

# Rely on the safe haven.

## Investor presentation

Investor Relations  
May 2024

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**KfW**

# Overview and business model



# KfW at a glance

## Germany’s flagship development agency – Professionally supervised and regulated

- The promotional bank of the Federal Republic of Germany, established in 1948 as a public law institution.
- Benefits from explicit and direct statutory guarantee and institutional liability by the Federal Republic of Germany.
- Regulated by the “Law concerning KfW” and exempt from corporate taxes.
- Zero risk weighting of KfW’s bonds according to the standardized approach of the Capital Requirements Regulation (CRR).
- 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, in large part with effect from January 1, 2016.

### Ratings

#### Credit Rating

#### Agency

Aaa

Moody’s

AAA

Scope

AAA

S&P

#### ESG Rating

#### Agency

Prime

ISS ESG

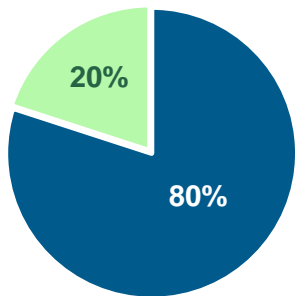
AAA

MSCI

Advanced

Moody’s ESG Solutions

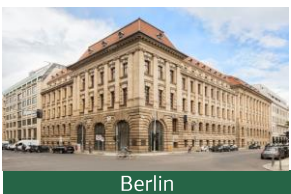
### Shareholders



- Federal Republic of Germany
- German federal states

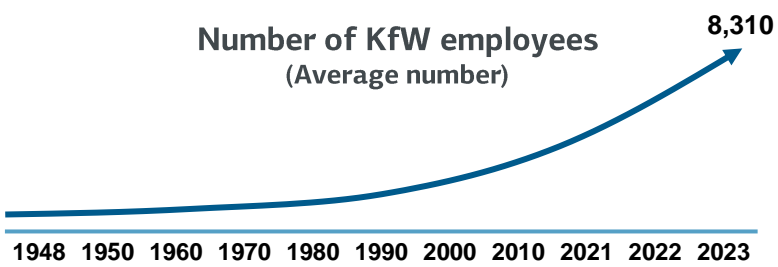
Headquarters: Frankfurt am Main

Branches: Berlin, Bonn



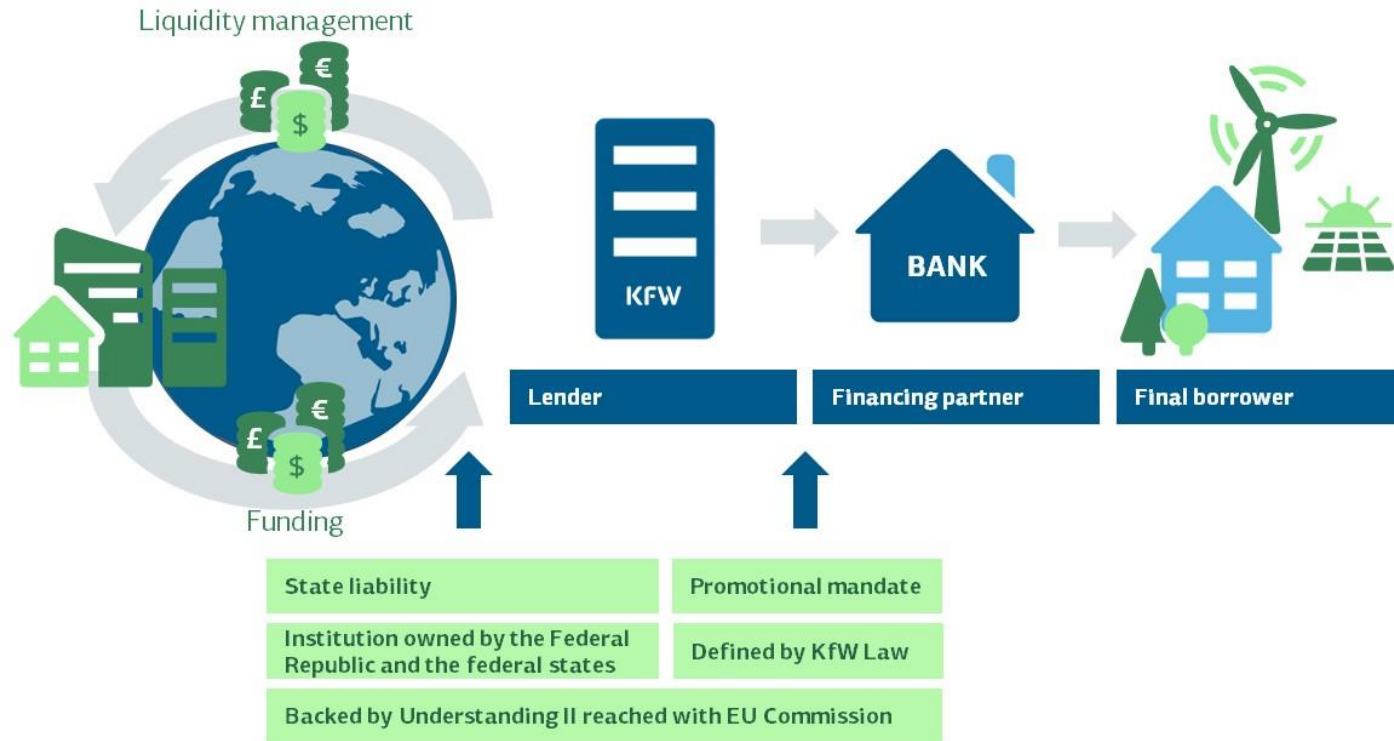
# Worldwide presence

About 80 representative offices



# Proven and successful business model

KfW involves commercial banks in its domestic activities



# KfW's business activities

Promotional business volume Q1/2024: EUR 17.5bn<sup>1</sup>

Domestic


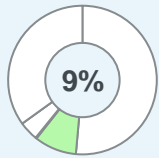
SME Bank & Private Clients

Standardized financing products for SMEs, business founders, start-ups, self-employed professionals and private individuals




Customized Finance & Public Clients

Individual financings for municipal & social infrastructure, customized financing for FI & promotional institutes of German federal states

KfW Capital

Subsidiary (100%, est. 2018) to invest in German and European venture capital (VC) and venture debt funds




International


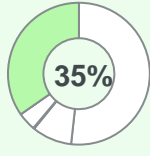
Promotion of Developing Countries & Emerging Economies

KfW's public (KfW Development Bank) & private sector activities (DEG) in developing countries




Export & Project Finance (KfW IPEX Bank)

Subsidiary (100%, est. 2007) for exports and project & corporate financing world-wide

Environment investment ratio (FY 2023)

45%

New original business for environment and climate protection in % of total new business volume 2023 adjusted for special mandates. Unadjusted ratio: 35%.

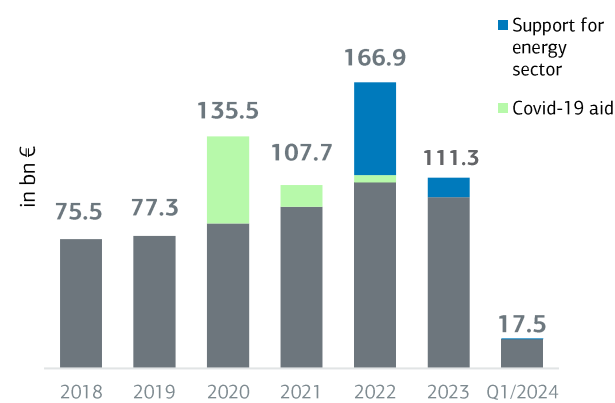
Domestic SME ratio (FY 2023)

61%

New original business for SMEs in % of total new domestic business volume in 2023 adjusted for special mandates. Unadjusted ratio: 31%.

<sup>1</sup>Small deviations in the total commitment volume result from internal offsetting.

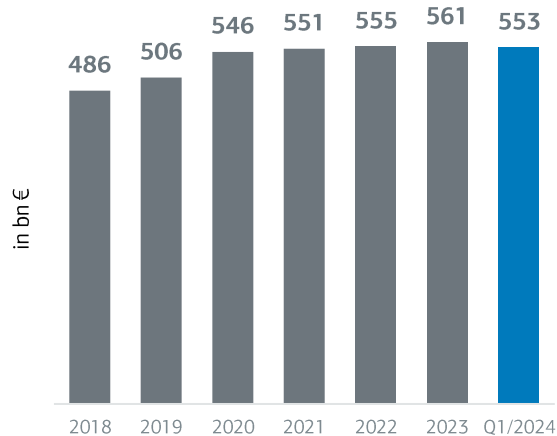
# Business Performance



**€ 17.5bn**

Total promotional business volume in Q1/2024

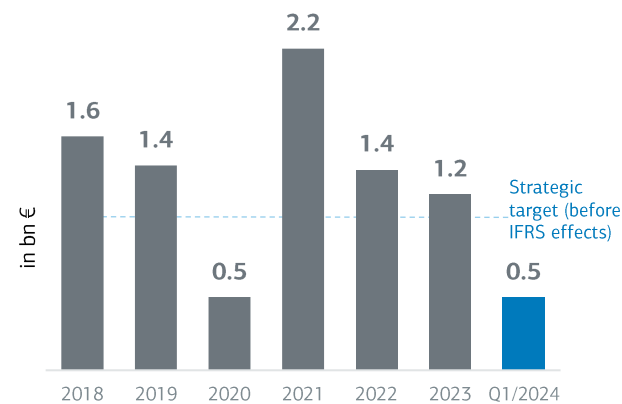
- About 61% domestic and 39% international business
- Promotional business back to normal level



**€ 553bn**

Total assets as of March 31, 2024

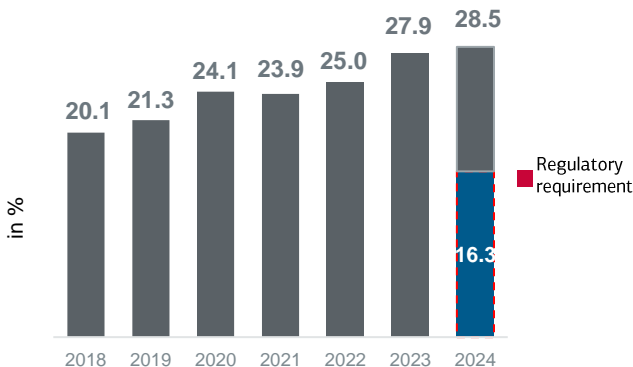
- Among top 3 Germany's largest credit institutions in terms of total assets.



**€ 0.5bn**

Consolidated profit in Q1/2024

- Consolidated profit 18% higher than in previous year



**Tier 1 Capital Ratio**

**28.5%**

Equity as of March 31, 2024

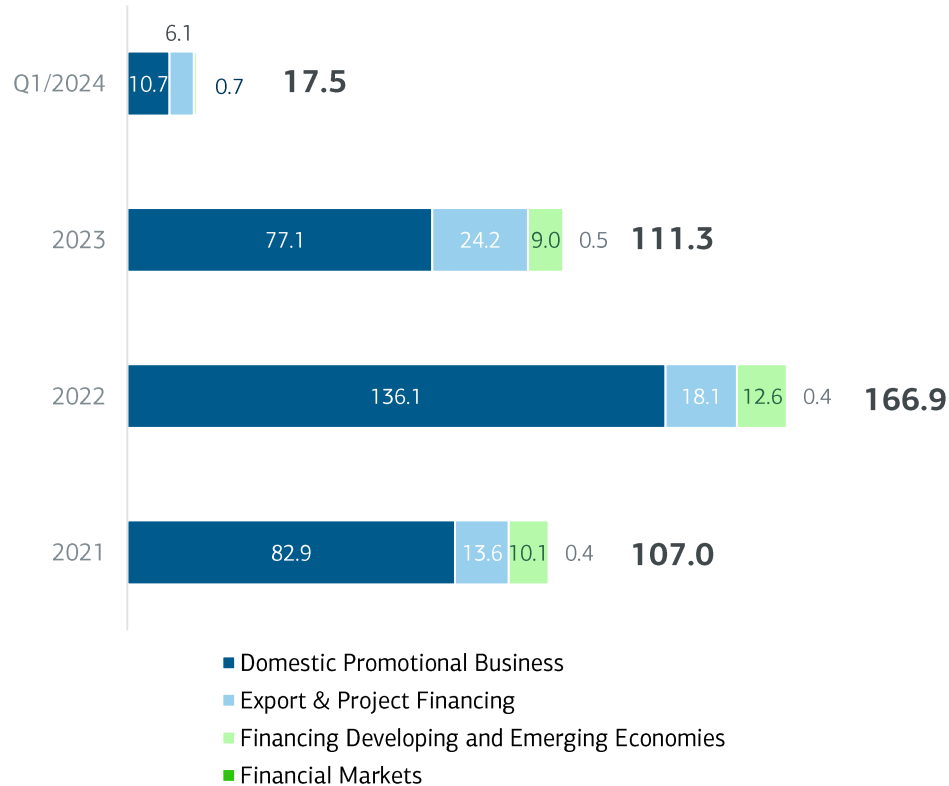
**€ 38.5bn**



# Highlights of KfW's lending business

Lending business decreased -56% yoy to EUR 17.5bn, back on pre-crisis level

## KfW Financings (in EUR bn)



## Highlights Q1/2024

- New lending reached EUR 17.5bn (-56% yoy), and is thus back on pre-crisis level.
- Significant decline in domestic business to EUR 10.7bn (-67% yoy)
- International export and project finance business (EUR 6.1bn) slightly declined, but still on very high level (-9% yoy).

