



# KfW Financial Statements 2023

Shaping transformation

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The figures in tables were calculated exactly and added up.  
Figures may not add up to totals because of independent rounding.

Actual zero amounts and amounts rounded to zero are presented as EUR 0 million.

# Combined management report

The KfW management report is combined with KfW Group's management report in accordance with Section 315 (5) in conjunction with Section 298 (2) of the German Commercial Code (*Handelsgesetzbuch* – "HGB"). The combined management report is included in the KfW Group financial report and is submitted to the German Company Register.

The KfW single-entity financial statements and the KfW Group financial report are also available online at [www.kfw.de](http://www.kfw.de).

# Annual financial statements

# Statement of financial position of KfW as of 31 December 2023

## Assets

	See note no.	31 Dec. 2023				31 Dec. 2022
		EUR in millions	EUR in millions	EUR in millions	EUR in millions	EUR in millions
<b>Cash reserves</b>						
a) Cash				0		0
b) Balances with central banks				614		645
<i>of which: with Deutsche Bundesbank</i>		614				(645)
				<b>614</b>		<b>645</b>
<b>Loans and advances to banks</b>	(2)					
a) Due on demand				48,214		57,583
b) Other receivables				352,653		331,493
				<b>400,867</b>		<b>389,076</b>
<b>Loans and advances to customers</b>	(3)			<b>120,400</b>		<b>135,414</b>
<i>of which: secured with mortgages</i>		0				(0)
<i>of which: municipal loans</i>		72,718				(88,751)
<b>Bonds and other fixed-income securities</b>	(4), (9)					
a) Money market securities						
aa) of public sector issuers			0			0
<i>of which: eligible as collateral with Deutsche Bundesbank</i>						(0)
ab) of other issuers		0	3,826			3,376
<i>of which: eligible as collateral with Deutsche Bundesbank</i>						(0)
		0		3,826		3,376
b) Bonds and notes						
ba) of public sector issuers			8,257			8,157
<i>of which: eligible as collateral with Deutsche Bundesbank</i>						(7,858)
bb) of other issuers		8,077	25,642			25,034
<i>of which: eligible as collateral with Deutsche Bundesbank</i>						(19,915)
		21,213		33,899		33,192
c) KfW's own bond issues				3,831		3,877
Nominal amount						(4,517)
		<b>4,421</b>		<b>41,556</b>		<b>40,444</b>

## Assets

	See note no.	31 Dec. 2023				31 Dec. 2022
		EUR in millions	EUR in millions	EUR in millions	EUR in millions	EUR in millions
<b>Equity investments</b>	(5), (7), (9)				<b>929</b>	<b>916</b>
<i>of which: in banks</i>		58				(58)
<i>of which: in financial services institutions</i>		0				(0)
<i>of which: in investment institutions</i>		0				(0)
<b>Shares in affiliated companies</b>	(6), (7), (9)				<b>4,179</b>	<b>3,964</b>
<i>of which: in banks</i>		429				(429)
<i>of which: in financial services institutions</i>		0				(0)
<i>of which: in investment institutions</i>		877				(663)
<b>Assets held in trust</b>	(8)				<b>20,505</b>	<b>18,595</b>
<i>of which: loans held in trust</i>		10,886				(10,271)
<b>Intangible assets</b>	(9)					
Concessions, industrial property and similar rights and assets and licenses to such rights and assets				22		24
					<b>22</b>	<b>24</b>
<b>Property, plant and equipment</b>	(9)				<b>821</b>	<b>811</b>
<b>Other assets</b>	(10)				<b>679</b>	<b>3,455</b>
<b>Prepaid expenses</b>	(11)				<b>4,691</b>	<b>3,613</b>
<b>Special loss account consisting of provisions under Section 17 (4) of the D-Mark Balance Sheet Act</b>					<b>26</b>	<b>26</b>
<b>Total assets</b>					<b>595,291</b>	<b>596,985</b>

## Liabilities and equity

	See note no.	31 Dec. 2023				31 Dec. 2022
		EUR in millions	EUR in millions	EUR in millions	EUR in millions	EUR in millions
<b>Liabilities to banks</b>	(12)					
a) Due on demand				7,386		10,584
b) With agreed terms or periods of notice				5,562		8,879
					<b>12,948</b>	<b>19,463</b>
<b>Liabilities to customers</b>	(13)					
Other liabilities						
a) Due on demand			254			196
b) With agreed terms or periods of notice			49,004			65,318
				49,258		65,514
					<b>49,258</b>	<b>65,514</b>
<b>Certificated liabilities</b>	(14)					
Bonds and notes issued				471,779		455,107
					<b>471,779</b>	<b>455,107</b>
<b>Liabilities held in trust</b>	(15)				<b>20,505</b>	<b>18,595</b>
<i>of which: loans held in trust</i>		10,886				(10,271)
<b>Other liabilities</b>	(16)				<b>577</b>	<b>223</b>
<b>Deferred income</b>	(17)				<b>5,268</b>	<b>4,284</b>
<b>Provisions</b>	(18)					
a) Provisions for pensions and similar commitments				1,927		1,921
b) Other provisions				1,051		1,037
					<b>2,978</b>	<b>2,959</b>
<b>Fund for general banking risks</b>	(19)				<b>0</b>	<b>200</b>



## Liabilities and equity

	See note no.	31 Dec. 2023				31 Dec. 2022
		EUR in millions	EUR in millions	EUR in millions	EUR in millions	EUR in millions
<b>Equity</b>	(20)					
a) Called capital						
Subscribed capital			3,750			3,750
less uncalled outstanding contributions			-450			-450
				3,300		3,300
b) Capital reserve				8,447		8,447
c) Reserve from the ERP Special Fund				1,191		1,191
d) Retained earnings						
da) Statutory reserve under Article 10 (2) of the KfW Law			1,875			1,875
db) Special reserve under Article 10 (3) of the KfW Law			17,117			15,781
dc) Special reserve under Section 17 (4) of the D-Mark Balance Sheet Act			48			48
				19,040		17,704
					<b>31,977</b>	<b>30,641</b>
<b>Total liabilities and equity</b>					<b>595,291</b>	<b>596,985</b>
<b>Contingent liabilities</b>	(21)					
Liabilities from financial guarantees				615		704
					<b>615</b>	<b>704</b>
<b>Other commitments</b>	(22)					
Irrevocable loan commitments				127,014		120,671
					<b>127,014</b>	<b>120,671</b>

# Income Statement of KfW

for the period from 1 January – 31 December 2023

	See note no.	2023				2022
		EUR in millions	EUR in millions	EUR in millions	EUR in millions	EUR in millions
<b>Interest income from</b>						
a) Lending and money-market transactions	(23)	18,610				9,839
less negative interest from lending and money-market transactions		-44				-203
			18,566			9,635
b) Fixed-income securities and bonds		1,386				141
less negative interest from fixed-income securities		-17				-31
			1,369			110
				19,935		9,746
<b>Interest expense</b>	(23)	18,453				8,661
less positive interest from the banking business		-304				-503
				18,150		8,158
					1,785	1,588
<b>Current income from</b>						
a) Shares and other non-fixed income securities				0		0
b) Equity investments				42		17
c) Shares in affiliated companies				42		51
					84	68
<b>Income from profit pooling, profit and loss transfer and partial profit transfer agreements</b>					6	0
<b>Commission income</b>				591		643
<b>Commission expense</b>				178		180
					412	463
<b>Other operating income</b>	(24)				172	99
<b>General administrative expenses</b>						
a) Personnel expense						
aa) Wages and salaries			545			540
ab) Social security contributions and expenses for pension provision and other employee benefits			127			142
of which: for pension provision		44				64
				673		682
b) Other administrative expenses				532		468
					1,205	1,150
<b>Depreciation, amortisation and impairments on property, plant and equipment and intangible assets</b>	(9)				52	75
<b>Other operating expenses</b>	(24)				114	54

