Green Bonds – Made by KfW.

September 2019
Filed pursuant to Rule 433; Registration No. 333-224298
The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. KfW's prospectus supplement relating to the bonds is available through the following link:


KfW's base prospectus relating to SEC-registered notes is available through the following link:


Alternatively, the issuer will arrange to send you the prospectus, which you may request by calling collect 1-800-292-0049 (for the operator) and then 069-7431-22-22 (for KfW's Investor Relations Team) or by emailing investor.relations@kfw.de.

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1. KfW – Commitment to sustainability
   KfW at a glance and the importance of its holistic sustainability approach

2. Green Bonds – Made by KfW
   KfW’s green bond framework and the green bonds’ mode of operation

3. Green Bond issuances
   Overview, experience and reporting

4. KfW at debt capital markets
   KfW as an issuer of bonds and notes

5. Green Bond portfolio of KfW
   KfW as an investor in green bonds
KfW – Commitment to sustainability
KfW at a glance and the importance of its holistic sustainability approach
KfW in brief

Germany’s flagship development agency

- 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.(2)
- 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.

German credit

Professionally supervised and regulated

Rating(1)

Credit

Aaa  Moody’s
AAA  Scope
AAA  S&P

Sustainability

TOP 2 out of 19  imug
"Prime"  ISS ESG
# 1 out of 342  Sustainalytics
AAA  MSCI

Shareholders

- 80% Federal Republic of Germany
- 20% German federal states

Headquarters: Frankfurt am Main
Branches: Berlin, Bonn

(1) 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.
(2) According to the standardized approach of the Capital Requirements Regulation (CRR)

Green Bonds - Made by KfW / September 2019
Worldwide presence
About 80 representative offices

Number of KfW employees 6,376

## KfW Group’s business activities
### New business 2018: EUR 75.5bn (2017: EUR 76.5bn)

<table>
<thead>
<tr>
<th>SME Bank &amp; Private Clients</th>
<th>Customized Finance &amp; Public Clients</th>
<th>KfW Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standardized financing products for SMEs, business founders, start-ups, self-employed professionals and private individuals</td>
<td>Individual financings for municipal &amp; social infrastructure, customized financing for FI &amp; promotional institutes of German federal states</td>
<td>Subsidiary (100%, est. 2018) to carry out KfW’s entire private equity &amp; venture capital business</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Promotion of Developing Countries &amp; Emerging Economies</th>
<th>Financial Markets</th>
<th>Export &amp; Project Finance (KfW IPEX-Bank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KfW’s public (KfW Development Bank) &amp; private sector activities (DEG) in developing countries</td>
<td>ABS/ABCP &amp; Green Bond Portfolio</td>
<td>Subsidiary (100%, est. 2007) for exports and project &amp; corporate financing world-wide</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environment Investment Ratio:</th>
<th>40%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic SME Ratio:</td>
<td>41%</td>
</tr>
</tbody>
</table>

Based on 2018 data.

Green Bonds - Made by KfW / September 2019
Proven and successful business model
KfW involves commercial banks in its domestic activities

Liquidity management

Funding

Promotional mandate
Defined by KfW Law
Backed by Understanding II reached with EU Commission

State liability
Institution owned by the Federal Republic and the federal states

KfW
Lender
On-lending bank
Final borrower

Green Bonds - Made by KfW / September 2019
Sustainability has been and remains one of KfW’s top priorities
Manifold activities to improve sustainability and to act as vocal advocate - examples

Setting new corporate targets:
KfW shall remain among top-performer in ESG ratings by renowned int'l ESG rating agencies

Improving lending business:
Development of a group-wide KfW Roadmap Sustainable Finance by 2020:
– Improvement of impact evaluation of KfW’s business (e.g. SDG mapping)
– Assessment of sustainability control elements in bank steering
– Consideration of ESG and climate risks in internal risk management process

Financing landmark projects:
Clean Ocean Initiative (KfW, EIB and AFD; 2018)
– EUR 2bn for sustainable projects to reduce the pollution in the world’s ocean within the next 5 years
– Focus on river and coastal areas of developing countries in Asia, Africa, and the Middle East

Engaging in global initiatives:
– PRI – Principles for Responsible Investments signatory
– Green Bond Principles Executive Committee member
– TCFD – Task-Force on Climate-related Financial Disclosure supporter

“Sustainability has always been an important part of our DNA. KfW is sustainable in a holistic sense, i.e. our understanding of sustainability goes far beyond environment and climate protection.”
Dr. Günther Bräunig, CEO
### Holistic sustainability approach at KfW

Since 2019 with explicit reference to SDGs, Paris Agreement and German Government’s sustainability strategy

<table>
<thead>
<tr>
<th>KfW Bankengruppe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration on the respect for human rights in its business operations</td>
</tr>
</tbody>
</table>

### KfW sustainability mission statement and areas of action

<table>
<thead>
<tr>
<th>Sustainability management</th>
<th>Banking business</th>
<th>Employer</th>
<th>Banking operations</th>
<th>Sustainability communications</th>
</tr>
</thead>
<tbody>
<tr>
<td>– Sustainability organisation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>– Chief Sustainability Officer</td>
<td></td>
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<td></td>
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<tr>
<td>– Group officer for sustainability</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>– Network of decentralised sustainability officers</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>– Sustainability guidelines for banking business and operations</td>
<td></td>
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<tr>
<td>– Sustainability ratings and rankings</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>– Inclusion in strategic objectives</td>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financings (in line with the megatrends of climate change &amp; environment; globalisation, social change, digitalisation &amp; innovation)</th>
<th>Employer attractiveness</th>
<th>Corporate governance &amp; compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital market</td>
<td>Reconciling of work and private life</td>
<td>In-house environmental protection</td>
</tr>
<tr>
<td>Risk management</td>
<td>Social commitment</td>
<td>Procurement</td>
</tr>
</tbody>
</table>

– Sustainability report
– Sustainability portal
– Stakeholder management (dialogue and communication)
**Spotlight 1: Sustainable lending business**

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

The heart of KfW’s business activities:

**PROMOTION**

- **40%** Climate Change & Environment
- **5%** Digitalisation & Innovation
- **22%** Globalisation
- **12%** Social Change