### Domestic

- Decline in domestic markets mainly attributable to the expiry of energy subsidies and cautious financing demand by commercial and municipal companies.
- Promotion for private customers got off to a pleasing start, with particular focus on energy efficiency and renewable energies.

### International

- At EUR 6.1bn, new business in export and project finance remained at a very high level (03/2023: EUR 6.7bn).
- At EUR 508mn (03/2023: EUR 506 million), commitments at KfW Entwicklungsbank slightly exceeded the previous year's volume; DEG's new business doubled to EUR 228mn (03/2023: EUR 110mn)

### Financial Markets

- Mandate from Federal Environment Ministry to promote green bonds expired at the end of 2023. Thus, green bond investments declined to 0.

# Mandated transactions to support energy sector

- KfW is conducting special mandates on **behalf of the Federal Government of Germany** to secure the energy supply and strengthen the resilience of the German economy.
- **Credit risks** in the context of these transactions **are borne by the Federal Government of Germany**.

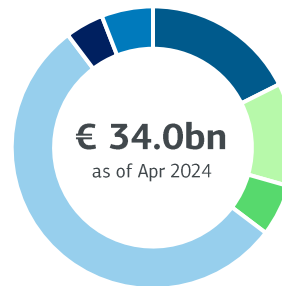
## Outstanding committed volume

EUR 34.0bn

## Disbursements

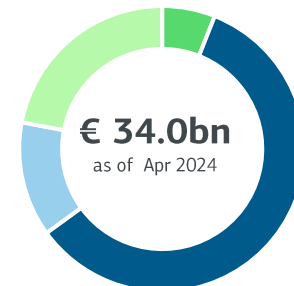
EUR 7.9bn

## Commitments by purpose



- Gas margining: 18%
- Electricity margining: 12%
- Replacing sources of gas procurement: 6%
- Gas storage: 54%
- Redemption of loans: 4%
- LNG-import: 6%

## Commitments by duration



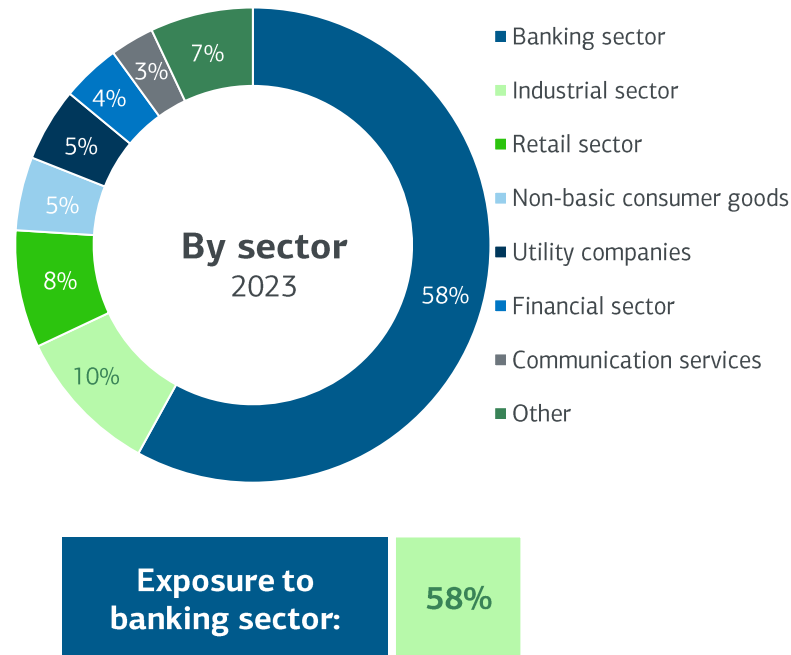
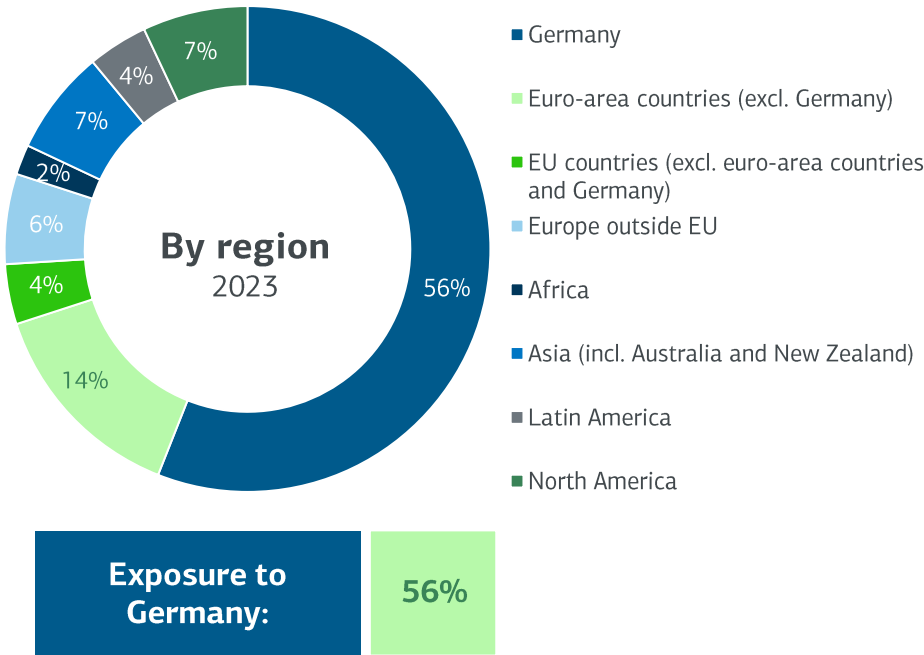
- < 1 year: 6%
- 1 to 3 years: 59%
- 3 to 5 years: 13%
- 5 to 10 years: 22%

# Key financial figures of KfW Group (IFRS)

	Q1/2024	Q1/2023
<b>Business activities</b> (in EUR bn) – for the period		
Promotional business volume	17.5	40.0
<b>Income statement key figures</b> (in EUR bn) – for the period		
Operating result before valuation & promotional activities	0.5	0.4
Consolidated profit	0.5	0.4
Consolidated profit before IFRS effects from hedging	0.4	0.3
<b>Balance sheet</b> (in EUR bn) – at the end of the period		
Total assets	553	551
Equity	38.5	36.9
Volume of business	718.3	709.8
<b>Key regulatory figures</b> (in %) – at the end of the period		
Tier 1 capital ratio	28.5	27.0
Total capital ratio	28.6	27.2

# Allocation of the economic capital for credit risk

Strong focus on Germany and financial industry due to business model



# Major strategic holdings of KfW

Capital shares as of 31 March 2023

Strategic holdings		Mandated transactions in accordance with article 2 (4) of the KfW Law		Privatization initiatives <sup>5</sup>	
DEG mbH <sup>1</sup>	100%	HENSOLDT AG	25.1%	Deutsche Post AG	16.5%
KfW Beteiligungsholding GmbH	100%	CureVac NV	13.3%	Deutsche Telekom AG	16.6%
KfW IPEX-Bank GmbH	100%	GZBV Verwaltungs-GmbH	100%		
AKA Ausfuhrkredit GmbH	0.21%	GZBV mbH & Co. KG <sup>3</sup>	84.3%		
KfW Capital GmbH & Co. KG	100%	Selent Netzbetreiber GmbH <sup>4</sup>	100%		
European Investment Fund (EIF)	2.3%	German LNG Terminal GmbH	50%		
tbG GmbH <sup>2</sup>	100%	Expand Netzbetreiber GmbH <sup>6</sup>	100%		
Berliner Energie-Agentur GmbH (BEA)	25%				
True Sale International GmbH (TSI)	7.7%				
FuB GmbH <sup>2</sup>	100%				

1\_Mandated transaction in accordance with article 2 (4) of the KfW Law (non-profit)

2\_tbG GmbH: tbG Technologie-Beteiligungs-Gesellschaft mbH; Fub GmbH: Finanzierungs- und Beratungsgesellschaft mbH

3\_Indirect participation in Airbus SE – around 11% of voting rights

4\_Indirect participation in Eurogrid GmbH – 20% of shares. Eurogrid holds 100% of the German transmission operator 50Herz Transmission GmbH. KfW holds 0.3% of Elia Group S.A./NV which holds 80% of Eurogrid.

5\_Mandated transactions in accordance with article 2 (4) of the KfW Law

6\_Indirect participation in Transnet BW GmbH (via Übertragungsnetz Immobilienverwaltungsgesellschaft mbH & Co. KG which holds 24.95% of shares)