	See note no.	2023				2022
		EUR in millions	EUR in millions	EUR in millions	EUR in millions	EUR in millions
Income from reversals of impairment losses on receivables and certain securities and the reversal of provisions for loan losses					37	95
Depreciation, amortisation and impairments on equity investments, shares in affiliated companies and securities held as fixed assets					0	2
Income from reversals of impairment losses on equity investments, shares in affiliated companies and securities held as fixed assets					12	0
Reversal of the fund for general banking risks	(19)				200	0
Expense from loss absorption					0	1
Result from ordinary activities					1,337	1,031
Taxes on income					0	3
Other taxes					1	3
Profit for the year					1,336	1,026
Allocation to retained earnings						
to the special reserve under Article 10 (3) of the KfW Law	(20)		-1,336			-1,026
				-1,336		-1,026
Net retained earnings					0	0

# Notes

KfW is a public law institution with registered office in Frankfurt am Main/Germany.

The financial statements of KfW have been prepared in accordance with the requirements of the German Commercial Code (*Handelsgesetzbuch* – “HGB”), the German Accounting Regulation for Banks, and Financial Services and Investment Institutions (*Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute* – “RechKredV”) and the Law Concerning KfW (KfW Law). The special provisions of the D-Mark Balance Sheet Act (*D-Mark-Bilanz-Gesetz* – “DMBiG”) have also been observed.

The KfW statement of financial position and income statement presentation of items was adjusted as follows: Equity was expanded to include the Reserves from the ERP Special Fund and the three sub-items in Retained earnings: Statutory reserve under Article 10 (2) KfW Law and Special reserve under Article 10 (3) KfW Law and Special reserve under Section 17 (4) of the D-Mark Balance Sheet Act. Disclosures on items in the statement of financial position which may be provided in either the statement of financial position or the notes are provided in the notes.

## 1) Accounting policies

Cash reserves, Loans and advances to banks and customers and Other assets have been shown at cost, notional amount or lower fair value. Differences between notional amounts and lower paid out amounts of receivables, which are similar in nature to interest, have been included in Deferred income and recognised over the term through profit or loss in Interest income. The option under Section 253 (3) sentence 6 HGB is being exercised for the valuation of equity investments held in KfW's fixed assets at the lower of cost or market (*strenges Niederstwertprinzip*). Shares in affiliated companies are recognised at cost. In the case of permanent impairments, assets are written down to the lower value.

Interest rate reductions accounted for at present value are the key component of KfW's promotional expenses. KfW grants these reductions for certain domestic promotional loans for new business during the first fixed interest rate period in addition to passing on KfW's favourable funding conditions (obtained on the strength of its triple-A rating). Interest rate reductions are recognised in the income statement as they arise, at their present value at the time the loan terms and conditions are determined. These transactions are measured applying the parameters of the general promotional loan market the first time they are recorded at fair value. Consequently, these transactions result in interest rates below the market rate, which has a negative impact on KfW's earnings position.

The difference that normally results upon loan commitment – the present value of the nominal scheduled interest rate reductions during the first fixed interest rate period – is recognised in profit or loss with a negative impact on interest expense and accounted for as an adjusting item in Loans and advances under the statement of financial position items Loans and advances to banks or Loans and advances to customers. The adjustment to the carrying amount is amortised in Net interest income using the effective interest rate method. In the event of unscheduled repayment in full, this is recognised in profit or loss under Interest income. Differences that relate to irrevocable loan commitments are reported in Provisions. Changes to the portfolio are offset via the adjustments to the carrying amounts of already disbursed promotional loans recognised on the assets side.

The securities held as a liquidity reserve are valued strictly at the lower of cost or market (*strenges Niederstwertprinzip*), where they are not hedged. For securities held as fixed assets, the modified lower of cost or market principle (*gemildertes Niederstwertprinzip*) has generally been applied. In some cases, hedge accounting is applied for securities and their interest hedges (primarily interest rate swaps) in accordance with Section 254 HGB. No securities have been allocated to the trading book. Reversals of impairment losses have been accounted for in accordance with the statutory requirements. Structured securities with embedded derivatives are accounted for as one unit and are valued strictly at the lower of cost or market value.

Property, plant and equipment and intangible assets are reported at cost, reduced by straight line depreciation/amortisation over their normal useful life, which is also based on tax depreciation schedules. Impairment is recognised as required. Minor fixed assets are combined to form a collective item and are depreciated/amortised over a period of five years using the straight-line method. The bank opted not to recognise internally generated intangible fixed assets.

Liabilities are recognised at their settlement value; differences between agreed higher repayment amount and issue amount are recognised in the item Deferred charges. Zero-coupon bonds issued are recognised at their current redemption amount.

Provisions for pensions and similar obligations are valued in accordance with actuarial principles on the basis of Heubeck AG's 2018 G actuarial tables. The projected unit credit method with the following parameters is applied to KfW's calculations for all active staff members and a general discount applied at the average market rate based on an assumed residual term of 15 years.

	31 Dec. 2023
Actuarial discount rate (10-year average interest rate)	1.82%
Rate of salary increases (depending on pay scale)	2.20%
Rate of pension increases (depending on pension scheme)	1.00% to 2.50%
Rate of staff turnover	3.00%

Other provisions are reported in the amount of the estimated expenditure required to settle the obligation as dictated by prudent business judgement, taking future price/cost increases into account. Provisions with a residual maturity of more than one year, if material, are discounted using the market interest rate published by the Deutsche Bundesbank.

Risks, primarily for lending business as a result of the structure of KfW's business, were sufficiently addressed through valuation allowances and provisions. KfW distinguishes between significant receivables (non-retail, volume from each individual borrower of EUR 1 million or more) and non-significant receivables (retail). For significant receivables, an individual assessment of credit exposure regarding expected cashflows is undertaken when there are indications of impairment. The calculation takes into account the scope and value of the collateral as well as the political risk. For non-performing loans, interest income is generally accrued based on the probability of collection. For non-significant receivables with indications of impairment, a general risk provision (specific valuation allowance – retail) is created based on homogeneous sub-portfolios.

KfW has exercised its option on general valuation allowances (IDW RS BFA 7 note 26), also under HGB, of calculating risk provisions in accordance with the methodology specified in the IFRS 9 stage-based model. These are automatically calculated for all receivables (retail and non-retail) based on the changes in credit quality since initial recognition, either in the amount of the one-year expected loss or, if there has been significant deterioration in credit risk since initial recognition, in the amount of the lifetime expected loss.