Numbers represent the share of new commitments in 2018

Initiative for SDG mapping of entire KfW Group’s business (preliminary results)

- KfW’s business activities contribute to all 17 SDGs
- Most of KfW’s new commitments a year contribute to at least one SDG
- Focal SDGs are:
Spotlight 2: Sustainable own operations
In-house environmental protection

Fields of activities
- Energy consumption and green electricity
- Energy-efficient buildings
- Business travel and commuting
- Water and wastewater
- Recycled paper
- Charging stations for electric cars & e-bikes

In-house targets (samples)
- Car policy with binding criteria that promote ecological vehicles
- Conversion of the heating and cooling supply in head quarter (Frankfurt). Target: reduce GHG emissions by around 1,500 t/a

KfW GHG emissions (in tons)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy consumption</td>
<td>6,294</td>
<td>6,734</td>
<td>7,070</td>
<td>7,570</td>
</tr>
<tr>
<td>Total business travel</td>
<td>7,394</td>
<td>7,411</td>
<td>8,208</td>
<td>8,665</td>
</tr>
<tr>
<td>Total</td>
<td>13,628</td>
<td>14,145</td>
<td>15,278</td>
<td>16,235</td>
</tr>
<tr>
<td>Ø per employee</td>
<td>2.2</td>
<td>2.1</td>
<td>2.1</td>
<td>2.1</td>
</tr>
</tbody>
</table>

Reporting
- Environmental reporting/accounting since 1998
- Sustainability report since 2006
- Comprehensive sustainability reporting on www.kfw.de

100% of KfW’s GHG emissions from energy consumption and business travel are offset by purchasing Clean Development Mechanism certificates.
Spotlight 3: Sustainable investment approach
As PRI member KfW manages fixed-income investments in a sustainable manner

KfW’s Liquidity Portfolio

€27bn securing KfW’s liquidity

Strategy
- Pure fixed income portfolio
- Buy-and-hold strategy
- Exclusively investment-grade bonds

Asset Classes
- Government bonds, covered bonds
- Financials
- Bonds issued by government-related issuers and agencies
- ABS

Sustainable Investment Approach for the Liquidity Portfolio

ESG Integration
- Only investments in bonds of issuers whose sustainability score is among the best 80% of the respective sector
- Sustainability assessment of issuers performed by an external provider (ISS ESG)

Exclusion Criteria
- Investments only in bonds from issuers who are in compliance with the IFC exclusion list

Engagement
- The sustainability rating of an issuer is crucial for a potential bond investment
- Dialogue with the issuers on a regular basis

Best-in-Class Approach

Green Bonds - Made by KfW / September 2019
Top ESG ratings confirm KfW’s holistic sustainability approach
Renown international rating agencies assign KfW to be among top-performers in ESG

KfW is among the 2 best out of 19 development banks

KfW’s strengths
Profound measures regarding the management of ESG issues.
Performance regarding environmental and governance criteria is above average and on average regarding social criteria.
Specifically striking is the positive performance in the area of environmental business operations.

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

KfW’s strengths
Comprehensive policy regarding the respect for human rights.
Development and implementation of an approach to calculate GHG emissions in the corp. value chain.
Code of conduct covering important aspects of business ethics.
Reasonable integration of environmental and social aspects into the own investment portfolio.

KfW’s rating is at very high level

KfW’s strengths
In 2018, KfW received a rating of AAA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

KfW is #1 out of 342 listed and non-listed banks

KfW’s strengths
KfW is rated as leader in sustainability aspects within its peer group and all banks worldwide.
KfW continues with strong sustainability performance and even outperforms its excellent results from last year in all three ESG categories.

KfW has set a new strategic objective of achieving top sustainability rankings among its peers.
Green Bonds – Made by KfW

KfW’s green bond framework and the green bonds’ mode of operation
Why issuing “Green Bonds – Made by KfW”?
Overarching Strategy and Motivation

Sustainability Profile

**ENHANCE**
We want to enhance our sustainability profile amongst our stakeholders

Green Investments

**INCREASE**
We want to boost environmental investments via capital markets by being a catalyst

Low Carbon Economy

**SUPPORT**
We want to actively support the transition to a low carbon economy

New Investors

**DIVERSE**
We want to attract new investors and thereby diversify our investor base

**KfW’s mission:** Performing promotional tasks to, among others, **protect the environment.**
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 billions per year, excl. ABS & U.S. municipalities)

1st Green Bonds by EIB and World Bank
Launch of the Climate Bonds Initiative

0.1 0.1 4
2007/8 2009 2010

1st Corporate Green Bond by Vasakronan/Sweden

0 2 10
2011 2012 2013

1st Green Covered Bond by BerlinHyp

24 32
2014 2015

1st Green Bond by a state by Poland
Launch of the Green Bond Principles

68 100
2016 2017

United Nations’ SDGs COP 21 Paris agreement

€350bn
in Green Bonds ever issued

100 110
2018 2019

1st Green Bond – Made by KfW
Launch of KfW Green Bond Portfolio
KfW becomes ExCom-Member of Green Bond Principles

KfW Green Bonds outstanding

€14.5bn


1st Framework “Green Bonds – Made by KfW” 2nd Framework

Source: Bloomberg

Green Bonds - Made by KfW / September 2019
How do “Green Bonds – Made by KfW“ work?

Funding

Liquidity management

Lender

On-lending bank

Final borrower

ESG conscious investors

Portfolio approach
A portfolio of Green Bonds is linked to a non-dynamic portfolio of disbursements out of two loan programmes. Reporting portfolio data, not project-by-project.

Renewable Energy & Energy Efficiency
2 Loan Programmes
36,268 loans

Green Bonds – Made by KfW

Distribution by Loan Programme and Country*

* For illustration purpose only, may be subject to adjustments. Energy efficiency projects (construction and acquisition of new energy efficient residential buildings) were newly included in eligible loan programmes for KfW Green Bonds.

Green Bonds - Made by KfW / September 2019
What are the net proceeds of KfW Green Bonds used for?

Use of Proceeds: all projects (co-)financed under two KfW loan programmes

### Renewable Energy
KfW loan programme "Renewable Energies – Standard" (no. 270)

- **Use**: Renewable energy plants for electricity generation, combined electricity and heat generation and measures to integrate renewable energy into the energy system, in particular **photovoltaic panels**, **wind mills** (on/offshore), hydropower (<20MW), and biogas/mass.