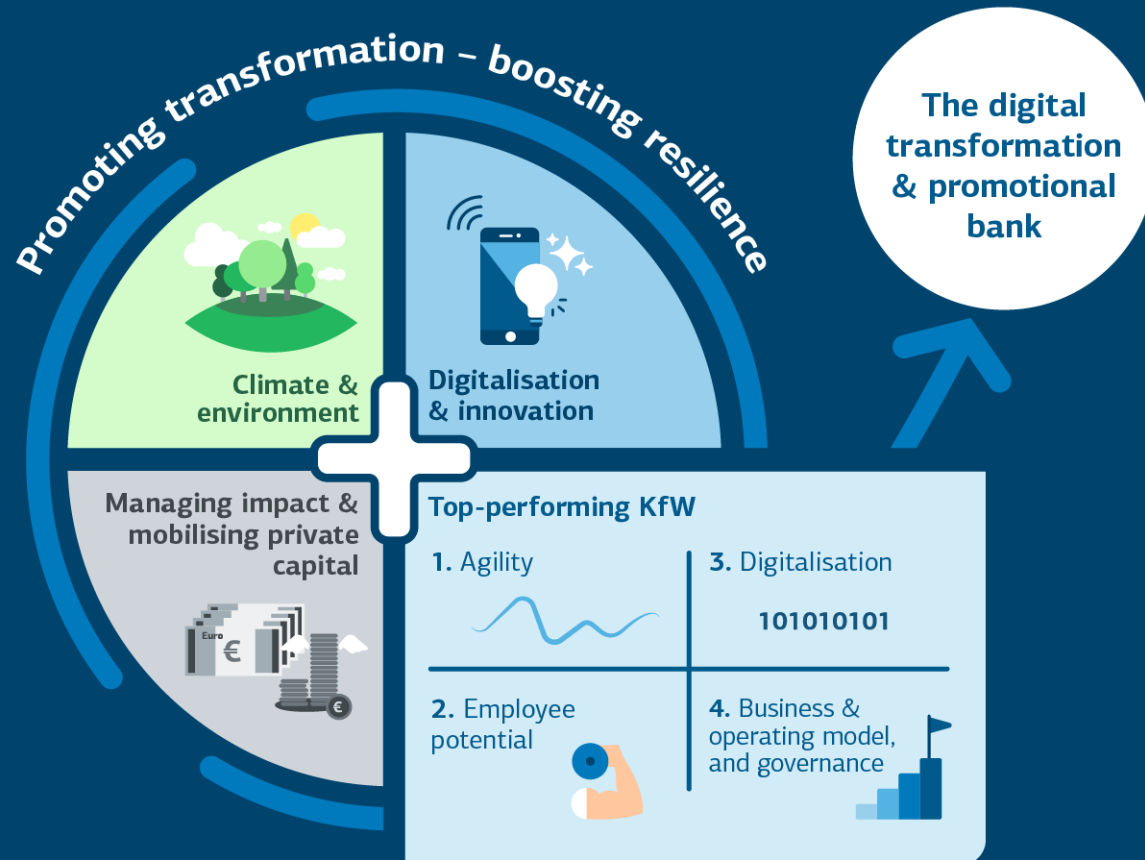


**KfW**

Commitment to sustainability

# Transformation agenda 'KfWplus'

2023 – year of implementation

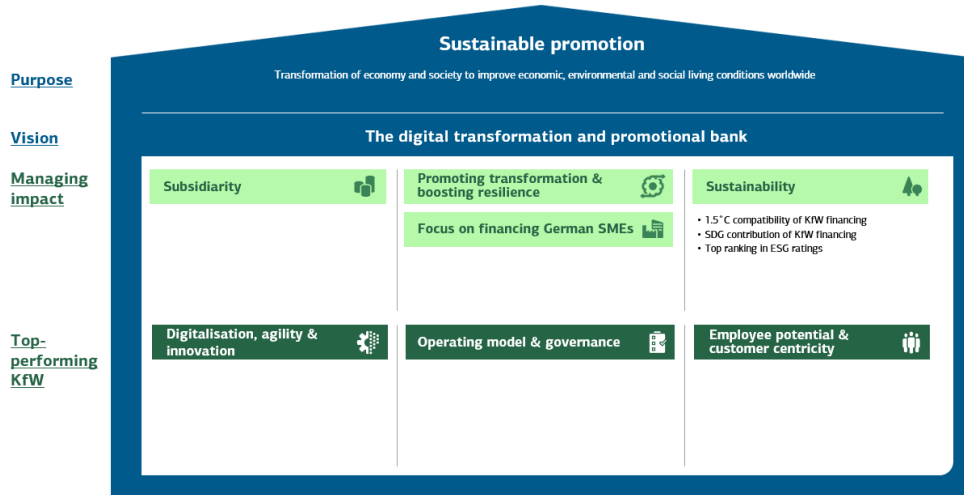


- Promotional priorities
  - **Climate & Environment**
  - **Digitalization & Innovation**
  - Dual transformation of the economy and society.
- **Impact Management:** Making impact measurable:
  - Development of 50 impact indicators, which will be the base of our group-wide impact assessment.
- **Private capital** as lever for advancing the transformation.
- A variety of internal projects to further improve **operational excellence**.

# KfW's Sustainable Finance Concept - project tranSForm

Sustainability aspects are bindingly integrated into KfW's medium to long-term positioning

## Excerpt of KfW's strategic target system



Sustainability aspects are bindingly integrated into KfW's medium- and long-term strategy

**Transforming** the economy and society to improve economic, ecological and social **living conditions** worldwide

Positioning is based on the  
**Sustainable finance concept (tranSForm)**



# Sustainability in the Financial Markets department (KfW Treasury)

Holistic approach for all business counterparties

## Financial Markets (KfW Treasury)

### Responsible for:

- ✓ Liquidity Management
- ✓ Funding
- ✓ Asset/Liability Management

## Business segments

- Money market activities / Repo
- Derivatives
- Portfolio management (Liquidity portfolio)
- KfW bond issuances (incl. Green Bonds)

## Counterparties

- Depending on the specific business segment, different rating thresholds are applicable to each counterparty.

## ESG is fully integrated in financial markets activities



### ESG Integration in internal Credit Assessments

New

- **“ESG risk profiles”** assessing business partners' ESG risks in a standardised manner
- Negative ESG rating could potentially trigger a rating adjustment
- “ESG risk profiles” as new instrument for a comprehensive ESG risk management



### Counterparty Screening

- **Exclusion criteria** based on the exclusion list of KfW Group
- **Human Rights** screening referring to the Policy Statement on Human Rights of KfW Group



### Dialogue

- Regular dialogue with KfW's Financial Markets counterparties on sustainability topics
- Dedicated dialogue with KfW's Financial Markets counterparties on specific ESG topics

# SDG mapping of KfW Groups' new business

A contribution to all of the United Nations' Sustainable Development Goals



**100% of KfW financing commitments are attributed to at least 1 SDG (2023)<sup>1</sup>**

## SDGs with the highest commitment volume in FY 2023

- **SDG 7 – Affordable and Clean Energy:**  
EUR 47bn (-18.8%)
- **SDG 8 – Decent Work and Economic Growth:**  
EUR 51bn (+26.8%)
- **SDG 13 – Climate Action:**  
EUR 35bn (-38.7%)

The focus of new KfW commitments in 2023 was on **important issues of the future**, in particular climate protection, clean energy and sustainable cities and communities.

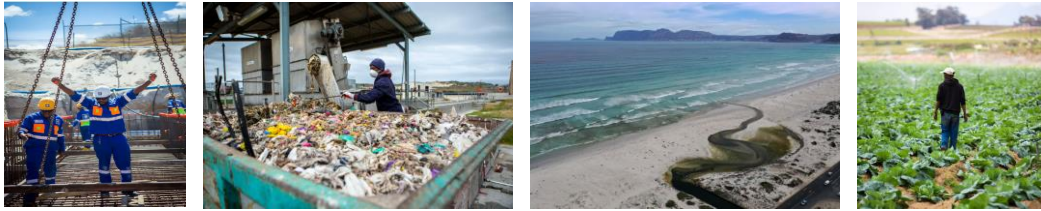
<sup>1</sup> The SDG mapping depicted was adjusted for special effects from mandated transactions amounting to – 11.5 billion EUR to stabilize and secure energy supply in Germany, which were carried out on behalf of the German government in FY 2023.



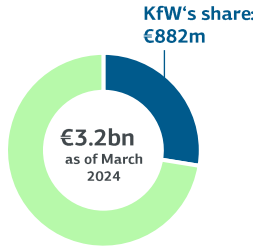
# Sustainability has been and remains one of KfW's top priorities

## Financing landmark projects

### Clean Oceans Initiative (COI)



- Launched in 2018
- Investment partners: KfW, AfD, EIB, CDP, ICO, EBRD
- Funding target: **€4bn**, **current investment amount: €3.2bn**



#### Project examples:

- 1 **Sustainable Ocean Fund (SOF):** Promote investments in sustainable fisheries, marine and coastal protection, waste recycling and / or reduction of plastic pollution.
- 2 **Wastewater Improvement in Cape Town, South Afrika**

### Legacy Landscapes Funds (LLF)



- A global network of sustainably funded, effectively managed conservation areas **helping to halt the dramatic loss of biodiversity** in outstanding legacy landscapes across developing countries
- Set-up of a **\$1bn** sinking plus endowment share with public and private donors

KfW is engaged in manifold national and global activities to contribute to a sustainable development and act as vocal advocate.

# Funding at KfW

## KfW's capital market activities

# Explicit and direct guarantee from the Federal Republic of Germany

## Basis of KfW's funding



Guarantee established in 1998



Defined by law



Direct, explicit and unconditional

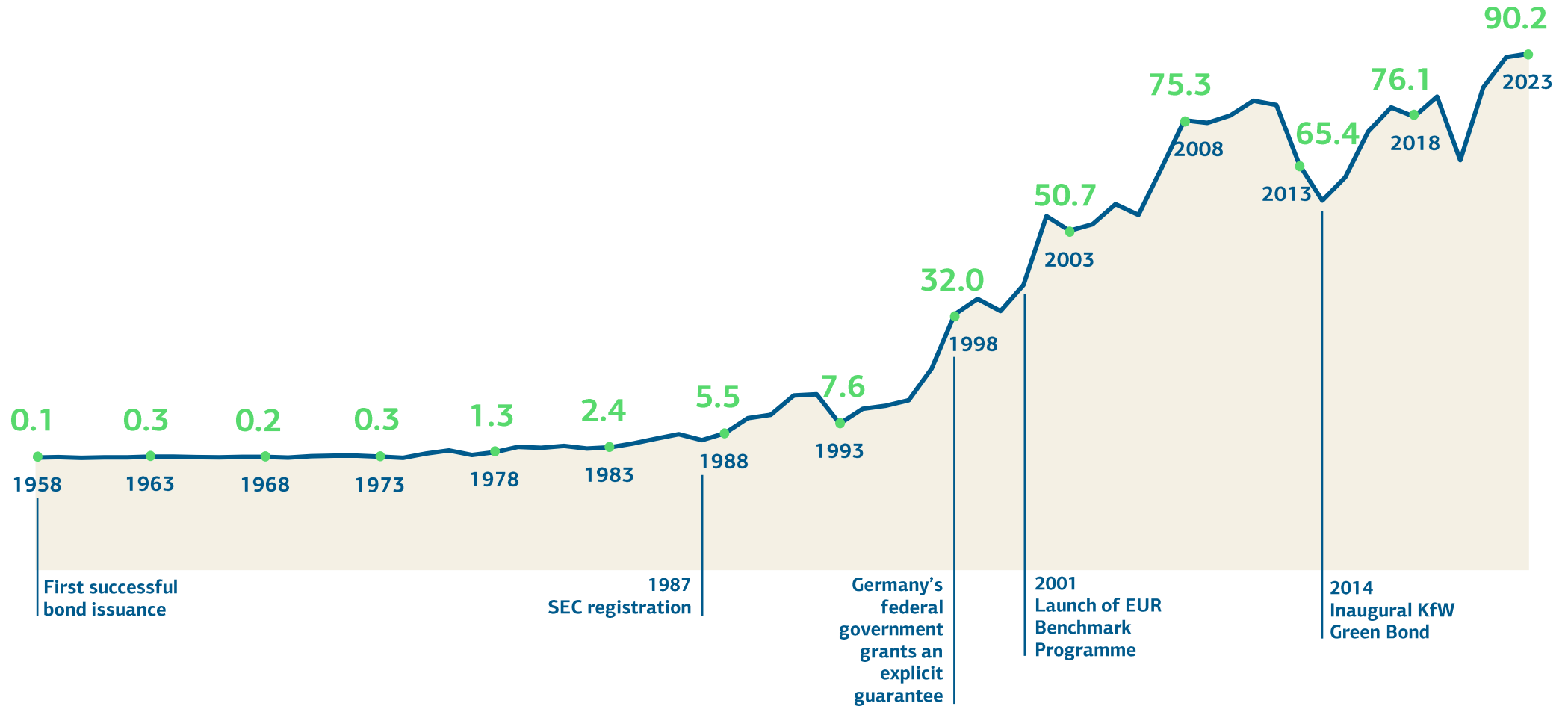
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## §1a of the Law concerning KfW

The Federal Republic guarantees all obligations of KfW in respect of loans extended to and debt securities issued by KfW, fixed forward transactions or options entered into by KfW and other credits extended to KfW as well as credits extended to third parties inasmuch as they are expressly guaranteed by KfW.

# Increasing importance of debt capital markets for KfW

KfW's funding volumes at debt capital markets EUR in billions



# Financial and ESG ratings<sup>1</sup> from leading rating agencies

KfW assigned triple-A ratings from financial rating agencies and is among top-performers in ESG

## Financial Ratings from leading rating agencies

**MOODY'S**

*Largest public development bank with strong capitalization, solid asset quality and conservative risk profile*

**Aaa** Outlook stable  
Short-term: P-1

As of Sep 2023

**SCOPE**

*Strong and explicit linkages between KfW and the Federal Republic of Germany*

**AAA** Outlook stable  
Short-term: S-1 +

As of Apr 2024

**STANDARD & POOR'S**

*Key national development bank with a crucial role for executing key German economic policies*

**AAA** Outlook stable  
Short-term: A-1 +

As of Feb 2024

**FitchRatings**

Unsolicited rating

**AAA** Outlook stable

As of Nov 2023

**Creditreform Rating**

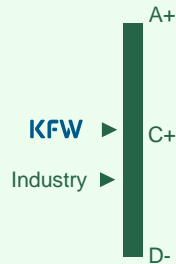
**AAA** Outlook stable

As of Nov 2023

**ISS ESG**  
ethix • climate • eekom

*KfW is among the best-rated institutions in its peer group*

**Prime**



As of Feb 2023

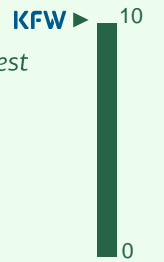
**MSCI**



<sup>2</sup>

*KfW's rating is at the highest level possible*

**AAA**

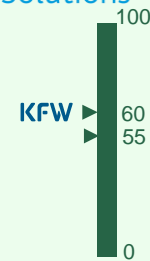


As of Dec 2023

**MOODY'S** | **ESG Solutions**

*KfW's ESG score belongs to the top 5% worldwide*

**Advanced**



As of Sep 2021

<sup>1</sup> A rating is not a recommendation to buy, sell or hold securities. Ratings are subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.

<sup>2</sup> The use by KfW of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of KfW by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.