Additions and reversals are recognised net in the item Impairment of receivables and certain securities and additions to provisions for loan losses or Income from the reversals of impairment losses on receivables and certain securities and reversals of provisions for loan losses. The same also applies to unrealised and realised results from equity investments, shares in affiliated companies and securities held as fixed assets. The possibility of netting in the income statement in accordance with Section 340c (2) and Section 340f (3) HGB has been utilised.

The assets and liabilities in foreign currencies and the spot transactions not completed on the reporting date have been converted into euros at the average spot exchange rate. The bank applies the principle of special cover in accordance with Section 340h HGB in conjunction with Section 256a HGB. Hedging transactions are concluded for each currency to ensure that no uncovered foreign currency positions are created or held.

The valuation of interest-related transactions in the banking book (Refinanzierungsverbund) follows the management of interest rate fluctuation risk at KfW. The principle of prudence is applied by recognising a provision for anticipated losses from onerous contracts in accordance with Section 340a in conjunction with Section 249 (1) sentence 1, 2nd alternative HGB for any excess obligations resulting from the valuation of the interest-related banking book. With regard to the requirements of the statement of the Banking Committee of the German Institute of Auditors (*Institut der Wirtschaftsprüfer – IDW*) on accounting, specific loss-free valuations of the banking book (interest book) (IDW RS BFA 3, new version) are taken into account. To determine any excess obligation, KfW calculates the net value of all discounted future period results of the banking book for each period. In addition to net interest and relevant commission income, this includes the associated administrative costs and risk costs in the amount of expected losses. No provision for contingent losses was required during the reporting year.

Negative interest incurred is reported in a separate column under Interest income and Interest expense.

As a state-owned promotional bank, KfW is excluded from the scope of the Minimum Tax Act in accordance with Section 5 (1) in conjunction with Section 7 (30) of the Minimum Tax Act.

# Notes to the assets

## 2) Loans and advances to banks

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
This item includes:		
Loans and advances		
to affiliated companies	29,595	24,683
to companies in which KfW holds a stake	0	0
without underwriting borne by the on-lending bank	17,202	22,174
Subordinated loans	402	402
Due		
on demand	48,214	57,583
within 3 months	35,452	19,454
between 3 months and 1 year	41,090	37,740
between 1 and 5 years	115,823	153,685
in more than 5 years	157,064	117,501
Accrued interest	3,224	3,113
<b>Total</b>	<b>400,867</b>	<b>389,076</b>

An adjusting item in the amount of EUR 762 million (2022: EUR 644 million) is reported under Loans and advances to banks due to the interest rate being below the market rate for promotional loans disbursed with additional promotional support in the form of interest rate reductions impacting KfW's earnings.

## 3) Loans and advances to customers

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
This item includes:		
Loans and advances		
to affiliated companies	229	244
to companies in which KfW holds a stake	1	0
Subordinated loans	968	1,116
Due		
with no fixed maturity	13,796	12,752
within 3 months	10,211	4,717
between 3 months and 1 year	7,535	14,625
between 1 and 5 years	42,331	57,280
in more than 5 years	45,392	45,228
Accrued interest	1,136	812
<b>Total</b>	<b>120,400</b>	<b>135,414</b>

An adjusting item in the amount of EUR 37 million (2022: EUR 39 million) is reported under Loans and advances to customers due to the interest rate being below the market rate for promotional loans disbursed with additional promotional support in the form of interest rate reductions impacting KfW's earnings. KfW reported loans and advances to customers of EUR 8.8 billion (2022: EUR 22.4 billion), for measures to ensure the liquidity of energy sector companies and the necessary infrastructure.

#### 4) Bonds and other fixed-income securities

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
Due within the following year		
Money market securities, bonds and notes	9,373	8,032
Own bond issues	0	32
<b>Total</b>	<b>9,373</b>	<b>8,063</b>
Listed securities	36,606	36,200
Unlisted securities	4,950	4,244
<b>Marketable securities</b>	<b>41,556</b>	<b>40,444</b>
Subordinated assets	629	731
Repurchase agreements	269	546

#### 5) Equity investments

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
Listed securities	74	48
Unlisted securities	71	71
<b>Marketable securities</b>	<b>145</b>	<b>119</b>

#### 6) Shares in affiliated companies

As in 2022, this item does not contain any listed securities.



## 7) Disclosures on shareholdings

Name and domicile of company		Share held	Equity	Profit/loss for the year
		in %	EUR in thousands	EUR in thousands
1	DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne/Germany <sup>1)</sup>	100.0	2,516,872	10,250
2	KfW Beteiligungsholding GmbH, Frankfurt am Main/Germany <sup>1)</sup>	100.0	1,770,628	165,933
3	KfW Capital GmbH & Co. KG, Frankfurt am Main/Germany <sup>1)</sup>	100.0	662,601	0
4	tbg Technologie-Beteiligungsgesellschaft mbH, Bonn/Germany <sup>1)</sup>	100.0	72,676	5,504
5	Interkonnektor GmbH, Frankfurt am Main/Germany <sup>1)</sup>	100.0	71,780	-9,887
6	Finanzierungs- und Beratungsgesellschaft mbH, Berlin/Germany <sup>1)</sup>	100.0	5,664	9
7	Berliner Energieagentur GmbH <sup>1)</sup>	25.0	8,215	418
Name and domicile of company where KfW holds at least 5% of voting rights				Share of voting rights
				in %
1	ProCredit Holding AG & Co. KGaA, Frankfurt am Main/Germany <sup>1)</sup>			13.2
2	Access Microfinance Holding AG, Berlin/Germany <sup>1)</sup>			12.7
3	Latin American Green Bond Fund S.A., SICAV-SIF, Bertrange, Luxembourg <sup>1)</sup>			9.2
4	Finca Microfinance Holding Company LLC, Wilmington, USA <sup>1)</sup>			8.9
5	AB Microfinance Bank Nigeria Ltd., Lagos, Nigeria <sup>1)</sup>			5.9

<sup>1)</sup> Most recent available financial statements 31 December 2022

The exemptions of Section 286 (3) No. 1 HGB were applied. The list of shareholdings shows significant and direct equity investments with a capital share greater than 20%. The other equity investments are of minor importance. For more information on indirect shareholdings, see the information provided in the consolidated financial statements.