- **Excluded** are plants using **fossil fuels** and any equipment for the use of **nuclear power**.

- **Location**: Projects in **Germany** or, if there is a German angle, **outside Germany**.

- **Borrower**: enterprises, private individuals, farmers, non-profit organizations.

- **Loan**: up to **EUR 50m** and up to **20y** repayment term; financing share up to **100%** of each project.

### Energy Efficiency
KfW loan programme "Energy-efficient Construction" (no. 153)

- **Use**: Construction and acquisition of **new energy-efficient residential buildings** with low energy consumption and reduced carbon emissions. Eligible buildings, including passive houses, must be at least 25% more energy efficient than German regulations as defined in the energy savings ordinance for new buildings (EnEV 2016).

- **Location**: Projects in **Germany**.

- **Borrower**: all kind of house-builder, e.g. **private individuals** or **enterprises**.

- **Loan**: up to **EUR 100,000** per housing unit and up to **30y** repayment term (annuity).

All eligible green projects aim for **climate change mitigation**, such as the reduction of GHG emissions.

The characteristics of the loan programmes are presented in an abbreviated manner.
# Case studies on renewable energy & energy efficiency projects

## Renewable Energy
**KfW loan programme “Renewable Energies – Standard” (no. 270)**

**Windpark „Dretzen II“ by NOTUS energy GmbH**
- Brandenburg/Germany
- 34,000 MWh p.a. renewable energy produced
- 17,799 tons p.a. estimated GHG reduction
- EUR 22.5m total project costs
- KfW financing share: 88%

**PV system by HP-T Höglmeier Polymer-Tech GmbH**
- Bavaria/Germany
- 945 MWh p.a. renewable energy produced
- 127 tons p.a. estimated GHG reduction
- EUR 420,000 total project costs
- KfW financing share: 95%

## Energy Efficiency
**KfW loan programme “Energy-efficient Construction” (no. 153)**

**New construction of a family home**
- Bavaria/Germany
- Energy-efficient measures: wooden construction, clay plaster, reed insulation, biomass heating, ventilation with heat recovery
- KfW Efficient house 55
- Project costs: 1,465€/m²

**Apartment building in a backyard**
- Munich/Germany
- Energy-efficient measures: passive-house components, compact building shape, controlled ventilation, district heating
- KfW Efficient house 40
- Project costs: 2,460€/m²
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.

**Process for project evaluation & selection**

**Project Selection**

- **KfW** Lender
- **BANK** Financing partner
- **Final borrower**

**Project Evaluation**

**KfW’s environmental & social risk management framework**

- **Germany**
  - High level of environmental protection and social regulations applicable by the responsible authorities.
  - No further ESG assessment by KfW.

- **EU & High-Income-OECD countries**
  - High level of environmental protection and social regulations applicable by the responsible authorities.
  - No further ESG assessment by KfW.

- **All other countries**
  - KfW’s lending department assesses possible negative environmental or social impact.
  - KfW’s Competence Centre for Environment and Sustainability reviews projects that are considered relevant.
  - All projects must comply with int’l regulations incl. those of EU, World Bank, and the International Labour Organisation (ILO).
On a monthly basis, amounts matching requests for disbursements under KfW’s programmes “Renewable Energies – Standard” and “Energy-efficient Construction“ are allocated to an **internal register starting with the beginning of the 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**.

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.
How does KfW report on allocation and impact of Green Bonds?

Reporting

KfW aims to create transparency and trust in the effectiveness of its “Green Bonds – Made by KfW” with a regular reporting. Two separate reports provide information about the allocation and impact.

**Allocation Report**

- **Annual** report *until full allocation* of the net proceeds.
- Shows *allocated* and *unallocated proceeds*, if applicable.
- Shows *breakdown by eligible category and country* of the cumulated requests for disbursement of one year.
- This *non-dynamic portfolio* is linked to the cumulated net proceeds of all green bonds issued in the same calendar year, therefore, all fully allocated “Green Bonds – Made by KfW” issued in one calendar year show the same breakdown by category/country.
- Prepared on a portfolio basis and shows *aggregated data*.

**Impact Report**

- **One-off** report once the relevant loan programmes have been evaluated for an entire calendar year.
- Shows the *estimated social and environmental ex-ante impact* in accordance with the Harmonized Framework for Impact Reporting.
- Core indicators for **Renewable Energy**:
  GHG emissions reduced/avoided, renewable energy generation, capacity of renewable energy added
- Core indicators for **Energy Efficiency**:
  GHG emissions reduced/avoided, energy savings
- Prepared on a portfolio basis and shows *aggregated data* for each calendar year as well as the key underlying methodology and assumptions to the estimations.
- The *non-dynamic portfolio* is linked to the cumulated net proceeds of all green bonds issued in the same calendar year, therefore, all “Green Bonds – Made by KfW” issued in one calendar year show the same impact per unit financed.

Find out more and sign up for our newsletter service at [https://www.kfw.de/KfW-Group/Investor-Relations/U.S.-investors/](https://www.kfw.de/KfW-Group/Investor-Relations/U.S.-investors/)
Estimated impact of “Green Bonds – Made by KfW”

Ex-ante data based on external programme evaluation and on KfW’s financing share

### Renewable Energy

**KfW loan programme “Renewable Energies – Standard” (no. 270)**

<table>
<thead>
<tr>
<th>Impact data per €1m KfW loan amount</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual GHG emissions reduced (in tons of CO₂e)</td>
<td>880</td>
<td>859</td>
<td>794</td>
<td>Not yet available</td>
<td>Not yet available</td>
</tr>
<tr>
<td>Annual renewable electricity generation (in MWhel)</td>
<td>1,218</td>
<td>1,273</td>
<td>1,185</td>
<td>Not yet available</td>
<td>Not yet available</td>
</tr>
<tr>
<td>Renewable energy capacity added (in MWel)</td>
<td>0.61</td>
<td>0.64</td>
<td>0.61</td>
<td>Not yet available</td>
<td>Not yet available</td>
</tr>
<tr>
<td>Number of jobs created/preserved (in person years)</td>
<td>17</td>
<td>17</td>
<td>16</td>
<td>Not yet available</td>
<td>Not yet available</td>
</tr>
<tr>
<td>Annual savings in energy imports (in EUR)</td>
<td>46.5K</td>
<td>46.8K</td>
<td>44.3K</td>
<td>Not yet available</td>
<td>Not yet available</td>
</tr>
<tr>
<td>Annual savings in external costs (in EUR)</td>
<td>89.7K</td>
<td>86.4K</td>
<td>80.7K</td>
<td>Not yet available</td>
<td>Not yet available</td>
</tr>
</tbody>
</table>