# Wide selection of products addressing investor needs

## KfW Benchmark Programmes

- Large and highly liquid bonds, highly diversified investor base
- Regular offerings and taps
- Size: 3–5bn (7bn incl. taps, euro only)
- €: 3, 5, 7, 10 and 15y
- \$: 2, 3, 5 and 10y
- Format: EMTN, Global

€ \$

## Green Bonds – Made by KfW

- Liquid green bonds, diversified SRI investor base
- Focus: € and \$
  - Regular offerings and taps
  - Private placements possible
  - Format: EMTN, Global, Kangaroo, US-MTN

€ \$ £ A\$ NOK SEK HK\$...

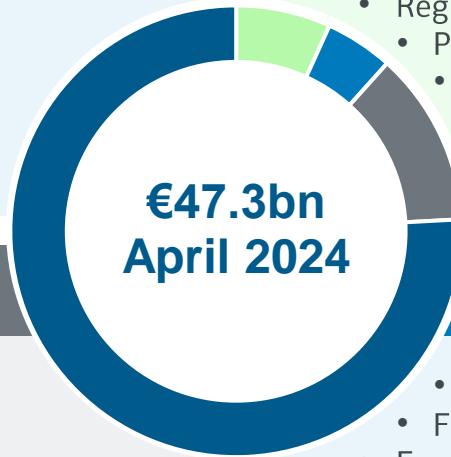
## Additional Public Bonds

- Large and liquid bonds, diversified investor base
- Tenors from 1 to 30y
- Liquid curves and strategic approach in £ and A\$
- Regular offerings and taps
- Format: EMTN, Global, Kangaroo, Kauri

€ \$ £ A\$ NZ\$ C\$ SEK NOK

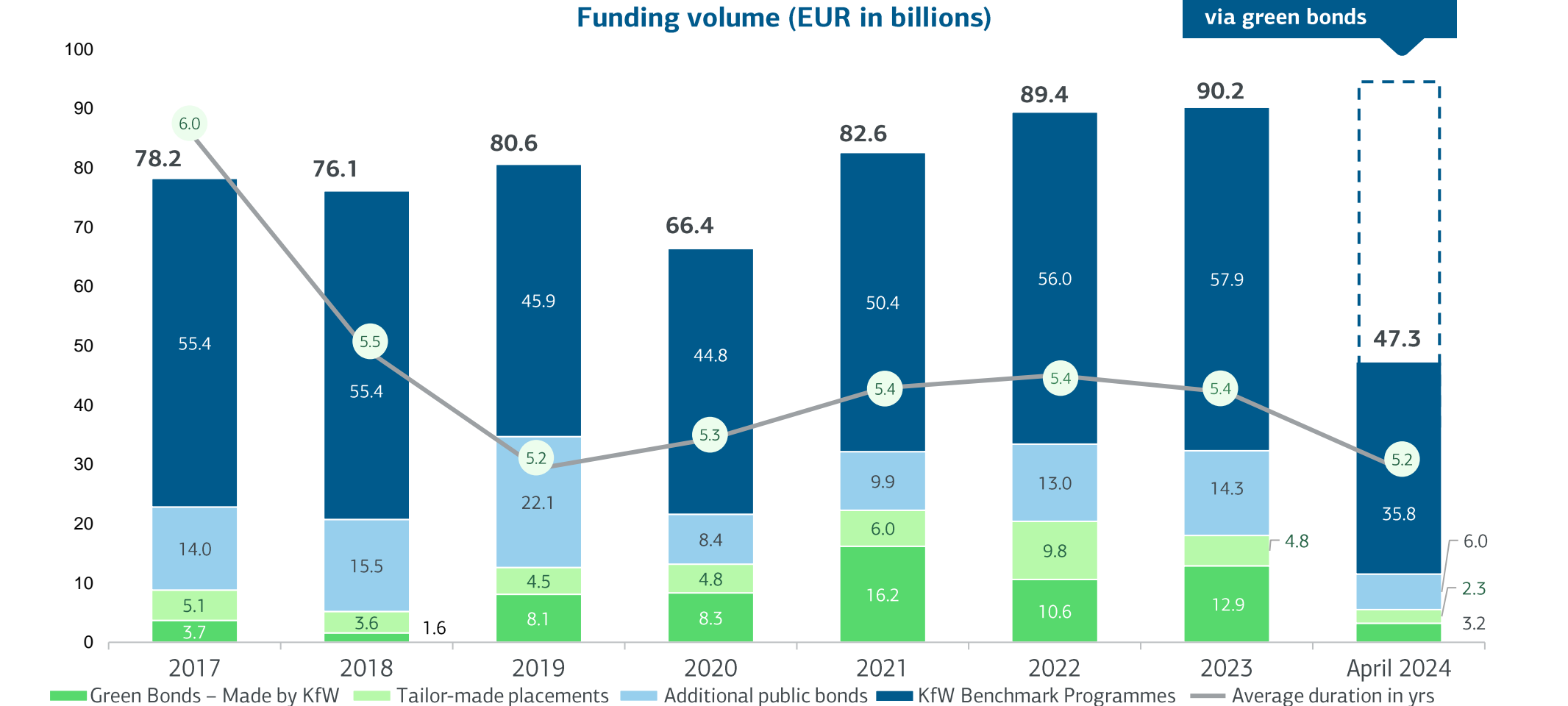
## Tailor-made Placements

- Customized products for investor needs
- Flexible in currency, structure and maturity
- Format: EMTN, US-MTN, NSV, SSD



# Strong presence in debt capital markets

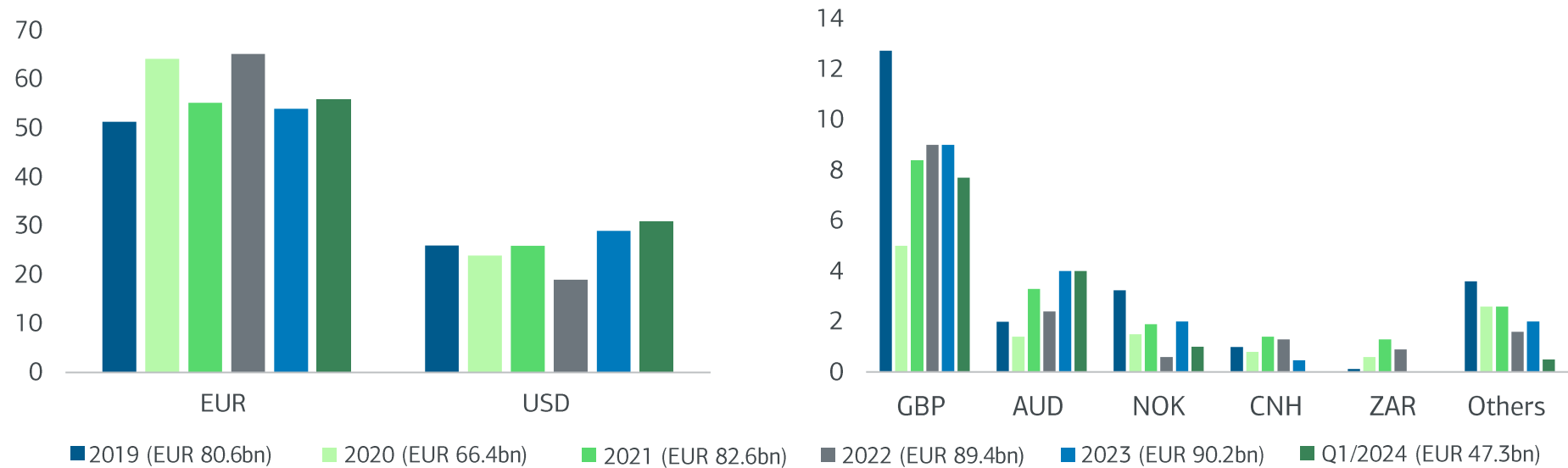
Funding target 2024:  
EUR 90-95bn  
thereof EUR 10-13bn  
via green bonds



# KfW's funding by currencies and instruments

Benchmark bonds are issued in core currencies EUR and USD

Funding by currencies  
(in %)



Comprehensive product portfolio and broad currency profile meets investors' requirements.

# Awards

## For KfW's market activities

### Safest Bank Award 2023



- Winner of "Safest Bank Award" for 15 consecutive years
- Eligible for the award are the world's largest 500 banks by asset size
- Calculated based on long-term foreign currency ratings issued by Moody's, S&P and Fitch Ratings

### EUR 3bn KfW Green Bond 2.75% 2023/2033



- Largest ever order book for a KfW Green Bond: €34+ bn
- Broad investor diversification with 280+ accounts
- Winner of this award for the third time in the row

### EUR 4bn KfW Green Bond 0.00% 2021/2029



- Largest € Green Bond of the year 2021 issued by a non-sovereign SSA issuer (excluding re-openings)
- 85% of proceeds used for energy-efficient homes in Germany, 15% for renewable energy projects



**Best SSA Issuer**  
**Best GBP Issuer**

**Best SSA Money Market Issuer**  
**Best USD Money Market Issuer**

- "An SSA borrower that is active in international and local SSA bond markets"
- "Achieve the same in the GBP denominated market"
- "SSA borrower that is active in both the local and international money markets offering a full range of products, in multiple currencies across the yield curve and to the broadest range of investors."
- "Tailoring issues to meet investor needs, showing flexibility in sizes, maturities and currencies [...].USCP program, offering US investors short-term KfW papers."

**Most Impressive SSA MTN Issuer**

**Overall Most Impressive SSA Funding Team**

**Best Agency Funding Team with an Annual Borrowing Requirement of Over €30bn**

**Most Impressive Agency Funding Official**



**WINNER**

**Most Impressive SSA MTN Issuer**



GlobalCapital

- Winner of four awards, voted by market participants
- More than EUR 8bn equivalent in tailor-made MTNs issued in YTD

# Capital market funding

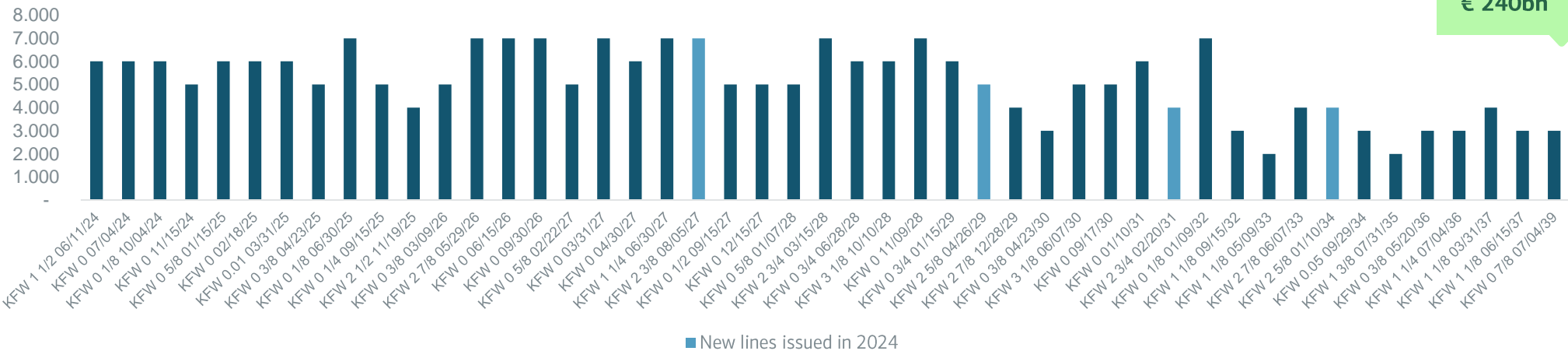
## KfW's Benchmark Programmes



### Highlights

- KfW’s EUR-Benchmark-Programme is the backbone of KfW’s funding strategy.
- KfW is the second largest EUR issuer among supras and agencies worldwide. In times of uncertainty and high volatility, KfW’s benchmark bonds are regarded as safe haven asset and liquid investment.
- KfW is strongly committed to liquidity and regular issuance across all benchmark maturities each year. Secondary market liquidity is closely monitored.
- Well diversified investor base (by region and type of investor).
- Flexible funding approach allows prompt reaction to market opportunities depending on investor demand.