## 8) Assets held in trust

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
Loans and advances to banks	709	762
Loans and advances to customers	9,938	10,279
Bonds and other fixed-income securities	200	0
Equity investments	9,657	7,554
<b>Total</b>	<b>20,505</b>	<b>18,595</b>

## 9) Fixed assets

### Statement of changes in fixed assets as of 31 December 2023

EUR in thousands		Equity investments <sup>1)</sup>	Shares in affiliated companies <sup>1)</sup>	Securities held as fixed assets <sup>1)</sup>	Intangible assets	Property, plant and equipment <sup>4)</sup>	Total
Acquisition/production costs as of 1 Jan. 2023 <sup>3)</sup>					230,572	1,297,809	
Additions 2023	Changes <sup>2)</sup>	12,595	214,500	705,500	8,346	53,340	
Disposals 2023					2,159	10,082	
Transfers 2023					0	0	
Acquisition/production costs as of 31 Dec. 2023					236,759	1,341,068	
Accumulated depreciation/amortisation/impairment as of 1 Jan. 2023					206,647	487,272	
Depreciation/amortisation/impairment 2023 <sup>5)</sup>					8,873	31,873	
Reversals of impairments 2023					0	0	
Depreciation/amortisation/impairment of additions 2023					1,092	10,549	
Depreciation/amortisation/impairment of disposals 2023					2,159	9,749	
Depreciation/amortisation/impairment of transfers 2023					0	0	
Accumulated depreciation/amortisation/impairment as of 31 Dec. 2023					214,453	519,945	
Net carrying amount as of 31 Dec. 2023		929,053	4,178,921	33,869,336	22,306	821,123	<b>39,820,739</b>
Net carrying amount as of 31 Dec. 2022		916,458	3,964,421	33,163,837	23,925	810,537	<b>38,879,177</b>

<sup>1)</sup> The bank exercised the option under Section 34 (3) RechKredV to consolidate Securities and investments.

<sup>2)</sup> Including price changes

<sup>3)</sup> The simplification under Section 31 (3) of the Introductory Act to the German Commercial Code (*Einführungsgesetz zum Handelsgesetzbuch – "EGHGB"*) has been applied.

<sup>4)</sup> Of which net carrying amount as of 31 December 2023:

– Total amount of land and buildings used for the bank's activities EUR 759,950 thousand

– Total amount of office furniture and equipment EUR 61,173 thousand

<sup>5)</sup> Depreciation/amortisation/impairment 2023 includes impairments of EUR 669 thousand in accordance with the provisions of the German Commercial Code (*Handelsgesetzbuch – "HGB"*).

Bonds and other fixed-income securities, as well as shares and other non-fixed income securities, intended for permanent use for business activities and therefore usually held until maturity, have been included with the securities held as fixed assets. They are presented separately from current assets and valued according to the modified lower of cost or market value principle.

The carrying amount of the marketable securities in fixed assets not valued strictly at the lower of cost or market value was EUR 33.9 billion as of 31 December 2023 (2022: EUR 33.2 billion). This includes securities with a carrying amount of EUR 1.6 billion (2022: EUR 23.4 billion), for which an impairment loss of EUR 8 million (2022: EUR 93 million) was not recognised as they will be held to maturity.

## 10) Other assets

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
Main items:		
Adjusting item from the currency translation of derivatives	0	2,803
Amount receivable from the Federal Agency for Special Tasks associated with Unification	633	623

The amount receivable from the Federal Agency for Special Tasks Associated with Unification is reported due to the transfer to KfW of the insurance business of the State Insurance Company of the German Democratic Republic in liquidation (*Staatliche Versicherung der DDR in Abwicklung – "SinA"*). Actuarial provisions have thus been set up in the same amount.

The adjusting item from the currency translation of derivatives was reported under Other liabilities on the liabilities side of the statement of financial position in 2023.

## 11) Prepaid expenses

The line item Prepaid expenses primarily includes upfront payments for derivative financial instruments in the amount of EUR 1.5 billion (2022: EUR 2.0 billion) which are amortised pro rata temporis and the differences between the repayment amount and the lower issuing amount in the context of borrowed funds (discounts and placing commissions) in the amount of EUR 3.1 billion (2022: EUR 1.5 billion).

# Notes to the liabilities and equity

## 12) Liabilities to banks

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
This item includes:		
Liabilities to		
affiliated companies	222	161
companies in which KfW holds a stake	0	0
Due		
on demand	7,386	10,584
within 3 months	2,571	6,053
between 3 months and 1 year	464	0
between 1 and 5 years	672	541
in more than 5 years	428	914
Accrued interest	1,427	1,370
<b>Total</b>	<b>12,948</b>	<b>19,463</b>

Cash collateral of EUR 4.5 billion (2022: EUR 10.5 billion) was transferred with respect to Liabilities to banks.

## 13) Liabilities to customers

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
This item includes:		
Liabilities to		
affiliated companies	169	137
companies in which KfW holds a stake	0	0
Due		
on demand	254	196
within 3 months	10,523	15,382
between 3 months and 1 year	11,842	14,270
between 1 and 5 years	19,131	28,451
in more than 5 years	7,148	6,866
Accrued interest	360	349
<b>Total</b>	<b>49,258</b>	<b>65,514</b>

Cash collateral of EUR 1.0 billion was transferred with respect to Liabilities to customers.

KfW raised funds via the Economic Stabilisation Fund (WSF), among other sources, to fund loans under the coronavirus special programmes. KfW also granted loans to ensure the liquidity of energy sector companies and the necessary infrastructure. The WSF also provided the necessary funding for this purpose. Holdings of promissory note loans (*Schuldscheindarlehen*) from KfW raising funds via the WSF amounted to EUR 36.0 billion (including premiums) (2022: EUR 52.8 billion).

#### 14) Certificated liabilities

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
<b>Total bonds and notes issued</b>	<b>471,779</b>	<b>455,107</b>
This item includes:		
Liabilities to		
affiliated companies	834	413
companies in which KfW holds a stake	0	0
Due within the following year	117,337	109,513

#### 15) Liabilities held in trust

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
Liabilities to banks	82	286
Liabilities to customers	20,423	18,309
<b>Total</b>	<b>20,505</b>	<b>18,595</b>

#### 16) Other liabilities

Under Other liabilities, KfW reported a currency adjustment item in the amount of EUR 465 million (2022: EUR 2,803 million under Other assets). This resulted from the foreign currency valuation of swap transactions concluded to hedge foreign currency risks from receivables and liabilities. The foreign currency derivatives were used in the context of management of the foreign currency exposure.

#### 17) Deferred income

Deferred income includes in particular premiums from certificated liabilities and other capital raised totalling EUR 0.1 billion (2022: EUR 2.3 billion) and accrued upfront payments for derivative financial instruments of EUR 3.3 billion (2022: EUR 2.0 billion) deferred pro rata temporis.

## 18) Provisions

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
Main items:		
Provisions for pensions and similar obligations	1,927	1,921
Actuarial provisions in connection with the transfer to KfW of the insurance business of SinA	633	623
Provisions for variable remuneration components incl. social security payments	75	72
Provisions for promotional grants (ERP- Special Fund)	66	0
Provisions for credit risks	60	79
Irrevocable loan commitments below market rate	57	95
Retransfer obligation with respect to land	57	53

There was a difference of EUR 28 million between the discounting of provisions for pensions at the average market rate of the past ten years and the discounting of this item at the average market rate of the past seven years.

By concluding an agreement with the ERP Special Fund, KfW assumed the obligation to award grants under KfW's ERP promotional programmes.

## 19) Fund for general banking risks

The fund for general banking risks (Section 340g HGB) has been completely reversed (2022: EUR 200 billion).