### Energy Efficiency

**KfW loan programme “Energy-efficient Construction” (no. 153)**

<table>
<thead>
<tr>
<th>Impact data per €1m KfW loan amount</th>
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<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual GHG emissions reduced (in tons of CO₂e)</td>
<td>3.8</td>
<td>4.4</td>
<td>4.6</td>
<td>4.6</td>
<td>Not yet available</td>
</tr>
<tr>
<td>Annual final energy savings (in MWh)</td>
<td>12.5</td>
<td>11.9</td>
<td>10.9</td>
<td>9.6</td>
<td>Not yet available</td>
</tr>
<tr>
<td>Number of jobs created/preserved (in person years)</td>
<td>12</td>
<td>11</td>
<td>11</td>
<td>11</td>
<td>Not yet available</td>
</tr>
</tbody>
</table>

1Figures are based on numbers evaluated by external research institutions (ZSW or IWU) and own calculations. Data for projects outside Germany are not available. Assumption: Projects outside Germany deliver the same impact as projects located in Germany. The share of projects outside Germany in total project costs of Programme no. 270 between 2014 and 2018 varied from 20% to 50%. Actual and future impacts might be different.
2Issuance volume €14.5bn. Preliminary as the impact of the not yet evaluated years 2017 and 2018 is estimated based on prior year’s results. Therefore subject to adjustments.
3Based on data from the German Federal Ministry of Environment: and the German Federal Motor Transport Authority: 139gCO₂e/km; 14,015km/year.
4Based on an average power consumption of a German household of 3,207kWh per year.
5Based on an average power of 1.4 GW per nuclear power plant.
Green Bonds issuances
Overview, experience and reporting
Green Bonds – Made by KfW
Highlights of KfW’s footprint in the green bond market

High Quality
Aligned with GBP & Harmonized Framework for Reporting, SPO, external impact evaluation.

#1 in Germany
€19.2bn of „Green Bonds – Made by KfW“ since 2014 make KfW one of the largest issuers globally and by far the largest issuer in Germany.

Liquidity
Large sizes in benchmark maturities.

Contribution to SDGs

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

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”.

Vocal Advocate
As member (since 2015) of the Exec. Committee of the Green Bond Principles, KfW is highly committed to foster green bond market standards.

Global Engagement
Engaging in and supporting of int’l and national initiatives to promote sustainability in capital markets (e.g. PRI, TCFD, EU TechExpert-Group).

Currency Split of all KfW Green Bonds issued
- AUD: 4%
- SEK: 8%
- GBP: 7%
- USD: 26%
- EUR: 55%

Green Bond Investor
Since 2015 runs a dedicated green bond investment portfolio of €2bn (target) mandated by the Federal Ministry of Environment.
Green Bond issuances

Volume of green bonds issued by August 31, 2019: **EUR 19.5bn**

EUR equivalent; based on ECB reference rate on the pricing date
Investors in Green Bonds – Made by KfW
KfW set three goals with regard to its investor base

**New Investors**
KfW Green Bonds attract new investors since 2014, primarily asset managers, which did never invest before in KfW bonds in primary markets.

**Dedicated Green Investors**
KfW Green Bonds shall comply with strong requirements of dedicated green investors.

**Mainstream Investors**
KfW Green Bonds shall raise awareness of mainstream investors for sustainability and green finance.

**Investor Characteristics of 5yr experience of Green Bonds – Made by KfW**
Share of asset managers (incl. insurances/pension funds) in KfW Green Bonds much higher than in conventional KfW bonds:

- **39%**
- **24%**

Allocation of EUR/USD bonds 2014-2018

- **63%** European investors
- **13%** Americas investors
- **13%** Asia investors
- **3%** Australia investors

From discussions with investors and feedback from lead managers: dedicated green investors and SRI tend to be more buy-and-hold.
A comparison of green and conventional KfW Bonds

<table>
<thead>
<tr>
<th></th>
<th>Green Bonds – Made by KfW</th>
<th>Conventional KfW Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Issuer</strong></td>
<td>KfW</td>
<td></td>
</tr>
<tr>
<td><strong>Guarantor</strong></td>
<td>The Federal Republic of Germany</td>
<td></td>
</tr>
<tr>
<td><strong>Rating (1)</strong></td>
<td>Moody’s: Aaa</td>
<td>Scope Ratings: AAA</td>
</tr>
<tr>
<td></td>
<td>Standard &amp; Poor’s: AAA</td>
<td></td>
</tr>
<tr>
<td><strong>Risk weight</strong></td>
<td>0% according to CRR/Basel III</td>
<td></td>
</tr>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>General business, however, amount equal to net proceeds for climate friendly projects accord. to KfW Framework</td>
<td>General business</td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td>Allocation report &amp; Impact report</td>
<td>None</td>
</tr>
<tr>
<td><strong>Target investors</strong></td>
<td>Institutional investors, especially green or socially responsible investors (SRI)</td>
<td>Institutional investors</td>
</tr>
<tr>
<td><strong>Currency</strong></td>
<td>Flexible, primarily EUR, USD, GBP, AUD, SEK, JPY. Up to 20 currencies possible.</td>
<td></td>
</tr>
<tr>
<td><strong>Term</strong></td>
<td>Determined by typical maturity in relevant loan programmes, primarily 5 to 10 years</td>
<td>Flexible, primarily 2 to 15 year</td>
</tr>
<tr>
<td><strong>Repayment</strong></td>
<td>Bullet</td>
<td></td>
</tr>
</tbody>
</table>

Pricing Green vs. Conventional Bonds (EUR, April 2019)

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>-5</td>
</tr>
<tr>
<td>2023</td>
<td>-10</td>
</tr>
<tr>
<td>2025</td>
<td>-15</td>
</tr>
<tr>
<td>2028</td>
<td>-20</td>
</tr>
<tr>
<td>2031</td>
<td>-25</td>
</tr>
</tbody>
</table>

“Green Bonds – Made by KfW” achieve currently tighter spread levels in comparison with KfW’s conventional bonds for the corresponding maturity.

