committee	Risk and Credit Committee	Audit Committee
--	---------------------------	---------------------------------	--------------------

Mittelstandsrat (SME Advisory Council)



Executive Board conducts KfW's business and administers ist assets

»» 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	 Promotion of reform processes, investments and accompanying advisory services in cooperation with governments and state institutions in developing and industrialising countries ODA 	 Financing investments to establish and expand the SME sector in developing and transition countries Advisory services for small and medium-sized enterprises, in particular German enterprises 	 International medium to long-term financing in the interest of the European and German economy to promote exports and foreign investments
Economic sectors	 Social infrastructure Economic infrastructure Financial systems Climate/Environment 	All economic sectors	 Exports Infrastructure Climate protection Securing raw materials supply
Market entry	 Very early phase ("supportive function") 	Early phase	More mature markets

	KfW Entwicklungsba		
Torget	DEG		
Target markets		KfW IPEX-Bank	
markets			
	Developing country	Industrialising / emerging country	Industrialised country
			•

»»Our financings support major themes of our time

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



- > 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

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



- > 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



- > 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

Political framework: German federal government (BMZ and other government departments) Definition of the goals, guidelines, concepts and long-term strategies of German DC Implementation of Financial and Technical Cooperation projects **Technical Cooperation Financial Cooperation** Implementing organisations **KfW Development Bank** GIZ Task Task Promoting public investment and reform processes Boosting the performance capacity of people, Services organizations and societies > Providing grants as well as concessionary and Services market-based loans Advisory and material support Financing supporting consulting services Assignment of specialists

- Instruments designed to complement each other
- Close cooperation at institutional, specialist and operating levels
- > Shared implementation of joint DC programs on behalf of the German federal government

>>> Priorities and sectors

●Infrastructure	 Social development/ governance 	 Financial system development 	 Rural development/ conservation of natural resources 	Peace and security
 Renewable energies/ energy efficiency Water/sewage/waste Transport Urban development 	 › Education › Health › Decentralisation › Good governance 	 Microfinance Promoting SMEs 	 Agriculture Preserving biodiversity Reforestation Anti-erosion measures 	 Preventing crises and conflict Reconstruction Emergency relief and transitional aid Reintegration
			PiblisText*	

"Thank you for your attention.

Antje Oberländer Senior Manager Management Affairs

KfW Bankengruppe

Palmengartenstrasse 5–9 60325 Frankfurt am Main Phone +49 69 7431 – 4625 Fax +49 69 7431 – 2615 antje.oberlaender@kfw.de

KFW