## 20) Equity

	31 Dec. 2022	Profit for the year	Other changes	31 Dec. 2023
	EUR in millions	EUR in millions	EUR in millions	EUR in millions
Subscribed capital	3,750	0	0	3,750
Uncalled contributions outstanding	-450	0	0	-450
Capital reserve	8,447	0	0	8,447
Reserve from the ERP Special Fund	1,191	0	0	1,191
<b>Retained earnings</b>				
a) Statutory reserve under Article 10 (2) of the KfW Law	1,875	0	0	1,875
b) Special reserve under Article 10 (3) of the KfW Law	15,781	1,336	0	17,117
c) Special reserve under Section 17 (4) of the D-Mark Balance Sheet Act	48	0	0	48
<b>Equity</b>	<b>30,641</b>	<b>1,336</b>	<b>0</b>	<b>31,977</b>

The entire profit for 2023 is to be allocated to retained earnings. As of year-end 2023, KfW's equity amounted to EUR 32.0 billion.

# Other required notes to the liabilities and equity

## 21) Contingent liabilities

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
This item includes:		
Guarantees for export financing	247	292
Municipal loans	120	116
Promotional loans for federal states	110	113
Ship and shipyard financing	47	60
SME programme	42	74
Guarantees for other financing	50	49
<b>Total</b>	<b>615</b>	<b>704</b>

The risk of guarantees is mitigated by possibilities of recourse to the principal and is largely based on that entity's credit rating and the value of any collateral. The bank regularly assesses the risk as part of credit risk monitoring. If there are reasons for a probable outflow of funds, the bank recognises individual provisions; general provisions are made for latent risks. Contingent liabilities are presented net of received cash collateral and provisions accounted for as liabilities.

## 22) Other commitments

Irrevocable loan commitments	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
This item includes:		
Mittelstandsbank & Private Kunden ( <i>SME Bank &amp; Private Clients</i> )	50,207	52,184
Individualfinanzierung & Öffentliche Kunden ( <i>Customised Finance &amp; Public Clients</i> )	41,672	37,404
Loans for promotion of developing countries and emerging economies	16,854	16,409
Export and project finance	10,608	9,761
Guarantees	354	314
Forward forward deposits <sup>1)</sup>	0	400
Other loan commitments	7,319	4,200
<b>Total</b>	<b>127,014</b>	<b>120,671</b>

<sup>1)</sup> Reporting date-related decline

Irrevocable loan commitments are subject to regular credit risk monitoring. If there are indications that a loss will be incurred from an expected outflow of funds, the bank recognises an individual provision; latent risks are covered through the recognition of portfolio provisions.

Provisions recognised for the interest rate reductions in irrevocable loan commitments granted by KfW in the promotional lending business and negatively impacting its earnings position are deducted.

# Notes to the income statement

## 23) Interest income and Interest expense

The Interest income item comprises EUR 61 million (2022: EUR 234 million) in negative interest from lending and money-market transactions and from fixed-income securities. Of this amount, EUR 43 million is attributable to loans (2022: EUR 43 million).

KfW reported negative interest from fixed-income securities in the amount of EUR 17 million (2022: EUR 31 million) under sub-item b) Interest income from fixed-income securities and bonds.

The Interest expense item comprises EUR 304 million (2022: EUR 503 million) in positive interest. This is largely made up of EUR 179 million (2022: EUR 264 million) in positive interest from certificated liabilities, and EUR 125 million (2022: EUR 206 million) from promissory note loans (*Schuldscheindarlehen*).

## 24) Other operating income and Other operating expense

The positive result from Other operating income and Other operating expense amounts to EUR 58 million and is largely attributable to the fee paid under the agency agreement with KfW IPEX-Bank GmbH of EUR 99 million (2022: EUR 91 million), other operating income from valuation effects generated by discounting pension provisions of EUR 13 million (2022: other operating expense of EUR 30 million), and the expense from foreign currency translation of EUR 14 million (2022: EUR 13 million). The financial year figure also includes expenses of EUR 66 million for the creation of provisions for future promotional grants under the European Recovery Programme Special Fund, to which KfW has committed itself by contract.

## 25) Auditor's fees

KfW has exercised the option under Section 285 No. 17 HGB, and refers to the breakdown of auditor fees in KfW Group's consolidated financial statements.

## 26) Geographical markets

As KfW has no foreign branch offices, the total amounts reported under certain income line items in accordance with Section 34 (2) No. 1 RechKredV were not broken down by region.



# Other required notes

## 27) Assets and liabilities in foreign currencies

	31 Dec. 2023	31 Dec. 2022
	EUR in millions	EUR in millions
Assets in foreign currencies	49,101	48,484
Liabilities in foreign currencies	183,782	177,168

## 28) Other financial commitments

The bank has remaining payment obligations totalling EUR 268 million in connection with equity finance operations, of which EUR 17 million is to associated companies.

Moreover, as of 31 December 2023, it also has remaining payment obligations of EUR 240 million to an affiliated company, KfW Capital GmbH & Co. KG.

In isolated cases, KfW staff or third parties appointed by KfW take on executive body functions at companies in which KfW holds equity investments or with which it has another relevant creditor relationship. The risks arising therefrom are covered by the directors' and officers' liability insurance policy of the respective company. Liability risks may arise for KfW in the event that no effective insurance coverage is in place.

## 29) Derivatives reporting

KfW uses the following forward transactions/derivative products, mainly to hedge interest and exchange rate risks, and other price and credit risks:

1. Interest rate forward transactions/derivative products
  - Interest swaps
  - Interest rate options, swap options
  - Caps and floors
2. Currency-related forward transactions/derivative products
  - Cross-currency swaps
  - FX swaps
  - Currency forwards
  - Spot FX deals

The following presentation of derivatives transactions is in accordance with the requirements of Section 285 No. 19 HGB and Section 36 RechKredV. It discloses the positive and negative fair values of the derivatives positions as of 31 December 2023.

All types of contracts are marked to market. In cases where market prices were not available for derivative instruments, fair values were established by means of market parameters based on generally accepted option price models and present value estimates.

Purchased and written options are presented as Other assets or Other liabilities at the amount paid as premiums.

## Volume

	Notional amount 31 Dec. 2023 EUR in millions	Notional amount 31 Dec. 2022 EUR in millions	Positive fair values 31 Dec. 2023 EUR in millions	Negative fair values 31 Dec. 2023 EUR in millions
<b>Contracts with interest risks</b>				
Interest swaps	670,530	628,208	24,238	23,056
Swap options				
<i>thereof purchases</i>	0	0	0	0
<i>thereof sales</i>	0	0	0	0
Caps and floors <sup>1)</sup>	782	659	19	19
	<b>671,312</b>	<b>628,867</b>	<b>24,257</b>	<b>23,075</b>
<b>Contracts with currency risks</b>				
Cross-currency swaps	127,406	119,859	3,745	4,177
FX swaps	36,801	35,600	134	483
Currency forwards	100	10	1	1
Spot FX deals	12	0	0	0
	<b>164,319</b>	<b>155,469</b>	<b>3,880</b>	<b>4,662</b>
<b>Total</b>	<b>835,631</b>	<b>784,337</b>	<b>28,137</b>	<b>27,736</b>

<sup>1)</sup> Only caps and floors which are traded on a stand-alone basis

## Remaining terms

Notional amounts	Interest risks <sup>1)</sup>		Currency risks	
	31 Dec. 2023 EUR in millions	31 Dec. 2022 EUR in millions	31 Dec. 2023 EUR in millions	31 Dec. 2022 EUR in millions
<b>Due</b>				
within 3 months	21,044	28,277	35,670	42,486
between 3 months and 1 year	72,623	47,830	32,689	17,530
between 1 and 5 years	321,355	304,592	74,498	76,128
in more than 5 years	256,290	248,168	21,463	19,325
<b>Total</b>	<b>671,312</b>	<b>628,867</b>	<b>164,319</b>	<b>155,469</b>

<sup>1)</sup> Derivative financial instruments are shown without embedded derivatives.