(1) 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.
<table>
<thead>
<tr>
<th>Year</th>
<th>Green Bonds</th>
<th>Use of proceeds</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>‒ 2 Green Bonds issued in EUR and USD</td>
<td>‒ Available for the full year ended December 2014</td>
<td>‒ Available for the full year ended December 2014; based on loan programme evaluation by ZSW</td>
</tr>
<tr>
<td></td>
<td>‒ Net proceeds from the issuances totalled EUR 2.7bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>‒ 5 Green Bonds issued in AUD, GBP, EUR, USD and SEK</td>
<td>‒ Available for the full year ended December 2015</td>
<td>‒ Available for the full year ended December 2015; based on loan programme evaluation by ZSW</td>
</tr>
<tr>
<td></td>
<td>‒ Net proceeds from the issuances totalled EUR 3.7bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>‒ 4 Green Bonds issued in SEK, EUR, GBP and USD</td>
<td>‒ Available for the full year ended December 2016</td>
<td>‒ Available for the full year ended December 2016; based on loan programme evaluation by ZSW</td>
</tr>
<tr>
<td></td>
<td>‒ Net proceeds from the issuances totalled EUR 2.8bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>‒ 7 Green Bonds issued in EUR, USD, GBP und AUD</td>
<td>‒ Available for the full year ended December 2017</td>
<td>‒ Will be disclosed once a third-party has evaluated the loan programme for 2017 and 2018</td>
</tr>
<tr>
<td></td>
<td>‒ Net proceeds from the issuances totalled EUR 3.7bn</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>‒ 3 Green Bonds and 1 <em>Schuldschein</em> issued in EUR and SEK</td>
<td>‒ Available for the full year ended December 2018</td>
<td>‒ Will be disclosed once a third-party has evaluated the loan programme for 2017 and 2018</td>
</tr>
<tr>
<td></td>
<td>‒ Net proceeds from the issuances totalled EUR 1.6bn</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2014: Reporting on the Use of Proceeds
For the full year ended December 31, 2014

KfW issued two green bonds in 2014 – in EUR and USD.

Net proceeds from the green bonds issued in 2014 amounted to EUR 2.7bn.

As of December 31, 2014, 100% from the green bond issuances in 2014 were allocated to KfW's programme "Renewable Energies - Standard".

80% of the requests for disbursements were for wind energy, 17% for solar energy and the remainder for biogas/-mass, hydropower and others.

75% of the financed projects were located in Germany. 22% were located in France, Sweden and the UK.

Green bonds account for 5% of KfW's total funding which totalled EUR 57.4bn.
2014: Reporting on the impact
Environmental and social impact for the full year 2014 based on external evaluation by ZSW

Impact of EUR 1 million investment in “Green Bonds – Made by KfW” issued 2014:

- 1,271 tons of GHG emission reductions (CO₂-equivalent) p.a.
- EUR 67,155 of savings on energy imports to Germany and fossil fuel costs p.a.
- 25 jobs created and/or saved (person years)
- EUR 129,606 of savings in external costs p.a. (e.g. by avoiding environmental and health damage)

<table>
<thead>
<tr>
<th>Commitments under KfW’s programme “Renewable Energies – Standard” in 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of loan commitments</td>
</tr>
<tr>
<td>Volume of loan commitments (EUR mn)</td>
</tr>
<tr>
<td>Thereof outside Germany (EUR mn)</td>
</tr>
<tr>
<td>Investments financed (EUR mn)</td>
</tr>
<tr>
<td>Thereof outside Germany (EUR mn)</td>
</tr>
<tr>
<td>Average loan volume per commitment (EUR)</td>
</tr>
<tr>
<td>Average investment financed per commitment (EUR)</td>
</tr>
<tr>
<td>Average share of financing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Installed electrical power supported in 2014</th>
<th>MW&lt;sub&gt;el&lt;/sub&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant type</td>
<td></td>
</tr>
<tr>
<td>Biogas</td>
<td>5.5</td>
</tr>
<tr>
<td>Solid biomass</td>
<td>0.1</td>
</tr>
<tr>
<td>Photovoltaic energy</td>
<td>570.3</td>
</tr>
<tr>
<td>Hydropower</td>
<td>11.0</td>
</tr>
<tr>
<td>Wind energy onshore</td>
<td>3,082.5</td>
</tr>
<tr>
<td>Total</td>
<td>3,669.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual electricity production</th>
<th>TWh</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.0</td>
</tr>
</tbody>
</table>

¹ Values are based on programme impacts in 2014 in Germany – with numbers evaluated by ZSW – and internal calculations; impact for projects outside Germany might be different.
For the full year ended December 31, 2015

2015: Reporting on the Use of Proceeds

Distribution of disbursements by renewable energy type (2015)
- Wind (90%)
- Solar (8%)
- Biogas/mass (<1%)
- Other (2%)

Geographical distribution of disbursements (2015)
- Germany (79%)
- France (12%)
- Finland (4%)
- Italy (2%)
- Other (3%)

Requests for Disbursements under KfW’s “Renewable Energies Programme – Standard” and green bond issue proceeds 2015
- Total 4.2bn EUR
- Green Bonds – Made by KfW
- Wind (90%)
- Solar (8%)
- Biogas/mass (<1%)
- Other (2%)

KfW issued five green bonds in 2015 – thereof three new currencies: AUD, GBP and SEK.

Net proceeds from the green bonds issued in 2015 amounted to EUR 3.7bn.

As of December 31, 2015, 100% from the green bond issuances in 2015 were allocated to KfW’s programme “Renewable Energies - Standard”.

With 98%, the majority of all requests for disbursements were related to projects for the use of wind energy (90%) and solar energy (8%).

- 79% of the financed projects were located in Germany. 21% were located in France, Finland, Italy, the UK, the Netherlands, Austria, Canada and Ireland.