EUR BM	bn EUR	2024	Tenor	Coupon (%)	Lead Managers
I/2024	6.0	Jan 3	3y	2.375	BofA, DB, GS, HSBC
II/2024	3.0	Jan 3	10y	2.625	BofA, DB, GS, HSBC
III/2024	4.0	Feb 13	7y	2.75	Crédit Agricole, DZ BANK, J.P. Morgan, TD
IV/2024	5.0	Mar 26	5y	2.625	BNP Paribas, Citi, Deutsche Bank and Goldman Sachs Bank Europe SE
Taps	3.0				various
2024 Total	21.0				



Total  
€ 240bn

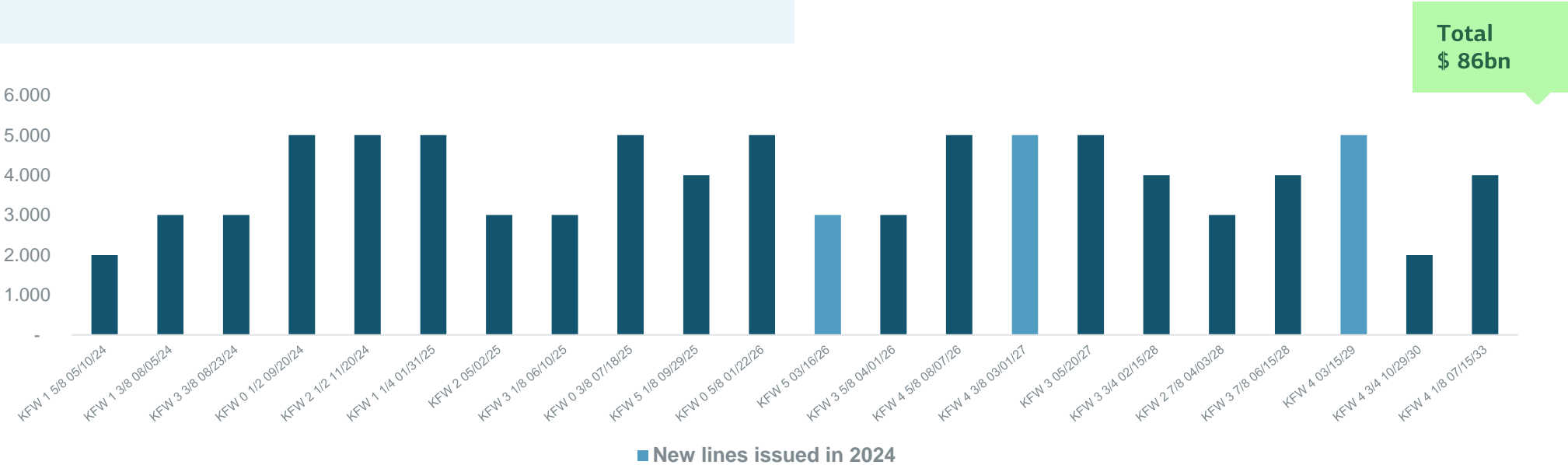
# KfW USD Benchmark Programme



## Highlights

- KfW’s USD Global programme strategically complements KfW’s benchmark programmes.
- KfW is the largest USD SSA issuer worldwide.
- KfW is strongly committed to liquidity and regular issuance across all benchmark maturities and closely monitors secondary market liquidity.
- KfW’s USD Global programme has become a true “benchmark” in the market for many other issuers as well.

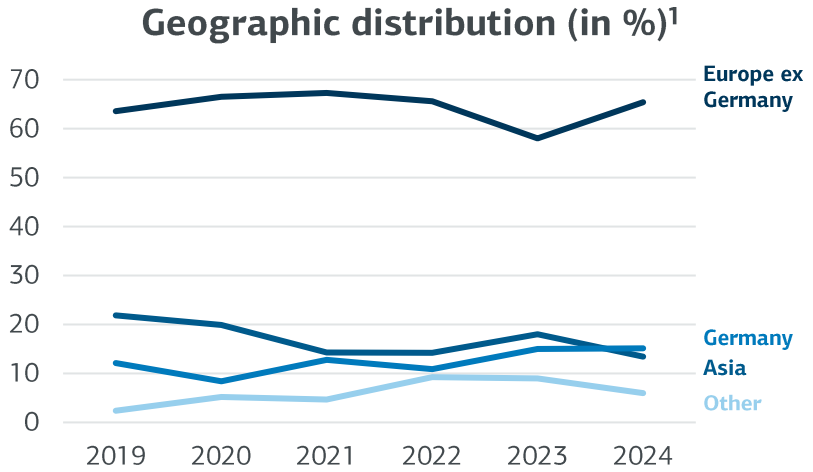
USD BM	bn USD	2024	Tenor	Coupon (%)	Lead Managers
I/2024	5.0	Jan 9	5y	4.00	Barclays, Citi, JPM, MS
II/2024	5.0	Mar 6	3y	4.375	Barclays, BMO, BofA, MS
III/2024	3.0	Apr 17	2y	5.00	HSBC, Morgan Stanley, Nomura, RBC
2024 Total	13.0				



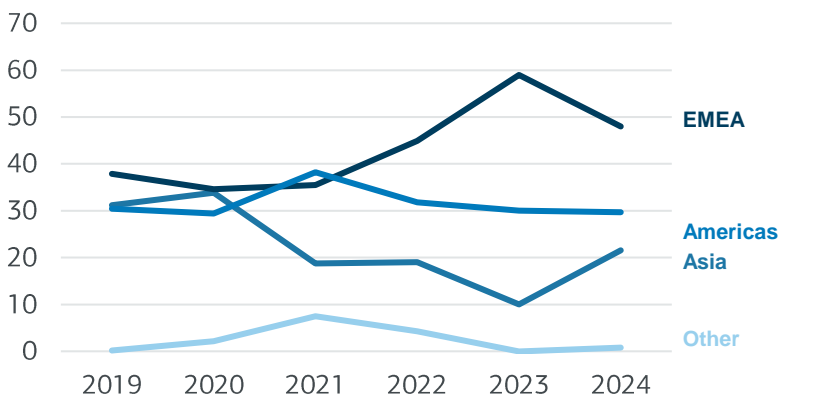
# KfW's global investor base

## Distribution of KfW's benchmark investor base (EUR & USD)

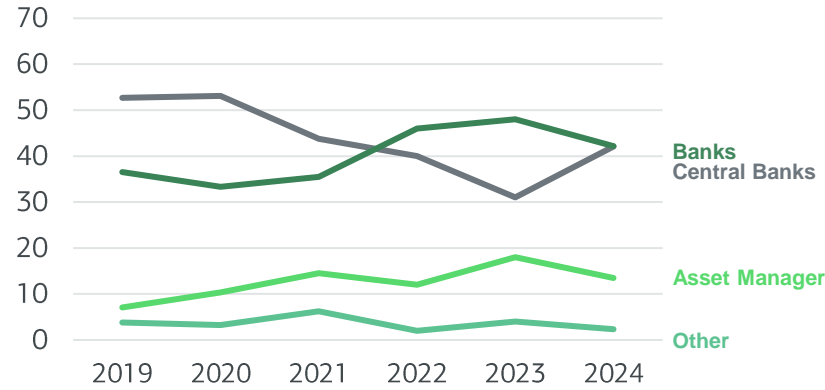
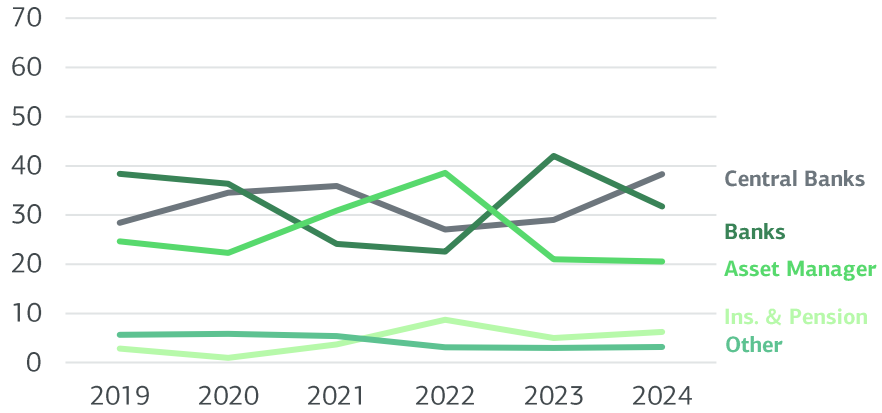
€



\$



### Investor distribution (in %)<sup>1</sup>





# Liquidity is key

KfW Benchmark Bonds are among the most liquid bonds on the market

## Attributes to support liquidity of KfW benchmark bonds

- KfW is public sector entity in the EU
- Risk weight: 0% according to CRR/Basel III
- PSPP and PEPP eligibility: 33% limit PSPP only
- Frequent issuer of benchmark bonds in core currencies EUR and USD
- Four lead managers for EUR and USD BM bonds
- Large-volume BM bonds (sizes of 3bn to 7bn EUR/USD)
- Traded by approx. 30-40 banks OTC and at various stock exchanges
- Broad order book diversification (Ø more than 140 investors in 2023)



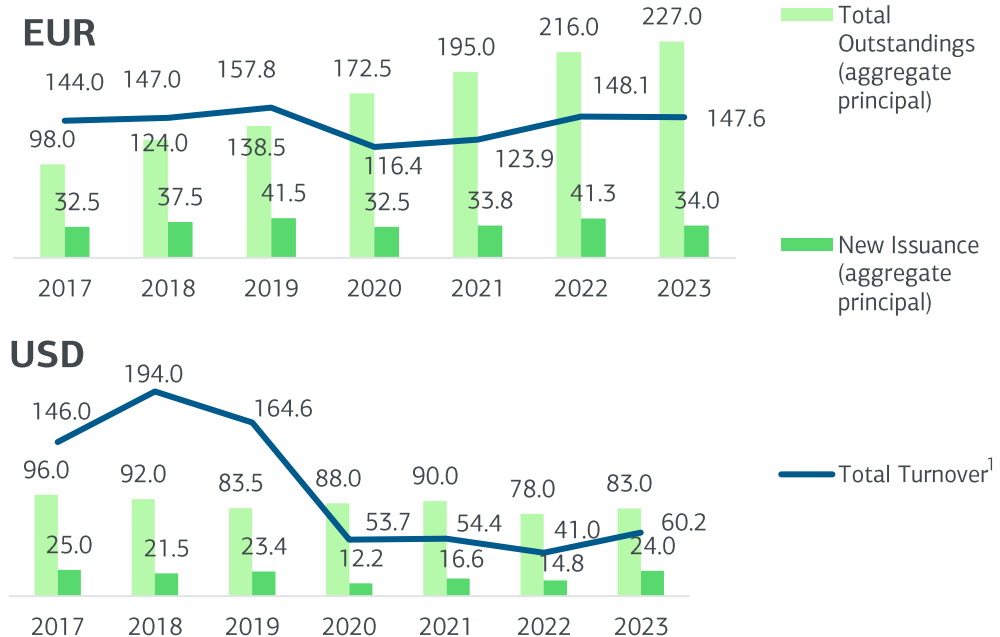
Bonds and notes issued by KfW are in principle eligible in the EU as level 1 assets pursuant to Article 10 para. 1 lit. (c)(v) of the Commission Delegated Regulation (EU) 2015/61 of October 10, 2014.



KfW's bonds and notes have been assessed as "HQLA US Eligible Assets" by Bloomberg, see Bloomberg, KfW Corp <GO>, Choose Bond, DES <GO>, 13 <GO>

## Turnover in KfW benchmark bonds in secondary markets

Total turnover in KfW benchmark bonds is shown in relation to the total outstanding and the new issues of EUR and USD benchmark bonds of each funding year, respectively.



<sup>1</sup> No warranty is given as to the completeness or accuracy of the total turnover data which has been supplied by 15-20 different banks and accumulated but not verified by KfW.