### 30) Hedge accounting within the meaning of Section 254 HGB

The following section describes hedge accounting within the meaning of Sections 254 and 285 No. 23 HGB.

The table below details the volume of securities held as fixed assets and as a liquidity reserve (current assets), which are hedged against interest risks as of the reporting date.

	Carrying amount	Notional amount	Fair value
	EUR in millions	EUR in millions	EUR in millions
Securities held as fixed assets			
Bonds and other fixed-income securities	30,161	29,884	28,786
Securities held as liquidity reserves			
Bonds and other fixed-income securities	3,831	4,421	3,430
<b>Total</b>	<b>33,992</b>	<b>34,305</b>	<b>32,215</b>

KfW uses derivatives to hedge open positions only. The option to apply hedge accounting for economic hedges is exercised with KfW's own holdings of securities as designated hedged items. The net hedge presentation method is applied to the effective portion of the hedge.

A portion of the securities held as fixed assets is hedged on a micro-basis against interest risks by designating primarily interest rate swaps as hedges of fixed-income securities. Thanks to identical terms of the hedged item and hedging instrument, the offsetting effect is demonstrated both prospectively and retrospectively using the critical terms match method. Through the use of the modified lower of cost or fair value principle for the fixed assets, only permanent impairment losses are recognised in the income statement.

The fixed-income securities held as a liquidity reserve are also hedged against interest risks using micro hedges (primarily interest rate swaps). Any expense related to the ineffective portion of the hedge is recognised in the income statement. In addition, hedging relationships are designated as part of the repurchase of own issues, with matching certificated liabilities as hedging instruments. Due to the negative correlation of fair value changes and the similar risks of the hedged item and the hedging instrument, changes in fair value and in cash flows of hedged items and hedging instruments largely offset one another as of the reporting date. Considering the long-term designation of the hedging relationships, the offsetting effects in relation to the hedged risk are expected to continue almost fully until the hedging relationships mature.

In addition to hedging relationships pursuant to Section 254 HGB, derivative financial instruments used to hedge interest risks in the banking book and the interest-bearing hedged items are included in asset liability management. KfW manages the interest margin or fair value of all interest-bearing transactions in the banking book as a whole. Hedging relationships are also included in the loss-free valuation of the banking book (IDW RS BFA 3, new version).

### 31) Loans in the name of third parties and for third party account

Loans in the name of third parties and for third party account totalled EUR 13.5 billion as of 31 December 2023 (2022: EUR 12.3 billion).

### 32) Personnel

The average number of employees can be broken down as follows:

	2023	2022
Female employees	3,069	3,015
Male employees	3,356	3,303
Gender not indicated	0	1
Staff not covered by collective agreements	4,205	4,085
Staff covered by collective agreements	1,887	1,912
Staff in external offices	333	321
<b>Total</b>	<b>6,424</b>	<b>6,319</b>

### 33) Transactions with related parties and affiliated companies

The conditions and prices between KfW and related parties and affiliated companies are concluded in customary business activities at market conditions.

At the beginning of the year, the German Finance Agency transferred German government securities to KfW for funding under the Energy security package via uncollateralised securities lending transactions. Repo transactions were then concluded with the German Finance Agency, which underly the previously transferred German government securities, which were not recognised by KfW. The transactions were fully repaid over the course of the financial year.

### 34) Remuneration and loans to members of the Executive Board and the Board of Supervisory Directors

	Salary	Other remuneration <sup>1)</sup>	Total
	EUR in thousands	EUR in thousands	EUR in thousands
<b>Annual remuneration 2023</b>			
Stefan Wintels (Chief Executive Officer)	830.5	18.0	848.5
Katharina Herrmann <sup>2)</sup>	412.7	3.7	416.4
Melanie Kehr	597.4	12.2	609.6
Christiane Laibach	562.8	14.8	577.6
Bernd Loewen	665.8	30.9	696.7
Dr Stefan Peiß	597.4	20.5	617.9
<b>Total</b>	<b>3,666.6</b>	<b>100.1</b>	<b>3,766.7</b>

<sup>1)</sup> Other remuneration mostly comprises the use of company cars and insurance premiums and the taxes on these amounts.

<sup>2)</sup> Since 8 April 2023

Remuneration to members of the Board of Supervisory Directors totalled EUR 185 thousand. This amount breaks down as follows:

Remuneration for the members of the Board of Supervisory Directors is EUR 5 thousand p.a. and members of the Credit, Executive and Audit Committees receive EUR 0.6 thousand p.a., all paid on a pro-rata basis for memberships that commence during the year. Remuneration to members of the Federal Government who are members of the Board of Supervisory Directors pursuant to Article 7 (1) No. 2 KfW Law was set at EUR 0 for financial year 2023. Remuneration for the Chair of the Board of KfW Supervisory Directors and his deputies was also set at EUR 0.

Provisions in the amount of EUR 72,584 thousand were set up as of 31 December 2023 for obligations under pension agreements for former members of the Executive Board and their surviving dependents (2022: EUR 74,964 thousand). Current pension payments totalled EUR 4,781 thousand.

There were no loans or advance payments to members of the Executive Board or Board of Supervisory Directors as of 31 December 2023.

### 35) Responsibilities of the Executive Board members

#### **Stefan Wintels (Chief Executive Officer)**

General Secretariat, Group Development and Economics, Group Communication and Brand Management, Legal, Internal Auditing, Financial Markets, Domestic Marketing and Digital Channels (until 7 April 2023), Individualfinanzierung & Öffentliche Kunden (*Customised Finance & Public Clients*) (until 7 April 2023), Mittelstandsbank & Privatkunden (*SME Bank & Private Clients*) (until 7 April 2023), KfW Capital and Sustainability

#### **Katharina Herrmann**

Individualfinanzierung & Öffentliche Kunden (*Customised Finance & Public Clients*), Domestic Marketing and Digital Channels, and Mittelstandsbank & Privatkunden (*SME Bank & Private Clients*)

#### **Melanie Kehr**

Information Technology, Transaction Management, Portfolio Credit Service (until 29 May 2023), New Business Credit Service (until 29 May 2023), and Operations (new business area since 30 May 2023 created by combining Portfolio Credit Service and New Business Credit Service)

#### **Christiane Laibach**

KfW Development Bank, DEG and Export and project finance (IPEX)

#### **Bernd Loewen**

Accounting, Organisation and Consulting, Human Resources and Central Services

#### **Dr Stefan Peiß**

Risk Controlling, Credit Risk Management and Compliance

### 36) Group affiliation

As the parent company of KfW Group, KfW is responsible for preparation of the consolidated financial statements. The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) and submitted in German to the German Company Register.