Green bonds account for 6% of KfW’s total funding which totalled EUR 62.6bn.
## 2015: Reporting on the impact
Environmental and social impact for the full year 2015 based on external evaluation by ZSW

### Impact of EUR 1 million investment in “Green Bonds – Made by KfW” issued 2015:
- **859 tons** of GHG emission reductions (CO₂-equivalent) p.a.
- **EUR 46,759** of savings on energy imports to Germany and fossil fuel costs p.a.
- **16 jobs** created and/or saved (person years)
- **EUR 86,418** of savings in external costs p.a. (e.g. by avoiding environmental and health damage)

<table>
<thead>
<tr>
<th>Commitments under KfW’s programme “Renewable Energies – Standard” in 2015</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of loan commitments</td>
<td>2,887</td>
</tr>
<tr>
<td>Volume of loan commitments (EUR mn)</td>
<td>4,266</td>
</tr>
<tr>
<td>Thereof outside Germany (EUR mn)</td>
<td>1,088</td>
</tr>
<tr>
<td>Investments financed (EUR mn)</td>
<td>5,421</td>
</tr>
<tr>
<td>Thereof outside Germany (EUR mn)</td>
<td>1,336</td>
</tr>
<tr>
<td>Average loan volume per commitment (EUR)</td>
<td>1,477,781</td>
</tr>
<tr>
<td>Average investment financed per commitment (EUR)</td>
<td>1,877,657</td>
</tr>
<tr>
<td>Average share of financing</td>
<td>79%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Installed electrical power supported in 2015</th>
<th>MWₑl</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biogas</td>
<td>13.7</td>
</tr>
<tr>
<td>Solid biomass</td>
<td>0.5</td>
</tr>
<tr>
<td>Photovoltaic energy</td>
<td>560.6</td>
</tr>
<tr>
<td>Hydropower</td>
<td>8.3</td>
</tr>
<tr>
<td>Wind energy onshore</td>
<td>3,015.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,598.9</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual electricity production</th>
<th>TWh</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>6.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

---

1 Values are based on programme impacts in 2015 in Germany – with numbers evaluated by ZSW – and internal calculations; impact for projects outside Germany might be different. Calculated impact accounts for KfW’s financing share in Germany
For the full year ended December 31, 2016

2016: Reporting on the Use of Proceeds

For the full year ended December 31, 2016


- KfW issued four green bonds in 2016 – thereof three new bonds (SEK, EUR, USD) and one tap (GBP).
- Net proceeds from the green bonds issued in 2016 amounted to EUR 2.8bn.
- As of December 31, 2016, 100% from the green bond issuances in 2016 were allocated to KfW's programme "Renewable Energies - Standard".
- With 99%, the majority of all requests for disbursements were related to projects for the use of wind energy (86%) and solar energy (13%).
- 79% of the financed projects were located in Germany. 21% were located in France, Denmark, the United Kingdom, Finland, the Netherlands, Croatia, Japan, Ireland, Austria, and Canada.
- Green bonds account for 4% of KfW's total funding which totalled EUR 72.8bn.

Distribution of disbursements by renewable energy type (2016)

- wind (86%)
- solar (13%)
- other (1%)

Geographical distribution of disbursements (2016)

- Germany (79%)
- France (12%)
- Denmark (3%)
- UK (1%)
- Other (5%)
2016: Reporting on the Impact
Environmental and social impact for the full year 2016 based on external evaluation by ZWS

Impact of **EUR 1 million investment** in “Green Bonds – Made by KfW” issued 2016:

- **794 tons** of GHG emission reductions (CO$_2$-equivalent) p.a.
- **EUR 44,321** of savings on energy imports to Germany and fossil fuel costs p.a.
- **16 jobs** created and/or saved (person years)
- **EUR 80,721** of savings in external costs p.a. (e.g. by avoiding environmental and health damage)

### Commitments under KfW’s programme “Renewable Energies – Standard” in 2016

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of loan commitments</td>
<td>3,138</td>
</tr>
<tr>
<td>Volume of loan commitments (EUR mn)</td>
<td>4,516</td>
</tr>
<tr>
<td>Thereof outside Germany (EUR mn)</td>
<td>826</td>
</tr>
<tr>
<td>Investments financed (EUR mn)</td>
<td>5,670</td>
</tr>
<tr>
<td>Thereof outside Germany (EUR mn)</td>
<td>1,112</td>
</tr>
<tr>
<td>Average loan volume per commitment (EUR)</td>
<td>1,438,987</td>
</tr>
<tr>
<td>Average investment financed per commitment (EUR)</td>
<td>1,806,860</td>
</tr>
<tr>
<td>Average share of financing</td>
<td>80%</td>
</tr>
</tbody>
</table>

### Installed electrical power supported in 2016 (MW$_{el}$)

<table>
<thead>
<tr>
<th>Plant type</th>
<th>MW$_{el}$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biogas</td>
<td>0.9</td>
</tr>
<tr>
<td>Solid biomass</td>
<td>-</td>
</tr>
<tr>
<td>Photovoltaic energy</td>
<td>538.5</td>
</tr>
<tr>
<td>Hydropower</td>
<td>1.78</td>
</tr>
<tr>
<td>Wind energy onshore</td>
<td>3,015.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,556.4</strong></td>
</tr>
</tbody>
</table>

### Annual electricity production (TWh)

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>6.7</strong></td>
</tr>
</tbody>
</table>

---

1 Values are based on programme impacts in 2016 in Germany – with numbers evaluated by ZSW – and internal calculations; impact for projects outside Germany might be different. Calculated impact accounts for KfW’s financing share in Germany.
2017: Reporting on the Use of Proceeds
For the full year ended on December 31, 2017

Requests for disbursements under KfW's programme "Renewable Energies – Standard" and green bond issue proceeds 2017

- KfW issued four green bonds in 2017 – thereof four new bonds (EUR, USD) and three taps (GBP, AUD).
- Net proceeds from the green bonds issued in 2017 amounted to EUR 3.7bn.
- As of December 31, 2017, 100% from the green bond issuances in 2017 were allocated to KfW's programme "Renewable Energies - Standard".
- 98% of all requests for disbursements were related to projects for the use of wind energy (86%) and solar energy (12%). 73%, the projects financed were located in Germany. 27% of all requests for disbursements were related to projects located in France, Finland, Norway, Ireland, Denmark, Japan, the UK, Italy, Sweden, the Netherlands and Croatia.
- Green bonds account for 5% of KfW's total funding which totalled EUR 78.2bn.