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# Capital Market Funding

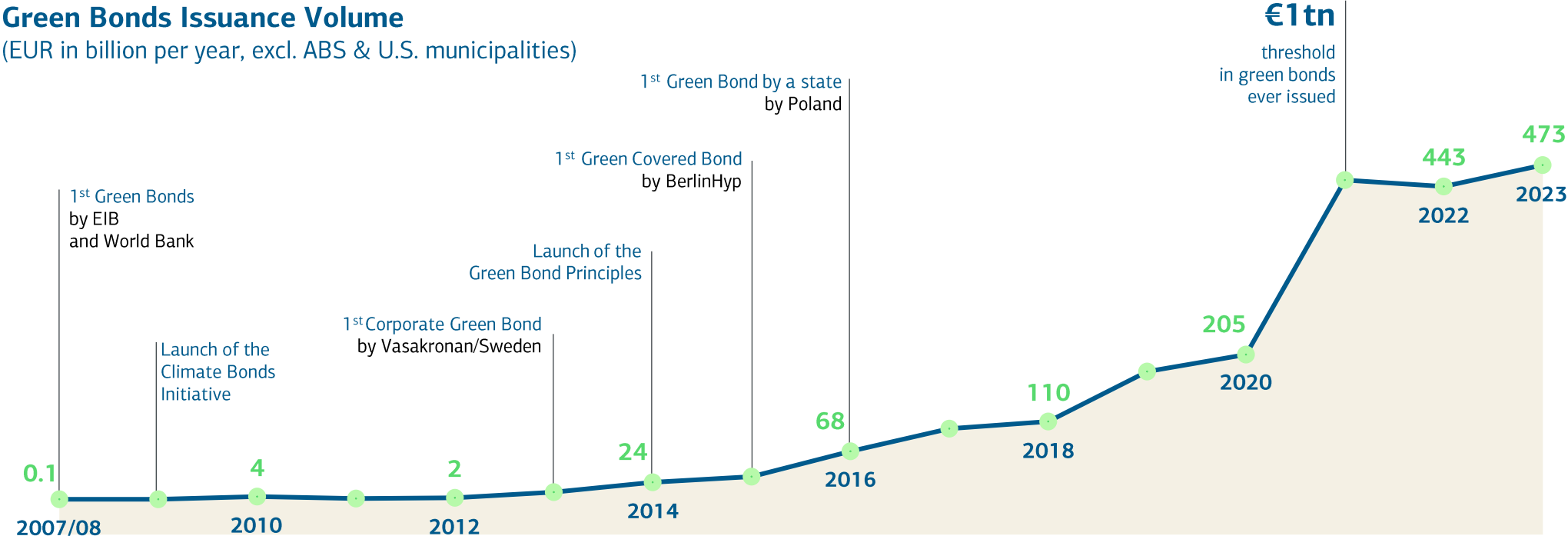
Green Bonds – Made by KfW

# Increasing investors' willingness to engage in green finance

KfW is one of the most active participants in the green bond market

## Green Bonds Issuance Volume

(EUR in billion per year, excl. ABS & U.S. municipalities)



### 1<sup>st</sup> Green Bond – Made by KfW

Launch of KfW Green Bond Portfolio  
KfW becomes ExCom-Member of Green Bond Principles

€14.5bn  
Green Bonds  
issued under  
1<sup>st</sup> Framework

€32.7bn  
Green Bonds  
issued under  
2<sup>nd</sup> Framework

€23.7bn  
Green Bonds  
issued under  
3<sup>rd</sup> Framework

Source: Bloomberg



# Green Bonds – Made by KfW

## Highlights of KfW's footprint in the green bond market

### High Quality

Aligned with GB Principles & Harmonized Framework for Impact Reporting, SPO from Sustainabilitytics.

### Liquidity

With large sizes in benchmark maturities make KfW Green Bonds among the most liquid Green Bonds in the market.

### Variety

KfW Green Bonds are available in various currencies - in benchmark size and non-vanilla, tailor-made MTNs.

### Credibility

Top ESG ratings and a strong focus on green finance make KfW one of the most credible issuers of green bonds.

### Eligible Project Categories

Renewable energies • Green buildings • Clean transportation • Biodiversity • Corporate investments in climate mitigation

### Contribution to SDGs

7: Affordable & Clean Energy  
9: Industry, Innovation & Infrastructure  
11: Sustainable Cities & Communities  
13: Climate Action  
14: Life Below Water  
15: Life On Land



### Among Market Leaders

Over €70bn of "Green Bonds – Made by KfW" since 2014 make KfW one of the largest issuers globally.

### Green Indices

Eligible for many green indices like "The BofA Merrill Lynch GB Index", "Barclays MSCI GB Index", "S&P GB Index", "Solactive GB Index".

### Green Bond Framework

To learn more about KfW's extended Green Bond Framework, click here:



### Global Engagement

Engaging in and supporting of international and national initiatives to promote sustainability in capital markets (e.g. PRI, TCFD, etc).

### Green Bond Portfolio

From 2015 to 2023, KfW invested ~ €3.4bn in Green Bonds based on a promotional mandate from the Federal Ministry of Environment.



# Green Bond Framework 4.0

KfW's new Green Bond Framework is an evolution in terms of both content and strategy



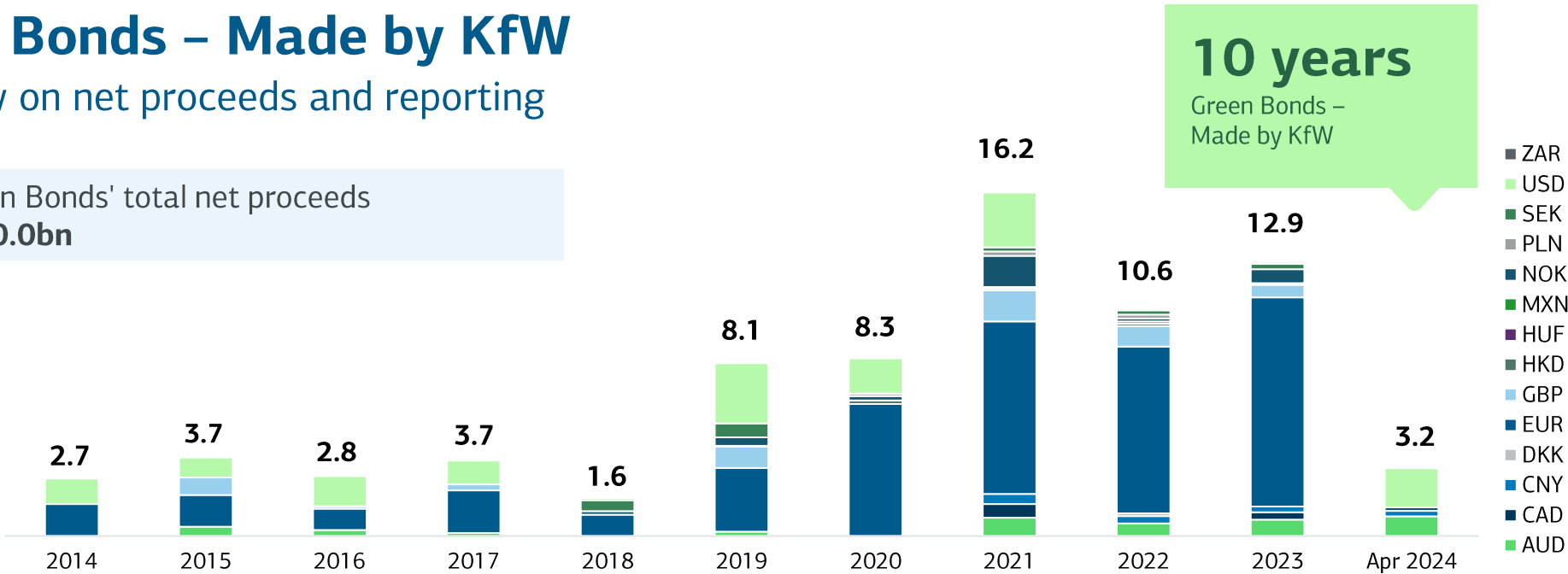
To watch the KfW webinar on the extended Green Bond Framework, please visit: [Investor Relations | KfW](#)

# Green Bonds – Made by KfW

## Overview on net proceeds and reporting

KfW Green Bonds' total net proceeds  
> **EUR 70.0bn**

in EUR  
billions

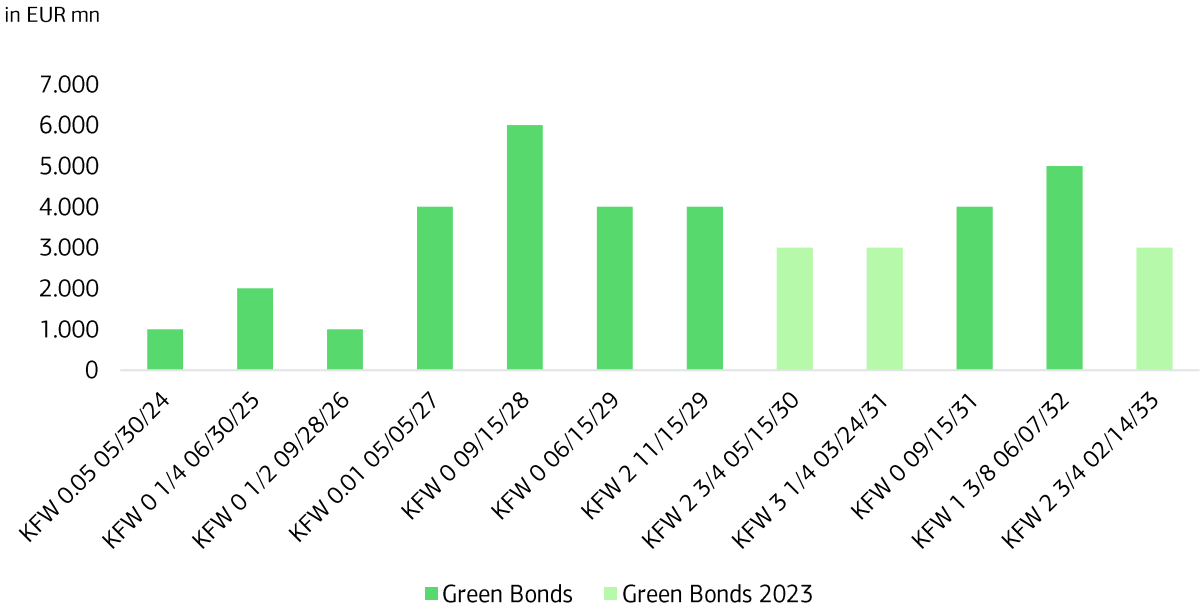


Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Apr 2024
Details	2 GB	5 GB	4 GB	7 GB	3 GB & 1 promissory note	9 GB & 1 promissory note	11 GB & 3 taps	22 GB & 15 taps	13 GB & 7 taps	15 GB & 7 taps	4 GB
Allocation Reporting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	in 2025
Impact Reporting	✓	✓	✓	✓	✓	✓	✓	in 2024	in 2024	2025 (expected)	2026 (expected)

# EUR Green Bond issuances



Outstanding EUR Green Bonds  
EUR 40.0bn



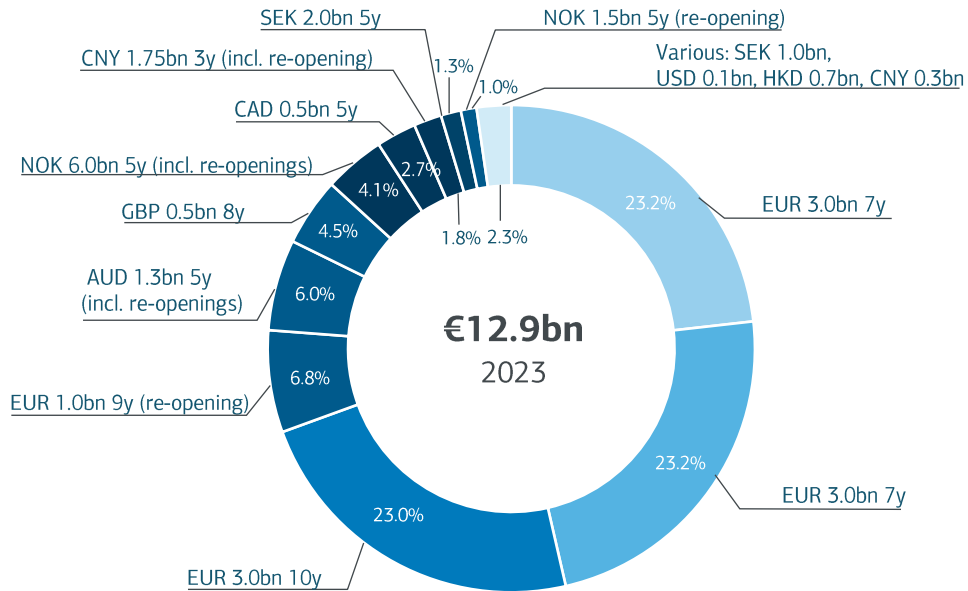
## EUR Green Bond Issuances 2023

Issue date	bn EUR	Maturity	Tenor
Feb 14, 2023	3.0	Feb 2033	10y
May 24, 2023	3.0	May 2030	7.0y
Oct 4, 2023	3.0	Mar 2031	7.5y
Nov 9, 2023 (tap)	1.0	Jun 2032	8.6y
Total	10.0		