### **37) Events after the end of the financial year**

No further events of particular impact on KfW's net assets, financial and earnings position occurred after the end of the financial year.

### **38) Mandates held by executive directors or other employees in supervisory boards of large corporations in accordance with Section 267 (3) HGB**

#### **Mandates held by Executive Board members**

##### **Stefan Wintels (Chief Executive Officer)**

Deutsche Post AG, Bonn/Germany (since 6 May 2022)

Deutsche Telekom AG, Bonn/Germany (since 7 April 2022)

##### **Melanie Kehr**

DekaBank Deutsche Girozentrale (since 1 January 2021)

##### **Christiane Laibach**

DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne/Germany (since 1 June 2022)

KfW IPEX-Bank GmbH, Frankfurt am Main/Germany (since 8 July 2021)

##### **Bernd Loewen**

DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, Cologne/Germany (since 19 March 2018)

##### **Dr Stefan Peiß**

KfW IPEX-Bank GmbH, Frankfurt am Main/Germany (since 21 March 2016)

#### **Mandates held by other employees**

##### **Dr Lutz-Christian Funke**

Eurogrid GmbH, Berlin/Germany

50Hertz Transmission GmbH

### 39) The bank's executive bodies

#### Board of Supervisory Directors

##### **Christian Lindner**

Federal Minister of Finance  
Deputy Chair  
(since 1 January 2024)  
Chair  
(1 January – 31 December 2023)

##### **Dr Robert Habeck**

Federal Minister for Economic  
Affairs and Climate Action  
Chair  
(since 1 January 2024)  
Deputy Chair  
(1 January – 31 December 2023)

##### **Annalena Baerbock**

Federal Foreign Minister

##### **Katharina Beck**

Member of the German Bundestag  
Member appointed by the  
German Bundestag

##### **Dr André Berghegger**

Former Member of the  
German Bundestag  
Member appointed by the  
German Bundestag

##### **Volker Bouffier**

Former Minister President  
of the State of Hesse  
Member appointed by the  
German Bundesrat

##### **Dr Andreas Dressel**

Senator for Finance of the Free  
and Hanseatic City of Hamburg  
Member appointed by the  
German Bundesrat

##### **Yasmin Fahimi**

Chair of the German Trade Union  
Confederation (DGB)  
Representative of the trade unions  
(since 24 May 2023)

##### **Björn Fecker**

Mayor and Senator for Finance of  
the Free Hanseatic City of Bremen  
Member appointed by the  
German Bundesrat  
(since 20 October 2023)

##### **Robert Feiger**

Chair of the Federal Executive  
Committee of the IG Bauen-Agrar-  
Umwelt trade union (IG Bau)  
Representative of the trade unions

##### **Tanja Gönner**

Director General of the Federation  
of German Industries (BDI)  
Representative of industry

##### **Gerald Heere**

Minister of Finance of the State  
of Lower Saxony  
Member appointed by the  
German Bundesrat

##### **Prof. Dr Hans-Günter Henneke**

Managing Member of the Executive  
Committee of the Federation  
of German Districts  
Representative of municipalities

##### **Reiner Hoffmann**

Former Chair of the German  
Trade Union Confederation (DGB)  
Representative of the trade unions  
(until 8 February 2023)

##### **Marion Höllinger**

Member of the Board of Directors of  
the Association of German Banks (BdB)  
Representative of the commercial banks  
(since 1 January 2024)

##### **Dr Bruno Hollnagel**

Former Member of the  
German Bundestag  
Member appointed by the  
German Bundestag  
(until 31 December 2023)

##### **Verena Hubertz**

Member of the German Bundestag  
Member appointed by the  
German Bundestag

##### **Harald Hübner**

Ministerial Director at the Bavarian  
State Ministry of Finance and  
Regional Identity  
Member appointed by the  
German Bundesrat

##### **Dr Dirk Jandura**

President of the Federation of  
German Wholesale, Foreign Trade  
and Services (BGA)  
Representative of trade

##### **Andrea Kocsis**

Deputy Chair of ver.di – United  
Services Trade Union  
Representative of the trade unions

##### **Stefan Körzell**

Member of the Executive Board  
of the German Trade Union  
Confederation (DGB)  
Representative of the trade unions

**Ulrich Lange**

Member of the German Bundestag  
Member appointed by the  
German Bundestag

**Steffi Lemke**

Federal Minister for the Environment,  
Nature Conservation, Nuclear Safety  
and Consumer Protection

**Rainer Neske**

Chair of the Board of Managing  
Directors at Landesbank  
Baden-Württemberg (LBBW)  
Representative of industrial credit

**Dr Marcus Optendrenk**

Minister of Finance of the State  
of North Rhine-Westphalia  
Member appointed by the  
German Bundesrat

**Dr Bettina Orlopp**

Deputy Chair of Commerzbank AG  
Representative of the mortgage banks

**Cem Özdemir**

Federal Minister of Food  
and Agriculture

**Dr Hans-Walter Peters**

Former President of the Association  
of German Banks (BdB)  
Representative of the commercial banks  
(until 31 December 2023)

**Achim Post**

Member of the German Bundestag  
Member appointed by the  
German Bundestag

**Daniel Quinten**

Member of the Board of Managing  
Directors of the National Association  
of German Cooperative Banks (BVR)  
Representative of the  
cooperative banks

**Prof. Dr Ulrich Reuter**

President of the German Savings  
Banks Association (DSGV)  
Representative of the savings banks  
(since 1 January 2024)

**Michael Richter**

Minister of Finance of the State  
of Saxony-Anhalt  
Member appointed by the  
German Bundesrat

**Joachim Rukwied**

President of the German Farmers'  
Association (DBV)  
Representative of agriculture

**Frank Schäffler**

Member of the German Bundestag  
Member appointed by the  
German Bundestag

**Jan Wenzel Schmidt**

Member of the German Bundestag  
Member appointed by the  
German Bundestag  
(since 1 January 2024)

**Helmut Schleweis**

President of the German Savings  
Banks Association (DSGV)  
Representative of the savings banks  
(until 31 December 2023)

**Svenja Schulze**

Federal Minister for Economic  
Cooperation and Development

**Holger Schwannecke**

Secretary General of the German  
Confederation of Skilled Crafts (ZDH)  
Representative of the skilled crafts

**Dietmar Strehl**

Senator for Finance of the  
Free Hanseatic City of Bremen  
Member appointed by the  
German Bundesrat  
(until 5 July 2023)

**Dr Martin Wansleben**

Chief Executive of the Association  
of German Chambers of Commerce  
and Industry (DIHK)  
Representative of industry

**Dr Kai H. Warnecke**

President  
Haus & Grund Germany  
Representative of the housing industry

**Dr Volker Wissing**

Federal Minister for Digital and  
Transport



Frankfurt am Main/Germany, 27 February 2024

KfW  
The Executive Board



**Stefan Wintels**  
(Chief Executive Officer)



**Katharina Herrmann**



**Melanie Kehr**



**Christiane Laibach**



**Bernd Loewen**



**Dr Stefan Peiß**

# Responsibility statement

To the best of our knowledge, and in accordance with the applicable accounting principles, the annual financial statements give a true and fair view of the net assets, financial and earnings position of the company, and the combined management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and rewards associated with the expected developments of the company.