Distribution of disbursements by renewable energy type (2017)
- Wind (86%)
- Solar (12%)
- Other (2%)

Geographical distribution of disbursements (2017)
- Germany (73%)
- France (13%)
- Finland (4%)
- Norway (3%)
- Other (7%)
For the full year ended on December 31, 2018

Requests for disbursements under KfW's programme "Renewable Energies – Standard" and green bond issue proceeds 2018

- KfW issued three green bonds in EUR and SEK and one green promissary note loan (Schuldschein) in EUR in 2018.

- Net proceeds from the green bonds issued in 2018 amounted to EUR 1.6bn.

- As of December 31, 2018, 100% from the green bond issuances in 2018 were allocated to KfW's programme "Renewable Energies - Standard".

- 99% of all requests for disbursements were related to projects for the use of wind energy (83%) and solar energy (16%). 47% of the projects financed were located in Germany. 26% of all requests for disbursements were related to projects located in France, 10% in Sweden, and the remainder in the Netherlands, Ireland, Denmark, Finland, Italy, Japan and the UK.

- Green bonds account for 2% of KfW's total funding which totalled EUR 76.1bn.

Distribution of disbursements by renewable energy type (2018)

- Wind (83%)
- Solar (16%)
- Other (1%)

Geographical distribution of disbursements (2018)

- Germany (47%)
- France (26%)
- Sweden (10%)
- The Netherlands (4%)
- Other (13%)
KfW at debt capital markets
KfW as an issuer of bonds and notes
Key financial figures of KfW Group (IFRS)
Solid business performance

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>1H 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotional business volume</td>
<td>76.5</td>
<td>75.5</td>
<td>33.6</td>
</tr>
<tr>
<td><strong>Income statement key figures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating result before valuation &amp; promotional activities</td>
<td>1,661</td>
<td>1,387</td>
<td>843</td>
</tr>
<tr>
<td>Consolidated profit</td>
<td>1,427</td>
<td>1,636</td>
<td>904</td>
</tr>
<tr>
<td>Consolidated profit before IFRS effects from hedging</td>
<td>1,192</td>
<td>1,311</td>
<td>805</td>
</tr>
<tr>
<td><strong>Balance sheet</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>472.3</td>
<td>485.8</td>
<td>519.1</td>
</tr>
<tr>
<td>Equity</td>
<td>28.7</td>
<td>30.3</td>
<td>30.9</td>
</tr>
<tr>
<td>Volume of business</td>
<td>572.2</td>
<td>590.7</td>
<td>618.4</td>
</tr>
<tr>
<td><strong>Key regulatory figures</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1 capital ratio</td>
<td>20.6%</td>
<td>20.1%</td>
<td>21.2%</td>
</tr>
<tr>
<td>Total capital ratio</td>
<td>20.6%</td>
<td>20.1%</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

(1) Since 2017 calculations based on the IRBA approach for a large part of the portfolio. For the remaining sub-portfolios KfW applies the CRSA approach until full IRBA approval.
Highlights in 2018 and 1H2019

In 2018, KfW Group achieved a total volume of EUR 75.5bn in its promotional activity (-1.3% vs 2017). While KfW’s international business increased significantly, this was offset by a substantial decrease in its domestic business sectors.

In light of the robust economic growth and good financing conditions for private and commercial investors, KfW scaled back its domestic promotion to EUR 46.0bn (2017: EUR 51.8bn). However, segments that provide impetus for the future were expanded, e.g. digitalisation and innovation. Also, there is great demand for the new Baukindergeld, a grant-based government-sponsored program launched in 09/2018, which helps families buy their own homes.

International business grew by 20% to EUR 28.3bn. It was marked by a 29% increase in commitments in export and project finance (EUR 17.7bn) driven by an increase in almost all sectors. The promotion of developing countries and emerging economies grew by 8% to EUR 10.6bn, of which 82% were accounted for by KfW Development Bank and 18% by DEG. Focus areas are Africa and the Middle East.

KfW Capital was founded in 08/2018 as a wholly owned subsidiary of KfW for the purpose of bundling its venture capital activities in one entity. Its business objective is to invest in German and European venture capital and venture debt funds with the aim to improve access to capital for innovative technology-oriented growth companies in Germany. While commitments in 2018 amounted to EUR 141m, KfW Capital aims to invest roughly EUR 2 billion within the next ten years.

In the Financial markets business sector KfW invested a total of around EUR 1.1bn in securitisation transactions to promote SMEs (2019e: EUR 1bn). In addition, KfW supported climate change mitigation and environmental protection by investing EUR 0.4bn in green bonds (2019e: EUR 0.3bn).

With a consolidated profit of EUR 1.6bn, KfW’s earnings position developed very well overall in 2018, significantly exceeding expectations. KfW expects a consolidated result 2019 before IFRS effects from hedging of approx. EUR 0.8bn, and therefore below its strategic target of EUR 1bn.

In 1H2019, KfW Group committed EUR 33.6bn (-7% yoy) with 64% resulting from domestic and 36% from int’l business. Decreasing domestic commitments were only partially offset by increasing int’l commitments. Profit evolved very well (EUR 904m, +10% yoy) primarily due to persistently low need for credit risk provisions. Total assets are up 7% to EUR 519bn vs year-end 2018 mainly because of an increase in liquidity held due to the high funding volume in 1H2019.
**Business performance**

**75.5 bn EUR**
Total promotional business volume 2018
- About 60% domestic and 40% international business.
- In 2018/19 shift towards int’l business.

![Bar chart showing total promotional business volume 2015 to 2019](chart1)

**486 bn EUR**
Total assets at end-2018
- Germany’s 3rd largest credit institution in terms of total assets.

![Bar chart showing total assets 2015 to 2019](chart2)

**1.6 bn EUR**
Consolidated profit 2018
- Better than expected, due to extremely low risk provisioning and positive valuation effects.