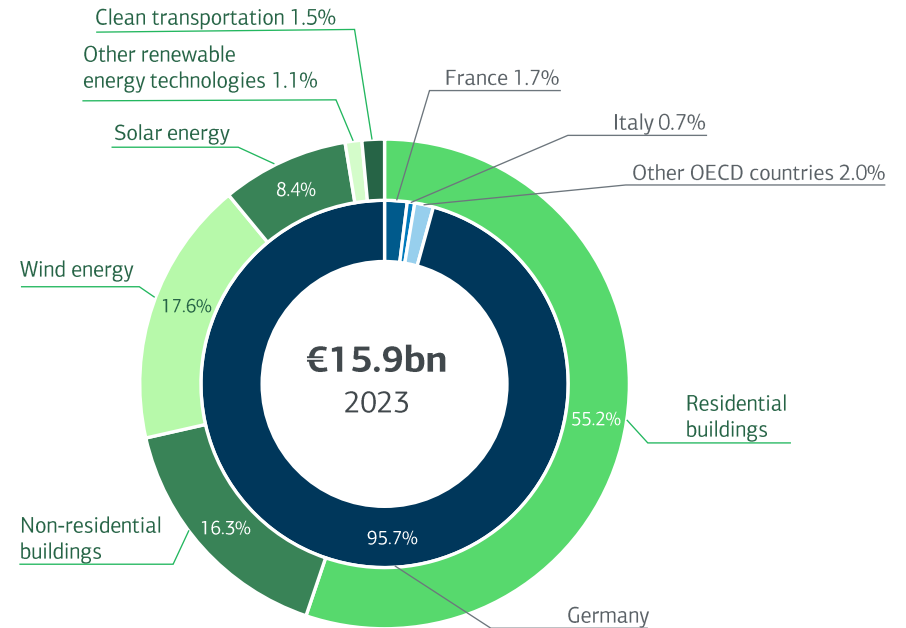
# Allocation of KfW Green Bonds 2023

## Green Bonds – Made by KfW

- Issued in 9 different currencies: EUR, AUD, NOK, GBP, CAD, CNY, SEK, USD, HKD
- Eligible categories 2023: Renewable Energy, Energy Efficiency & Clean Transportation



## Underlying assets

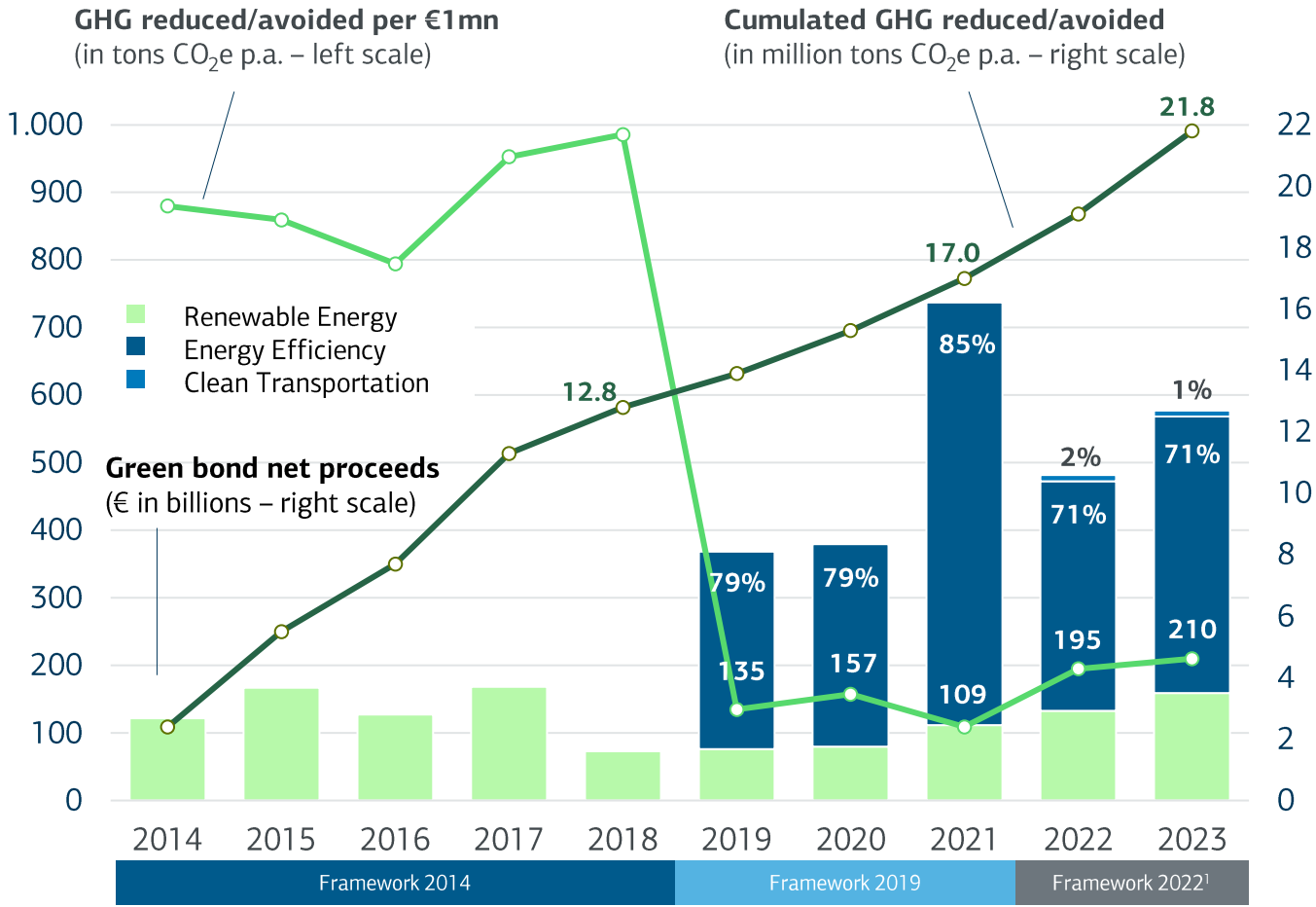


KfW aims to create transparency and trust in the effectiveness of its Green Bonds via a regular reporting. Two separate reports provide information about the allocation and impact. Since 2022 the allocation report has been reviewed by an independent auditor (limited assurance).



# Allocation and impact of KfW Green Bonds

Based on KfW's pro-rata financing of projects



## Highlights

- 1** Strong increase in green bond issuance volume with introduction of Framework 2019. Driver: energy-efficient housing
  - 2** Renewable energy projects deliver a significantly higher impact per €1mn investment than energy-efficient housing projects.
  - 3** Cumulated environmental impact of 'green' projects totals 21.8m tons CO<sub>2</sub>e p.a. reduced/avoided.
- corresponds to more than 3% of Germany's overall 2023 CO<sub>2</sub>e emissions of 673m tons.<sup>2</sup>

<sup>1</sup> Estimated impact based on impact data already evaluated for the project categories Renewable Energies, Energy Efficiency and Clean Transportation, each provided by independent research agencies, for the years 2019 to 2022 (to the extend available),  
<sup>2</sup> Source: Umweltbundesamt (German Environment Agency)

# Independent opinion by Morningstar Sustainalytics

External analysis by renowned research institution

KfW Green Bond Framework 4.0 – applicable from January 2024 onwards



**Morningstar Sustainalytics**, a globally-recognized provider of ESG research, ratings and data, and has completed over 1000 Second Party Opinion (SPO) projects.



Sustainalytics is of the opinion that the Green Bonds – Made by KfW Framework is credible and impactful and aligns with the Green Bond Principles 2021.



Sustainalytics mapped the criteria defined in the Framework’s use of proceeds categories to 78 activities in the EU Taxonomy. Sustainalytics is of the opinion that 63 activities align with the applicable significant contribution (SC) criteria, 7 partially align and 8 are not aligned.



Sustainalytics assessed the Framework and the alignment thereof with relevant industry standards including the EU Taxonomy and provided views on the robustness and credibility of the Framework.

Framework 2014 (assessed by CICERO)

- ✓ Shades of Green: **dark green**
- ✓ Governance: **excellent**

Framework 2019 (assessed by CICERO)

- ✓ In line with ICMA GBP (June 2018)
- ✓ Shades of Green: **medium green**
- ✓ Governance: **excellent**

Framework 2022 (assessed by CICERO)

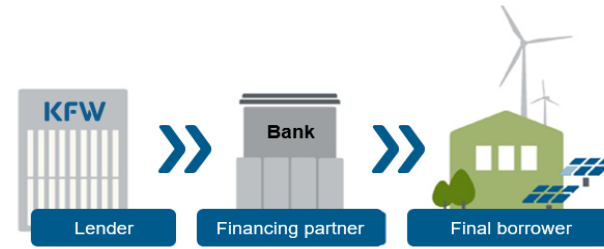
- ✓ In line with ICMA GBP (June 2021)
- ✓ Shades of Green: **medium green**
- ✓ Governance: **excellent**

# Project evaluation and selection process

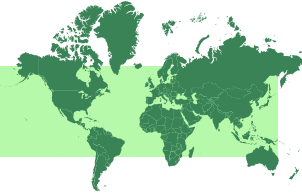
## Domestic projects



- KfW loans are extended to final borrowers via intermediaries such as commercial banks or local saving banks.
- Intermediaries apply their regular loan procedure, assume the liability for repayment to KfW and screen against the specific programmes' eligibility criteria KfW defined.
- In a 2nd step, the KfW lending department reviews the loan application and compliance with the eligibility criteria of the specific KfW loan programme.
- All projects approved by KfW's lending department for eligible loan programmes immediately qualify for KfW Green Bonds w/o further selection or approval process.



## International financings



- For financing provided by KfW in the context of international cooperation and project and export finance, a selection process has been set up for the identification and approval of Eligible Green Projects in line with the criteria of KfW's Green Bond Framework.
- The relevant business functions within KfW group are responsible for selecting a list of potential eligible financings that is then submitted to KfW's Financial Markets Department.
- Representatives from KfW's financial markets as well as representatives responsible for sustainability and finance from the relevant business functions within KfW group will meet on a regular basis to review proposed Eligible Green Projects and validate the selection.

# Management of proceeds

## Transparent tracking

1

Green bonds in  
several currencies  
and sizes

2

Separate euro  
register for each calendar  
year

3

Amount equal to net proceeds  
allocated to disbursements of  
eligible  
green projects



On a monthly basis, amounts matching requests for disbursements under eligible KfW programmes are allocated to an **internal register**. If Eligible Green Projects from the last quarter of a given calendar year have not been allocated to a green bond by year-end, KfW may allocate those eligible green projects to green bonds issued in the following calendar year.



Upon issuance of *Green Bonds – Made by KfW*, an **amount equal to the net proceeds** in euros of such transactions is allocated to this internal register in their order of issuance.



For any *Green Bonds – Made by KfW*, KfW expects **full allocation by end of the year of issuance**.



*Green Bonds – Made by KfW* can be increased (tapped). In terms of management of proceeds and reporting, **a tap is treated like a new issuance** and is subject to the framework applicable at the time of issuance.



The volume-weighted average **maturity** of the cumulated green bonds issued in one year may not exceed the average duration of the cumulated loan commitments for eligible green projects of the preceding year.