Frankfurt am Main/Germany, 27 February 2024

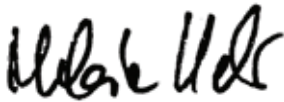
KfW  
The Executive Board



**Stefan Wintels**  
(Chief Executive Officer)



**Katharina Herrmann**



**Melanie Kehr**



**Christiane Laibach**



**Bernd Loewen**



**Dr Stefan Peiß**

# Independent auditor's report<sup>1)</sup>

To Kreditanstalt für Wiederaufbau Anstalt des öffentlichen Rechts, Frankfurt am Main/Germany

## **REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT**

### **Audit Opinions**

We have audited the annual financial statements of Kreditanstalt für Wiederaufbau Anstalt des öffentlichen Rechts, Frankfurt am Main/Germany, which comprise the statement of financial position as at 31 December 2023, and the income statement for the financial year from 1 January to 31 December 2023, and the notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the combined management report for the Company and the group of Kreditanstalt für Wiederaufbau Anstalt des öffentlichen Rechts, Frankfurt am Main/Germany, for the financial year from 1 January to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the separate combined non-financial report of KfW as the parent company and the group in accordance with Section 289b (3), Sections 315c in conjunction with 289b (3) German Commercial Code (HGB), which is in turn part of the sustainability report of KfW Group and which is referred to in the section "Non-financial statement" of the combined management report, nor the other parts of the sustainability report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2023 and of its financial performance for the financial year from 1 January to 31 December 2023 in compliance with German Legally Required Accounting Principles, and
- the accompanying combined management report as a whole provides an appropriate view of the Company's position. In all material respects, this combined management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the above-mentioned combined non-financial report of KfW as the parent company and the group in accordance with Section 289b (3), Sections 315c in conjunction with 289b (3) HGB, nor the other parts of the sustainability report of KfW Group.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the combined management report.

### **Basis for the Audit Opinions**

We conducted our audit of the annual financial statements and of the combined management report in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the combined management report.

<sup>1)</sup> Translation of the independent auditor's report issued in German language on the annual financial statements prepared in German language by the Executive Board of KfW, Frankfurt am Main. The German language statements are decisive.

## Other Information

The executive directors are responsible for the other information. The other information comprises

- the separate combined non-financial report of KfW as the parent company and the group in accordance with Section 289b (3), Sections 315c in conjunction with 289b (3) HGB, which is in turn part of the sustainability report of KfW Group and which is referred to in the section “Non-financial statement” of the combined management report, and which is expected to be presented to us after the date of this auditor’s report,
- the corporate governance report, which also includes the “Declaration of compliance”, which is referred to in the section “Declaration of compliance” in the combined management report and which is expected to be presented to us after the date of this auditor’s report, and
- the executive directors’ confirmation regarding the annual financial statements and the combined management report pursuant to Section 264 (2) sentence 3 and Section 289 (1) sentence 5 HGB,
- but not the annual financial statements, not the audited content of the combined management report and not our auditor’s report thereon.

The board of supervisory directors is responsible for the report of the board of supervisory directors. In accordance with Section 19 of the KfW Bylaws, the executive directors and the board of supervisory directors are required to annually declare that they recognise the Federal Public Corporate Governance Code as amended and to publish the declaration of compliance as part of the corporate governance report. Otherwise, the executive directors are responsible for the other information.

Our audit opinions on the annual financial statements and on the combined management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information identified above and, in doing so, to consider whether the other information

- is materially inconsistent with the annual financial statements, with the audited content of the combined management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

## Responsibilities of the Executive Directors and the Board of Supervisory Directors for the Annual Financial Statements and the Combined Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the combined management report that as a whole provides an appropriate view of the Company’s position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and

measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The board of supervisory directors is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and of the combined management report.

### **Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Combined Management Report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.

- perform audit procedures on the prospective information presented by the executive directors in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Report on the Audit of the Electronic Reproductions of the Annual Financial Statements and of the Combined Management Report Prepared for Publication Pursuant to Section 317 (3a) HGB**

#### **Audit Opinion**

We have performed an audit in accordance with Section 317 (3a) HGB to obtain reasonable assurance whether the electronic reproductions of the annual financial statements and of the combined management report (hereinafter referred to as “ESEF documents”) prepared for publication, contained in the file, which has the SHA-256 value 6ab0f3586337ae9ea491952e9fa36410afda9b45ba875267444fb3b2aeb89ef5, meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB (“ESEF format”). In accordance with the German legal requirements, this audit only covers the conversion of the information contained in the annual financial statements and the combined management report into the ESEF format, and therefore covers neither the information contained in these electronic reproductions nor any other information contained in the file identified above.

In our opinion, the electronic reproductions of the annual financial statements and of the combined management report prepared for publication contained in the file identified above meet, in all material respects, the requirements for the electronic reporting format pursuant to Section 328 (1) HGB. Beyond this audit opinion and our audit opinions on the accompanying annual financial statements and on the accompanying combined management report for the financial year from 1 January to 31 December 2023 contained in the “Report on the Audit of the Annual Financial Statements and of the Combined Management Report” above, we do not express any assurance opinion on the information contained within these electronic reproductions or on any other information contained in the file identified above.

#### **Basis for the Audit Opinion**

We conducted our audit of the electronic reproductions of the annual financial statements and of the combined management report contained in the file identified above in accordance with Section 317 (3a) HGB and on the basis of the IDW Auditing Standard: Audit of the Electronic Reproductions of Financial Statements and Management Reports Prepared for Publication Purposes Pursuant to Section 317 (3a) HGB (IDW AuS 410 (06.2022)). Our responsibilities in this context are further described in the “Auditor’s Responsibilities for the Audit of the ESEF Documents” section. Our audit firm has applied the requirements of the IDW Quality Management Standards.

#### **Responsibilities of the Executive Directors and the Board of Supervisory Directors for the ESEF Documents**

The executive directors of the Company are responsible for the preparation of the ESEF documents based on the electronic files of the annual financial statements and of the combined management report according to Section 328 (1) sentence 4 no. 1 HGB.

In addition, the executive directors of the Company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements for the electronic reporting format pursuant to Section 328 (1) HGB.

The board of supervisory directors is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

### **Auditor's Responsibilities for the Audit of the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- obtain an understanding of internal control relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the balance sheet date, on the technical specification for this electronic file.
- evaluate whether the ESEF documents enable a XHTML reproduction with content equivalent to the audited annual financial statements and to the audited combined management report.

### **OTHER MATTER – USE OF THE AUDITOR'S REPORT**

Our auditor's report must always be read together with the audited annual financial statements and the audited combined management report as well as with the audited ESEF documents. The annual financial statements and the combined management report converted into the ESEF format – including the versions to be submitted for inclusion in the Company Register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our audit opinion contained therein are to be used solely together with the audited ESEF documents made available in electronic form.

Frankfurt am Main/Germany, 6 March 2024

### **Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

Signed:  
Prof. Dr Carl-Friedrich Leuschner  
Wirtschaftsprüfer  
(German Public Auditor)

Signed:  
Christian Schweitzer  
Wirtschaftsprüfer  
(German Public Auditor)

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