![Bar chart showing consolidated profit 2015 to 2019](chart3)

**Capital Ratio (Tier 1)**

<table>
<thead>
<tr>
<th>Year</th>
<th>preliminary IRBA</th>
<th>IRBA approval</th>
<th>CRSA</th>
<th>IRBA approved</th>
<th>BaFin minimum requirement</th>
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</thead>
<tbody>
<tr>
<td>2015</td>
<td>18.3</td>
<td>16.1</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2016</td>
<td>22.3</td>
<td>16.1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>20.6</td>
<td>16.1</td>
<td>20.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>21.2</td>
<td>16.1</td>
<td>21.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1H 2019</td>
<td></td>
<td>16.1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- BaFin approval as advanced IRBA institution since 6/2017.
- The increase of the Tier 1 capital ratio of KfW as of June 30, 2019, was mainly due to methodical adjustments of the evaluation procedure.
Basis of KfW’s funding

Explicit and direct guarantee from the Federal Republic of Germany

Guarantee established in 1998
Defined by law
Direct, explicit and unconditional

§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.
Wide selection of products addressing investor needs

KfW Benchmark Programmes
- Large and liquid bonds, diversified investor base
- Regular offerings and taps
- Size: 3–5bn (6bn incl. taps, euro only)
- 3, 5, 7 and 10y

Green Bonds – Made by KfW
- Diversified SRI investor base
- Focus: € and $
- Regular offerings and taps
- Private placements possible

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

Tailor-made Placements
- Customized products for investor needs
- Flexible in currency, structure and maturity
- Uridashi transactions

Wide selection of products addressing investor needs:
- € $ £ A$ SEK HK$ …
- € $ ¥ HK$ Mex$ CNY ZAR …
Strong presence in debt capital markets
Relying on debt capital markets KfW is one of the largest issuers of bonds and notes

### Funding volume (EUR in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>KfW Benchmark Programmes</th>
<th>Additional Public Bonds</th>
<th>Tailor-made Placements</th>
<th>Green Bonds – Made by KfW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>38.8</td>
<td>15.8</td>
<td>3.7</td>
<td>4.3</td>
</tr>
<tr>
<td>2016</td>
<td>49.8</td>
<td>49.8</td>
<td>15.8</td>
<td>4.3</td>
</tr>
<tr>
<td>2017</td>
<td>55.4</td>
<td>55.4</td>
<td>15.8</td>
<td>3.7</td>
</tr>
<tr>
<td>2018</td>
<td>55.4</td>
<td>55.4</td>
<td>15.8</td>
<td>17.0</td>
</tr>
</tbody>
</table>

### Capitalization (at end-1H2019)

- **Capital Markets**: 80%
- **Money Markets**: 6%
- **Other Liabilities**: 4%
- **Equity**: 10%
- **Total**: €502bn

Green Bonds - Made by KfW / September 2019
KfW’s funding by currencies and instruments

Benchmark bonds are key – core currencies euro and US dollar

**Highlight in 1H 2019**

- 7 benchmark bonds (plus 3 taps) issued in EUR (2x 5y, 3y, 10y) and USD (2y, 3y, 5y) accounting for **EUR 30.4bn** raised.
- 2 “Green Bonds – Made by KfW” issuances in EUR and SEK with an equivalent of EUR 3.6bn. The SEK 7bn issuance in 3yrs marks the largest SEK green bond at the time.
- Ongoing strong demand for large and liquid benchmark bonds: **62%** of total funding by June 2019.
- The challenging market environment led to a particularly flexible funding strategy.
- EUR remains by far #1 funding currency (approx. EUR 30.4bn, 57% of total funding). Decreasing share of USD funding as EUR funding levels are very competitive vs USD (after hedging into EUR). Strong investor demand for Sterling pushes the share of GBP as funding currency #3.
Strong presence in the capital markets with funding target of EUR 80 billion.

KfW’s outstanding access to the capital markets, including in USD, facilitates the issue of liquid bonds.

KfW relies on its proven strategy of diversification and therefore continues to offer a wide selection of products addressing investors’ needs.

EUR & USD remain key currencies in 2019 (2018: 88%).

The KfW Benchmark Programmes remain the most important funding source.

GBP, AUD and JPY are important for KfW’s funding mix.

Increasing commitment to green bonds.
Green Bond portfolio of KfW
KfW as an investor in green bonds
KfW is also an active investor in Green Bonds
Goals and eligible categories of KfW’s Green Bond Portfolio

<table>
<thead>
<tr>
<th>Motivation &amp; Goals</th>
<th>Eligible Categories</th>
</tr>
</thead>
<tbody>
<tr>
<td>KfW’s long-term goal is an active contribution to the global reduction of environmental pollution and climate change, through alternative funding of sustainable projects via the capital market.</td>
<td>- Renewable energy fund</td>
</tr>
<tr>
<td></td>
<td>- Energy efficiency projects</td>
</tr>
<tr>
<td></td>
<td>- Environmental friendly transportation</td>
</tr>
<tr>
<td></td>
<td>- Waste industry</td>
</tr>
<tr>
<td></td>
<td>- (Waste-) water-management</td>
</tr>
<tr>
<td></td>
<td>- Biodiversity measures</td>
</tr>
<tr>
<td></td>
<td>- Other refinancings with a positive impact on climate and environmental protection</td>
</tr>
<tr>
<td>The portfolio is backed by the Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMUB).</td>
<td></td>
</tr>
<tr>
<td>KfW actively supports the green bond market with the development of qualitative standards and an engagement process with market participants.</td>
<td></td>
</tr>
<tr>
<td>Since April 2015, KfW has been actively investing in Green Bonds on a global scale.</td>
<td></td>
</tr>
</tbody>
</table>

Target volume €2bn
KfW has strict criteria on its green bond investments
Minimum criteria & key portfolio figures of KfW’s Green Bond Portfolio

Minimum Criteria

Management of proceeds
Transparent process of funds allocated and a competent project selection.

Project description
A clear description of the projects refinanced (including goals and projected impact).

Reporting
A frequent public reporting as well as an independent second party opinion.

Key Portfolio Figures

KfW will invest in various fixed income securities
- Sovereigns and regions
- Supranationals, agencies and other state-owned or partially state-owned institutions
- Financials
- Corporates
- Covered bonds and „Pfandbriefe“
- ABS (senior tranches only)

An investment-grade rating is mandatory.

Currencies: primarily EUR and USD, but various other European currencies possible.
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