Net proceeds from issuance

Green bond register

Loans for eligible KfW programmes

# Capital market funding

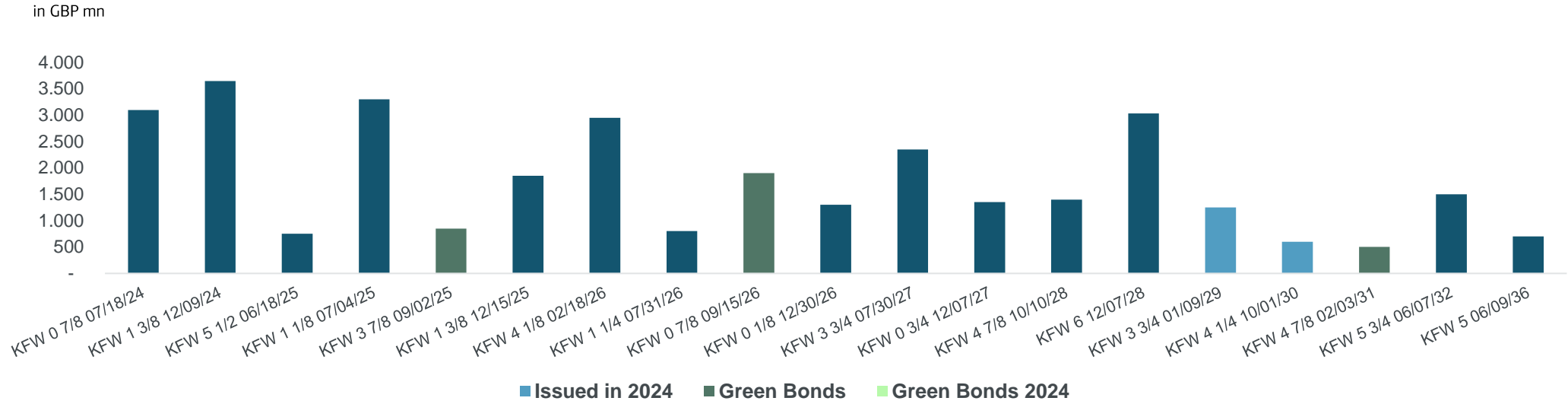
## Other public bonds

# KfW in GBP

KfW is one of the leading SSA issuers in the Sterling market



## KfW's GBP curve across the maturity spectrum (only fixed rate lines outstanding)



### Characteristics

- GBP is of strategic relevance for KfW funding mix
- KfW is active as a frequent issuer
- KfW is providing highly liquid lines of GBP 1bn+
- KfW provides tailor-made sizes and maturities

### Highlights 2023

- KfW is largest GBP issuer (ex UK DMO) with GBP 7.35bn
- GBP is 3rd most important currency for KfW funding
- In 2023 KfW issued 4 new lines and 12 taps

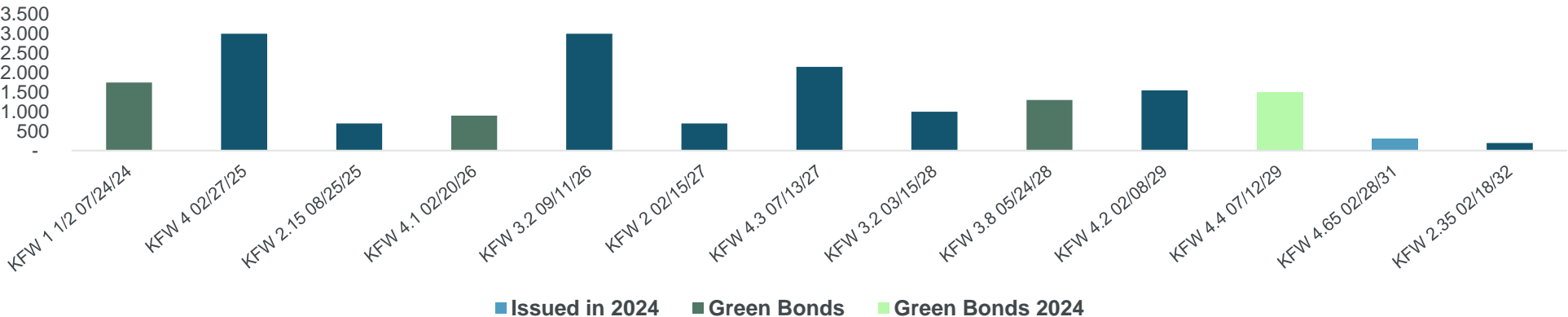
# KfW in AUD

KfW is among the largest SSA Kangaroo issuers



KfW's AUD curve across the maturity spectrum  
(fixed rate lines outstanding)

in AUD mn



## Characteristics

- KfW secured top position as the largest Kangaroo SSA issuer in terms of outstanding volume (2023: AUD 18.6bn)
- KfW maintains its strategic approach to the Kangaroo market and is a regular and agile issuer
- KfW Kangaroo bonds are RBA repo eligible

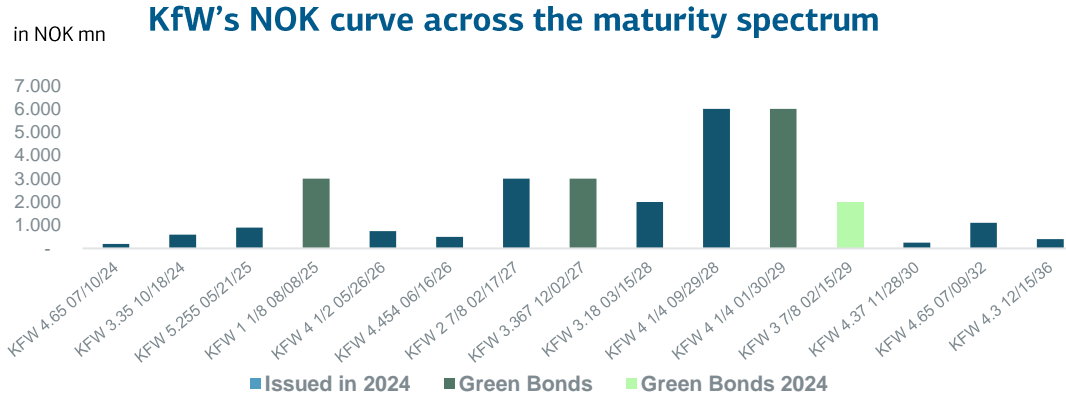
## Highlights 2023

- KfW's new issuance volume reached a 12-year high in 2023 (AUD 6bn)
- KfW was by far the largest Kangaroo issuer in 2023
- Three new large and liquid lines (4.5y, 5.5y green, 6y) in 2023
- Number of taps 2023: 22

# KfW in NOK & SEK

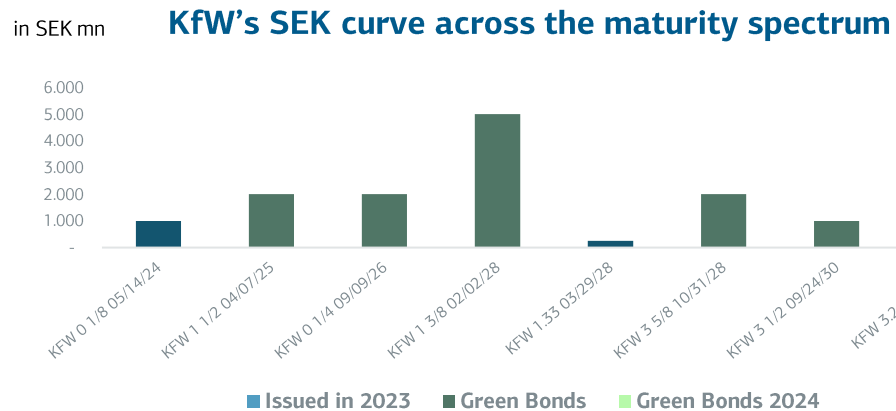
Expanding green activities into Nordic region

# NOK/SEK



## Characteristics

- KfW is one of the largest NOK and SEK issuer in the market
- Offering in both markets some of the most liquid bonds
- Flexibility in deal/tap size and maturities
- Tailor-made issuance in DKK is possible



## Highlights 2023

- One of the largest issuer in NOK and SEK
- KfW issued 3 new NOK lines (1 green) and 5 taps
- KfW issued 2 new Green SEK lines



# **Liquidity management at KfW**

Portfolio management and money market  
activities



# KfW's liquidity portfolio € 34bn<sup>1</sup>

securing KfW's liquidity

## Strategy

- Pure fixed income portfolio
- Buy-and-hold strategy
- Only very good credit ratings (min. investment-grade)
- No relevant interest rate risks due to comprehensive interest rate hedging

## Asset classes

- Government bonds and bonds issued by government-related issuers and agencies
- Covered bonds
- Financials
- ABCP, ABS

# Money market

## Large ECP / USCP programmes for short term liquidity

### ECP programme



- Multi-currency commercial paper (ECP) programme with a **programme size of EUR 90bn** (since August 2022)
- Flexible in all maturities, starting with 1 week
- Sizes start from EUR 2.5m and are not capped
- In 2023, KfW has issued **532 ECPs** with a total volume of **EUR 72bn**

### USCP programme



- USD CP programme with a size of **USD 30bn** (since March 2022)
- Flexible in all maturities including same-day funding; max. USD 1.0bn maturities per day
- In 2023, KfW has issued **415 USCPs** with a total volume of **USD 41bn**

### Top CP-Ratings



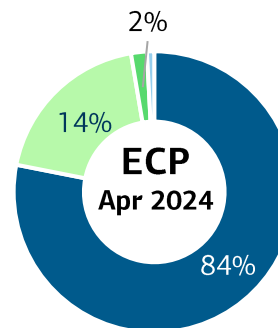
P-1 (Moody's)  
S-1+ (Scope)  
A-1+ (S&P)

### Tailor-made solutions



KfW aims to meet investors' needs by showing flexibility in sizes, maturities and currencies (wide currency range possible in ECP programme)

### Variety of currencies



■ USD ■ EUR  
■ GBP ■ Others

In 2023, KfW has issued CPs in 8 currencies under its ECP programme:

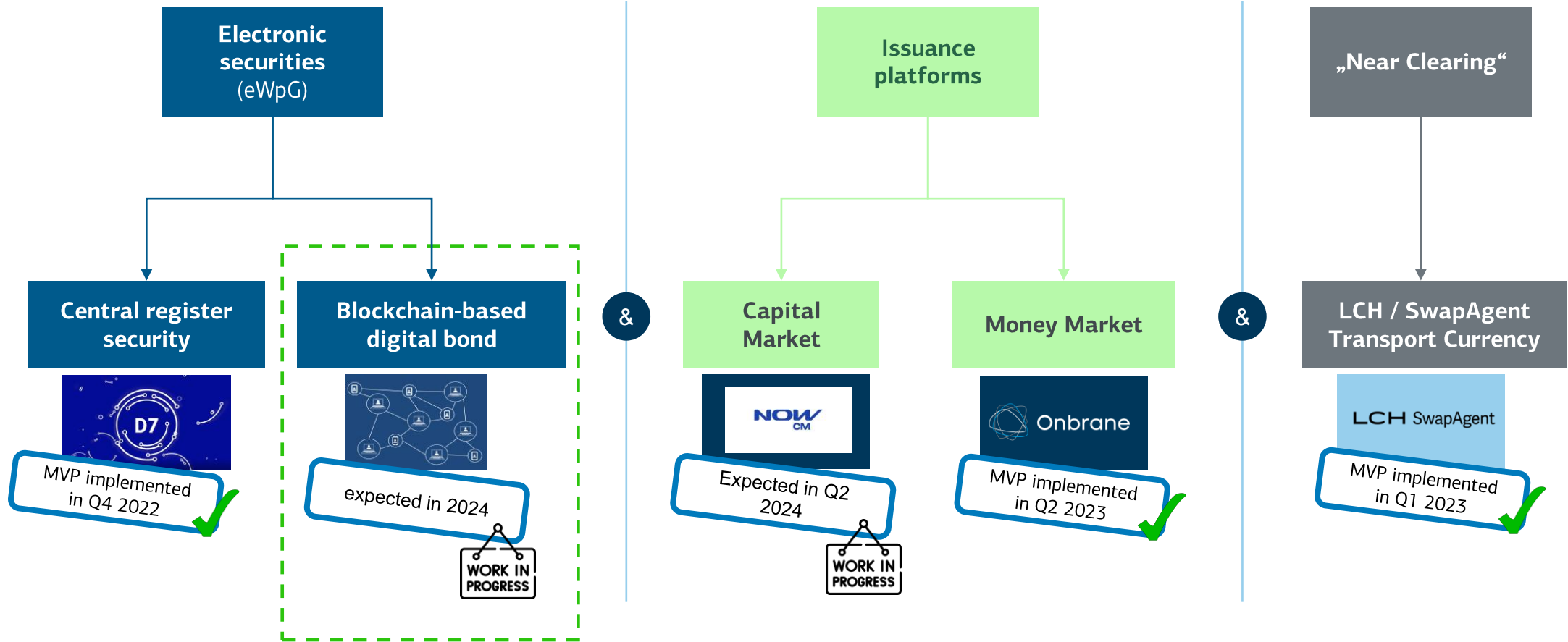
USD, EUR, GBP, CHF, AUD, HKD, NZD, CAD

Overall, CPs were issued in **17 currencies** since the launch of the programme

# Digitization initiatives at KfW

# Digitization and Innovation Initiatives at KfW Treasury

Multitrack approach on the way to straight-through-processing (STP)



# Outlook



## EUR 90-95<sub>bn</sub> Funding target for 2024

- Total funding volume expected at EUR 90-95bn in 2024
- EUR 10-13bn funding via Green Bonds in different currencies
- Broad diversification in terms of bond formats and currencies:
  - Min. 50% of funding coming from EUR
  - USD gaining importance
  - Excellent market access through issuances in other currencies



# Contacts

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Sven Wabbels	Capital Markets	- 4148
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